

B36617

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

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



FILED
04/29/2010

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OFFICIALS

Office

Official

Term

Trustee

Walter Hough

01-01-07 to 12-31-10

Chairman of the
Township Board

Steven Carter

01-01-08 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, WHITE 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.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is 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 31, 2010

LIBERTY TOWNSHIP, WHITE 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

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 13,122	\$ 106,340	\$ 95,533	\$ 23,929
Township Assistance	2,728	20,000	18,747	3,981
Firefighting	4,134	42,000	45,202	932
Park and Recreation	3,768	285	2,952	1,101
Landfill Host Agreement	1,029,660	362,572	335,969	1,056,263
Mosquito	3,440	45,000	44,055	4,385
Cumulative Fire	8,169	200,000	188,972	19,197
	<u>\$ 1,065,021</u>	<u>\$ 776,197</u>	<u>\$ 731,430</u>	<u>\$ 1,109,788</u>
Totals				
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 23,929	\$ 57,825	\$ 72,907	\$ 8,847
Township Assistance	3,981	20,000	20,596	3,385
Firefighting	932	131,134	129,114	2,952
Park and Recreation	1,101	5,214	3,446	2,869
Landfill Host Agreement	1,056,263	442,637	555,224	943,676
Mosquito	4,385	65,015	66,533	2,867
Cumulative Fire	19,197	230,000	238,418	10,779
	<u>\$ 1,109,788</u>	<u>\$ 951,825</u>	<u>\$ 1,086,238</u>	<u>\$ 975,375</u>
Totals				

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

LIBERTY TOWNSHIP, WHITE 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. 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, WHITE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended 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:	
Machinery and equipment	<u>\$ 849,086</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 849,086</u>

LIBERTY TOWNSHIP, WHITE COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

Records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
Township	2008	\$ 16,533
Township	2009	72,907
Township Assistance	2009	20,596
Firefighting	2009	129,114
Cumulative Fire	2009	238,418
Park and Recreation	2009	3,446

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

DONATIONS

The Township made the following donations to public and private organizations during the examination period:

- \$6,000 to White County Food Pantry in 2008
- \$500 to the Good Fellows in 2008
- \$1,000 to Good Fellows in 2009
- \$1,000 to Rances Deer Processing for food pantry meat

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

The following Prescribed Forms were not in use:

- Township Form IC – Financial and Appropriation Ledger
- Township Form 17 – Resolution Establishing Salaries
of Township Officers and Employees
- Township Assistance Form – TA-1 Application for Township Assistance

Our review of the records determined that the financial and appropriation information is kept on a 13 column pad and not on the approved Financial and Appropriation Ledger. A similar comment was issued in Report 32007.

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

TOWNSHIP ASSISTANCE

Township Assistance of \$3,281 was paid during the examination period on behalf of a Township employee. Our review of the records determined that no application for Township Assistance or any documentation indicating any form of investigation was conducted prior to the payment of the benefits of \$3,281.

IC 12-20-6-1(a) states:

"A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the date aid is extended."

IC 12-20-6-9 states:

"If an application for township assistance is made to the township trustee as administrator of township assistance, the township trustee, as administrator of township assistance, shall carefully investigate the circumstances of the applicant and each member of the applicant's household to ascertain the following:

- (1) Legal residence.
- (2) Names and ages.
- (3) Physical condition relating to sickness or health.
- (4) Present and previous occupation.
- (5) Ability and capacity to perform labor.
- (6) The cause of the applicant's or household member's condition if the applicant or household member is found to be in need and the cause can be ascertained.
- (7) Whether the applicant or a member of the applicant's household is entitled to income in the immediate future from any source, including the following:
 - (A) Past or present employment.
 - (B) A pending claim or cause of action that may result in a monetary award being received by any member of the applicant's household claiming to be in need.
 - (C) A pending determination for assistance from any other federal or state governmental entity.
- (8) The family relationships of the township assistance applicant.
- (9) Whether the township assistance applicant or members of the applicant's household have relatives able and willing to assist the applicant or a member of the applicant's household."

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

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SALARY NOT APPROVED

The Trustee's annual salary was not approved in the Township Board minutes nor was a Prescribed Form 17 completed to document an approved salary.

IC 36-6-6-10 requires the township board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the township board should RECORD THE SALARIES SO FIXED IN THE TOWNSHIP BOARD MINUTES. A type of format for recording these salaries should be the existing format of Township Form No. 17. We recommend the board set the salaries of township officials and employees, in conjunction with the preparation and completion of the township budget. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LIBERTY TOWNSHIP, WHITE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2010, with Walter Hough, Trustee; and Tammy Parrish, Deputy Trustee. The officials concurred with our findings.