



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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August 29, 2023

TO: THE OFFICIALS OF LIBERTY TOWNSHIP, HENRY 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), Henry County, for the period of January 1, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 Township's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.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.

**Comments**

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

The Township's Ledger did not agree with the Annual Financial Report (AFR) in 2021 and 2022. The ledger balances were higher than the AFR by \$3,522 and \$70,781 for 2021 and 2022, respectively.

*Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

## **BANK RECONCILEMENTS**

### *Condition and Context*

The Township's bank reconcilements did not agree with the Annual Financial Report (AFR) in 2021 and 2022. The adjusted bank balance was higher than the AFR by \$3,509 and \$19,943 for 2021 and 2022, respectively.

In addition, the Township did not reconcile the bank monthly for three of the nine months tested.

### *Criteria*

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

## **PENALTIES, INTEREST, AND OTHER CHARGES**

### *Condition and Context*

The Township paid late fees four times during the engagement period totaling \$171.

### *Criteria*

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2022

Fund	Cash and Investments 12-31-22
Township	\$ 72,299
Park and Recreation	123
Township Assistance	17,567
Fire Fighting	40,663
Rainy Day	7,137
Fire Cumulative Fund	<u>157,620</u>
Total	<u>\$ 295,409</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Steve Coffman, Trustee; Terry Coffman, Chair of the Township Board; and Brenda Bockover, Township Clerk, on August 8, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner