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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF FOUNTAIN CITY

WAYNE COUNTY, INDIANA

January 1, 2018 to December 31, 2019

FILED
11/18/2020

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SCHEDULE OF OFFICIALS

Office	Official	Term
Clerk-Treasurer	Trina D. McGuire	01-01-18 to 12-31-20
President of the Town Council	Yvonne Nester	01-01-18 to 12-31-18
	Steve Clark	01-01-19 to 12-31-19
	Shane Shroyer	01-01-20 to 12-31-20

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF FOUNTAIN CITY, WAYNE COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Fountain City (Town), for the period from January 1, 2018 to December 31, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statement Audit Report of the Town, which provides our opinions on the Town's financial statement. 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.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

November 13, 2020

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CLERK-TREASURER
TOWN OF FOUNTAIN CITY

ADJUSTMENTS TO BANK RECONCILIATIONS

Condition and Context

The Town's Cash Reconcilement reported adjustments which were necessary to balance the depository accounts with the Town's Ledger. At December 31, 2019, there were 32 adjustments with a net balance of ($706) that were either added to, or subtracted from, the Net Depository Balance. Many of these adjustments were carried over from the previous audit and/or there was no documentation to determine the validity of these transactions.

Criteria

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

OVERDRAWN CASH BALANCES

Condition and Context

Financial information reported by the Town in the Indiana Gateway for Government Units financial reporting system included an overdrawn cash balance at December 31, 2019:

Fund	2019 Amount Overdrawn
MOTOR VEHICLE HIGHWAY	$ 2,755

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

STALE DATED OUTSTANDING CHECKS (WARRANTS)

Condition and Context

The Town's Outstanding Check Listing at December 31, 2019, contained 12 checks (warrants) totaling $964, which exceed two years outstanding.

Criteria

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

(1) board of finance of the political subdivision; or

(2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states in part:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision. . . ."

ORDINANCES AND RESOLUTIONS - UTILITY BILLINGS

Condition and Context

In February of 2007, the Town Council of the Town passed Ordinance Number 2007-1. During testing it was noted that the wastewater fees charged to a customer in May of 2018 were not calculated according to the local ordinance, resulting in an overbilling of $287. After inquiry with the Clerk-Treasurer, it was determined that the erroneous calculation method of the customer's monthly wastewater charges had been ongoing since her term of office began in 2016.

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)

CLERK-TREASURER
TOWN OF FOUNTAIN CITY
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2020, with Trina D. McGuire, Clerk-Treasurer; Shane Shroyer, President of the Town Council; and Steve Clark, Town Council member.

TOWN COUNCIL
TOWN OF FOUNTAIN CITY

TOWN COUNCIL
TOWN OF FOUNTAIN CITY
AUDIT RESULT AND COMMENT

COMPENSATION AND BENEFITS

Condition and Context

The Firefighters' wages paid during the audit period were not approved by the Town Council in a Salary Ordinance. This condition was previously communicated to the Clerk-Treasurer and the Town Council in a Noncompliance Management Letter.

Criteria

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 board 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)

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EXIT CONFERENCE

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