

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

EXAMINATION REPORT
OF
LIBERTY TOWNSHIP
WHITE COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED

09/16/2011

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OFFICIALS

Office

Official

Term

Trustee

Walter Hough

01-01-07 to 12-31-14

Chairman of the
Township Board

Steven Carter

01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statement of Liberty Township (Township), for the period of January 1, 2010 to December 31, 2010. The Township's management is responsible for the financial statement. 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Township for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statement. It has not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on it.

The Township's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Township's management, the Township Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 20, 2011

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FINANCIAL STATEMENT

LIBERTY TOWNSHIP, WHITE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 8,847	\$ 64,365	\$ 70,380	\$ 2,832
Township Assistance	3,385	25,000	25,957	2,428
Fire Fighting	2,952	75,091	71,521	6,522
Cumulative Fire	10,780	25,000	29,795	5,985
Park And Recreation	2,869	2,320	4,638	551
Landfill Fund	943,676	600,930	322,618	1,221,988
Mosquito Fund	2,866	60,001	60,300	2,567
Totals	<u>\$ 975,375</u>	<u>\$ 852,707</u>	<u>\$ 585,209</u>	<u>\$ 1,242,873</u>

LIBERTY TOWNSHIP, WHITE COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services.

The accompanying financial statement presents the financial information for the Township (primary government), and does not include financial information for any of the Township's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Township (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

LIBERTY TOWNSHIP, WHITE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

LIBERTY TOWNSHIP, WHITE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

LIBERTY TOWNSHIP, WHITE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Township by recording as a disbursement any replacement items purchased.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

LIBERTY TOWNSHIP, WHITE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Park And Recreation	Landfill Fund	Mosquito Fund	Totals
Cash and investments - beginning	\$ 8,847	\$ 3,385	\$ 2,952	\$ 10,780	\$ 2,869	\$ 943,676	\$ 2,866	\$ 975,375
Receipts:								
Taxes	787	-	-	-	-	-	-	787
Charges for services	243	-	2,000	-	320	-	-	2,563
Other receipts	63,335	25,000	73,091	25,000	2,000	600,930	60,001	849,357
Total receipts	64,365	25,000	75,091	25,000	2,320	600,930	60,001	852,707
Disbursements:								
Personal services	39,604	3,159	9,250	-	1,516	-	30,085	83,614
Supplies	1,749	-	35,467	-	372	9,532	29,587	76,707
Other services and charges	29,027	3,076	26,804	-	2,750	34,446	628	96,731
Capital outlay	-	-	-	29,795	-	36,640	-	66,435
Other disbursements	-	19,722	-	-	-	242,000	-	261,722
Total disbursements	70,380	25,957	71,521	29,795	4,638	322,618	60,300	585,209
Excess (deficiency) of receipts over disbursements	(6,015)	(957)	3,570	(4,795)	(2,318)	278,312	(299)	267,498
Cash and investments - ending	\$ 2,832	\$ 2,428	\$ 6,522	\$ 5,985	\$ 551	\$ 1,221,988	\$ 2,567	\$ 1,242,873

LIBERTY TOWNSHIP, WHITE COUNTY
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed forms were not in use:

Township Form 1C Financial and Appropriation Ledger
Township Form 17 Resolution for Establishing Salaries
of Township Officers and Employees

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)

CAPITAL ASSET RECORDS

The capital asset records presented for examination did not include several items purchased in 2010. Items not included in the capital assets records were purchases of land and fire equipment.

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)

CONFLICT OF INTEREST DISCLOSURE

Steven Carter, Township Board Member, sold the Township a Cub Cadet mower for \$1,500 in 2010. A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed.

During the examination period Indiana Code 35-44-1-3 stated in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

LIBERTY TOWNSHIP, WHITE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . ."

EXCESSIVE OR UNREASONABLE COSTS

The Landfill Fund paid \$3,200 for a 46" color television purchased at an auction for the Fire Department. Our review of new 46" high definition televisions revealed retail costs ranged from \$499 to \$2,300.

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)

DONATIONS

The Township donated \$1,500 to the White County Ambassadors Musical Program for a field trip, \$121 for meals for the North White Robotics Team, \$1,500 to the Sagamore Council Boy Scouts, and \$4,100 for labor and materials for a concrete pad, dog run, and a service walk for the White County Animal Shelter.

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)

PERSONAL EXPENSES

The Trustee is paying 100 percent of the cost on two cell phones. A review of cell phone bills determined that the numbers are in the name of the Trustee and not the Township.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LIBERTY TOWNSHIP, WHITE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2011 with Walter Hough, Trustee. The official response has been made a part of this report and may be found on pages 16 through 24.

July 8, 2011

Teresa Moody
State Board of Accounts
302 W Washington Street, Room E418
Indianapolis, Indiana 46204-2765

RE: Liberty Township, White County
January 1, 2010 to December 31, 2010
OFFICIAL RESPONSE

Dear Ms. Moody:

Please accept this as the OFFICIAL RESPONSE of Liberty Township, White County to the Liberty Township, Examination Results and Comments, provided to the trustee at the June 30, 2011 Exit Conference (attached) . The Response will reference the appropriate paragraph of the Comments.

