



**Auditor of State  
Betty Montgomery**



HOMER TOWNSHIP  
MORGAN COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Homer Township  
Morgan County  
9577 South Wrightstown Road  
Amesville, Ohio 45711

To the Board of Trustees:

We have audited the accompanying financial statements of Homer Township, Morgan County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002. 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 *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. The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 of Homer Township, Morgan County, as of December 31, 2003 and 2002, 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 June 10, 2004 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 Section 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 10, 2004

HOMER TOWNSHIP  
MORGAN COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Nonexpendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$ 47,006	\$ 23,490	\$	\$	\$ 70,496
Intergovernmental	23,867	63,036	12,931		99,834
Earnings on Investments	661	67		49	777
Other Revenue	16	6,358			6,374
Total Cash Receipts	71,550	92,951	12,931	49	177,481
<b>Cash Disbursements:</b>					
Current:					
General Government	58,132				58,132
Public Safety	607	9,781			10,388
Public Works		76,281			76,281
Health	7,339				7,339
Debt Service:					
Redemption of Principal		5,501	12,861		18,362
Interest and Fiscal Charges			1,145		1,145
Miscellaneous				314	314
Total Cash Disbursements	66,078	91,563	14,006	314	171,961
Total Cash Receipts Over/(Under) Cash Disbursements	5,472	1,388	(1,075)	(265)	5,520
Fund Cash Balances, January 1	5,836	16,577	1,080	3,430	26,923
<b>Fund Cash Balances, December 31</b>	<b>\$ 11,308</b>	<b>\$ 17,965</b>	<b>\$ 5</b>	<b>\$ 3,165</b>	<b>\$ 32,443</b>

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

HOMER TOWNSHIP  
MORGAN COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Nonexpendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$ 47,541	\$ 22,290	\$	\$	\$ 69,831
Intergovernmental	18,893	51,536	12,932		83,361
Earnings on Investments	494	214		143	851
Total Cash Receipts	<u>66,928</u>	<u>74,040</u>	<u>12,932</u>	<u>143</u>	<u>154,043</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	66,479				66,479
Public Safety	1,018	9,355			10,373
Public Works	5,106	55,878			60,984
Health	6,217				6,217
Debt Service:					
Redemption of Principal			9,905		9,905
Interest and Fiscal Charges			1,949		1,949
Total Cash Disbursements	<u>78,820</u>	<u>65,233</u>	<u>11,854</u>	<u>0</u>	<u>155,907</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(11,892)</u>	<u>8,807</u>	<u>1,078</u>	<u>143</u>	<u>(1,864)</u>
Fund Cash Balances, January 1	<u>17,728</u>	<u>7,770</u>	<u>2</u>	<u>3,287</u>	<u>28,787</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 5,836</u></b>	<b><u>\$ 16,577</u></b>	<b><u>\$ 1,080</u></b>	<b><u>\$ 3,430</u></b>	<b><u>\$ 26,923</u></b>

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



**HOMER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Homer Township, Morgan County (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 and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance (public works) and cemetery maintenance (health). The Township contracts with the Village of Chesterhill, Village of Corning, Village of Jacksonville, Malta & McConnelsville Volunteer Fire Department and the Ames-Bern Amesville Volunteer Fighters, Inc. to provide fire services 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**

The certificate of deposit is valued at cost. All other cash assets are maintained in an interest bearing checking account.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that is 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 that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

*Gasoline Tax Fund* - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

HOMER TOWNSHIP  
MORGAN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Debt Service Funds

The debt service funds are used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Funds:

*Pole Building Note Fund* - This fund receives gasoline tax money for retiring debt incurred for the construction of a Township garage.

*Dump Truck Note Fund* - This fund receives gasoline tax money for retiring debt incurred for the purchase of a dump truck.

4. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreements require the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township had the following Fiduciary Fund:

*Nolan Cemetery Bequest Fund* - This Nonexpendable Trust Fund receives interest from a certificate of deposit to pay for the cost of maintaining 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, 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 2003 and 2002 budgetary activity appears in Note 3.

**HOMER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

**2. EQUITY IN POOLED CASH**

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

	2003	2002
Demand deposits	\$ 29,443	\$ 23,923
Certificates of deposit	3,000	3,000
Total deposits	\$ 32,443	\$ 26,923

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 0	\$ 71,550	\$ 71,550
Special Revenue	0	92,951	92,951
Debt Service	0	12,931	12,931
Nonexpendable Trust	0	49	49
Total	\$ 0	\$ 177,481	\$ 177,481

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 72,886	\$ 66,078	\$ 6,808
Special Revenue	95,457	91,563	3,894
Debt Service	14,011	14,006	5
Nonexpendable Trust	497	314	183
Total	\$ 182,851	\$ 171,961	\$ 10,890

**HOMER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 60,533	\$ 66,928	\$ 6,395
Special Revenue	76,506	74,040	(2,466)
Debt Service	12,928	12,932	4
Nonexpendable Trust	143	143	0
Total	\$ 150,110	\$ 154,043	\$ 3,933

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 78,959	\$ 78,820	\$ 139
Special Revenue	84,277	65,233	19,044
Debt Service	12,931	11,854	1,077
Nonexpendable Trust	430	0	430
Total	\$ 176,597	\$ 155,907	\$ 20,690

Appropriations exceeded estimated resources at December 31, 2003 in the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Fire, Debt Service – Pole Building Note and Debt Service – Dump Truck Note Funds and at December 31, 2002 in the General Fund.

