

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
TOWN OF BRISTOL
ELKHART COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
09/28/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary J. Ryman	01-01-00 to 01-01-07
President of the Town Council	Thomas A. Stutsman	01-01-03 to 12-31-06
Town Manager	Bill Wuthrich	01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BRISTOL, ELKHART COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Bristol (Town), for the period of January 1, 2003 to December 31, 2005. The Town's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 14, 2006

TOWN OF BRISTOL
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 300,490	\$ 612,137	\$ 903,263	\$ 9,364
Motor Vehicle Highway	39,004	155,832	115,698	79,138
Local Road and Street	39,409	15,933	-	55,342
Park and Recreation	64,741	46,355	67,859	43,237
Law Enforcement Continuing Education	9,666	1,962	336	11,292
Cemetery	28,189	43,155	48,634	22,710
Raber Golf Course	296,424	34,200	-	330,624
Police Reserves	12,328	24,576	25,982	10,922
Police Vest Grant	-	1,581	1,581	-
Criminal Justice Institute Grant	(196)	196	-	-
Cumulative Capital Improvement	178,161	4,996	100,000	83,157
Cumulative Capital Development	258,617	43,779	188,454	113,942
Cumulative Fire Fighting and Police Equipment	34,853	13,580	31,477	16,956
County Economic Development Income Tax	442,145	78,980	48,100	473,025
Park Nonreverting Capital	64,912	9,000	-	73,912
Police Nonreverting Equipment	14,699	8,529	1,603	21,625
Raber Golf Course Cumulative Capital Improvement	32,851	3,800	-	36,651
Proprietary Funds:				
Water Utility - Operating	172,572	255,356	215,505	212,423
Water Utility - Bond and Interest	492	78,252	75,880	2,864
Water Utility - Depreciation	314,752	6,325	6,325	314,752
Water Utility - Customer Deposit	4,840	460	260	5,040
Wastewater Utility - Operating	492,756	535,993	410,446	618,303
Wastewater Utility - Bond and Interest	677	210,584	188,759	22,502
Wastewater Utility - Depreciation	222,426	119	-	222,545
Wastewater Utility - Improvement	152,119	-	-	152,119
Fiduciary Fund:				
Payroll	70	593,921	593,783	208
Totals	<u>\$ 3,176,997</u>	<u>\$ 2,779,601</u>	<u>\$ 3,023,945</u>	<u>\$ 2,932,653</u>

The accompanying notes are an integral part of the schedules.

TOWN OF BRISTOL
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005
(Continued)

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 9,364	\$ 1,050,781	\$ 876,898	\$ 183,247
Motor Vehicle Highway	79,138	310,183	192,153	197,168
Local Road and Street	55,342	16,423	40,000	31,765
Park and Recreation	43,237	83,486	54,000	72,723
Law Enforcement Continuing Education	11,292	1,901	3,663	9,530
Cemetery	22,710	67,563	51,622	38,651
Raber Golf Course	330,624	34,200	-	364,824
Rainy Day	-	9,501	-	9,501
Police Reserves	10,922	17,612	21,838	6,696
Criminal Justice Institute Grant	-	300	-	300
Local Co-Ord County Grant	-	10,708	10,216	492
Cumulative Capital Improvement	83,157	5,157	-	88,314
Cumulative Capital Development	113,942	85,319	-	199,261
Cumulative Building and Fire Fighting Equipment	16,956	28,927	21,018	24,865
County Economic Development Income Tax	473,025	83,578	-	556,603
Park Nonreverting Capital	73,912	9,000	-	82,912
Police Nonreverting Equipment	21,625	6,746	17,890	10,481
Raber Golf Course Cumulative Capital Improvement	36,651	3,800	770	39,681
Proprietary Funds:				
Water Utility - Operating	212,423	215,342	214,285	213,480
Water Utility - Bond and Interest	2,864	74,555	74,525	2,894
Water Utility - Depreciation	314,752	3,716	-	318,468
Water Utility - Customer Deposit	5,040	1,040	560	5,520
Wastewater Utility - Operating	618,303	491,811	349,613	760,501
Wastewater Utility - Bond and Interest	22,502	190,640	190,368	22,774
Wastewater Utility - Depreciation	222,545	2,630	-	225,175
Wastewater Utility - Improvement	152,119	1,799	-	153,918
Fiduciary Fund:				
Payroll	208	602,280	602,272	216
Totals	<u>\$ 2,932,653</u>	<u>\$ 3,408,998</u>	<u>\$ 2,721,691</u>	<u>\$ 3,619,960</u>

The accompanying notes are an integral part of the schedules.

