

**LIBERTY TOWNSHIP**  
**UNION COUNTY, OHIO**

*FINANCIAL STATEMENTS*  
DECEMBER 31, 2008 AND 2007

**WOLF, ROGERS, DICKEY & CO.**  
*Certified Public Accountants*





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Liberty Township  
21840 Herd Mcilroy Road  
Raymond, Ohio 43067

We have reviewed the *Independent Auditors' Report* of Liberty Township, Union County, prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Liberty Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

September 16, 2009

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Liberty Township  
Union County, Ohio

For the Years Ended  
December 31, 2008 and 2007

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# Wolf, Rogers, Dickey & Co.

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## Independent Auditors' Report

Liberty Township  
Union County, Ohio

To the Board of Trustees:

We have audited the accompanying financial statements of Liberty Township, Union County, Ohio (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 opinions 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. We believe that 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 of Ohio 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 require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require townships to reformat their statements. The Township 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 their 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 and reserves for encumbrances of Liberty Township, Union County, Ohio 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 June 26, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, 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* and should be read in conjunction with this report in considering the results of our audit.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

June 26, 2009

**Liberty Township  
Union County, Ohio  
Combined Statement of Cash Receipts, Cash Disbursements, and  
Changes in Fund Cash Balances  
All Governmental Fund Types  
For the Year Ended December 31, 2008**

	Governmental Funds				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Property and other local taxes	\$ 108,295	350,653	-	-	458,948
Charges for service	-	294,236	-	-	294,236
Licenses, permits and fees	975	5,884	-	-	6,859
Fines and forfeitures	3,475	-	-	-	3,475
Intergovernmental	98,040	179,600	-	-	277,640
Special assessments	-	5,041	-	-	5,041
Earnings on investments	32,045	1,173	-	-	33,218
Miscellaneous	<u>8,055</u>	<u>9,148</u>	<u>-</u>	<u>-</u>	<u>17,203</u>
Total cash receipts	250,885	845,735	-	-	1,096,620
Cash disbursements:					
Current:					
General government	130,296	7,888	-	-	138,184
Public safety	884	504,860	-	-	505,744
Public works	17,297	101,487	-	-	118,784
Health	3,093	10,145	-	-	13,238
Capital outlay	<u>-</u>	<u>46,233</u>	<u>-</u>	<u>2,360</u>	<u>48,593</u>
Total cash disbursements	<u>151,570</u>	<u>670,613</u>	<u>-</u>	<u>2,360</u>	<u>824,543</u>
Excess of receipts over (under) disbursements	99,315	175,122	-	(2,360)	272,077
Fund cash balances, January 1	<u>345,306</u>	<u>870,598</u>	<u>84</u>	<u>10,190</u>	<u>1,226,178</u>
Fund cash balances, December 31	\$ <u>444,621</u>	<u>1,045,720</u>	<u>84</u>	<u>7,830</u>	<u>1,498,255</u>
Reserves for encumbrances	\$ <u>-</u>	<u>236</u>	<u>-</u>	<u>-</u>	<u>236</u>

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

**Liberty Township  
Union County, Ohio  
Combined Statement of Cash Receipts, Cash Disbursements, and  
Changes in Fund Cash Balances  
All Governmental Fund Types  
For the Year Ended December 31, 2007**

	Governmental Funds				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Property and other local taxes	\$ 133,472	478,455	-	-	611,927
Charges for service	-	324,674	-	-	324,674
License, permits and fees	5,158	-	-	-	5,158
Fines and forfeitures	3,531	5,060	-	-	8,591
Intergovernmental	84,772	267,379	-	-	352,151
Special assessments	-	4,807	-	-	4,807
Earnings on investments	45,180	3,564	-	-	48,744
Miscellaneous	<u>10,447</u>	<u>90,743</u>	<u>-</u>	<u>-</u>	<u>101,190</u>
Total cash receipts	282,560	1,174,682	-	-	1,457,242
Cash disbursements:					
Current:					
General government	141,421	6,500	-	-	147,921
Public safety	8,854	553,887	-	-	562,741
Public works	21,073	108,817	-	-	129,890
Health	20,388	3,700	-	-	24,088
Capital outlay	<u>54,285</u>	<u>244,131</u>	<u>-</u>	<u>25,511</u>	<u>323,927</u>
Total cash disbursements	<u>246,021</u>	<u>917,035</u>	<u>-</u>	<u>25,511</u>	<u>1,188,567</u>
Total receipts over (under) disbursements	<u>36,539</u>	<u>257,647</u>	<u>-</u>	<u>(25,511)</u>	<u>268,675</u>
Other financing receipts -					
Other financing sources	<u>101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101</u>
Excess of receipts and other financing receipts over (under) disbursements	36,640	257,647	-	(25,511)	268,776
Fund cash balances, January 1	<u>308,666</u>	<u>612,951</u>	<u>84</u>	<u>35,701</u>	<u>957,402</u>
Fund cash balances, December 31	\$ <u>345,306</u>	<u>870,598</u>	<u>84</u>	<u>10,190</u>	<u>1,226,178</u>
Reserves for encumbrances	\$ <u>8,110</u>	<u>236</u>	<u>-</u>	<u>-</u>	<u>8,346</u>

