



**Auditor of State
Betty Montgomery**

TRURO TOWNSHIP
FRANKLIN COUNTY

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**Auditor of State
Betty Montgomery**

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

September 5, 2006

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, 2005 and December 31, 2004. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2005 and December 31, 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Truro Township, Franklin County, Ohio, as of December 31, 2005 and December 31, 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2005 and December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2006, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

September 5, 2006

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non- Expendable Trust	
Cash Receipts:						
Local Taxes	\$107,416	\$4,417,755	\$0	\$0	\$0	\$4,525,171
Intergovernmental	80,105	596,778	0	0	0	676,883
Licenses, Permits, and Fees	0	7,579	0	0	0	7,579
Earnings on Investments	107,175	9,319	208,351	47,724	2,693	375,262
Other Revenue	415	28,951	0	0	0	29,366
Total Cash Receipts	295,111	5,060,382	208,351	47,724	2,693	5,614,261
Cash Disbursements:						
Current:						
General Government	213,990	2,000	0	0	0	215,990
Public Safety	0	4,018,338	0	0	0	4,018,338
Public Works	8,776	52,306	0	978,210	0	1,039,292
Health	6,457	73,769	0	0	0	80,226
Contract Services	0	460	0	0	0	460
Supplies and Materials	0	1,500	0	0	1,400	2,900
Miscellaneous	0	20,329	0	0	0	20,329
Debt Service:						
Interest and Fiscal Charges	0	0	81,535	138,619	0	220,154
Capital Outlay	2,000	309,923	0	0	0	311,923
Total Cash Disbursements	231,223	4,478,625	81,535	1,116,829	1,400	5,909,612
Total Receipts Over/(Under) Disbursements	63,888	581,757	126,816	(1,069,105)	1,293	(295,351)
Other Financing Receipts:						
Proceeds from Certificate of Participation	0	0	0	3,345,000	0	3,345,000
Other Sources	35	600	0	0	0	635
Total Other Financing Receipts	35	600	0	3,345,000	0	3,345,635
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	63,923	582,357	126,816	2,275,895	1,293	3,050,284
Fund Cash Balances, January 1	251,624	2,752,420	0	0	69,508	3,073,552
Fund Cash Balances, December 31	\$315,547	\$3,334,777	\$126,816	\$2,275,895	\$70,801	\$6,123,836

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 AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Non- Expendable Trust	
Cash Receipts:					
Local Taxes	\$101,306	\$4,174,057	\$0	\$0	\$4,275,363
Intergovernmental	80,315	563,566	126,236	0	770,117
Licenses, Permits, and Fees	0	9,965	0	0	9,965
Earnings on Investments	26,151	2,397	0	1,836	30,384
Other Revenue	2,195	216,952	0	0	219,147
Total Cash Receipts	209,967	4,966,937	126,236	1,836	5,304,976
Cash Disbursements:					
Current:					
General Government	191,526	0	0	0	191,526
Public Safety	0	3,672,508	0	0	3,672,508
Public Works	8,788	59,365	126,236	0	194,389
Health	4,109	61,727	0	0	65,836
Contract Services	0	391	0	0	391
Supplies and Materials	0	1,392	0	885	2,277
Miscellaneous	0	31,022	0	0	31,022
Capital Outlay	0	158,489	0	0	158,489
Total Cash Disbursements	204,423	3,984,894	126,236	885	4,316,438
Total Receipts Over Disbursements	5,544	982,043	0	951	988,538
Other Financing Receipts and (Disbursements):					
Transfers-In	0	5,668	0	0	5,668
Transfers-Out	(5,668)	0	0	0	(5,668)
Other Sources	0	6,900	0	0	6,900
Total Other Financing Receipts/(Disbursements)	(5,668)	12,568	0	0	6,900
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(124)	994,611	0	951	995,438
Fund Cash Balances, January 1	251,748	1,757,809	0	68,557	2,078,114
Fund Cash Balances, December 31	\$251,624	\$2,752,420	\$0	\$69,508	\$3,073,552

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

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Truro Township, Franklin County, Ohio, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values corporate bonds at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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:

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

3. Debt Service Fund

This fund accounts for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Fund:

Bond Retirement Fund - This fund receives monies to pay on the lease purchase agreement to construct a new fire house.

4. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The Township had the following significant Capital Project Fund:

Public Works Commission Project Fund - The Township received intergovernmental revenues from the Ohio Public Works Commission and proceeds from a certificate of participation for the construction of a new fire house.

5. Fiduciary Fund (Non-Expendable Trust)

This fund is used to account for resources restricted by legally binding trust agreements. The Township had the following significant Fiduciary Fund:

Silent Home Cemetery Bequest Fund - Interest earnings from this bequest are used for the maintenance of the Township's cemetery.

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 or 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool all funds use 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:

	2005	2004
Demand deposits	\$3,197,978	\$123,348
Total deposits	3,197,978	123,348
Federal Securities	2,569,895	0
STAR Ohio	778	2,639,025
Repurchase Agreement	290,185	246,179
Corporate Bonds	65,000	65,000
Total investments	2,925,858	2,950,204
Total deposits and investments	\$6,123,836	\$3,073,552

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Township or collateralized by the financial institution's public entity deposit pool.