DONATIONS

IC 36-6-4-8(a) specifically authorizes a trustee to use township funds for “for all categories of community services, if these funds are appropriated for these services by the township legislative body. The executive may use these funds for both operating and capital expenditures.” The Liberty Township Board has authorized each of the cited expenditures by resolution (attached). Further, while the statute allows tax dollars to be spent for these purposes, no tax dollars were expended in this case. Therefore, these donations comply with state law and the Audit Comment should be removed.

CONFLICT OF INTEREST DISCLOSURE

The Township paid less than fair market value for the Cub Cadet mower. Nevertheless, Steve Carter will correct this matter by filing a Uniform Conflict of Interest Disclosure Statement.

PAYROLL DEDUCTIONS

The Township has had a “First Deputy” which is maintained as an unpaid position. The person who holds that position also operates a private accounting service. The Township pays \$6,000 per year for accounting services, which is paid per invoice therefore. The Township issues a 1099 for that payment. The Township complies with all reporting requirements of federal and state agencies and saves money in the process. Therefore, this Audit Comment should be removed.

COMPENSATION AND BENEFITS

Upon reviewing this Exit Conference Comment, Township provided the Auditor with records, documenting and supporting the \$30,000 in wages paid to Andrew Breedlove. Therefore, this Audit Comment should be removed.

PRESCRIBED FORMS

Upon reviewing this Exit Conference comment, Township provided the Auditor with the Form 17 adopted by the Township Board for 2010. Therefore, this part of the Audit Comment should be removed. The Township keeps the appropriate information but will correct the format of that record keeping, per the Audit.

CAPITAL ASSET RECORDS

Upon reviewing this Exit Conference comment, Township provided the Auditor with the Capital Asset Schedule showing all fire equipment and the snow plow (attached). Therefore, those comments should be corrected. The land will be added.

PERSONAL EXPENSES

The Board had approved the cell phones which are used for township business. The Township has placed the cell phones in the Township's name per the Audit Comment.

Very truly yours,

THRASHER BUSCHMANN & VOELKEL, P.C.



Stephen R. Buschmann, Esq.

cc: Liberty Township, White County

RESOLUTION

WHEREAS, IC 36-6-4-8 provides that a Township Trustee may use township funds for all categories of community services, including both operating and capital expenditures, if these funds are appropriated for these services by the Township Board; and,

WHEREAS, the Sagamore Council, Boy Scouts of America operates a Boy Scout Camp in Liberty Township, which provides facilities to Boy Scouts in the area, including citizens of Liberty township; and,

WHEREAS, the Sagamore Council, Boy Scouts of America is in need of funds to perform repairs on the swimming pool at the Boy Scout Camp; and,

WHEREAS, Liberty Township has available funds, not generated from tax revenues, that can be used for this purpose; and,

WHEREAS, the Trustee and Township Board of Liberty Township believe that it is in the best interests of the Township and its citizens for Liberty Township to assist the Sagamore Council, Boy Scouts of America in this project;

NOW THEREFORE, BE IT RESOLVED that the Liberty Township Board hereby approves an appropriation from the ??? Fund in the amount of \$1,500.00 for use by the Sagamore Council, Boy Scouts of America for maintenance work on the swimming pool at the Boy Scout Camp in Liberty Township, and the Trustee is hereby authorized to pay those funds to the Sagamore Council, Boy Scouts of America for that purpose.

Dated this 8 day of Oct, 2010.

AYE
John W. Boston
David W. Carter
Michael J. Anderson

NAY

ATTEST:
Walter E. House
Liberty Township Trustee

CHK- 7279

RESOLUTION

WHEREAS, IC 36-6-4-8 provides that a Township Trustee may use township funds for all categories of community services, if these funds are appropriated for these services by the Township Board; and,

WHEREAS, the ambassadors club White County operates a school function at N W SCHOOL FOR THE SCHOOL CORPORATION

WHEREAS, the AMBASSADORS CLUB does not have sufficient funds to operate the FUNCTION FOR THE SCHOOL PROGRAM without the support of other local entities; and,

WHEREAS, Liberty Township has available funds, not generated from tax revenues, that can be used for this purpose; and,

WHEREAS, the Trustee and Township Board of Liberty Township believe that it is in the best interests of the Township and its citizens for Liberty Township to assist the AMBASSADORS OF N W HIGH SCHOOL IN THEIR PLAY PROGRAM

NOW THEREFORE, BE IT RESOLVED that the Liberty Township Board hereby approves an appropriation from the LANFILL Fund in the amount of 1,500 for use by the AMBASSADORS OF N W HIGH SCHOOL of White County for purposes of operating its SCHOOL PLAY FOR COSTUMED AND PROPS THE Trustee is hereby authorized to pay those funds to the N W AMBASSADORS of White County for that purpose.

