

**HOMER TOWNSHIP
MORGAN COUNTY**

AUDIT REPORT

JANUARY 1, 2014 - DECEMBER 31, 2015



Dave Yost • Auditor of State

Township Trustees
Homer Township
8333 Bishopville Road
Glouster, Ohio 45732

We have reviewed the *Independent Auditors' Report* of Homer Township, Morgan County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Ohio Rev. Code § 5705.10(D) requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. Ohio Rev. Code § 5705.10(I) states that money paid into a fund must be used for the purposes for which such fund has been established.

During 2013 and 2012, the Fiscal Officer incorrectly posted rollback and homestead monies to the General Fund in the amount of \$5,066 and the Gasoline Tax Fund in the amount of \$4,312, instead of to the Road and Bridge Fund, Special Revenue Fund type, in the amount of \$6,041, Fire Protection Levy Fund, Special Revenue Fund type, in the amount of \$3,020, and the Motor Vehicle License Tax Fund, Special Revenue Fund type, in the amount of \$317.

During 2014, the Fiscal Officer incorrectly posted rollback and homestead monies to the General Fund in the amount of \$4,605, instead of to the Road and Bridge Fund, Special Revenue Fund type, in the amount of \$3,227 and Fire Protection Levy Fund, Special Revenue Fund type, in the amount of \$1,378.

Additionally, during our testing in 2013 and 2012, we noted the Township paid some invoices from incorrect funds. The General Fund disbursements should have been increased by \$3,551, the Road and Bridge Fund, Special Revenue Fund type, disbursements should have been increased by \$5,821, and the disbursements of the Fire Protection Levy Fund, Special Revenue Fund type, should have been decreased by \$5,821 and the Gasoline Tax Fund, Special Revenue Fund type, disbursements should have been decreased by \$3,551.

Township Trustees
Homer Township
8333 Bishopville Road
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Further, Ohio Rev. Code § 505.24(D) sets forth the method by which township trustees' compensation should be allocated. During 2013 and 2012, our review of the timesheets for the Board of Trustees indicated that the Gasoline Tax Fund, Special Revenue Fund type, was overcharged by \$1,358 and the General Fund was undercharged in the amount of \$1,358.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the Homer Township, Morgan County General Fund in the amount of \$14,580, and in favor of the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$597, Road and Bridge Fund, Special Revenue Fund type, in the amount of \$3,447, Motor Vehicle License Tax Fund, Special Revenue Fund type, in the amount of \$317 and the Fire Protection Levy Fund, Special Revenue Fund type, in the amount of \$10,219. The Township has not posted these adjustments to the Township records and, therefore, these adjustments are not reflected in the accompanying financial statements.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Homer Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

December 14, 2016

**HOMER TOWNSHIP
MORGAN COUNTY
JANUARY 1, 2014 - DECEMBER 31, 2015**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Homer Township
Morgan County
8333 Bishopville Road
Glouster, Ohio 45732

To the Township Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of the Homer Township, Morgan County, as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility For the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Homer Township, Morgan County as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

Basis for Adverse Opinion on Regulatory Basis of Accounting

During 2012, the Fiscal Officer improperly posted rollback and homestead reimbursements entirely to the General Fund instead of allocating to the appropriate Special Revenue Funds in the amount of \$4,291, and expenditures were paid from incorrect funds that resulted in the General Fund being undercharged and Special Revenue Funds being overcharged in the amount of \$1,240. The cumulative effect of these adjustments would decrease the General Fund cash balance by \$5,531 and increase the Special Revenue fund type cash balance by \$5,531. The Township has declined to make those adjustments.

During 2013, the Fiscal Officer improperly posted rollback and homestead reimbursements entirely to the General Fund instead of allocating to the appropriate Special Revenue Funds, in the amount of \$775; Trustee payroll charges were not allocated according to payroll documentation, the General Fund was undercharged and the Special Revenue Fund was overcharged, in the amount of \$1,358; and expenditures were paid from incorrect funds resulting in the General Fund being undercharged and Special Revenue Funds being overcharged in the amount of \$2,311. The effect of the unposted 2012 adjustments, in the amount of \$5,531 and the unposted 2013 adjustments, in the amount of \$4,444, would have the cumulative effect of decreasing the 2013 General Fund cash balance by \$9,975 and increasing the Special Revenue Fund cash balance by \$9,975. The Township has declined to make these adjustments.

