

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

EXAMINATION REPORT
OF
LIBERTY TOWNSHIP
WABASH COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED

01/14/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Examination Results and Comments:	
Supporting Documentation – Township Assistance	7
Excessive or Unreasonable Costs.....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Trustee

Larry D. Manning

01-01-03 to 12-31-10

Chairman of the
Township Board

Richard McMinn

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Liberty Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 12, 2008

LIBERTY TOWNSHIP, WABASH COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 27,444	\$ 23,126	\$ 24,417	\$ 26,153
Dog	624	524	1,148	-
Township Assistance	35,064	12,098	8,440	38,722
Firefighting	75,497	62,183	47,551	90,129
Levy Excess	3,115	1,182	3,115	1,182
Cumulative Fire	<u>68,860</u>	<u>40,952</u>	<u>32,598</u>	<u>77,214</u>
Totals	<u>\$ 210,604</u>	<u>\$ 140,065</u>	<u>\$ 117,269</u>	<u>\$ 233,400</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 26,153	\$ 22,875	\$ 21,031	\$ 27,997
Township Assistance	38,722	11,817	11,021	39,518
Firefighting	90,129	55,432	50,714	94,847
Levy Excess	1,182	776	1,182	776
Cumulative Fire	<u>77,214</u>	<u>40,964</u>	<u>32,430</u>	<u>85,748</u>
Totals	<u>\$ 233,400</u>	<u>\$ 131,864</u>	<u>\$ 116,378</u>	<u>\$ 248,886</u>

The accompanying notes are an integral part of the financial information.

LIBERTY TOWNSHIP, WABASH 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. 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, WABASH COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 252,200
Machinery and equipment	<u>253,751</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 505,951</u>

LIBERTY TOWNSHIP, WABASH COUNTY
EXAMINATION RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION - TOWNSHIP ASSISTANCE

14% of Township assistance payments did not contain adequate supporting documentation, such as applicant's receipts or invoices. Due to the lack of supporting documentation, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

EXCESSIVE OR UNREASONABLE COSTS

The Township paid hotel charges of \$1,112 during 2006, for the Trustee and Clerk, his spouse, to attend the Township Annual Meeting in Indianapolis. The charges were for four night's accommodations and \$96 in valet parking.

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LIBERTY TOWNSHIP, WABASH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2008, with Larry D. Manning, Trustee. The official concurred with our findings.