

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF JONESBORO

GRANT COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

10/18/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brittany Couse	01-01-19 to 12-31-23
Mayor	Robert McNutt	01-01-19 to 12-31-23
President of the Board of Public Works	Robert McNutt	01-01-19 to 12-31-23
President Pro Tempore of the Common Council	Quinten Shipley Dave Jernigan Greg McGuire	01-01-19 to 12-31-20 01-01-21 to 12-31-22 01-01-23 to 12-31-23
Superintendent of Utilities	(Vacant) Quinten Shipley	01-01-19 to 05-02-21 05-03-21 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CITY OF JONESBORO, GRANT COUNTY, INDIANA

This report is supplemental to the audit report of the City of Jonesboro (City), for the period from January 1, 2019 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Financial Statements Audit Report of the City, which provides our opinions on the City's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

October 3, 2023

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CLERK-TREASURER
CITY OF JONESBORO

CLERK-TREASURER
CITY OF JONESBORO
AUDIT RESULTS AND COMMENTS

EMPLOYEE WITH MULTIPLE POSITIONS

Condition and Context

A Council member who has served in this position since approximately 2004 became a City Superintendent of Utilities on January 1, 2020, and is currently still employed by the City. The individual also serves as a part-time volunteer firefighter. In July 2023, the statute relating to who can hold an elected office was amended and this Common Council member will be deemed to have resigned from his Common Council position since he is now a City employee.

Criteria

Indiana Code 3-5-9-5 states: "Except as provided in section 7 of this chapter, an individual is considered to have resigned as a government employee when the individual assumes an elected office of the unit that employs the individual."

Indiana Code 3-5-9-7 states:

"(a) Notwithstanding sections 4 and 5 of this chapter, a government employee who assumes or holds an elected office on January 1, 2013, may continue to hold the elected office and be employed as a government employee until the term of the elected office that the government employee is serving on January 1, 2013, expires.

(b) After the expiration of the term of the elected office that the government employee referred to in subsection (a) is serving on January 1, 2013, the government employee is subject to section 5 of this chapter with respect to assuming or holding an elected office and being employed by the unit that employs the government employee."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

WATER PENALTIES AND STORM WATER FEES NOT PROPERLY CHARGED

Condition and Context

During our test of 25 customer billings, we determined:

CLERK-TREASURER
CITY OF JONESBORO
AUDIT RESULTS AND COMMENTS
(Continued)

- Water penalties were assessed on the current month's entire outstanding water balance, including the sales tax portion which should be excluded, for all 4 customers tested with outstanding water balances after March 2021.
- Storm water fees were not charged for three businesses.

Criteria

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CAPITAL ASSETS

Condition and Context

The capital asset listing presented for audit contained the following errors:

- A backhoe was physically observed but was not included on the capital asset listing.
- Addition of a 2005 International dump truck was included on the capital asset listing for governmental activities, in the amount paid by the City, but was not included on the capital asset listing for water and wastewater utilities for their portions.
- Additions of a John Deere Z930 and a John Deere F935 mowers were not included on the capital asset listing.
- Addition of a gazebo at 4th and Main was not included on the capital asset listing.
- Deletions of a 2008 Crown Vic police car and a Durapatcher were not removed from the capital asset listing.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
CITY OF JONESBORO
EXIT CONFERENCE

The contents of this report were discussed on October 3, 2023, with Brittany Couse, Clerk-Treasurer; Robert McNutt, Mayor; Greg McGuire, President Pro Tempore of the Common Council; and Quinten Shipley, Common Council member/Superintendent of Utilities.