

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

EXAMINATION REPORT  
OF  
TOWN OF JONESVILLE  
BARTHOLOMEW COUNTY, INDIANA  
January 11, 2008 to December 31, 2009



**FILED**  
01/04/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Amy Brown (Vacant)	01-11-08 to 09-08-08 09-09-08 to present
President of the Town Council	Michelle Rodriquez	01-11-08 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF JONESVILLE, BARTHOLOMEW COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Jonesville (Town), for the period of January 11, 2008 to December 31, 2009. The Town'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 Town for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 14, 2010

TOWN OF JONESVILLE  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-11-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Fund: General	<u>\$ 4,339</u>	<u>\$ 27,846</u>	<u>\$ 15,326</u>	<u>\$ 16,859</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Fund: General	<u>\$ 16,859</u>	<u>\$ 29,201</u>	<u>\$ 10,419</u>	<u>\$ 35,641</u>

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

TOWN OF JONESVILLE  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety and general administrative services.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received 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 Town 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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 Town 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.

TOWN OF JONESVILLE  
EXAMINATION RESULTS AND COMMENTS

TOWN COUNCIL PERFORMING DUTIES OF CLERK-TREASURER

The office of Jonesville Clerk-Treasurer has been vacant since September 9, 2008. No caucus has been held to select a person to fill the vacancy, as required by IC 3-13-9-1. Additionally, the Town Council has failed to appoint a person to fill the vacancy until a person is selected by caucus, as required by IC 3-13-11-16.

Without the authority to do so, the Town Council has assumed the duties of the Clerk-Treasurer's office during the vacancy. Members of the town council have issued claims and checks, received and deposited money, posted and maintained the records of the town, and created the budget estimates and proposed tax rates.

IC 36-5-6-6 states in part:

"(a) The clerk-treasurer shall do the following: (1) Receive and care for all town money and pay the money out only on the order of the town legislative body. (2) Keep accounts showing when and from what sources the clerk-treasurer has received town money and when and to whom the clerk-treasurer has paid out town money. . . . (4) Prescribe the manner in which creditors, officers, and employees shall be paid. . . . (6) Prepare for the legislative body the budget estimates of miscellaneous revenue, financial statements, and the proposed tax rate. (7) Maintain custody of the town seal and the records of the legislative body. . . ."

IC 3-13-9-1 states:

"Sec. 1. A vacancy in a town office that was last held by a person elected or selected as a candidate of a major political party of the state shall be filled by a caucus under IC 3-13-11."

IC 3-13-11-16 states in part:

". . . if a chief deputy employee does not exist in the office of clerk or clerk-treasurer of a city or town, or the chief deputy employee declines or is ineligible to serve, the mayor of the city or the president of the town council shall appoint, as soon as is reasonably possible, a person to assume the duties of the office until the office is filled under this chapter."

ANNUAL REPORT

Annual reports for 2008 and 2009 were not presented for examination.

IC 5-3-1-3(a) states, in part:

"Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

TOWN OF JONESVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

RECEIPT ISSUANCE

Receipts were not issued for money received during the examination period.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PAYROLL DEDUCTIONS

Payments were made to Town Council members without payroll deductions for taxes.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action.

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)

CAPITAL ASSET RECORDS

The Town did not maintain a Capital Asset Ledger.

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. 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 Cities and Towns, Chapter 7)

TOWN OF JONESVILLE  
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2010, with Michelle Rodriguez, President of the Town Council, and Audrey McFarlane, Town Council member. The officials concurred with our findings.