

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

SPECIAL REPORT
OF

TOWN OFFICIALS
TOWN OF RUSSIAVILLE
HOWARD COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
09/28/2007

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TOWN OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda Downey	01-01-04 to 12-31-07
President of the Town Council	Mark Fulk	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF RUSSIAVILLE

We have audited the records of the Town Officials for the period from January 1, 2005 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of the Town Offices are reflected in the Audit Report of the Town of Russiaville for the period from January 1, 2005 to December 31, 2006.

STATE BOARD OF ACCOUNTS

June 27, 2007

TOWN OFFICIALS
TOWN OF RUSSIAVILLE
AUDIT RESULTS AND COMMENTS

CLERK-TREASURER'S SALARY

The Clerk-Treasurer's salary for 2005 and 2006 exceeded the salary ordinance in effect for each respective year. The salary overpayments were \$565.97 for 2005 and \$796.62 for 2006.

Compensation of all town officers and employees shall be fixed by an ordinance of the town council, and for other than elected town officials, this compensation may be changed by another ordinance of the town council at any time. There is no limitation upon the amount fixed, only to the extent of available appropriations where tax funds are involved. [IC 36-5-3-2] At the time such compensation is fixed, it may be prorated between the general fund or any other applicable funds of the town, as well as any available funds. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 36-5-3-2(c) states: "The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year."

The Clerk-Treasurer, Linda Downey, was requested to reimburse the Town \$1,362.59. (See Summary, page 7)

PENALTIES, INTEREST AND OTHER CHARGES

As disclosed in prior Report B21779, amounts payable to vendors and other suppliers of goods and services were not paid on time. This resulted in the payment of penalties and interest of \$30.16 by the Town. Also, penalties totaling \$5.00 were paid to the Indiana Department of Revenue for late payment of the 4th quarter Utility Receipts Tax.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

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 Cities and Towns, Chapter 7)

The Clerk-Treasurer, Linda Downey, was requested to reimburse the Town \$35.16. (See Summary, page 7)

TOWN OFFICIALS
TOWN OF RUSSIAVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

OVERPAYMENT OF TOWN COUNCIL MEMBER'S SALARY

Cindy Aeschliman, Town Council member, was paid \$166.67 more than was allowed in the 2006 salary ordinance.

Compensation of all town officers and employees shall be fixed by an ordinance of the town council, and for other than elected town officials, this compensation may be changed by another ordinance of the town council at any time. There is no limitation upon the amount fixed, only to the extent of available appropriations where tax funds are involved. [IC 36-5-3-2] At the time such compensation is fixed, it may be prorated between the general fund or any other applicable funds of the town, as well as any available funds. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 36-5-3-2(c) states: "The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year."

Cindy Aeschliman, Town Council member, reimbursed \$166.67 to the Town of Russiaville on July 5, 2007. (See Summary, page 7)

ADVANCE PAYMENTS

Dates of transactions indicate that some payments were made to the Clerk-Treasurer prior to the receipt of services. The Clerk-Treasurer was issuing and cashing her payroll checks before she provided the corresponding services.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OFFICIALS
TOWN OF RUSSIAVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2007, with Linda Downey, Clerk-Treasurer; Jeff Lipinski, Vice President of the Town Council; Jerri Bourff, Town Council member; and Mark Fulk, President of the Town Council. The officials concurred with our audit findings.

TOWN OFFICIALS
TOWN OF RUSSIAVILLE
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Linda Downey, Clerk-Treasurer:			
Clerk-Treasurer's Salary, page 4	\$ 1,362.59	\$	\$
Receipt No. 0707, August 2, 2007		4.84	1,357.75
Penalties, Interest and Other Charges, page 4	35.16		
Receipt No. 0707, August 2, 2007		35.16	-
 Cindy Aeschliman, Board member:			
Overpayment of Town Council			
Member's Salary, page 5	166.67		
Receipt No. 0689, July 5, 2007		166.67	-
 Totals	<u>\$ 1,564.42</u>	<u>\$ 206.67</u>	<u>\$ 1,357.75</u>

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AFFIDAVIT

STATE OF INDIANA)
)
TIPTON COUNTY)

We, Suzanne M. Miller and Lori Danford, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Town Officials, Town of Russiaville, Howard County, Indiana, for the period from January 1, 2005, to December 31, 2006, is true and correct to the best of our knowledge and belief.

Suzanne M. Miller
Lori Danford
Field Examiners

Subscribed and sworn to before me this 17th day of September, 2007.

Sammy Baker
(Notary Public)

My Commission Expires: 1-7-2015
County of Residence: Tipton