

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

COMPLIANCE REPORT

OF

LIBERTY TOWNSHIP

HENDRICKS COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
03/09/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Ronald W. Myers	01-01-11 to 12-31-18
Chairman of the Township Board	Larry Wineman Larry Bruner	01-01-12 to 12-31-13 01-01-14 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF LIBERTY TOWNSHIP, HENDRICKS 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), for the period January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of non-compliance; therefore, noncompliance may exist that is unidentified.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

January 12, 2017

LIBERTY TOWNSHIP, HENDRICKS COUNTY  
RESULTS AND COMMENTS

**COMPENSATION PAID IN ADVANCE**

The Township paid \$79,200 of compensation in advance of the actual date the services were provided for the years of 2012, 2013, 2014, and 2015.

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**INACCURATE FORM 100-R**

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2014 100-R stated the Trustee's total compensation was \$12,000, but the Trustee actually was paid \$13,200 in 2014.

Indiana Code 5-11-13-1(a) states in part:

"Every . . . township, . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. . . ."

**OPTICAL IMAGE OF CHECKS**

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.

Indiana Code 5-15-5.1-10(a) states in part:

"Each . . . local government shall:

- (1) Make and preserve record containing adequate and proper documentation of . . . essential transactions of the . . . local government to protect the legal and financial rights of the government. . . ."

LIBERTY TOWNSHIP, HENDRICKS COUNTY  
RESULTS AND COMMENTS  
(Continued)

Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference. . . .

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

**ANNUAL REPORT ERRORS**

The Annual Financial Report (AFR) filed on Gateway for 2014 contained a number of errors and did not properly reflect the financial activity of the Township.

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2014	Fire Fighting	Disb	\$ 201,195.00	\$ 201,185.00	\$ (10.00)
2014	Fire Fighting	End Bal	366,870.16	366,880.16	10.00

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)

**ANNUAL CONTRACTING POLICY CERTIFICATION**

Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, and 2015.

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

LIBERTY TOWNSHIP, HENDRICKS COUNTY  
EXIT CONFERENCE

The contents of this letter were discussed on January 12, 2017, with Ronald W. Myers, Trustee,  
and Sandra J. Myers, Township Clerk.