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

**Liberty Township  
Union County, Ohio  
Notes to the Financial Statements  
December 31, 2008 and 2007**

(1) Summary of Significant Accounting Policies

Description of the Entity

Liberty Township, Union County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, zoning operations, cemetery maintenance and fire protection. The Township contracts with the Union County Sheriff's office for a public safety officer.

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

Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State of Ohio.

Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposits are valued at cost. The State Treasury Asset Reserve (STAR) Ohio investment is recorded at share value.

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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Liberty Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(1) Summary of Significant Accounting Policies, continued

Special Revenue Funds

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

Motor Vehicle License Tax Fund – This fund receives vehicle registration tax money.

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

Special Levy Fund (Fire) – This fund receives fire levy tax money for the funding of fire and EMS services provided to the residents of the Township.

Special Assessment Fund – This fund receives special assessment taxes for street lighting.

Debt Service Fund

This fund is used to accumulate resources for the payment of note indebtedness.

Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except for those financed through enterprise or trust funds).

Budgetary Process

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

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.

**Liberty Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(1) Summary of Significant Accounting Policies, continued

Budgetary Process, continued

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.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

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

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

(2) Equity in Pooled Cash and Investments

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$ 213,300	839,417
Certificates of Deposit	380,000	386,761
STAR Ohio	<u>904,955</u>	<u>-</u>
Total deposits and investments	\$ <u>1,498,255</u>	<u>1,226,178</u>

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool. The Township has invested funds in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within Ohio to pool their funds for investment purposes.

(3) Budgetary Activity

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

**Liberty Township**  
**Union County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2008 and 2007**

(3) Budgetary Activity, continued

<u>2008 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 214,620	250,885	36,265
Special Revenue	<u>969,510</u>	<u>845,735</u>	<u>(123,775)</u>
Total	\$ <u>1,184,130</u>	<u>1,096,620</u>	<u>(87,510)</u>

<u>2008 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 568,284	151,570	416,714
Special Revenue	1,831,625	670,849	1,160,776
Capital Projects	10,319	2,360	7,959
Debt Service	<u>85</u>	<u>-</u>	<u>85</u>
Total	\$ <u>2,410,313</u>	<u>824,779</u>	<u>1,585,534</u>

<u>2007 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 218,119	282,661	64,542
Special Revenue	<u>916,510</u>	<u>1,174,682</u>	<u>258,172</u>
Total	\$ <u>1,134,629</u>	<u>1,457,343</u>	<u>322,714</u>

<u>2007 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 526,720	254,131	272,589
Special Revenue	1,529,399	917,271	612,128
Capital Projects	35,830	25,511	10,319
Debt Service	<u>85</u>	<u>-</u>	<u>85</u>
Total	\$ <u>2,092,034</u>	<u>1,196,913</u>	<u>895,121</u>

**Liberty Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(4) Property Tax

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

Tangible personal property 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) Retirement Systems

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively of their gross salaries. The Township contributed an amount equal to 14% and 13.85%, respectively of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

(6) Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Township has contracted with the following for various types of insurance coverage:

VFIS	Commerical Property	\$1,565,339
	Commerical Liability	3,000,000
	Business Auto	8,000,000

**Liberty Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(7) Commitments

The Township is committed to a one-year contract with York and Taylor Townships, Union County, Ohio to provide them with EMS services commencing on January 1, 2008 for \$96,277 (York) and March 1, 2008 for \$160,462 (Taylor).

On February 1, 2007 the Township entered into a three year lease with the United States Postal Service (USPS) leasing a portion of the Township building to USPS. The annual rent is \$4,800.

