

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
LIBERTY TOWNSHIP
UNION COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
12/15/2006

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OFFICIALS

Office

Official

Term

Trustee

David L. Woeste

01-01-03 to 12-31-06

Chairman of the
Township Board

Ted Bostick

01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Liberty Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2003, 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

November 27, 2006

LIBERTY TOWNSHIP, UNION COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 5,846	\$ 5,120	\$ 5,485	\$ 5,481
Dog	356	96	96	356
Township Assistance	3,544	-	735	2,809
Firefighting	(1,473)	12,959	11,486	-
Levy Excess	1,412	-	-	1,412
Totals	<u>\$ 9,685</u>	<u>\$ 18,175</u>	<u>\$ 17,802</u>	<u>\$ 10,058</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 5,481	\$ 6,430	\$ 5,843	\$ 6,068
Dog	356	89	56	389
Township Assistance	2,809	-	-	2,809
Firefighting	-	12,436	12,393	43
Rainy Day	-	440	-	440
Levy Excess	1,412	-	-	1,412
Totals	<u>\$ 10,058</u>	<u>\$ 19,395</u>	<u>\$ 18,292</u>	<u>\$ 11,161</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 6,068	\$ 838	\$ 6,092	\$ 814
Dog	389	58	89	358
Township Assistance	2,809	-	287	2,522
Firefighting	43	14,903	14,711	235
Rainy Day	440	-	-	440
Levy Excess	1,412	-	-	1,412
Totals	<u>\$ 11,161</u>	<u>\$ 15,799</u>	<u>\$ 21,179</u>	<u>\$ 5,781</u>

The accompanying notes are an integral part of the schedules.

LIBERTY TOWNSHIP, UNION COUNTY
NOTES TO FINANCIAL INFORMATION

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, 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.

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.

Note 6. Subsequent Event

On March 31, 2006, the Township entered into a loan agreement with Center Township, Brownsville Township, Liberty Township, Harmony Township and the Town of Liberty for \$100,000 for the purchase of a 2006 Freightliner fire truck.

LIBERTY TOWNSHIP, UNION COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditure in excess of budgeted appropriation:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Firefighting	2004	<u>\$ 2,398</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

FUND SOURCES AND USES

Tax distribution receipts for the Rainy Day Fund were incorrectly recorded in the Township Fund in the amount of \$440. Tax distributions in the amount of \$541.39 were receipted into the Firefighting Fund and should have been receipted into the Township Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LIBERTY TOWNSHIP, UNION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 27, 2006, with David L. Woeste, Trustee. The official concurred with our findings.