

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

EXAMINATION REPORT  
OF  
UTICA TOWNSHIP  
CLARK COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
12/28/2007



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OFFICIALS

Office

Official

Term

Trustee

Robert L. DeArk

01-01-03 to 12-31-10

Chairman of the  
Township Board

Robert Marshall  
Norma Lockard

01-01-05 to 12-31-06  
01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UTICA TOWNSHIP, CLARK COUNTY, INDIANA

We have examined the financial information presented herein of Utica Township (Township), for the period of January 1, 2005 to December 31, 2006. The Township's management is responsible for the financial information presented herein. 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 20, 2007

UTICA TOWNSHIP, CLARK COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 15,745	\$ 17,389	\$ 24,889	\$ 8,245
Dog	300	59	49	310
Township Assistance	6,390	21,150	18,814	8,726
Park and Recreation	14,679	39,397	38,529	15,547
Fire Equipment Debt	28,491	-	7,759	20,732
Totals	<u>\$ 65,605</u>	<u>\$ 77,995</u>	<u>\$ 90,040</u>	<u>\$ 53,560</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 8,245	\$ 44,244	\$ 19,962	\$ 32,527
Dog	310	134	55	389
Township Assistance	8,726	31,759	21,609	18,876
Park and Recreation	15,547	28,227	18,043	25,731
Fire Equipment Debt	20,732	-	20,732	-
Totals	<u>\$ 53,560</u>	<u>\$ 104,364</u>	<u>\$ 80,401</u>	<u>\$ 77,523</u>

The accompanying notes are an integral part of the financial information.

UTICA TOWNSHIP, CLARK COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Normally property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

UTICA TOWNSHIP, CLARK COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the Township 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 6. Restatements and Reclassifications

For the year ended December 31, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the Township. The following schedule presents a summary of restated beginning balances. Prior period adjustments represent the inclusion of an omitted fund combined with previously reported funds.

Fund	Balance as Reported December 31, 2004	New Funds	Prior Period Adjustments	Balance as Restated January 1, 2005
Township	\$ 18,779	\$ -	\$ (3,034)	\$ 15,745
Dog	248	-	52	300
Township Assistance	6,429	-	(39)	6,390
Park and Recreation	40,606	(28,491)	2,564	14,679
Fire Equipment Debt	-	28,491	-	28,491

UTICA TOWNSHIP, CLARK COUNTY  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (a) Record balances were not properly reconciled to depository balances. A comparison of the records to the bank showed a cash necessary to balance of \$789.59.

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 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 Townships, Chapter 13)

- (b) The 2006 Annual Report (Form 15) was not completed, therefore was not presented for examination.

The Township Trustee's Report of Receipts and Disbursements for the Calendar Year is an abstract report of receipts and disbursements for the calendar year. The annual report shall be prepared, verified, and filed with the State Board of Accounts within 30 days after the close of each fiscal year. The report must be published, within four weeks after the third Tuesday after the first Monday in January, one time in accordance with IC 5-3-1. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

- (c) Individual funds cash and investments were not reconciled to the total of all funds (control) cash and investment columns reported in the Financial and Appropriation Record (Township Form 1). Failure to properly reconcile, allowed errors to occur and go undetected.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

UTICA TOWNSHIP, CLARK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

PRESCRIBED FORMS

Form 17 (Resolution Establishing Salaries of Township Officers and Employees) was not in use.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Internal Revenue Service W-2's were not presented for examination for employees.

Each governmental 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 Townships, Chapter 13)

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TOWNSHIP ASSISTANCE PROCEDURES

No written Township assistance standards were presented for examination.

Indiana Code 12-20-5.5-1 states in part:

"(a) The township trustee shall process all applications for the township assistance according to uniform written standards . . ."

"(b) The township's standards for the issuance of township assistance and the processing of applications must be: . . . (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners; . . ."

UTICA TOWNSHIP, CLARK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 20, 2007, with Robert L. DeArk, Trustee. The official concurred with our findings.