



**TRURO TOWNSHIP
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

TRURO TOWNSHIP
FRANKLIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Truro Township
Franklin County
6900 East Main Street
Reynoldsburg, Ohio 43068

To the Board of Trustees:

We have audited the accompanying financial statements of Truro Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

April 28, 2000

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$84,274	\$2,636,576	\$0	\$2,720,850
Intergovernmental	96,393	359,916	14,339	470,648
Licenses, Permits, and Fees	0	6,856	0	6,856
Earnings on Investments	66,772	569	0	67,341
Other Revenue	595	10,239	0	10,834
	<u>248,034</u>	<u>3,014,156</u>	<u>14,339</u>	<u>3,276,529</u>
Total Cash Receipts				
	<u>248,034</u>	<u>3,014,156</u>	<u>14,339</u>	<u>3,276,529</u>
Cash Disbursements:				
Current:				
General Government	146,397	0	0	146,397
Public Safety	0	2,655,763	0	2,655,763
Public Works	8,279	38,168	0	46,447
Health	9,043	41,550	0	50,593
Supplies and Materials	0	6,582	0	6,582
Miscellaneous	0	6,861	0	6,861
Capital Outlay	40,040	43,386	14,339	97,765
	<u>203,759</u>	<u>2,792,310</u>	<u>14,339</u>	<u>3,010,408</u>
Total Cash Disbursements				
	<u>203,759</u>	<u>2,792,310</u>	<u>14,339</u>	<u>3,010,408</u>
Total Receipts Over/(Under) Disbursements	<u>44,275</u>	<u>221,846</u>	<u>0</u>	<u>266,121</u>
Other Financing Receipts/(Disbursements):				
Other Sources	1,856	2,400	0	4,256
	<u>1,856</u>	<u>2,400</u>	<u>0</u>	<u>4,256</u>
Total Other Financing Receipts/(Disbursements)				
	<u>1,856</u>	<u>2,400</u>	<u>0</u>	<u>4,256</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	46,131	224,246	0	270,377
Fund Cash Balances, January 1	196,453	1,183,150	(4,786)	1,374,817
Fund Cash Balances, December 31	<u>\$242,584</u>	<u>\$1,407,396</u>	<u>(\$4,786)</u>	<u>\$1,645,194</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$7,000</u>	<u>\$0</u>	<u>\$7,000</u>

The notes to the financial statements are an integral part of this statement.

TRURO TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Total Operating Cash Receipts	<u>\$0</u>
Operating Cash Disbursements:	
Total Operating Cash Disbursements	<u>0</u>
Net Receipts Over/(Under) Disbursements	0
Fund Cash Balances, January 1	<u>65,000</u>
Fund Cash Balances, December 31	<u>\$65,000</u>

The notes to the financial statements are an integral part of this statement.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$69,978	\$2,647,433	\$0	\$2,717,411
Intergovernmental	87,932	352,968	122,875	563,775
Licenses, Permits, and Fees	0	7,042	0	7,042
Earnings on Investments	59,714	1,428	0	61,142
Other Revenue	1,209	74,025	0	75,234
	<u>218,833</u>	<u>3,082,896</u>	<u>122,875</u>	<u>3,424,604</u>
Total Cash Receipts				
	<u>218,833</u>	<u>3,082,896</u>	<u>122,875</u>	<u>3,424,604</u>
Cash Disbursements:				
Current:				
General Government	153,444	0	0	153,444
Public Safety	0	2,614,121	0	2,614,121
Public Works	6,100	38,627	4,786	49,513
Health	3,372	41,420	0	44,792
Supplies and Materials	0	1,462	0	1,462
Miscellaneous	0	4,154	0	4,154
Capital Outlay	22,199	222,524	122,875	367,598
	<u>185,115</u>	<u>2,922,308</u>	<u>127,661</u>	<u>3,235,084</u>
Total Cash Disbursements				
	<u>185,115</u>	<u>2,922,308</u>	<u>127,661</u>	<u>3,235,084</u>
Total Receipts Over/(Under) Disbursements	<u>33,718</u>	<u>160,588</u>	<u>(4,786)</u>	<u>189,520</u>
Other Financing Receipts/(Disbursements):				
Other Sources	67,076	4,000	0	71,076
	<u>67,076</u>	<u>4,000</u>	<u>0</u>	<u>71,076</u>
Total Other Financing Receipts/(Disbursements)				
	<u>67,076</u>	<u>4,000</u>	<u>0</u>	<u>71,076</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	100,794	164,588	(4,786)	260,596
Fund Cash Balances, January 1	95,659	1,018,562	0	1,114,221
	<u>95,659</u>	<u>1,018,562</u>	<u>0</u>	<u>1,114,221</u>
Fund Cash Balances, December 31	<u>\$196,453</u>	<u>\$1,183,150</u>	<u>(\$4,786)</u>	<u>\$1,374,817</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$7,000</u>	<u>\$0</u>	<u>\$7,000</u>

