

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION AS OF
AND FOR THE YEAR ENDED JUNE 30, 2024**

TOWN OF JONESBORO
JONESBORO, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Dr. James "Spike" Harris, Mayor and
the Honorable Members of the Board of Aldermen

Town of Jonesboro, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Jonesboro, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Jonesboro's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the Town of Jonesboro, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Jonesboro and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Jonesboro's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jonesboro's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Jonesboro's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the Schedules of Employer's Share of Net Pension Liability, and the Schedules of Employer Contributions to Pension Plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jonesboro's basic financial statements. The accompanying Schedule of Compensation, Benefits, Reimbursements, and Other Payments to or on behalf of Agency Head; the Schedule of Compensation to Board of Aldermen; and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, Reimbursements, and Other Payments to or on behalf of Agency Head; the Schedule of Compensation to Board of Aldermen; and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025, on our consideration of the Town of Jonesboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Jonesboro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Jonesboro's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana

May 30, 2025

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 881,772	\$ 171,373	\$ 1,053,145
Cash and cash equivalents, restricted	209,424	483,013	692,437
Receivables	664,217	310,457	974,674
Internal balances	(562,608)	562,608	-
Inventory of materials and supplies	-	31,030	31,030
Capital assets, net of accumulated depreciation	2,272,014	7,082,077	9,354,091
TOTAL ASSETS	3,464,819	8,640,558	12,105,377
DEFERRED OUTFLOWS			
Deferred charges	863,707	111,973	975,680
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other current payables	740,076	196,227	936,303
Due to others	-	287,697	287,697
Deposits	-	159,237	159,237
Noncurrent liabilities:			
Due within one year	130,628	79,976	210,604
Due in more than one year	339,344	1,939,397	2,278,741
Net pension obligation	2,129,249	379,648	2,508,897
TOTAL LIABILITIES	3,339,297	3,042,182	6,381,479
DEFERRED INFLOWS			
Deferred revenue - unearned	579,943	16,427	596,370
NET POSITION			
Net investment in capital assets	1,802,042	5,062,704	6,864,746
Restricted	888,611	215,196	1,103,807
Unrestricted	(2,281,367)	416,022	(1,865,345)
TOTAL NET POSITION	\$ 409,286	\$ 5,693,922	\$ 6,103,208

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental activities:							
General government	\$ 1,209,470	\$ 265,863	\$ 6,040	\$ -	\$ (937,567)		\$ (937,567)
Public safety	1,389,864	19,969	89,183	-	(1,280,712)		(1,280,712)
Highways and streets	1,214,229	-	4,150	-	(1,210,079)		(1,210,079)
Sanitation	273,588	327,353	43,172	109,546	206,483		206,483
Health and welfare	21,069	-	-	-	(21,069)		(21,069)
Culture and recreation	34,876	350	-	-	(34,526)		(34,526)
Transportation	28,293	744	1,044	343,585	317,080		317,080
Interest expense	55,620	-	-	-	(55,620)		(55,620)
Total governmental activities	4,227,009	614,279	143,589	453,131	(3,016,010)		(3,016,010)
Business-type activities:							
Sanitation	899,949	532,050	327,459	-		(40,440)	(40,440)
Utilities - Water	1,134,463	945,756	-	-		(188,707)	(188,707)
Interest expense	98,681	-	-	-		(98,681)	(98,681)
Total business-type activities	2,133,093	1,477,806	327,459	-		(327,828)	(327,828)
Total primary government	\$ 6,360,102	\$ 2,092,085	\$ 471,048	\$ 453,131	(3,016,010)	(327,828)	(3,343,838)
General revenues:							
Property taxes					381,357	-	381,357
Sales and use taxes					2,437,311	-	2,437,311
Other taxes, penalties, and interest					244,503	-	244,503
Unrestricted investment earnings					632	366	998
Contributions and donations					11,000	-	11,000
Other					235,340	71,954	307,294
Transfers					(2,172,959)	2,172,959	-
Total general revenues and transfers					1,137,184	2,245,279	3,382,463
Change in net position					(1,878,826)	1,917,451	38,625
Net position at beginning of year, restated					2,288,113	3,776,471	6,064,584
Net position at end of year					\$ 409,287	\$ 5,693,922	\$ 6,103,209