During 2014, the Fiscal Officer improperly posted rollback and homestead reimbursements entirely to the General Fund instead of allocating to the appropriate Special Revenue Funds, in the amount of \$4,632. The effect of the unposted 2012 adjustments, in the amount of \$5,531, the unposted 2013 adjustments, in the amount of \$4,444 and the unposted 2014 adjustments would have the cumulative effect of decreasing the 2014 General Fund cash balance by \$14,607 and increasing the Special Revenue Fund cash balance by \$14,607. The Township has declined to make these adjustments.

Adverse Opinion on Regulatory Basis of Accounting

In our opinion, based on the effects of the matters described in the Basis for Adverse Opinion on Regulatory Basis paragraph, the financial statements referred to above do not present fairly, in all material respects, the combined cash balances of Homer Township, Morgan County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2016, on our consideration of Homer 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. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
August 29, 2016

**HOMER TOWNSHIP
MORGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent Fund</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 59,515	\$ 35,348	\$ -	\$ -	\$ 94,863
Licenses, Permits and Fees	-	-	-	-	-
Intergovernmental	22,134	99,821	-	-	121,955
Earnings on Investments	153	123	-	13	289
Miscellaneous	-	2,917	-	-	2,917
Total Cash Receipts	<u>81,802</u>	<u>138,209</u>	<u>-</u>	<u>13</u>	<u>220,024</u>
Cash Disbursements:					
Current:					
General Government	49,830	-	-	-	49,830
Public Safety	-	10,433	-	-	10,433
Public Works	11,500	121,898	-	-	133,398
Health	8,798	-	-	17	8,815
Debt Service:					
Redemption of Principal	4,750	2,907	-	-	7,657
Interest and Other Fiscal Charges	746	-	-	-	746
Total Cash Disbursements	<u>75,624</u>	<u>135,238</u>	<u>-</u>	<u>17</u>	<u>210,879</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	6,178	2,971	-	(4)	9,145
Other Cash Financing Receipts					
Other Financing Sources	3,338	3,228	-	-	6,566
Other Financing Uses	(746)	-	-	-	(746)
Total Other Cash Financing Receipts	<u>2,592</u>	<u>3,228</u>	<u>-</u>	<u>-</u>	<u>5,820</u>
Net Change in Fund Cash Balance	8,770	6,199	-	(4)	14,965
Fund Cash Balances, January 1	<u>14,130</u>	<u>21,873</u>	<u>41</u>	<u>3,361</u>	<u>39,405</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	3,000	3,000
Restricted	-	15,504	41	357	15,902
Committed	-	12,568	-	-	12,568
Unassigned (Deficit)	22,900	-	-	-	22,900
Fund Cash Balances, December 31	<u>\$ 22,900</u>	<u>\$ 28,072</u>	<u>\$ 41</u>	<u>\$ 3,357</u>	<u>\$ 54,370</u>

See notes to financial statements.

HOMER TOWNSHIP
MORGAN COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Permanent Fund	
Cash Receipts:					
Property and Other Local Taxes	\$ 57,011	\$ 31,806	\$ -	\$ -	\$ 88,817
Intergovernmental	18,732	97,222	-	-	115,954
Earnings on Investments	560	202	-	49	811
Miscellaneous	3,051	6,203	-	-	9,254
Total Cash Receipts	<u>79,354</u>	<u>135,433</u>	<u>-</u>	<u>49</u>	<u>214,836</u>
Cash Disbursements:					
Current:					
General Government	62,024	-	-	-	62,024
Public Safety	-	10,011	-	-	10,011
Public Works	-	137,138	-	-	137,138
Health	8,204	-	-	17	8,221
Capital Outlay	23,526	-	-	-	23,526
Debt Service:					
Redemption of Principal	3,780	673	-	-	4,453
Interest and Other Fiscal Charges	387	-	-	-	387
Total Cash Disbursements	<u>97,921</u>	<u>147,822</u>	<u>-</u>	<u>17</u>	<u>245,760</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(18,567)	(12,389)	-	32	(30,924)
Other Cash Financing Receipts					
Loan Proceeds	23,526	-	-	-	23,526
Other Financing Sources	-	1,599	-	-	1,599
Total Other Cash Financing Receipts	<u>23,526</u>	<u>1,599</u>	<u>-</u>	<u>-</u>	<u>25,125</u>
Net Change in Fund Cash Balance	4,959	(10,790)	-	32	(5,799)
Fund Cash Balances, January 1	<u>9,171</u>	<u>32,663</u>	<u>41</u>	<u>3,329</u>	<u>45,204</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	3,000	3,000
Restricted	-	19,132	41	361	19,534
Committed	-	2,741	-	-	2,741
Unassigned (Deficit)	24,747	-	-	-	24,747
Fund Cash Balances, December 31	<u>\$ 14,130</u>	<u>\$ 21,873</u>	<u>\$ 41</u>	<u>\$ 3,361</u>	<u>\$ 39,405</u>

See notes to financial statements.