The notes to the financial statements are an integral part of this statement.

TRURO TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Total Operating Cash Receipts	<u>\$0</u>
Operating Cash Disbursements:	
Total Operating Cash Disbursements	<u>0</u>
Net Receipts Over/(Under) Disbursements	0
Fund Cash Balances, January 1	<u>65,000</u>
Fund Cash Balances, December 31	<u>\$65,000</u>

The notes to the financial statements are an integral part of this statement.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Truro Township, Franklin County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit, and U.S. Treasury Notes are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

Fire District Fund - This fund receives property tax revenue and other intergovernmental revenue for maintaining and operating the Township fire department.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Public Works Project Fund - The Township received a grant from the State of Ohio to resurface roads in the Township. (Fleet & Upton Road Project)

4. Fiduciary Funds (Non-expendable Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the principal of the trust, the fund is classified as a non-expendable trust fund. The Township had the following significant fiduciary fund:

Silent Home Cemetery Bequest - Interest earnings from this bequest are posted to the Township cemetery fund to be used for cemetery upkeep.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds except the non-expendable trust fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$62,373</u>	<u>\$62,457</u>
Total deposits	<u>62,372</u>	<u>62,457</u>
STAR Ohio	1,034,385	0
Treasury Note	65,000	65,000
Repurchase Agreements	<u>548,436</u>	<u>1,312,360</u>
Total investments	<u>1,647,821</u>	<u>1,377,360</u>
Total deposits and investments	<u><u>\$1,710,194</u></u>	<u><u>\$1,439,817</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities. Repurchase agreements are held at Bank One.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$201,302	\$249,890	\$48,588
Special Revenue	2,997,694	3,016,556	18,862
Capital Projects	0	14,339	14,399
Non-Expendable Trust	<u>4,000</u>	<u>0</u>	<u>(4,000)</u>
Total	<u><u>\$3,202,996</u></u>	<u><u>\$3,280,785</u></u>	<u><u>\$77,789</u></u>

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$264,056	\$203,759	\$60,297
Special Revenue	3,507,081	2,799,310	707,771
Capital Projects	0	14,339	(14,339)
Non-expendable Trust	4,000	0	4,000
Total	<u>\$3,775,137</u>	<u>\$3,017,408</u>	<u>\$757,729</u>

1998 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$195,526	\$285,909	\$90,383
Special Revenue	2,990,940	3,086,896	95,956
Capital Projects	187,790	122,875	(64,915)
Total	<u>\$3,374,256</u>	<u>\$3,495,680</u>	<u>\$121,424</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$264,456	\$185,115	\$79,341
Special Revenue	3,471,051	2,929,308	541,743
Capital Projects	187,790	127,661	60,129
Total	<u>\$3,923,297</u>	<u>\$3,242,084</u>	<u>\$681,213</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, the Township contributed the fire fighters' 10.0% and the employer's 24.0% to the PFDPF. PERS members (trustees and Clerk) contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township contributed the 8.5% employee's share and the 13.55% employer's share for the Administrator and Road and Cemetery Supervisor. The Township has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Truro Township
Franklin County
6900 East Main Street
Reynoldsburg, Ohio 43068

To the Board of Trustees:

We have audited the accompanying financial statements of Truro Township, Franklin County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated April 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 28, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 28, 2000.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

April 28, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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TRURO TOWNSHIP

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 27, 2000**