Investments: The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

A financial institution's trust department holds the Township's corporate bonds and federal securities in book entry form in the Township's name.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$211,571	\$295,146	\$83,575
Special Revenue	5,083,431	5,060,982	(22,449)
Debt Service	81,536	208,351	126,815
Capital Projects	3,293,750	3,392,724	98,974
Non-Expandable Trust	2,541	2,693	152
Total	\$8,672,829	\$8,959,896	\$287,067

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$390,345	\$231,223	\$159,122
Special Revenue	6,460,981	4,478,625	1,982,356
Debt Service	81,536	81,535	1
Capital Projects	3,293,750	1,116,829	2,176,921
Non-Expandable Trust	1,400	1,400	0
Total	\$10,228,012	\$5,909,612	\$4,318,400

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$216,000	\$209,967	(\$6,033)
Special Revenue	4,940,792	4,979,505	38,713
Capital Projects	126,236	126,236	0
Non-Expandable Trust	804	1,836	1,032
Total	\$5,283,832	\$5,317,544	\$33,712

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$371,976	\$210,091	\$161,885
Special Revenue	6,456,969	3,984,894	2,472,075
Capital Projects	126,236	126,236	0
Non-Expandable Trust	3,500	885	2,615
Total	\$6,958,681	\$4,322,106	\$2,636,575

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

4. PROPERTY TAX

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

Public utilities are also taxed on personal and real property located within the Township.

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.

5. LEASE PURCHASE AGREEMENT

The Board of Trustees declared its intent to construct and equip a new fire house for the Township. Ohio Revised Code 505.267 (and expanded by 505.37) allows townships to enter into lease purchase agreements with respect to fire and police protection. To fund the fire house construction, the Township went through Ohio Township Association Leasing, LLC (OTAL). OTAL issued \$3,345,000 in Certificates of Participation in May 2005. The Certificates are not debt of the Township. Under the terms of the lease, the Township will lease the project from OTAL for an annual payment equal to the principal payment due on OTAL's Certificates debt schedule. The Township will also make semi-annual payments equal to the interest payments on OTAL's Certificates debt schedule. The payments are subject to annual appropriation by the Township. The debt schedule is for 30 years ending on December 31, 2035. At the conclusion of the 30 year Renewable Lease Purchase Agreement, the Township obtains ownership of the fire house, the grounds, and any facility equipment.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

5. LEASE PURCHASE AGREEMENT (Continued)

The lease payments, including interest, are scheduled as follows:

	Principal due on 12-1	Interest due on 6-1	Yearly Total
2006	\$62,000	\$139,776	\$201,776
2007	64,000	137,915	201,915
2008	65,000	135,996	200,996
2009	67,000	133,948	200,948
2010	70,000	131,837	201,837
2011-2015	386,000	621,655	1,007,655
2016-2020	465,000	542,503	1,007,503
2021-2025	571,000	436,149	1,007,149
2026-2030	711,000	297,675	1,008,675
2031-2035	884,000	122,805	1,006,805
Total	\$3,345,000	\$2,700,259	\$6,045,259

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, members of OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of their wages to OP&F. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2005.

7. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

7. RISK MANAGEMENT (Continued)

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

7. RISK MANAGEMENT (Continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004.

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$30,485,638	\$28,132,620
Liabilities	(12,344,576)	(11,086,379)
Retained earnings	<u>\$18,141,062</u>	<u>\$17,046,241</u>

<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$9,177,796	\$7,588,343
Liabilities	(1,406,031)	(543,176)
Retained earnings	<u>\$7,771,765</u>	<u>\$7,045,167</u>

The Casualty Coverage assets and retained earnings above include approximately \$11.6 million and \$10.3 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2005 and 2004, respectively. OTARMA will collect these amounts in future annual premium billings when OTARMA's related liabilities are due for payment. The Township's share of these unpaid claims is approximately \$60,912.

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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 financial statements of Truro Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2005 and December 31, 2004, and have issued our report thereon dated September 5, 2006, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated September 5, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Township's management dated September 5, 2006, we reported other matters related to noncompliance we deemed immaterial.

Truro Township
Franklin County
Independent Accountants' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 5, 2006

**TRURO TOWNSHIP
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004**

FINDING NUMBER 2005-001

Fiscal Officer Salary - Finding for Recovery – Repaid under Audit

Ohio Rev. Code Section 507.09 sets the 2004 salary for township clerks in townships with a budget between \$6,000,000.01 and \$10,000,000, as follows: for clerks whose terms were 4-1-00 to 3-31-04 and then started a new term of 4-1-04 to 3-31-08, the clerk is due \$5,017.00 for 1-1-04 to 3-31-04 and \$16,565.25 to 4-1-04 to 12-31-04, for a total amount due of \$21,282.25.

The Fiscal Officer incorrectly calculated compensation for 2004 based on percentage increases over 2003.

In 2004, the Fiscal Officer, Nancy Jo Hughes-Shroyer, was compensated a total of \$22,086.96 resulting in an overpayment of \$504.71.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended would have been issued against Nancy Jo Hugh-Shroyer, Township Fiscal Officer, and the Ohio Township Association Risk Management Authority, her bonding company, in the amount of \$504.71 in favor of the Township's General Fund. On September 27, 2006, \$504.71 was repaid and posted to the Township's General Fund.

Officials Response:

The Fiscal Officer based the salary amount from an Ohio Township Association publication. She did not know part of the year's salary for 2004 should have been at 2003 rates. She feels that the State Auditor should send a notice of salary amounts to Townships.



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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
DECEMBER 28, 2006**