



**LIBERTY TOWNSHIP  
HENRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2008**



**Mary Taylor, CPA**  
Auditor of State



LIBERTY TOWNSHIP  
HENRY COUNTY

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Mary Taylor, CPA  
Auditor of State

Liberty Township  
Henry County  
S-395 County Road 9  
Liberty Center, Ohio 43532-9709

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

September 11, 2009

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Liberty Township  
Henry County  
S-395 County Road 9  
Liberty Center, Ohio 43532-9709

To the Board of Trustees:

We have audited the accompanying financial statements of Liberty Township, Henry County, (the Township) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township

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has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Liberty Township, Henry County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

September 11, 2009



**LIBERTY TOWNSHIP  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$31,143	\$65,904	\$59,272		\$156,319
Charges for Services		54,560			54,560
Licenses, Permits, and Fees		1,270			1,270
Intergovernmental	43,342	189,909	3,308		236,559
Wastewater Discharge Assessment	24,750				24,750
Earnings on Investments	5,013	1,633	526		7,172
Miscellaneous	357	5,702			6,059
					<hr/>
Total Cash Receipts	104,605	318,978	63,106		486,689
<b>Cash Disbursements:</b>					
Current:					
General Government	80,542	8,188	1,911		90,641
Public Safety		107,233			107,233
Public Works	2,000	78,238			80,238
Health		4,852			4,852
Conservation - Recreation		6,107			6,107
Capital Outlay		63,650		\$127	63,777
Debt Service:					
Redemption of Principal		39,318	44,878		84,196
Interest and Other Fiscal Charges		8,416	22,775		31,191
					<hr/>
Total Cash Disbursements	82,542	316,002	69,564	127	468,235
Total Cash Receipts Over/(Under) Cash Disbursements	22,063	2,976	(6,458)	(127)	18,454
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In		8,600			8,600
Transfers-Out	(8,600)				(8,600)
Other Financing Sources		241			241
Other Financing Uses	(13)				(13)
					<hr/>
Total Other Financing Receipts / (Disbursements)	(8,613)	8,841			228
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	13,450	11,817	(6,458)	(127)	18,682
Fund Cash Balances, January 1	76,201	279,813	20,556	127	376,697
<b>Fund Cash Balances, December 31</b>	<b><u>\$89,651</u></b>	<b><u>\$291,630</u></b>	<b><u>\$14,098</u></b>		<b><u>\$395,379</u></b>

*The notes to the financial statements are an integral part of this statement.*

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Governmental Fund Types</b>				<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$35,325	\$81,583	\$65,164		\$182,072
Charges for Services		34,133			34,133
Licenses, Permits, and Fees		2,130			2,130
Intergovernmental	65,838	227,241	2,488		295,567
Wastewater Discharge Assessment	24,194				24,194
Earnings on Investments	8,784	1,637			10,421
Miscellaneous		2,805			2,805
<b>Total Cash Receipts</b>	<b>134,141</b>	<b>349,529</b>	<b>67,652</b>		<b>551,322</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	69,294	30,620			99,914
Public Safety		91,967			91,967
Public Works	1,056	92,926			93,982
Health		5,508			5,508
Conservation - Recreation		6,312			6,312
Capital Outlay	313	17,814	1,648		19,775
Debt Service:					
Redemption of Principal		37,022	82,896		119,918
Interest and Other Fiscal Charges		10,712	26,607		37,319
<b>Total Cash Disbursements</b>	<b>70,663</b>	<b>292,881</b>	<b>111,151</b>		<b>474,695</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>63,478</b>	<b>56,648</b>	<b>(43,499)</b>		<b>76,627</b>
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In		40,000	2,000		42,000
Transfers-Out	(40,000)	(2,000)			(42,000)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(40,000)</b>	<b>38,000</b>	<b>2,000</b>		
<b>Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements</b>	<b>23,478</b>	<b>94,648</b>	<b>(41,499)</b>		<b>76,627</b>
<b>Fund Cash Balances, January 1</b>	<b>52,723</b>	<b>185,165</b>	<b>62,055</b>	<b>\$127</b>	<b>300,070</b>
<b>Fund Cash Balances, December 31</b>	<b>\$76,201</b>	<b>\$279,813</b>	<b>\$20,556</b>	<b>\$127</b>	<b>\$376,697</b>

*The notes to the financial statements are an integral part of this statement.*

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Liberty Township, Henry County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund receives gasoline tax money for constructing, maintaining, and repairing Township roads.

Fire District Fund - This fund receives property tax and fire and emergency medical service contract revenues for maintaining fire and rescue department services, equipment, and vehicles.

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**3. Debt Service Funds**

These funds account for resources the Township accumulates to pay debt. The Township had the following significant Debt Service Fund:

Miscellaneous Debt Service Fund - This fund receives property tax money for repaying debt used to finance construction of the new fire station.