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024**

	General	Street Ad Valorem	Fire Ad Valorem	Street Sales Tax	American Rescue Plan	LCDBG	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 482,008	\$ -	\$ -	\$ -	\$ 399,764	\$ -	\$ 881,772
Cash and cash equivalents - restricted	-	1,000	822	207,602	-	-	209,424
Receivables, net	559,074	-	-	105,143	-	-	664,217
Due from other funds	47,304	-	-	404,482	-	37,092	488,878
TOTAL ASSETS	\$ 1,088,386	\$ 1,000	\$ 822	\$ 717,227	\$ 399,764	\$ 37,092	\$ 2,244,291
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities:							
Current Liabilities:							
Accounts, salaries, and other current payables	\$ 572,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 572,457
Due to other funds	1,051,485	-	-	-	-	-	1,051,485
Total liabilities	1,623,942	-	-	-	-	-	1,623,942
Deferred inflows:							
Unearned	-	-	-	-	453,550	-	453,550
Fund balances:							
Restricted fund balances	-	1,000	822	717,227	-	37,092	756,141
Unassigned	(535,556)	-	-	-	(53,786)	-	(589,342)
Total fund balances	(535,556)	1,000	822	717,227	(53,786)	37,092	166,799
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 1,088,386	\$ 1,000	\$ 822	\$ 717,227	\$ 399,764	\$ 37,092	\$ 2,244,291

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

Total Fund Balances - Governmental Funds	\$ 166,799
Total Net Position reported for governmental activities in the Statement of Net Position :are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.	2,272,014
Some of the Town's revenues are not available to pay for the current period's expenditures and are not reported in the funds.	453,550
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Payables that are overdue	(167,620)
Noncurrent portion of long-term liabilities	(2,599,221)
Deferred outflows of resources	863,707
Deferred inflows of resources	<u>(579,943)</u>
Net Position	<u>\$ 409,286</u>

TOWN OF JONESBORO
JONESBORO, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General	Street Ad Valorem	Fire Ad Valorem	Street Sales Tax	American Rescue Plan	LCDBG	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem	\$ 162,377	\$ 109,490	\$ 109,490	\$ -	\$ -	\$ -	\$ 381,357
Sales and use	1,222,419	-	-	1,214,892	-	-	2,437,311
Other taxes							
Franchise	199,762	-	-	-	-	-	199,762
Other taxes	43,463	-	-	-	-	-	43,463
Penalties and interest on delinquent taxes	1,278	-	-	-	-	-	1,278
Licenses and permits	218,674	-	-	-	-	-	218,674
Intergovernmental:							
Federal grants	343,585	-	-	-	105,671	47,047	496,303
State grants	100,417	-	-	-	-	-	100,417
Charges for services	330,394	-	-	-	-	-	330,394
Fines	43,545	-	-	-	-	-	43,545
Investment earnings	632	-	-	-	-	-	632
Rents and royalties	21,666	-	-	-	-	-	21,666
Contributions and donations from private sources	11,000	-	-	-	-	-	11,000
Other revenues	22,408	-	-	-	-	-	22,408
Total revenues	<u>2,721,620</u>	<u>109,490</u>	<u>109,490</u>	<u>1,214,892</u>	<u>105,671</u>	<u>47,047</u>	<u>4,308,210</u>

EXPENDITURES

Current:							
General government	997,143	-	-	-	-	-	997,143
Public safety	1,302,673	-	-	-	-	-	1,302,673
Highways and streets	1,109,699	-	-	-	-	-	1,109,699