Dated this 29 day of Jan, 2010.

AYE
John W. B. ...
David W. Carter
Michael J. Anderson

NAY

ATTEST:
Walter E. ...
Liberty Township Trustee

RECREATION FUND
LINE ITEM Budget

RESOLUTION

WHEREAS, IC 36-6-4-8 provides that a Township Trustee may use township funds for all categories of community services, if these funds are appropriated for these services by the Township Board; and,

WHEREAS, the Happy Tails Animal Care Center Incorporated provides a no-kill shelter for stray animals in Liberty Township; and,

WHEREAS, the Happy Tails Animal Care Center Incorporated requires the assistance of the public to carry out its mission which benefits the citizens of Liberty Township; and,

WHEREAS, the Trustee and Township Board of Liberty Township believe that it is in the best interests of the Township and its citizens for Liberty Township to assist the Happy Tails Animal Care Center Incorporated with its programs; and,

WHEREAS, the Township has funds available from non-tax revenues to use for this project;

NOW THEREFORE, BE IT RESOLVED that the Liberty Township Board hereby approves an appropriation from the ??? Fund in the amount of \$3,000.00 for the purchase of 5 kennels for use by the Happy Tails Animal Care Center Incorporated and for the purchase of a 2008 Craftsman Lawn Mower with a 54 inch deck for use by the Happy Tails Animal Care Center Incorporated in maintaining its grounds; and, *Concrete Pads*

IT IS FURTHER RESOLVED, that the Trustee is hereby authorized to expend those funds for those purposes and to enter such agreements with the Happy Tails Animal Care Center Incorporated as may be appropriate to protect the interests of the Township..

Dated this 26 day of July, 2010.

AYE

NAY

John W. Carter
David W. Carter
Michael J. Anderson

ATTEST:

Walter E. Hodge
Liberty Township Trustee

CHR 7194

CHK

to Barry Zimpelman

CAPITAL ASSETS LEDGER

FUND Mosquito

DEPARTMENT OR BUILDING WATER ASPEN DR

Form Prescribed by State Board of Accountants OFFICE FORMS SYSTEMS, INC. MODEL NUMBER: 601075100

General Form No. 102 (REV. 10-07)

	Date of Purchase	Description of Asset	Serial Number	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	
1	2000	2001 Chevy TR		WATER ASPEN DR Buffalo	14,000				1
2	2004	Cougar Sprayer		" "	8,510				2
3	2009	Snow Plow		" "					3
4	2009	TRAILER		" "	2,000				4
5	2009	RANCOE 4 wheel		" "	6-				5
6	2001	London For Sprayer		" "	14,710				6
7	2011	Larvacent Sprayer		" "	1,857				7
8	2011	Larvacent Sprayer		" "					8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21

-21-

July 21, 2011

Teresa Moody
State Board of Accounts
302 W. Washington Street, Room E418
Indianapolis, Indiana 46204-2765

RE: Liberty Township, White County
January 1, 2010 to December 31, 2010
OFFICIAL RESPONSE

Dear Ms. Moody:

Please accept this as the OFFICIAL RESPONSE of Liberty Township, White County to the Amended Liberty Township, Examination Results and Comments, provided to the trustee on July 20, 2011, (attached). The Response will reference the appropriate paragraph of the Comments.

PRESCRIBED FORMS

Upon reviewing this Exit Conference comment, Township provided the Auditor with the Form 17 adopted by the Township Board for 2010. The Township keeps the appropriate information but will correct the format of that record keeping, per the Audit.

CAPITAL ASSET RECORDS

The Capital Asset Schedule will be amended to add the land purchased, per the Audit Comment.

CONFLICT OF INTEREST DISCLOSURE

The Township paid less than fair market value for the Cub Cadet mower. Nevertheless, Steve Carter will correct this matter by filing a Uniform Conflict of Interest Disclosure Statement.

EXCESSIVE OR UNREASONABLE COSTS

The 46" Color Television was purchased with Landfill Fund revenues, (Liberty Township does not impose a tax levy), at a charity auction; the proceeds of which were used exclusively for the benefit of a Liberty Township firefighter who, along with his wife, had been severely injured in an automobile accident. The Township will monitor the use of its government funds, per the Audit.

Teresa Moody
July 21, 2011
Page 2

DONATIONS

IC 36-6-4-8(a) specifically authorizes a trustee to use township funds for “for all categories of community services, if these funds are appropriated for these services by the township legislative body. The executive may use these funds for both operating and capital expenditures.” The Liberty Township Board has authorized each of the cited expenditures by resolution (attached). Further, while the statute allows tax dollars to be spent for these purposes, no tax dollars were expended in this case. Therefore, these donations comply with state law and the Audit Comment should be removed.

PERSONAL EXPENSES

The Board had approved the cell phones which are used for township business. The Township has placed the cell phones in the Township’s name per the Audit Comment.

Very truly yours,

THRASHER BUSCHMANN & VOELKEL, P.C.



Stephen R. Buschmann, Esq.

cc: Liberty Township, White County