

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

EXAMINATION REPORT
OF
LIBERTY TOWNSHIP
DELAWARE COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/16/2009

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OFFICIALS

Office

Official

Term

Trustee

Brian Dudley

01-01-07 to 12-31-10

Chairman of the
Township Board

Eugene Woodruff

01-01-07 to 12-31-09



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Liberty Township (Township), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 26, 2009

LIBERTY TOWNSHIP, DELAWARE 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 26,623	\$ 9,414	\$ 19,188	\$ 16,849
Township Assistance	16,090	16,882	5,319	27,653
Firefighting	63,253	48,567	46,204	65,616
Rainy Day	2,693	-	-	2,693
Levy Excess	6,722	335	2,363	4,694
Fire Equipment Debt	24,136	41,938	44,870	21,204
Cumulative Fire	117,967	24,569	2,011	140,525
Fiduciary Fund:				
Payroll Withholdings	-	1,446	1,446	-
Totals	<u>\$ 257,484</u>	<u>\$ 143,151</u>	<u>\$ 121,401</u>	<u>\$ 279,234</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 16,849	\$ 10,359	\$ 19,367	\$ 7,841
Township Assistance	27,653	10,976	8,852	29,777
Firefighting	65,616	39,740	46,534	58,822
Rainy Day	2,693	341	-	3,034
Levy Excess	4,694	-	4,694	-
Fire Equipment Debt	21,204	29,230	44,700	5,734
Cumulative Fire	140,525	16,621	139,947	17,199
Fiduciary Fund:				
Payroll Withholdings	-	1,446	1,446	-
Totals	<u>\$ 279,234</u>	<u>\$ 108,713</u>	<u>\$ 265,540</u>	<u>\$ 122,407</u>

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

LIBERTY TOWNSHIP, DELAWARE 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, 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. Property tax collections were delayed in 2008 due to reassessment delays resulting in the second installment for 2008 not payable until January 10, 2009, and not distributed until March 31, 2009.

Note 5. Deposits and Investments

Deposits, made in accordance with IC 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, DELAWARE COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The amounts reported on the Township's annual report did not agree with the receipts and ending balance for the Township Fund and the receipts, disbursements and balances for the Firefighting Fund.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee was not making deposits by the first and fifteenth day of the month. Receipts were not deposited up to 72 days from the date the checks were issued to the Trustee.

IC 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

DONATIONS

The Township donated \$1,300 to the Selma Athletic League in both 2007 and 2008.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The official bond was not filed in the office of the County Recorder for Brian Dudley, Trustee.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

CAPITAL ASSET RECORDS

Information presented for examination did not indicate a complete and accurate 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, DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 26, 2009, with Brian Dudley, Trustee. The official concurred with our findings.