

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

EXAMINATION REPORT
OF
OTTER CREEK TOWNSHIP
VIGO COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/11/2006

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OFFICIALS

Office

Official

Term

Trustee

Betty Easthom

01-01-03 to 12-31-06

Chairman of the
Township Board

John Meyers
Larry Poole

01-01-04 to 12-31-05
01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF OTTER CREEK TOWNSHIP, VIGO COUNTY, INDIANA

We attempted to examine the financial statements of Otter Creek Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the financial statements.

Financial records presented for examination were incomplete and not reflective of the activity of the Township. The records presented did not provide sufficient information to examine receipts, disbursements, and ending balances, or the accuracy or correctness of the transactions.

Because of the restrictions on our examination as discussed in the preceding paragraphs, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether financial statements referred to above present fairly, in all material respects, the financial information of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 12, 2006

OTTER CREEK TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

1. Record balances were not reconciled to depository balances. Lists of outstanding checks at the end of the year were not presented for audit.

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)

2. There were a considerable number of posting errors. These errors included checks and receipts not recorded in the proper amounts, not recorded at all, or not carried to the correct column.

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)

3. The funds ledger did not contain totals or running balances.

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)

4. Otter Creek Township did not include the Levy Excess Fund created in 2005 on the Annual Report. The 2005 Annual Report beginning balances did not agree with the 2004 Annual Report ending balances.

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)

PRESCRIBED FORMS

The following form was used but not submitted to the proper authorities in the manner prescribed:

General Form 100-R, Certified Report of Names, Addresses,
Duties and Compensation of Public Employees

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)

OTTER CREEK TOWNSHIP, VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2006, with Betty Easthom, Trustee.