

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

EXAMINATION REPORT  
OF  
RUSSELL TOWNSHIP  
PUTNAM COUNTY, INDIANA  
January 1, 2003 to December 31, 2005



**FILED**  
12/11/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Debra Wagers Bartelt	01-01-03 to 12-31-06
Chairman of the Township Board	Brad McGaughey	01-01-03 to 12-31-06



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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RUSSELL TOWNSHIP, PUTNAM COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Russell Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 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 19, 2006

RUSSELL TOWNSHIP, PUTNAM COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 35,508	\$ 4,742	\$ 7,655	\$ 32,595
Dog	512	280	212	580
Township Assistance	8,131	51	4,029	4,153
Firefighting	7,891	48	7,000	939
Cumulative Fire	3,721	4,252	7,000	973
Totals	<u>\$ 55,763</u>	<u>\$ 9,373</u>	<u>\$ 25,896</u>	<u>\$ 39,240</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 32,595	\$ 7,359	\$ 7,792	\$ 32,162
Dog	580	248	316	512
Township Assistance	4,153	4,642	2,931	5,864
Firefighting	939	16,473	7,000	10,412
Cumulative Fire	973	10,959	-	11,932
Rainy Day	-	966	-	966
Totals	<u>\$ 39,240</u>	<u>\$ 40,647</u>	<u>\$ 18,039</u>	<u>\$ 61,848</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 32,162	\$ 5,061	\$ 8,688	\$ 28,535
Dog	512	286	262	536
Township Assistance	5,864	6,427	2,436	9,855
Firefighting	10,412	11,999	13,201	9,210
Levy Excess	-	486	-	486
Cumulative Fire	11,932	13,442	14,171	11,203
Rainy Day	966	-	-	966
Totals	<u>\$ 61,848</u>	<u>\$ 37,701</u>	<u>\$ 38,758</u>	<u>\$ 60,791</u>

The accompanying notes are an integral part of the schedules.

RUSSELL TOWNSHIP, PUTNAM COUNTY  
NOTES TO SCHEDULES

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, 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

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.

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.

RUSSELL TOWNSHIP, PUTNAM COUNTY  
EXAMINATION RESULTS AND COMMENTS

CERTIFIED REPORT OF COMPENSATION NOT FILED

The Township did not file a Certified Report of Names, Addresses, Duties, and Compensation of Public Employees (Form 100-R) with the State Board of Accounts for the year 2004.

Indiana Code 5-11-13-1 states in part: "Every . . . township . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

CONDITION OF RECORDS

- (1) The Trustee did not exercise the proper cut-off when preparing the bank reconciliation. Deposits recorded after the end of the year were included as deposits in transit at December 31; checks written after the end of the year were listed as outstanding at December 31.

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) Receipts and disbursements were not properly recorded. The Trustee did not adjust her individual funds to match the fund balances provided in the last audit and the ledger will not cross foot.

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)

DISBURSEMENT DOCUMENTATION

The following deficiencies were noted in disbursements:

1. The Trustee paid sales tax on one invoice.
2. The township assistance applications were available and properly completed; however, two did not have vendor invoices available for review.
3. The Trustee was overpaid \$50 for rent in 2005.

RUSSELL TOWNSHIP, PUTNAM COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

The validity and accountability for some monies disbursed could not be established.

Debra Wagers Bartelt, Trustee, was requested to reimburse the rent overpayment of \$50 to the Township Fund. (See Summary, page 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General Fund	2003	\$ 1,210
Firefighting Fund	2005	3,000
Cumulative Fire Fund	2005	4,000

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

RUSSELL TOWNSHIP, PUTNAM COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 19, 2006, with Debra Wagers Bartelt, Trustee. The official concurred with our findings.

RUSSELL TOWNSHIP, PUTNAM COUNTY  
SUMMARY

	Charges	Credits	Balance Due
Debra Wagers Bartelt, Trustee:			
Disbursement Documentation, page 6 and 7	\$ 50	\$	\$
Paid by Debra Wagers Bartelt, October 20, 2006		50	-
 Totals	\$ 50	\$ 50	\$ -