**HOMER TOWNSHIP
MORGAN COUNTY**

NOTES TO FINANCIAL STATEMENTS

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 Homer Township, Morgan County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance and fire protection. The Township contracts with the Village of Chesterhill, Village of Corning, Village of Jackson, M & M Volunteer Fire Department and the Ames-Bern Amesville Volunteer Fighters, Inc. to provide fire protection and emergency medical services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

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

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

C. Deposits 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.

Certificates of Deposit are recorded at cost.

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:

**HOMER TOWNSHIP
MORGAN COUNTY**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

Road and Bridge Fund – This fund receives property tax monies to pay for constructing, maintaining, and repairing Township roads.

Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Tractor/Mower Note Retirement Fund – This fund was established to account for note retirement that were used to purchase a tractor/Mower

Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not the principal, may be used for purposes that support the Township's programs (for the benefit of the Township or its citizenry). The Township had the following significant Permanent Fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from trust agreements. These earnings are used for the general maintenance and upkeep of the Township's cemeteries.

E. Budgetary Process

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

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. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

**HOMER TOWNSHIP
MORGAN COUNTY**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Township did not encumber all commitments required by Ohio Law.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**HOMER TOWNSHIP
MORGAN COUNTY**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G 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.

H. 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 deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2015	2014
Demand Deposits	\$ 51,370	\$ 36,405
Certificate of Deposit	3,000	3,000
Total	\$ 54,370	\$ 39,405

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 85,140	\$ 85,140
Special Revenue	-	141,437	141,437
Permanent	-	13	13
Total	\$ -	\$ 226,590	\$ 226,590

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 76,370	\$ (76,370)
Special Revenue	-	135,238	(135,238)
Permanent	-	17	(17)
Total	\$ -	\$ 211,625	\$ (211,625)

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 102,880	\$ 102,880
Special Revenue	-	137,032	137,032
Permanent	-	49	49
Total	\$ -	\$ 239,961	\$ 239,961

**HOMER TOWNSHIP
MORGAN COUNTY**

NOTES TO FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (Continued)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 64,463	\$ 97,921	\$ (33,458)
Special Revenue	142,965	147,822	(4,857)
Permanent	17	17	-
Total	\$ 207,445	\$ 245,760	\$ (38,315)

Contrary to Ohio Revised Code Section 5705.41 (D), the Township had made expenditures prior to certification.

Contrary to Ohio Revised Code Section 5705.41 (B), the Township had funds that had expenditures greater than appropriations in 2015 and 2014.

Contrary to Ohio Revised Code Section 5705.39, the Township had all funds that appropriated more than estimated resources for 2014.

Contrary to Ohio Revised Code Section 5705.36, the Township did not prepare the Certification of Fund Balance at the beginning of the year for 2015 and 2014.

Contrary to Ohio Revised Code Section 5705.38, the Township did not file appropriations with the County Auditor for 2015.

Contrary to Ohio Revised Code Section 5705.38(C) , 2014 appropriations were not appropriated at the fund, function and object level.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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.

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

5. RETIREMENT SYSTEMS

The Township’s full-time employees and elected officials belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.00% of participant’s gross salaries. The Township has paid all contributions required through December 31, 2015.

**HOMER TOWNSHIP
MORGAN COUNTY**

NOTES TO FINANCIAL STATEMENTS

6. DEBT

Debt outstanding at December 31, 2015, was as follows:

	Principal	Interest Rate
Promissory Note	\$ 12,768	4.00%
Total	\$ 12,768	

The Township entered into an agreement with the First National Bank to borrow \$23,526 for the purpose of repairing engines to trucks used for township road maintenance. The loan will be repaid in monthly installments of \$695 over 36 months. The Township's tax authority collateralized the note. This will be repaid from the General Fund and Gasoline Tax Fund

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Note
2016	\$ 8,335
2017	4,862
Total	\$ 13,197

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2015, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

**HOMER TOWNSHIP
MORGAN COUNTY**

NOTES TO FINANCIAL STATEMENTS

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, 2015 and 2014 (the latest information available):

	2015	2014
Assets	\$37,313,311	\$35,970,263
Liabilities	(8,418,518)	(8,912,432)
Retained Earnings	\$28,894,793	\$27,057,831

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$7.8 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.7 and \$7.2 million of unpaid claims to be billed to approximately 989 members and 957 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Township's share of these unpaid claims collectible in future years is approximately \$1,998.

