



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B47147

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November 10, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Liberty Township (Township), for the period of January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

**Unresolved Comments from Prior Report**

- *The Annual Financial Report (AFR) filed on Gateway for the year 2014 did not match the Township records as follows:*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per APR</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2014	Township Assistance	Disbursements	\$ 15,176.14	\$ 16,518.14	\$ (1,342.00)
2014	Township Assistance	Ending Balance	7,014.60	5,672.60	1,342.00

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations contained errors. Items including an adjustment and a duplicate entry were erroneously listed as outstanding transactions. As a result, the Township's cash and investment balances were overstated at December 31, 2012, 2013, 2014, and 2015 by \$2,851, \$2,851, \$9,801, and \$9,742, respectively.*

- *The Township paid the Trustee \$1,000 each year for office rent. The Township also paid various individuals amounts in excess of \$600 in the years 2013, 2014, and 2015 for cemetery care. The Township did not issue Internal Revenue Service Forms 1099 for these payments.*

**Current Period Comments**

- *The following funds had overdrawn cash balances at December 31:*

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2012	Payroll Withholding	\$ 181.49
2013	Payroll Withholding	474.02
2014	Payroll Withholding	520.50
2015	Township Assistance	1,699.64
2015	Payroll Withholding	172.30

- *The Township did not record local tax distributions correctly. In 2013 and 2014, Commercial Vehicle Excise Tax (CVET) distributions for the Fire Fighting fund totaling \$190 were receipted to the Levy Excess fund. In June 2015, the Township Assistance fund and the Fire Fighting fund shares of the CVET distributions (\$44 and \$66, respectively) were receipted to the Township fund. The Township's 2015 budget allocated half (\$3,972) of the 2015 County Option Income Tax (COIT) distributions to the Township Assistance fund; however, all of the COIT distributions were receipted to the Township fund.*
- *The Township did not withhold federal, state, or local taxes from the salaries paid to the members of the Township Board for the years 2012, 2013, 2014, and 2015.*
- *The Township does not have a policy addressing nepotism in employment as required by Indiana Code 36-1-20.2.*
- *The Township elected officers did not each certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, 2014, and 2015.*
- *The Township elected officers did not each certify in writing that they had complied with Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, and 2015.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on September 21, 2016, with Susan R. Althouse, Trustee. Any Official Response attached to this letter was not verified for accuracy.

*Paul D. Joyce*  
 Paul D. Joyce, CPA  
 State Examiner