TOWN OF JONESBORO
JONESBORO, LOUISIANA

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General	Street Ad Valorem	Fire Ad Valorem	Street Sales Tax	American Rescue Plan	LCDBG	Total Governmental Funds
Sanitation	273,588	-	-	-	-	-	273,588
Health and welfare	21,069	-	-	-	-	-	21,069
Culture and recreation	34,876	-	-	-	-	-	34,876
Transportation	28,293	-	-	-	-	-	28,293
Debt service	188,312	-	-	-	-	-	188,312
Capital outlay	742,059	-	-	-	-	47,047	789,106
Total expenditures	<u>4,697,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,047</u>	<u>4,744,759</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,976,092)</u>	<u>109,490</u>	<u>109,490</u>	<u>1,214,892</u>	<u>105,671</u>	<u>-</u>	<u>(436,549)</u>
OTHER FINANCING SOURCES (USES)							
Interfund transfers in	979,570	-	-	-	-	-	979,570
Proceeds from general long-term obligations	91,017	-	-	-	-	-	91,017
Proceeds from insurance	92,573	-	-	-	-	-	92,573
Interfund transfers out	-	(109,490)	(109,490)	(1,347,362)	(159,457)	-	(1,725,799)
Total other financing sources (uses)	<u>1,163,160</u>	<u>(109,490)</u>	<u>(109,490)</u>	<u>(1,347,362)</u>	<u>(159,457)</u>	<u>-</u>	<u>(562,639)</u>
Net change in fund balances	(812,932)	-	-	(132,470)	(53,786)	-	(999,188)
Fund balances at beginning of year, restated	277,376	1,000	822	849,697	-	37,092	1,165,987
Fund balances at end of year	<u>\$ (535,556)</u>	<u>\$ 1,000</u>	<u>\$ 822</u>	<u>\$ 717,227</u>	<u>\$ (53,786)</u>	<u>\$ 37,092</u>	<u>\$ 166,799</u>

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net change in Fund Balances - Governmental Funds \$ (999,188)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Capital Outlay	687,401
Depreciation and amortization expense	(332,247)
Transfer of Government-wide assets presented in Business-type	(1,426,731)

Capital lease principal expense, which is considered an other financing use on the Statement of Revenues, Expenditures, and Changes in Fund Balance, is a reduction of capital lease payable on the Government-Wide Statements. Capital loan proceeds, which is considered an other financing source on the Statement of Revenues, Expenditures, and Changes in Fund Balance, is an increase in capital assets on the Government-Wide Statements.

Capital lease principal expense	132,692
Capital lease proceeds	10,689

Net pension liability decrease (increase)	<u>48,558</u>
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Change in net position of governmental activities	<u><u>\$ (1,878,826)</u></u>
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The accompanying notes are an integral part of these financial statements.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**PROPRIETARY FUND - UTILITY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

ASSETS

Current assets:

Cash and cash equivalents	\$ 171,373
Cash and cash equivalents, restricted	483,013
Receivables, net	310,457
Due from other funds	609,912
Inventory of materials and supplies	31,030
Total current assets	<u>1,605,785</u>

Noncurrent assets:

Capital assets, net of accumulated depreciation	<u>7,082,077</u>
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TOTAL ASSETS

8,687,862

DEFERRED OUTFLOWS

Deferred outflows - pension related	<u>111,973</u>
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LIABILITIES

Current liabilities:

Accounts, salaries, and other payables	196,227
Due to other funds	47,304
Due to others	287,697
Deposits	159,237
Total current liabilities	<u>690,465</u>

Noncurrent liabilities:

Due within one year	79,976
Due in more than one year	1,939,397
Net pension obligation	379,648
Total noncurrent liabilities	<u>2,399,021</u>

TOTAL LIABILITIES

3,089,486

DEFERRED INFLOWS

Pension related	<u>16,427</u>
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NET POSITION

Net investment in capital assets	5,062,704
Restricted	215,196
Unrestricted	416,022
TOTAL NET POSITION	<u><u>\$ 5,693,922</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**PROPRIETARY FUND - UTILITY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

