

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

EXAMINATION REPORT
OF
LIBERTY TOWNSHIP
TIPTON COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/15/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Monty Henderson Jeff Huff	01-01-03 to 12-14-04 12-15-04 to 12-31-06
Chairman of the Township Board	Dave Brumbaugh Terry Farris	01-01-04 to 12-31-04 01-01-05 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LIBERTY TOWNSHIP, TIPTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Liberty Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

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

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

STATE BOARD OF ACCOUNTS

August 11, 2006

LIBERTY TOWNSHIP, TIPTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 27,318	\$ 17,722	\$ 16,411	\$ 28,629
Dog	366	64	59	371
Township Assistance	13,355	11,280	8,623	16,012
Firefighting	75,438	47,409	31,364	91,483
Cumulative Fire	75,354	14,971	-	90,325
Fiduciary Fund:				
Payroll Withholdings	266	692	958	-
Totals	<u>\$ 192,097</u>	<u>\$ 92,138</u>	<u>\$ 57,415</u>	<u>\$ 226,820</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 28,629	\$ 21,448	\$ 15,638	\$ 34,439
Dog	371	57	71	357
Township Assistance	16,012	20,035	3,364	32,683
Firefighting	91,483	61,510	19,604	133,389
Cumulative Fire	90,325	24,895	229	114,991
Fiduciary Fund:				
Payroll Withholdings	-	1,315	707	608
Totals	<u>\$ 226,820</u>	<u>\$ 129,260</u>	<u>\$ 39,613</u>	<u>\$ 316,467</u>

The accompanying notes are an integral part of the schedules.

LIBERTY TOWNSHIP, TIPTON COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

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

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

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

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

LIBERTY TOWNSHIP, TIPTON COUNTY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets using Form 369.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LIBERTY TOWNSHIP, TIPTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 11, 2006, with Jeff Huff, Trustee. The official concurred with our finding.

The contents of this report were discussed on August 14, 2006, with Monty Henderson, former Trustee.