

LIBERTY TOWNSHIP
ROSS COUNTY, OHIO

Audited Financial Statements

For the Years Ended December 31, 2007 and 2006



Mary Taylor, CPA

Auditor of State

Board of Trustees
Liberty Township
P.O. Box 151
Londonderry, Ohio 45647

We have reviewed the *Independent Accountant's Report* of Liberty Township, Ross County, prepared by Van Kregel and Company, CPA's, for the audit period January 1, 2006 through December 31, 2007. 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 Accountant's 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 Accountant's 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 5, 2008

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Liberty Township
Ross County, Ohio

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INDEPENDENT ACCOUNTANT'S REPORT

Liberty Township
Ross County, Ohio
P O Box 151
Londonderry, Ohio 45647-0151

To the Board of Trustees:

We have audited the accompanying financial statements of Liberty Township, Ross County, Ohio, (the Township), as of and for the years ended December 31, 2007, and 2006. 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 audits.

We conducted our audits 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 audits 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 our audits provide 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 requires 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 of Ohio 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, 2007, and 2006, 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, 2007 and 2006, 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, Ross County, Ohio as of December 31, 2007, and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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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 30, 2008, 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 audits.

A handwritten signature in cursive script that reads "Van Kregel & Company".

Van Kregel & Company
Dublin, Ohio

September 30, 2008

Liberty Township
 Ross 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 Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 29,032	\$ 117,681	\$ 48,067	\$ -	\$ 194,780
Licenses, Permits, and Fees	600	15,000		-	15,600
Intergovernmental Receipts	48,282	125,828		31,350	205,460
Earnings on Investments	23,439	2,974		-	26,413
Miscellaneous	3,266	15,102		-	18,368
Total Cash Receipts	<u>104,619</u>	<u>276,585</u>	<u>48,067</u>	<u>31,350</u>	<u>460,621</u>
Cash Disbursements:					
Current:					
General Government	67,888	2,774		-	70,662
Public Safety		33,423		-	33,423
Public Works	5,317	155,348		-	160,665
Health		49,983		-	49,983
Capital Outlay	90	29,549		31,350	60,989
Debt Service - Principal Payments			20,000		20,000
Debt Service - Interest Payments			23,396		23,396
Total Cash Disbursements	<u>73,295</u>	<u>271,077</u>	<u>43,396</u>	<u>31,350</u>	<u>419,118</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>31,324</u>	<u>5,508</u>	<u>4,671</u>	<u>-</u>	<u>41,503</u>
Other Financing Receipts/(Disbursements):					
Sale of Notes		12,000			12,000
Transfers In		2,523			2,523
Transfers Out	(2,523)				(2,523)
Other Financing Uses		-			-
Total Other Financing Receipts/(Disbursements)	<u>(2,523)</u>	<u>14,523</u>			<u>12,000</u>
Excess of Cash Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<u>28,801</u>	<u>20,031</u>	<u>4,671</u>	<u>-</u>	<u>53,503</u>
Fund Cash Balances-January 1	<u>61,574</u>	<u>430,934</u>	<u>-</u>		<u>492,508</u>
Fund Cash Balances-December 31	<u>\$ 90,375</u>	<u>\$ 450,965</u>	<u>\$ 4,671</u>	<u>\$ -</u>	<u>\$ 546,011</u>

Liberty Township
 Ross 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, 2006

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 26,645	\$ 105,505	\$ 44,305	\$ -	\$ 176,455
Licenses, Permits, and Fees	540	18,800		-	19,340
Intergovernmental Receipts	53,522	133,213		15,400	202,135
Earnings on Investments	16,822	1,674		-	18,496
Miscellaneous	4,040	9,304		-	13,344
Total Cash Receipts	<u>101,569</u>	<u>268,496</u>	<u>44,305</u>	<u>15,400</u>	<u>429,770</u>
Cash Disbursements:					
Current:					
General Government	76,421	2,397		-	78,818
Public Safety		26,944		-	26,944
Public Works	4,437	119,491		-	123,928
Health		48,492		-	48,492
Capital Outlay		16,509		15,400	31,909
Debt Service - Principal Payments			20,000		20,000
Debt Service - Interest Payments			24,305		24,305
Total Cash Disbursements	<u>80,858</u>	<u>213,833</u>	<u>44,305</u>	<u>15,400</u>	<u>354,396</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>20,711</u>	<u>54,663</u>	<u>-</u>	<u>-</u>	<u>75,374</u>
Other Financing Receipts/(Disbursements):					
Transfers In		12,835		-	12,835
Transfers Out	(12,835)				(12,835)
Advances In	2,000	2,000			4,000
Advances Out	(2,000)	(2,000)			(4,000)
Total Other Financing Receipts/(Disbursements)	<u>(12,835)</u>	<u>12,835</u>			<u>-</u>
Excess of Cash Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<u>7,876</u>	<u>67,498</u>	<u>-</u>	<u>-</u>	<u>75,374</u>
Fund Cash Balances-January 1	<u>53,698</u>	<u>363,436</u>			<u>417,134</u>
Fund Cash Balances-December 31	<u>\$ 61,574</u>	<u>\$ 430,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,508</u>

Liberty Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2007 and 2006

NOTE 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, Ross County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general governmental services, including maintenance of Township roads and bridges, 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 Basis of Accounting

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 of Ohio prescribes or permits.

C Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D 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 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 monies to pay for constructing, maintaining and repairing Township roads.

Liberty Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2007 and 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D Fund Accounting (continued)

2 Special Revenue Funds (continued)

Road and Bridge Fund – This fund receives property tax monies to pay for constructing, maintaining and repairing Township roads and bridges.

Cemetery Fund – This fund receives tax monies used for maintaining the cemetery.