**4. Capital Project Funds**

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Miscellaneous Capital Projects Fund – This fund is used to pay for Township capital improvements.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**E. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**2. Equity in Pooled Deposits**

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2008	2007
Demand deposits	\$195,379	\$226,697
Certificates of deposit	200,000	150,000
Total deposits	\$395,379	\$376,697

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

**2008 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$89,622	\$104,605	\$14,983
Special Revenue	386,516	327,819	(58,697)
Debt Service	63,777	63,106	(671)
Capital Projects	500		(500)
Total	\$540,415	\$495,530	(\$44,885)

**2008 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$90,597	\$91,155	(\$558)
Special Revenue	447,362	316,002	131,360
Debt Service	70,498	69,564	934
Capital Projects	250	127	123
Total	\$608,707	\$476,848	\$131,859

**2007 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$129,610	\$134,141	\$4,531
Special Revenue	367,128	389,529	22,401
Debt Service	69,159	69,652	493
Capital Projects	20		(20)
Total	\$565,917	\$593,322	\$27,405

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**3. Budgetary Activity (Continued)**

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$124,531	\$110,663	\$13,868
Special Revenue	373,809	294,881	78,928
Debt Service	119,646	111,151	8,495
Capital Projects	147	147	-
Total	\$618,133	\$516,695	\$101,438

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**5. Debt**

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
Promissory Note - Fire Truck	\$202,428	4.10%
Promissory Note - Fire Station	378,863	5.50%
Total	\$581,291	

The Township entered into a promissory note agreement with the Henry County Bank in August 2006 to purchase a fire truck. The note is secured by the asset purchased.

Township entered into a promissory note agreement with Henry County Bank in February 2003 to finance the construction of a fire station. The Township's taxing authority collateralized the promissory note.

Amortization of the above debt, including interest, is scheduled as follows:

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**5. Debt (Continued)**

Year ending December 31:	Promissory Note - Fire Truck	Promissory Note - Fire Station
2009	\$47,733	\$67,653
2010	47,733	67,653
2011	47,733	67,653
2012	47,733	67,653
2013	31,823	67,653
2014-2015		120,922
Total	<u>\$222,755</u>	<u>\$459,187</u>

**6. Retirement System**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5 percent, respectively, of their gross salaries and the Township contributed an amount equaling 14 and 13.85 percent, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

**7. Risk Management**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

**8. Wastewater Discharge Assessment Agreement**

On April 1, 1996, the Township entered into an agreement (the Agreement) with Worthington Industries, Inc. and North Star BHP Steel Ltd (the Companies). The Agreement allows for the construction and usage of an industrial discharge line from the Companies, located in York Township, Fulton County, to the Maumee River, which runs through the County Road 10 right of way in York Township, Fulton County, and Liberty Township, Henry County.

The term of the Agreement is 20 years or as long as the industrial discharge line is used by the Companies, or either of them, whichever period is less. At the end of the 20 year term, the Companies may continue to use the industrial discharge line without further assessment unless a new assessment is mutually agreed to by the parties.

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**8. Wastewater Discharge Assessment Agreement (Continued)**

In consideration of the rights given under the Agreement, the Companies agreed to pay the Township an initial annual usage assessment fee of \$20,000. The annual fee is increased each year by an amount equal to the increase in the Consumer Price Index (CPI) or \$500, whichever is greater. The annual usage assessment fee is due by May 1<sup>st</sup> each year.





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Liberty Township  
Henry County  
S-395 County Road 9  
Liberty Center, Ohio 43532-9709

To the Board of Trustees:

We have audited the financial statements of Liberty Township, Henry County, (the Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated September 11, 2009, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely

affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated September 11, 2009.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

We also noted certain noncompliance matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated September 11, 2009.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 11, 2009

LIBERTY TOWNSHIP  
HENRY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2008-001

**Noncompliance Citation / Material Weakness**

**Ohio Revised Code § 505.24(C)** sets forth the method by which township trustees' compensation should be allocated. This section is amplified by Ohio Attorney General (OAG) Opinion 2004-006. This section requires that compensation of a township trustee must be paid from the Township General Fund or from such other township funds, in such proportions as the Board may specify by resolution. In addition, trustees are to establish administrative procedures to document the proportionate amount of trustees' salaries chargeable to other township funds based on the portion of time spent on matters related to the services rendered. The "administrative procedures" can be timesheets or a similar method of record keeping, as long as the trustees' document all time spent on township business and the type of service performed, in a manner similar to trustees' paid per diem compensation.

The Township was notified of this requirement in the management letter dated January 15, 2008

During 2008, Trustee Dishop's salary and employer retirement contribution was paid from the Fire District Fund (\$11,728) and Trustee Mohler's salary and employer retirement contribution was paid from the Gasoline Tax Fund (\$11,728). There was no documentation provided by the Trustees to support the salary allocations to these funds.

An audit adjustment was made to correct this error on the financial statements and in the Township's accounting system.

We recommend all Trustees' salaries be paid from the General fund unless administrative procedures are established to document the proportionate amount of trustees' salaries chargeable to other township funds.

**Officials' Response:**

We did not receive a response from Officials to this finding.

**LIBERTY TOWNSHIP  
HENRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Finding for Recovery – Failure to document deposit of fund raiser change funds.	Yes	
2007-002	Finding for Recovery – Improper reimbursement to trustee for family health insurance coverage.	Yes	
2007-003	Finding for Recovery – Improper reimbursement to trustee for family health insurance coverage.	Yes	
2007-004	Finding for Recovery – Improper reimbursement to trustee for family health insurance coverage.	Yes	
2007-005	Finding for Recovery – Improper reimbursement to fiscal officer for family health insurance coverage.	Yes	
2007-006	Ohio Revised Code § 5705.41(B) – Expenditures in excess of appropriations.	Yes	
2007-007	Ohio Revised Code § 505.37 – Failure to competitively bid a fire truck .	Yes	
2007-008	Ohio Revised Code § 5705.41(D) – Lack of fiscal officer certification.	Yes	
2007-009	Material Weakness – Monitoring of Financial Activity	Yes	



**Mary Taylor, CPA**  
Auditor of State

**LIBERTY TOWNSHIP**

**HENRY COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 13, 2009**