**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.

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. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Dump Truck Note	\$ 8,957	5.50%

**HOMER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**5. DEBT (Continued)**

The dump truck note was issued for the purchase of a new dump truck to be used for Township road maintenance. The full faith and credit of the township has been pledged to repay this debt.

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

<u>Year Ending December 31:</u>	<u>Dump Truck Note</u>
2004	\$ 9,226

**6. RETIREMENT SYSTEM**

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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 2003 and 2002, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all employer contributions required through December 31, 2003.

**7. RISK MANAGEMENT**

**Risk Pool Membership**

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 governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**HOMER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**Risk Pool Membership (Continued)**

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

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 government.

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, 2002 and 2001 (the latest information available):

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$ 23,757,036	\$ 23,707,776
Liabilities	<u>(9,197,512)</u>	<u>(9,379,003)</u>
Retained Earnings	<u>\$ 14,559,524</u>	<u>\$ 14,328,773</u>
<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$ 6,596,996	\$ 5,011,131
Liabilities	<u>(1,204,326)</u>	<u>(647,667)</u>
Retained Earnings	<u>\$ 5,392,670</u>	<u>\$ 4,363,464</u>

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



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Homer Township  
Morgan County  
9577 South Wrightstown Road  
Amesville, Ohio 45711

To the Board of Trustees:

We have audited the accompanying financial statements of Homer Township, Morgan County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 10, 2004, wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 *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 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 such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2003-001 through 2003-003. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated June 10, 2004.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Township in a separate letter dated June 10, 2004.

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Homer Township  
Morgan County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 10, 2004



**HOMER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

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

**FINDING NUMBER 2003-001**

**Noncompliance Citation**

Ohio Rev. Code Section 505.24 requires Trustee's salaries to be paid from the General Fund or from other Township funds in such proportions as the Board specifies by resolution. The resolution should allocate the salaries based on the types of services provided by the Trustees.

During 2002, Trustee salaries were paid ten months from the General Fund and two months from the Motor Vehicle License Tax Fund. During 2003, the salary of the Trustee Virgil Kittle was paid eleven months from the Motor Vehicle License Tax Fund and one month from the Road and Bridge Fund. However, activities of an administrative nature, such as monthly Board meetings, should be paid from the General Fund. During 2003, salaries for Trustees Gregory Cable and Paul Southall were paid eleven months from the General Fund and one month from the Road and Bridge Fund. A resolution was not adopted by the Board specifying how Trustee salaries would be allocated in 2002 and 2003.

On June 3, 2004, the Board adopted a retroactive resolution authorizing Trustee salaries to be paid out of the Motor Vehicle License Tax, Road and Bridge, and Gasoline Tax Funds in addition to the General Fund for 2002 and 2003 in the proportions noted above, with an adjustment made for one month salary for Trustee Virgil Kittle to be paid from the General Fund. The adjustment has been posted to the audited financial statements and to the Township's accounting records.

We recommend the Township annually adopt a resolution specifying how Trustee salaries will be allocated. In addition, fringe benefits, including payroll taxes and insurance, should be allocated in the same proportion as salaries.

**FINDING NUMBER 2003-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.36 states on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the County Auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. However, the principal of a nonexpendable trust fund and any addition to the principal arising from sources other than the reinvestment of investment earnings to the fund that has been established for receiving donations and/or contributions pursuant to Ohio Rev. Code Section 5705.131 must be excluded from the amount of unencumbered balances that are certified.

In 2003, the Clerk did not certify to the County Auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. In addition, the Clerk included the principal of the nonexpendable trust fund in the 2002 certification.

We recommend the Clerk annually certify to the County Auditor the total amount from all sources which is available for expenditures. We also recommend the Clerk not include the principal of the nonexpendable trust fund in the certification.

**HOMER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**FINDING NUMBER 2003-003**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 states the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated revenue at December 31, 2002, in the following fund:

Fund	Estimated Revenue	Appropriation Authority	Variance
General Fund	\$ 78,261	\$ 78,959	\$ (698)

Appropriations exceeded estimated revenue at December 31, 2003, in the following funds:

Fund	Estimated Revenue	Appropriation Authority	Variance
General Fund	\$ 5,835	\$ 72,886	\$ (67,051)
Motor Vehicle License Tax Fund	3,227	15,072	(11,845)
Gasoline Tax Fund	6,174	45,520	(39,346)
Road and Bridge Fund	5,757	21,710	(15,953)
Fire Fund	1,419	13,154	(11,735)
Debt Service - Pole Building Note Fund	780	3,889	(3,109)
Debt Service - Dump Truck Note Fund	300	10,122	(9,822)

Appropriations that continually exceed estimated revenue could lead to deficit spending and a lack of actual resources available for spending.

We recommend the Township monitor its appropriations and estimated revenue to ensure that appropriations do not exceed estimated revenue at the end of the year.

HOMER TOWNSHIP  
MORGAN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-41058-001	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) for the failure to obtain the prior certification of the Clerk before an obligation was incurred.	Yes	N/A





**Auditor of State  
Betty Montgomery**

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**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  
JULY 20, 2004**