Fire Fund – This fund receives property tax monies and grants to provide fire services to the Township.

Special Levy Fund – This fund receives property tax monies for maintaining the fire station and paying off the related debt.

3 Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. This fund is used to pay the debt issued to construct the fire station.

4 Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township uses this fund to account for Issue II monies and Community Block Grant Development monies received and expended by the Ross County Engineer on behalf of the Township for road and bridge maintenance.

E 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.

Liberty Township
Ross County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E Budgetary Process (continued)

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 the 2007 and 2006 budgetary activity appears in Note 3.

F 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.

G Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

NOTE 2 EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2007</u>	<u>2006</u>
Demand Deposits	\$363,176	\$198,667
Certificates of Deposit	<u>--</u>	<u>118,024</u>
Total Deposits	363,176	316,691
STAROhio	<u>182,835</u>	<u>175,817</u>
Total Deposits and Investments	<u>\$546,011</u>	<u>\$492,508</u>

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

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Liberty Township
Ross County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 3 BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2007, follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 94,267	\$ 104,619	\$ 10,352
Special Revenue	253,796	291,108	37,312
Debt Service	43,465	48,067	4,602
Capital Projects	31,350	31,350	-
Totals	\$ 422,878	\$ 475,144	\$ 52,266

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 149,800	\$ 75,818	\$ 73,982
Special Revenue	345,164	271,077	74,087
Debt Service	43,465	43,396	69
Capital Projects	31,350	31,350	-
Totals	\$ 569,779	\$ 421,641	\$ 148,138

Liberty Township
Ross County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 3 BUDGETARY ACTIVITY (continued)

Budgetary activity for the year ending December 31, 2006, follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 81,301	\$ 101,569	\$ 20,268
Special Revenue	208,370	281,331	72,961
Debt Service	44,305	44,305	-
Capital Projects	15,400	15,400	-
Totals	\$ 349,376	\$ 442,605	\$ 93,229

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 130,490	\$ 93,693	\$ 36,797
Special Revenue	314,344	213,833	100,511
Debt Service	44,305	44,305	-
Capital Projects	15,400	15,400	-
Totals	\$ 504,539	\$ 367,231	\$ 137,308

NOTE 4 PROPERTY TAXES

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.

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.

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

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

Liberty Township
Ross County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 5 DEBT

Debt outstanding at December 31, 2005, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Series 2001 – Fire Station Bonds	\$425,000	4.40%
Backhoe Excavator Loan	<u>12,000</u>	4.91%
	<u>\$437,000</u>	

The general obligation bonds were issued to pay the note issued in 2001 for the construction of a new fire station. The bonds are collateralized solely by the Township's taxing authority.

The Backhoe Excavator Loan was for the purchase of a new backhoe excavator in 2007. The loan will be repaid in annual installments of \$6,000 plus interest. The interest rate on the loan is 4.91%.

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

<u>Year Ending December 31</u>	
2008	\$ 47,187
2009	46,065
2010	49,924
2011	44,525
2012	43,300
2013-2017	224,575
2018-2021	<u>176,725</u>
	<u>\$632,301</u>

NOTE 6 RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9.0%, respectively, of their gross salaries, with the Township contributing an amount equal to 13.85% and 13.7% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2007.

Liberty Township
Ross County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 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 Worker's Compensation.

Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity for the public purpose of enabling its members to obtain self insurance through a jointly administered self-insurance fund. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's risk management needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Plan's audited financial statements conform with generally accepted accounting principles and reported the following assets, liabilities and members' equity at December 31, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$11,136,455	\$9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Members' Equity	<u>\$ 6,862,902</u>	<u>\$6,290,528</u>

You can read the completed audited financial statements for The Ohio Government Risk Management Plan at the Plan's webswite, www.ohioplan.org.

INDEPENDENT ACCOUNTANT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Liberty Township
Ross County, Ohio
P O Box 151
Londonderry, Ohio 45647

To the Board of Trustees:

We have audited the financial statements of Liberty Township, Ross County, Ohio, (the Township), as of and for the years ended December 31, 2007, and 2006, and have issued our report thereon dated September 30, 2008, wherein we noted that 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 conducted our audits 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 audits, 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 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 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 the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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Liberty Township
Ross County, Ohio
Independent Accountant's Report on Internal Control over
Financial Reporting and on Compliance with Other Matters
Required by *Government Auditing Standards*

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 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 not a material weakness.

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 audits and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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



Van Krevel & Company
Dublin, Ohio

September 30, 2008

Liberty Township
Ross County, Ohio

Schedule of Findings
December 31, 2007 and 2006

Finding No. 2007-001

Significant Deficiency

All local public offices should maintain an accounting system and accounting records sufficient to enable the public officer to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with the finance related legal and contractual requirements and prepare financial statements.

During 2007 and 2006, cash receipts were not always posted to the correct revenue classifications. Posting receipts to improper classifications results in inaccurate financial information being presented to the Township Trustees. Reclassification entries have been made to the accompanying financial statements to accurately reflect the proper reclassification of receipts.

We recommend the Township Fiscal Officer review the Ohio Township Handbook for proper classification of receipts and use due care in posting receipts to the Township's books. This should allow the Fiscal Officer to make proper postings to revenue account classifications based on the source of the revenue.

Official's Response:

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

Liberty Township
Ross County

Schedule of Prior Audit Findings
December 31, 2007 and 2006

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Corrective Action Taken</u>
2005-001	Improper Posting of Receipts	Not Corrected	Reissued as Finding No. 2007-001



Mary Taylor, CPA
Auditor of State

LIBERTY TOWNSHIP

ROSS 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
NOVEMBER 18, 2008**