Based on discussion with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

2015	\$3,843
2014	3,837
2013	3,831

After completing one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

8. FINANCIAL ADJUSTMENTS NOT MADE

At December 31, 2014, the following funds had adjustments which the Township declined to make in the following amounts:

Funds	12/31/14 Balance	Total Financial Adjustments Not Made	Effect on 12/31/14 Balance
General	\$ 14,130	\$ (14,607)	\$ (477)
Special Revenue	21,873	14,607	36,480

The Township has no formal plans for making the financial adjustments proposed. If the Township made the adjustments proposed, the result would be a negative General Fund balance at December 31, 2014.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

Homer Township
Morgan County
8333 Bishopville Road
Glouster, Ohio 45732

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Homer Township, Morgan County as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated August 29, 2016, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also issued an adverse opinion on the 2015 and 2014 financial statements due to the Township declining to make adjustments for mispostings.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Homer Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Findings 2015-001, 2015-002, 2015-004, 2015-005 and 2015-007 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Homer 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, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed six instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001, 2015-003, 2015-004, 2015-005, 2015-006 and 2015-008.

Entity's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
August 29, 2016

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2015-001

Noncompliance/Material Weakness

Ohio Rev. Code Section 5705.10(D) requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

During 2014, the Fiscal Officer incorrectly posted Rollback and Homestead monies to the General Fund in the amount of \$4,605 instead of the Road & Bridge Fund, Special Revenue Fund type, in the amount of \$3,227 and the Fire Levy Fund, Special Revenue Fund type, in the amount of \$1,378.

During 2015, the Fiscal Officer did not post Rollback and Homestead monies to the General Fund in the amount of \$3,059, to the Road & Bridge Fund, Special Revenue Fund type, in the amount of \$3,208 and the Fire Levy Fund, Special Revenue Fund type, in the amount of \$1,370.

Therefore, in 2015 and 2014, the Fiscal Officer improperly posted or did not post rollback homestead monies to the General Fund, in the amount of \$9,183 that should have posted to the Road & Bridge Fund, Special Revenue Fund type, in the amount of \$6,435 and Fire Levy Fund, Special Revenue Fund type, in the amount of \$2,748. The Fiscal Officer made these adjustments to the Townships records and, therefore, these adjustments are reflected in the accompanying financial statements.

Clients Response: The adjustments have been made to our accounting records.

Finding Number 2015-002

Material Weakness

The Fiscal Officer prepared monthly bank reconciliations during the audit period. However, these reconciliations were not accurate. The monthly bank reconciliations contained "other Adjusting Factors" throughout the entire audit period which were carried forward instead of being investigated and corrected. The lack of proper reconciliations resulted in numerous errors which remained undetected and/or uncorrected until the audit.

The "Other Adjusting Factors" were posted to the accounting records and reduced the UAN systems cash balance by \$25,048 which now agrees to the Bank Statement balance less outstanding checks. These adjustments are reflected in the financial statements and have been posted to the Townships accounting records.

We recommend the Township review, identify and adjust any "Other Adjusting Factors" to each monthly bank reconciliation, if they occur. This will keep the monthly bank reconciliations correctly prepared and will stop the carrying forward of any "Other Adjusting Factors".

Client Response: The adjustments have been posted and we will review monthly and post any differences.

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2015-003

Noncompliance

Ohio Rev. Code § 5705.41 (D) (1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in §§ 5705.41 (D) (1) and 5705.41 (D) (3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.
2. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.
3. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
4. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Fiscal Officer did not certify the availability of funds prior to purchase commitments for 15% of the expenditures tested in 2015 and 2014, and there was no evidence the Township followed the aforementioned exceptions.

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2015-003 (Continued)

Noncompliance

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Fiscal Officer certify purchases to which § 5705.41 (D) applies. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Ohio Revised Code § 5705.41 (D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Client Response: We will closely monitor and make changes where necessary.

Finding Number 2015-004

Noncompliance/Material Weakness

Ohio Admin. Code Section 117-2-02(A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by Ohio Admin. Code Section 117-2-03.

