

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

EXAMINATION REPORT
OF
LIBERTY TOWNSHIP
ST. JOSEPH COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sue Dittmar	01-01-07 to 12-31-10
Chairman of the Township Board	Jeremy Obenchain Sara Williams	01-01-07 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LIBERTY TOWNSHIP, ST. JOSEPH COUNTY, INDIANA

We have examined the financial information presented herein of Liberty Township (Township), for the period of January 1, 2007 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 30, 2010

LIBERTY TOWNSHIP, ST. JOSEPH COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 106,554	\$ 122,252	\$ 48,187	\$ 180,619
Dog	1,518	2,406	1,518	2,406
Township Assistance	37,604	2,553	1,951	38,206
Firefighting	170,191	150,260	111,579	208,872
Cumulative Fire	147,654	24,647	-	172,301
Levy Excess	-	139	-	139
Totals	<u>\$ 463,521</u>	<u>\$ 302,257</u>	<u>\$ 163,235</u>	<u>\$ 602,543</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 180,619	\$ 61,873	\$ 48,709	\$ 193,783
Dog	2,406	-	2,406	-
Township Assistance	38,206	901	897	38,210
Firefighting	208,872	58,666	114,702	152,836
Cumulative Fire	172,301	22,395	13,068	181,628
Rainy Day	-	1,638	-	1,638
Levy Excess	139	-	-	139
Totals	<u>\$ 602,543</u>	<u>\$ 145,473</u>	<u>\$ 179,782</u>	<u>\$ 568,234</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 193,783	\$ 177,310	\$ 54,172	\$ 316,921
Dog	-	-	-	-
Township Assistance	38,210	13,783	2,182	49,811
Firefighting	152,836	211,924	114,557	250,203
Cumulative Fire	181,628	68,725	184,898	65,455
Rainy Day	1,638	1,813	-	3,451
Levy Excess	139	9,658	-	9,797
Totals	<u>\$ 568,234</u>	<u>\$ 483,213</u>	<u>\$ 355,809</u>	<u>\$ 695,638</u>

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

LIBERTY TOWNSHIP, ST. JOSEPH 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, culture and recreation, 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.

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, ST. JOSEPH COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

LIBERTY TOWNSHIP, ST. JOSEPH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 38,800
Buildings	64,000
Machinery and equipment	<u>370,662</u>
Total	<u><u>\$ 473,462</u></u>

LIBERTY TOWNSHIP, ST. JOSEPH COUNTY
EXAMINATION RESULTS AND COMMENTS

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."

CAPITAL ASSET RECORDS

We noted several capital asset items listed on the capital asset listing that did not have an associated cost. A number of items appear to have been donated to the Township. The Township must determine a value at the time the assets were donated.

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)

EMS FEE COLLECTION PROCEDURES

The controls over the EMS fees collections were insufficient. There is no formal collection policy, no method of pursuing delinquent accounts, and no method of writing off old delinquent accounts. A similar comment was made on Report B31114.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PUBLIC PURCHASES LAW

Liberty Township purchased a 2008 Kentworth Fire Truck in December 2009. The original cost was \$184,896. Evidence of bids was not presented for audit.

IC 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

LIBERTY TOWNSHIP, ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with Sue Ditmar, Trustee. The official concurred with our findings.