Pursuant to a three year contract that commenced on January 1, 2006 between the Union County Sheriff and Liberty and Taylor Townships, the sheriff provides one full-time deputy with a normal work week totaling 40 hours exclusively to the Townships to supplement existing law enforcement coverage. The sheriff assumes full responsibility for hiring, training, assignment, supervision, discipline and dismissal of all assigned personnel and the Townships pay the actual cost of compensating the officers' salary, overtime, OPERS benefits, workers compensation, Medicare and medical and life insurance. The Sheriff bills the Township in quarterly installments with each Township paying 50% of the cost. The Township paid \$42,751 and \$32,096 pursuant to this contract in 2008 and 2007, respectively. The amount that will be due for 2009 is undetermined at this time.

(8) Compliance

Contrary to Ohio law, funds were not encumbered for nine of the forty-two disbursements tested.

# Wolf, Rogers, Dickey & Co.

Certified Public Accountants  
38 South Franklin Street  
P. O. Box 352  
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**Independent Auditors' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters,  
Based On An Audit Of Financial Statements  
Performed In Accordance With *Government Auditing Standards***

Liberty Township  
Union County, Ohio

To the Board of Trustees:

We have audited the financial statements of Liberty Township, Union County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 26, 2009, wherein we noted the Township followed accounting practices the Auditor of State of Ohio prescribes rather than accounting principles generally accepted in the United States of America. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

## 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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion 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 to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 considered Finding 2008-01 to be a significant deficiency in internal control over financial reporting as described in the accompanying schedule of findings.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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 considered to be material weaknesses. However, we considered Finding 2008-01, the significant deficiency described above, to be a material weakness.

In a separate letter to Township's management dated June 26, 2009, we reported other matters involving internal controls over financial reporting we did not deem significant deficiencies.

#### 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 such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as Finding 2008-02.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the Township in a separate letter dated June 26, 2009.

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Wolf, Rogers, Dickey & Co.*

Certified Public Accountants

June 26, 2009

**Liberty Township  
Union County, Ohio  
Schedule of Findings  
December 31, 2008 and 2007**

**Findings Related to the Financial Statements  
Required to be Reported in Accordance with GAGAS**

Finding Number 2008-01  
Significant deficiency/material weakness

In 2008 and 2007 the Public Utilities Tax Replacement receipts were recorded in various accounts and should have been recorded in Intergovernmental. In addition, some rollback/homestead receipts were recorded as Local Taxes instead of Intergovernmental for 2007. Certain Miscellaneous receipts should have been recorded in other accounts, including a grant from Homeland Security in 2007 that should have been classified as Intergovernmental. Appendix IV of the Ohio Township Handbook details the proper coding for these receipts. In order for the audited financial statements to be fairly stated, these amounts have been reclassified. Total reclassifications were \$119,046 and \$225,792 for 2008 and 2007, respectively.

In 2007 a disbursement to the Union County Sheriff for the public safety officer contract was classified as Public Works, but should have been classified as Public Safety. In 2007 and 2008 payroll for maintenance was charged to Human Services instead of Public Works. In 2007, cemetery repairs were classified as General instead of Health. Total expenditure reclassifications made in the audited financial statements were \$17,297 and \$39,846 for 2008 and 2007, respectively.

Response by Township

I have followed the guideline codes as used by the previous Fiscal Officer in recording various receipts and disbursements. I will review the Ohio Township Handbook to ensure future correct codes are used.

Finding Number 2008-02

Ohio Revised Code (ORC) Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the Fiscal Officer is attached. The Fiscal Officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the Treasury when such contract or order is made.

ORC Section 5705.41 also provides that if no certificate was furnished at the time that the contract was entered into, the Fiscal Officer may prepare a Then and Now Certificate stating (1) that there was at the time of the making of the contract and (2) at the time of the execution of this certificate a sufficient sum appropriated for the purpose of the contract in question in the treasury or in process of collection to the credit of the appropriate fund, free from previous encumbrances. During our testing of disbursements, we noted that funds were not encumbered prior to expenditure for nine of the forty-two disbursements tested.

Response by Township

I will be more attentive to insure proper dating is made on the "then and now certificates" to comply with this deficiency.



Mary Taylor, CPA  
Auditor of State

**LIBERTY TOWNSHIP**

**UNION 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  
SEPTEMBER 29, 2009**