During 2014, the Fiscal Officer classified certain significant transactions incorrectly as follows:

- Real estate tax settlement receipts were posted in net instead of at gross. As a result, receipts and expenditures were understated in the General Fund by \$9,223, understated in the Road & Bridge Fund by \$990, and understated in the Fire Levy Fund by \$481.

During 2015, the Fiscal Officer classified certain significant transactions incorrectly as follows:

- Real estate tax settlement receipts were posted in net instead of at gross. As a result, receipts and expenditures were understated in the General Fund by \$4,792, understated in the Road & Bridge Fund by \$393, and understated in the Fire Levy Fund by \$199.

These reclassification errors were due to lack of management oversight. These significant reclassifications have been made to the financial statements. We recommend the Township refer to the Ohio Township Handbook for proper classification and take additional care when posting Township transactions.

Client Response: We will record at gross in future.

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2015-005

Noncompliance/Material Weakness

Ohio Revised Code Section 5705.38 (C) states, in part, appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and within each, the amount appropriated for personal services.

Ohio Revised Code Section 5705.39 states, in part, the total appropriations from each fund should not exceed the total estimated revenue.

Ohio Revised Code Section 5705.38(A) states on or about the first day of each fiscal year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measure as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate.

If it desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the taxing unit until no later than the first day of April of the current year, and the appropriations made in the temporary measure shall be chargeable to the appropriations in the annual appropriation measure for that fiscal year when passed.

Ohio Revised Code Section 5705.38 (C) states, in part, appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and within each, the amount appropriated for personal services.

Ohio Revised Code Section 5705.40, states, any appropriation measure may be amended or supplemented if the entity complies with the same laws used in making the original appropriation.

The Township did not approve an appropriation measure for 2015, and the measure passed in 2014 was at the fund level not the fund, function and object level as required.

The Township failed to submit the Total Amount from All Sources Available for Expenditures form to the County Budget Commission at the beginning of the year for 2015 and 2014. Therefore, the County Budget Commission never certified the Official Amended Certificate of Estimated Resources, which is the basis for the Appropriation measure. The Township did not pass an appropriation measure for 2015 and the appropriation measure passed in 2014 was at the fund level, not the fund, function and object level as required. Also supplemental appropriations were made with board approval.

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2015-005 (Continued)

Noncompliance/Material Weakness

As of December 31, 2014, the following funds had appropriations exceeding estimated resources as follows:

Fund	Estimated Resources	Appropriation Authority	Variance
General	\$ -	\$ 64,463	\$ (64,463)
Motor Vehicle License	-	10,000	(10,000)
Gasoline Tax	-	93,051	(93,051)
Road and Bridge	-	25,850	(25,850)
Fire Special Levy	-	14,064	(14,064)
Cemetery Bequest	-	17	(17)

We recommend that the Fiscal Officer refer to Appendix II of the Township handbook in regards to the guidelines established for preparing budgets for a township. In addition, the Township should prepare the Certification of Fund Balances at the beginning of the year and submit to the County Budget Commission.

Client Response: We will follow the proper budgetary guidelines.

Finding Number 2015-006

Noncompliance

Ohio Rev. Code Chapter 133 allows various methods for subdivisions to incur debt, § 133.22 allows a subdivision to issue anticipatory securities; § 133.10 allows anticipation securities in anticipation of current property tax revenues or in anticipation of current revenues and for any fiscal year from any source or combination of sources, including distributions of any federal or state monies, other than the proceeds of property taxes levied by the subdivision; § 133.14 allows the issuance of securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct; and § 133.18 allows the taxing authority of subdivision by legislation to submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

In 2014, the Township signed a promissory note in the amount of \$23,526 with the First National Bank to finance truck repairs. This type of debt did not meet the requirements set forth in Ohio Rev. Code Chapter 133.

The Ohio Rev. Code contains various methods of incurring debt for Townships. Installment loans and promissory notes with banking institutions are not legal methods debt for Townships. We recommend the Township consult with legal counsel when Trustees anticipate incurring future debt to help ensure it is an allowable type of debt.

Client Response: We have not received a response from the client for this finding.

