

B36495

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

EXAMINATION REPORT  
OF  
LIBERTY TOWNSHIP  
UNION COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/27/2010



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OFFICIALS

| <u>Office</u>                     | <u>Official</u>                      | <u>Term</u>                                  |
|-----------------------------------|--------------------------------------|----------------------------------------------|
| Trustee                           | David L. Woeste<br>William Baumbauer | 01-01-03 to 12-31-08<br>01-01-09 to 12-31-10 |
| Chairman of the<br>Township Board | Ted Bostick                          | 01-01-08 to 12-31-10                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Liberty Township (Township), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 5, 2010

LIBERTY TOWNSHIP, UNION COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

|                     | <u>Cash and<br/>Investments<br/>01-01-08</u> | <u>Receipts</u>  | <u>Disbursements</u> | <u>Cash and<br/>Investments<br/>12-31-08</u> |
|---------------------|----------------------------------------------|------------------|----------------------|----------------------------------------------|
| Governmental Funds: |                                              |                  |                      |                                              |
| Township            | \$ 4,498                                     | \$ 13,192        | \$ 6,383             | \$ 11,307                                    |
| Township Assistance | 2,724                                        | 1,084            | 74                   | 3,734                                        |
| Firefighting        | 182                                          | 13,691           | 13,872               | 1                                            |
| Rainy Day           | 440                                          | 585              | -                    | 1,025                                        |
| Levy Excess         | 1,803                                        | -                | 1,803                | -                                            |
|                     | <u>9,647</u>                                 | <u>28,552</u>    | <u>22,132</u>        | <u>16,067</u>                                |
| Totals              | <u>\$ 9,647</u>                              | <u>\$ 28,552</u> | <u>\$ 22,132</u>     | <u>\$ 16,067</u>                             |
|                     |                                              |                  |                      |                                              |
|                     | <u>Cash and<br/>Investments<br/>01-01-09</u> | <u>Receipts</u>  | <u>Disbursements</u> | <u>Cash and<br/>Investments<br/>12-31-09</u> |
| Governmental Funds: |                                              |                  |                      |                                              |
| Township            | \$ 11,307                                    | \$ 11,313        | \$ 7,320             | \$ 15,300                                    |
| Township Assistance | 3,734                                        | 1,084.00         | 1,242                | 3,576                                        |
| Firefighting        | 1                                            | 14,275.00        | 14,253               | 23                                           |
| Rainy Day           | 1,025                                        | -                | -                    | 1,025                                        |
|                     | <u>16,067</u>                                | <u>26,672</u>    | <u>22,815</u>        | <u>19,924</u>                                |
| Totals              | <u>\$ 16,067</u>                             | <u>\$ 26,672</u> | <u>\$ 22,815</u>     | <u>\$ 19,924</u>                             |

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

LIBERTY TOWNSHIP, UNION 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, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 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, UNION COUNTY  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The Annual Report submitted for 2008 was mathematically incorrect. The Rainy Day Fund balance was added to the Township Fund balance, and Rainy Day receipts were posted without beginning or ending balances.

The Annual Report submitted for 2009 was incomplete. Part 4 "Cash and Investments" was not completed.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The current Trustee's official bond does not comply with current requirements. Annual coverage of the current official bond is \$15,000.

The official bond for the former Trustee was not filed in the Office of the County Recorder.

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee."

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 . . ."

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

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

DELINQUENT LIABILITIES - CONTRACTS

The Township contracts with the Town of Liberty for fire protection services. The Township owed at December 31, 2008, an additional \$4,080.50 for the 2008 contract. The balance due was paid September 9, 2009. The Township owed at December 31, 2009, an additional \$4,663.22 for the 2009 contract. The balance due is outstanding at April 5, 2010.

Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LIBERTY TOWNSHIP, UNION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 5, 2010, with William Baumbauer, Trustee. The official concurred with our findings.