

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

EXAMINATION REPORT
OF
UTICA TOWNSHIP FIRE PROTECTION DISTRICT
CLARK COUNTY, INDIANA
January 1, 2007 to December 31, 2010



FILED
12/13/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer/Treasurer	Jamey Noel J. T. Raney Joshua Growe	01-01-07 to 12-31-07 01-01-08 to 12-31-09 01-01-10 to 12-31-11
President of the Board	William Noel	01-01-07 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UTICA TOWNSHIP FIRE
PROTECTION DISTRICT, CLARK COUNTY, INDIANA

We have examined the financial statements of Utica Township Fire Protection District (District), for the period of January 1, 2007 to December 31, 2010. The District's management is responsible for the financial statements. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the years ended December 31, 2007, 2008, 2009, and 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the District's management, District Board and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 24, 2011

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FINANCIAL STATEMENTS

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 49,360	\$ 229,139	\$ 221,354	\$ 57,145
Fire Debt Service	5,906	84,743	83,296	7,353
Cumulative Fire Special	<u>105,293</u>	<u>39,719</u>	<u>126,611</u>	<u>18,401</u>
Totals	<u>\$ 160,559</u>	<u>\$ 353,601</u>	<u>\$ 431,261</u>	<u>\$ 82,899</u>

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

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Funds:				
General	\$ 57,145	\$ 289,936	\$ 302,513	\$ 44,568
Fire Debt Service	7,353	119,487	124,561	2,279
Cumulative Fire Special	<u>18,401</u>	<u>52,894</u>	<u>43,962</u>	<u>27,333</u>
Totals	<u>\$ 82,899</u>	<u>\$ 462,317</u>	<u>\$ 471,036</u>	<u>\$ 74,180</u>

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

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 44,568	\$ 200,287	\$ 144,684	\$ 100,171
Fire Debt Service	2,279	127,645	98,596	31,328
Cumulative Fire Special	<u>27,333</u>	<u>68,890</u>	<u>40,238</u>	<u>55,985</u>
Totals	<u>\$ 74,180</u>	<u>\$ 396,822</u>	<u>\$ 283,518</u>	<u>\$ 187,484</u>

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

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 100,171	\$ 174,954	\$ 144,725	\$ 130,400
Fire Debt Service	31,328	103,231	98,057	36,502
Cumulative Fire Special	<u>55,985</u>	<u>27,244</u>	<u>24,951</u>	<u>58,278</u>
Totals	<u>\$ 187,484</u>	<u>\$ 305,429</u>	<u>\$ 267,733</u>	<u>\$ 225,180</u>

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

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District (primary government), and does not include financial information for any of the District's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the District (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the District.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, financial institution tax received from the state, auto excise surtax received from the state, and commercial vehicle excise tax received from the state.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The District may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the District by recording as a disbursement and replacement items purchased.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the District which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the District. It is presented as intended by the District.

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2007

	<u>General</u>	<u>Fire Debt Service</u>	<u>Cumulative Fire Special</u>	<u>Totals</u>
Cash and investments - beginning	\$ 49,360	\$ 5,906	\$ 105,293	\$ 160,559
Receipts:				
Taxes	138,989	43,224	19,719	201,932
Other receipts	<u>90,150</u>	<u>41,519</u>	<u>20,000</u>	<u>151,669</u>
Total receipts	<u>229,139</u>	<u>84,743</u>	<u>39,719</u>	<u>353,601</u>
Disbursements:				
Personal services	1,250	-	-	1,250
Other services and charges	178,584	83,296	2,000	263,880
Capital outlay	-	-	124,611	124,611
Other disbursements	<u>41,520</u>	<u>-</u>	<u>-</u>	<u>41,520</u>
Total disbursements	<u>221,354</u>	<u>83,296</u>	<u>126,611</u>	<u>431,261</u>
Excess (deficiency) of receipts over disbursements	<u>7,785</u>	<u>1,447</u>	<u>(86,892)</u>	<u>(77,660)</u>
Cash and investments - ending	<u>\$ 57,145</u>	<u>\$ 7,353</u>	<u>\$ 18,401</u>	<u>\$ 82,899</u>