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2015-007

Material Weakness

All local public offices should integrate the budgetary accounts at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

At December 31, 2015, appropriations in the Township's ledgers did not agree to the amounts approved by the Board of Trustees for the following funds:

	Appropriations Per Township Accounting System	Appropriations Per Board of Trustees	Variance
General	\$ 91,400	\$ -	\$ 91,400
Motor Vehicle License	11,000	-	11,000
Gasoline Tax	106,000	-	106,000
Road & Bridge	26,550	-	26,550
Fire Special Levy	10,750	-	10,750
Cemetery Bequest	170	-	170

At December 31, 2015, estimated receipts in the Township's ledgers did not agree to the amounts approved by the Budget Commission for the following funds:

	Estimated Receipts Approved by the Budget Commission	Estimated Receipts Per Township's Accounting System	Variance
General	\$ -	\$ 86,863	\$ (86,863)
Motor Vehicle License	-	12,522	(12,522)
Gasoline Tax	-	108,418	(108,418)
Road & Bridge	-	25,370	(25,370)
Fire Special Levy	-	10,000	(10,000)
Cemetery Bequest	-	171	(171)

At December 31, 2014, estimated receipts in the Township's ledgers did not agree to the amounts approved by the Budget Commission for the following funds:

	Estimated Receipts Approved by the Budget Commission	Estimated Receipts Per Township's Accounting System	Variance
General	\$ -	\$ 62,724	\$ (62,724)
Motor Vehicle License	-	10,000	(10,000)
Gasoline Tax	-	85,020	(85,020)
Road & Bridge	-	25,380	(25,380)
Fire Special Levy	-	14,064	(14,064)
Cemetery Bequest	-	169	(169)

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2015-007 (Continued)

This occurred because the Township did not prepare a Certificate of Year End Balances and submit to the County Budget Commission in 2015 or 2014. Therefore, in 2015 and 2014, the Township never received a Certificate of Estimated Resources from the County Budget Commission in order to pass their permanent appropriation measure.

Without information properly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in adjustments to the budgetary note disclosure.

We recommend the Fiscal Officer accurately post appropriations as approved by the Board of Trustees and estimated receipts as approved by the County Budget Commission into the computer system. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year.

Client Response: We will submit appropriate budgetary documentation.

Finding Number 2015-008

Noncompliance

Ohio Revised Code Section 5705.41 (B) states no subdivision or taxing unit is to expend money unless it has been appropriated. The Township had the following funds which had expenditures greater than appropriation authority.

		Appropriation			
Fund	Year	Authority		Expenditures	Variance
General Fund	2014	\$ 64,463		\$ 97,921	\$ (33,458)
MVL License Tax	2014	10,000		16,796	(6,796)
Gasoline Tax	2014	93,051		94,631	(1,580)

All expenditures for 2015 exceeded appropriation authority.

We recommend the Trustees expenditures versus appropriation authority throughout the year. Also, the Trustees should not approve expenditures greater than appropriations. This can result in the Township spending more money than it appropriated and could cause possible negative fund balances.

Client Response: We will submit appropriate budgetary documentation and review.

**HOMER TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2013-001	Finding for Recovery Material Weakness Compensation	Yes	Finding No Longer Valid All amounts repaid.
2013-002	Finding for Recovery Material Weakness Compensation	Yes	Finding No Longer Valid All amounts repaid.
2013-003	Finding for Recovery Material Weakness Insurance	Yes	Finding No Longer Valid All amounts repaid.
2013-004	Finding for Adjustment Material Weakness Improperly posting Rollbacks/Homestead	No	Not Corrected: Cited in prior report as finding 2015-001
2013-005	Finding for Adjustment Material Weakness payroll	Yes	Finding No Longer Valid
2013-006	Finding for Adjustment Material Weakness ORC 5705.10(H)	Yes	Finding No Longer Valid
2013-007	Finding for Adjustment Material Weakness Bank Reconciliations	No	Not Corrected: Cited in prior report as finding 2015-002
2013-008	Noncompliance Material Weakness OAC 117-2-02 (A)	No	Not Corrected: Cited in prior report as finding 2015-004
2013-009	Noncompliance Material Weakness Budgetary items	No	Not Corrected: Cited in prior report as finding 2015-005
2013-010	Noncompliance Significant Deficiency ORC 149.351	Yes	Finding No Longer Valid
2013-011	Noncompliance ORC 5705.41(D)	No	Not Corrected: Cited in prior report as finding 2015-003
2013-012	Noncompliance ORC Chapter 133 Debt	No	Not Corrected: Cited in prior report as finding 2015-006
2013-013	Material Weakness Budgetary data in accounting system	No	Not Corrected: Cited in prior report as finding 2015-007
2013-014	Significant Deficiency Not using UAN for all checks	Yes	Finding No Longer Valid

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Dave Yost • Auditor of State

HOMER TOWNSHIP

MORGAN 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 27, 2016