

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

COMPLIANCE ENGAGEMENT REPORT

OF

LIBERTY TOWNSHIP

PORTER COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED

04/24/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Matthew Keiser	01-01-19 to 12-31-24
President of the Township Board	Terry Dunn	01-01-19 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Liberty Township, for the period of January 1, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

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. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Matthew Keiser, Trustee, on April 9, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 9, 2024

LIBERTY TOWNSHIP, PORTER COUNTY
COMMENT

PAYMENTS TO ATTORNEYS

A similar comment also appeared in prior Reports B42122, B49705, and B55179.

Condition and Context

Internal controls were not in place to ensure that a 1099-Misc was issued when required. The Township paid \$1,400 to an attorney for the year 2021 but did not provide documentation that a 1099-Misc was provided to the attorney or to the Internal Revenue Service.

Criteria

Payments for services provided by an organization must go directly to the organization and not to an individual employee of the organization. All payments for services must be supported by a written contract. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. . . ."

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

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LIBERTY TOWNSHIP, PORTER COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
TOWNSHIP FUND	\$ 169,456	\$ 79,550	\$ 96,198	\$ 152,808	\$ 90,875	\$ 87,500	\$ 156,183
TOWNSHIP ASSISTANCE	65,234	64,565	27,548	102,251	79,035	32,740	148,546
FIRE FIGHTING FUND	136,798	239,967	245,096	131,669	268,222	250,000	149,891
RAINY DAY	-	33,500	-	33,500	23,838	-	57,338
EXCESS LEVY	2,428	-	-	2,428	-	-	2,428
CUMULATIVE FIRE	889,950	64,584	12,000	942,534	67,706	-	1,010,240
PAYROLL DEDUCTIONS	-	14,060	14,060	-	19,628	19,413	215
Totals	<u>\$ 1,263,866</u>	<u>\$ 496,226</u>	<u>\$ 394,902</u>	<u>\$ 1,365,190</u>	<u>\$ 549,304</u>	<u>\$ 389,653</u>	<u>\$ 1,524,841</u>

LIBERTY TOWNSHIP, PORTER COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
TOWNSHIP FUND	\$ 156,183	\$ 93,900	\$ 91,860	\$ 158,223	\$ 97,932	\$ 81,951	\$ 174,204
TOWNSHIP ASSISTANCE	148,546	83,534	37,284	194,796	86,076	38,349	242,523
FIRE FIGHTING FUND	149,891	283,453	260,500	172,844	293,055	245,450	220,449
RAINY DAY	57,338	29,980	-	87,318	-	-	87,318
EXCESS LEVY	2,428	-	-	2,428	804	-	3,232
CUMULATIVE FIRE	1,010,240	223,216	-	1,233,456	263,909	59,922	1,437,443
PAYROLL DEDUCTIONS	<u>215</u>	<u>18,678</u>	<u>17,116</u>	<u>1,777</u>	<u>19,456</u>	<u>17,716</u>	<u>3,517</u>
Totals	<u>\$ 1,524,841</u>	<u>\$ 732,761</u>	<u>\$ 406,760</u>	<u>\$ 1,850,842</u>	<u>\$ 761,232</u>	<u>\$ 443,388</u>	<u>\$ 2,168,686</u>

LIBERTY TOWNSHIP, PORTER COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
TOWNSHIP FUND	\$ 174,204	\$ 101,227	\$ 95,472	\$ 179,959
TOWNSHIP ASSISTANCE	242,522	88,436	42,077	288,881
FIRE FIGHTING FUND	220,449	306,380	277,700	249,129
RAINY DAY	87,318	37,500	-	124,818
EXCESS LEVY	3,232	-	-	3,232
CUMULATIVE FIRE	1,437,444	359,745	103,415	1,693,774
PAYROLL DEDUCTIONS	3,517	22,793	20,873	5,437
Totals	<u>\$ 2,168,686</u>	<u>\$ 916,081</u>	<u>\$ 539,537</u>	<u>\$ 2,545,230</u>