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2008

	<u>General</u>	<u>Fire Debt Service</u>	<u>Cumulative Fire Special</u>	<u>Totals</u>
Cash and investments - beginning	\$ 57,145	\$ 7,353	\$ 18,401	\$ 82,899
Receipts:				
Taxes	183,416	104,438	52,894	340,748
Other receipts	<u>106,520</u>	<u>15,049</u>	<u>-</u>	<u>121,569</u>
Total receipts	<u>289,936</u>	<u>119,487</u>	<u>52,894</u>	<u>462,317</u>
Disbursements:				
Personal services	1,250	-	-	1,250
Supplies	234	-	-	234
Other services and charges	301,029	124,561	20,000	445,590
Capital outlay	<u>-</u>	<u>-</u>	<u>23,962</u>	<u>23,962</u>
Total disbursements	<u>302,513</u>	<u>124,561</u>	<u>43,962</u>	<u>471,036</u>
Excess (deficiency) of receipts over disbursements	<u>(12,577)</u>	<u>(5,074)</u>	<u>8,932</u>	<u>(8,719)</u>
Cash and investments - ending	<u>\$ 44,568</u>	<u>\$ 2,279</u>	<u>\$ 27,333</u>	<u>\$ 74,180</u>

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	<u>General</u>	<u>Fire Debt Service</u>	<u>Cumulative Fire Special</u>	<u>Totals</u>
Cash and investments - beginning	\$ 44,568	\$ 2,279	\$ 27,333	\$ 74,180
Receipts:				
Taxes	60,158	57,259	28,586	146,003
Intergovernmental	86,438	3,776	1,757	91,971
Charges for services	53,691	51,055	22,992	127,738
Other receipts	-	15,555	15,555	31,110
Total receipts	<u>200,287</u>	<u>127,645</u>	<u>68,890</u>	<u>396,822</u>
Disbursements:				
Personal services	1,250	-	-	1,250
Supplies	234	-	-	234
Other services and charges	143,200	98,596	15,555	257,351
Capital outlay	-	-	24,683	24,683
Total disbursements	<u>144,684</u>	<u>98,596</u>	<u>40,238</u>	<u>283,518</u>
Excess of receipts over disbursements	<u>55,603</u>	<u>29,049</u>	<u>28,652</u>	<u>113,304</u>
Cash and investments - ending	<u>\$ 100,171</u>	<u>\$ 31,328</u>	<u>\$ 55,985</u>	<u>\$ 187,484</u>

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Fire Debt Service	Cumulative Fire Special	Totals
Cash and investments - beginning	\$ 100,171	\$ 31,328	\$ 55,985	\$ 187,484
Receipts:				
Taxes	75,869	70,802	14,354	161,025
Intergovernmental	57,104	6,901	1,399	65,404
Other receipts	41,981	25,528	11,491	79,000
Total receipts	174,954	103,231	27,244	305,429
Disbursements:				
Personal services	1,250	-	-	1,250
Supplies	257	-	-	257
Other services and charges	143,218	98,057	4,003	245,278
Capital outlay	-	-	20,948	20,948
Total disbursements	144,725	98,057	24,951	267,733
Excess of receipts over disbursements	30,229	5,174	2,293	37,696
Cash and investments - ending	\$ 130,400	\$ 36,502	\$ 58,278	\$ 225,180

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable		
Fire Truck	\$ 73,432	\$ 51,929
Fire Station	<u>43,781</u>	<u>31,111</u>
Total governmental activities debt	<u>\$ 117,213</u>	<u>\$ 83,040</u>

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At the close of each month the ledger balances in the respective funds shall be reconciled with the bank balances and a record thereof maintained on the reverse side of the bank statement or in a separate record. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 21)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The District paid the Fiscal Officer compensation in the amount of \$800 per year for the years 2007, 2008, 2009, and 2010. Payments were made through the claims process and not through payroll procedures. The District did not withhold and remit payroll taxes and did not remit the employer's share of social security taxes. Compensation paid to the the Fiscal Officer was not reported to the Internal Revenue Service (IRS) and the Indiana Department of Revenue on IRS form W-2.

Each government unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

CAPITAL ASSET RECORDS

Detailed records for the District's capital assets were not presented for examination.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

BOARD MINUTES

The Board of Fire Trustees did not hold regular meetings as required and no schedule of fixed regular meeting dates was presented for examination.

Indiana Code 36-8-11-13(a) states: "The board shall fix the time for holding regular meetings, but it shall meet at least once in the months of January, April, July, and October. The county legislative body may order that regular meetings be held more frequently."

DISBURSEMENT PROCEDURES

All checks or warrants for claims or obligations of the District are prepared and signed by the Board President and not by the Fiscal Officer.

Indiana Code 36-8-11-2 states in part: "'Fiscal officer' means a bonded employee of the fire protection district charged with the faithful receipt and disbursement of the funds of the district."

UTICA TOWNSHIP FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 24, 2011, with William Noel, President of the Board; Joshua Growe, Fiscal Officer/Treasurer; and Jamey Noel, former Fiscal Officer/Treasurer. The officials concurred with our findings.