TOWN OF BRISTOL
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 183,247	\$ 1,003,007	\$ 922,869	\$ 263,385
Motor Vehicle Highway	197,168	178,233	168,278	207,123
Local Road and Street	31,765	16,679	40,000	8,444
Park and Recreation	72,723	56,583	78,911	50,395
Law Enforcement Continuing Education	9,530	1,991	697	10,824
Cemetery	38,651	50,070	65,720	23,001
Raber Golf Course	364,824	36,000	20,947	379,877
Rainy Day	9,501	-	-	9,501
Police Reserves	6,696	33,251	32,006	7,941
Criminal Justice Institute Grant	300	1,200	1,585	(85)
Local Co-Ord County Grant	492	15,788	16,280	-
Tobacco Education Grant - Elkhart County	-	3,321	3,321	-
Cumulative Capital Improvement	88,314	4,272	-	92,586
Cumulative Capital Development	199,261	62,602	4,045	257,818
Cumulative Building and Fire Fighting Equipment	24,865	21,455	9,313	37,007
County Economic Development Income Tax	556,603	78,693	-	635,296
Park Nonreverting Capital	82,912	9,000	25,716	66,196
Police Nonreverting Equipment	10,481	1,768	5,822	6,427
Raber Golf Course Cumulative Capital Improvement	39,681	4,000	-	43,681
Proprietary Funds:				
Water Utility - Operating	213,480	223,149	279,142	157,487
Water Utility - Bond and Interest	2,894	78,153	78,145	2,902
Water Utility - Depreciation	318,468	-	-	318,468
Water Utility - Customer Deposit	5,520	1,360	250	6,630
Wastewater Utility - Operating	760,501	461,357	416,651	805,207
Wastewater Utility - Bond and Interest	22,774	191,688	191,688	22,774
Wastewater Utility - Depreciation	225,175	-	-	225,175
Wastewater Utility - Improvement	153,918	-	132,204	21,714
Fiduciary Fund:				
Payroll	216	593,863	593,169	910
Totals	<u>\$ 3,619,960</u>	<u>\$ 3,127,483</u>	<u>\$ 3,086,759</u>	<u>\$ 3,660,684</u>

The accompanying notes are an integral part of the schedules.

TOWN OF BRISTOL
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Town policy provides for the accumulation of interest on fund investments. At December 31, 2004, the Town has accumulated \$41,354 of investment income that has not been recorded on the Town records and at December 31, 2005, the Town has accumulated \$100,970 of investment income that has not been recorded on the Town records. This investment income is in various Utility funds.

TOWN OF BRISTOL
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into revenue bonds for the construction and improvement of Utility facilities. The revenue bonds issued and outstanding principal at December 31, 2005, was \$2,890,000.

TOWN OF BRISTOL
EXAMINATION RESULTS AND COMMENTS

INTEREST ON CERTIFICATES OF DEPOSIT

A certificate of deposit was purchased on April 16, 2004 in the amount of \$1,537,581.42 from various Water and Wastewater Utility funds of the Town. Interest earned on this certificate, \$41,353.86 in 2004 and \$59,616.29 in 2005, has not been recorded on the records of the Town. On April 10, 2006, new certificate of deposits were purchased which included the accumulated interest from 2004 and 2005 and an additional \$18,290 of accumulated interest for 2006 through April 9, 2006.

Interest on investments should not be added automatically to the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A certificate of deposit may be renewed for an additional term if authorized by the governing board, without the original certificate of deposit being paid by the depository and a warrant being issued for the purchase of a new certificate of deposit. However, if renewed, the interest due the political subdivision shall be paid to the treasurer at each maturity date, so the records will reflect the true financial condition and the amount invested at all times. The interest shall not be added to the original deposit and reinvested by the depository. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The Town identifies fixed asset additions and deletions for its annual CTAR-1 Report, but not all additions and deletions reported on the annual CTAR-1 report are recorded on the General Fixed Asset Account Group, Form 211. The Town Fixed Asset Record, Form 211, does not accurately report the Town's fixed assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BRISTOL
EXIT CONFERENCE

The contents of this report were discussed on August 15, 2006, with Mary J. Ryman, Clerk-Treasurer. The official concurred with our findings.