Operating revenues:	
Utilities - Water	\$ 945,756
Sanitation - Sewerage Collection & Disposal	532,050
Total operating revenues	<u>1,477,806</u>
Operating expenses:	
Utilities - Water	1,134,463
Sanitation - Sewerage Collection & Disposal	899,949
Total operating expenses	<u>2,034,412</u>
Operating income (loss)	<u>(556,606)</u>
Nonoperating revenues (expenses):	
Federal grants	327,459
Investment earnings	366
Other revenue	71,954
Interest	(98,681)
Total nonoperating revenue (expenses)	<u>301,098</u>
Income (loss) before transfers	<u>(255,508)</u>
Transfers in	<u>2,172,959</u>
Change in net position	1,917,451
Net position at beginning of year, restated	<u>3,776,471</u>
Net position at end of year	<u>\$ 5,693,922</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**PROPRIETARY FUND - UTILITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,459,273
Cash payments to suppliers for goods and services	(2,243,152)
Cash payments to employees for services	(334,640)
Net cash provided by (used for) operating activities	<u>(1,118,519)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	2,172,959
Subsidy from grants	508,915
Other receipts	64,135
Net cash provided by (used for) nonoperating activities	<u>2,746,009</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(1,426,731)
Principal paid on debt	(75,304)
Interest paid on debt	(98,681)
Net cash provided by (used for) capital and related financing activities	<u>(1,600,716)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	366
Net cash provided by (used for) investing activities	<u>366</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,140
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>627,246</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 654,386</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	<u>(556,606)</u>
Adjustments to reconcile operating loss to cash provided by operating activities:	
Depreciation and amortization expense	306,214
Pension related income and expense	65,675
(Increase) decrease in receivables	18,533
(Increase) decrease in inventories	(31,030)
(Increase) decrease in due from other funds	(594,476)
Increase (decrease) in accounts payable	(162,192)
Increase (decrease) in due to other funds	47,304
Increase (decrease) in customer deposits	15,407
Other	(227,348)
Total adjustments	<u>(561,913)</u>
Net cash provided by operating activities	<u><u>\$ (1,118,519)</u></u>

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Jonesboro, Louisiana (Town), was incorporated as a village on September 4, 1901, and as a town on May 14, 1903, under the provisions of the Lawrason Act. The Town operates under the Mayor- Board of Aldermen form of government with five aldermen. Aldermen are elected for four-year terms and compensated as shown in this report. The Town of Jonesboro serves 4,680 citizens; services provided include police protection, fire protection, sanitation services, street maintenance, and various administration functions. The Town of Jonesboro also operates a water distribution system and sewer system. The Town of Jonesboro employs approximately fifty people to serve the needs of the citizens of the Town of Jonesboro.

A. Basis of Presentation

The accompanying financial statements of the Town of Jonesboro have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town of Jonesboro applies all relevant GASB pronouncements, and GAAP, as applicable to governmental entities. Also, the Town's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the *Louisiana Municipal Audit and Accounting Guide* and to the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town of Jonesboro is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town of Jonesboro may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Town of Jonesboro for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, no component units were identified for the Town of Jonesboro.

C. Government-Wide Financial Statements

The Town of Jonesboro's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Town of Jonesboro. Fiduciary activities of the Town of Jonesboro are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town of Jonesboro's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town of Jonesboro's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Town of Jonesboro's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the Town of Jonesboro's general revenues.

Direct Expenses - The Town of Jonesboro reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Town of Jonesboro reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

D. Fund Financial Statements

The accounts of the Town of Jonesboro are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the Town of Jonesboro are classified into two categories: governmental and proprietary.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government- Wide financial statements. The Town of Jonesboro has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets.

Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Town of Jonesboro reports the following major governmental funds:

General Fund - The primary operating fund of the Town of Jonesboro, the General Fund, accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Town policy.

Fire Ad Valorem Tax Fund - The Fire Ad Valorem Fund is a special revenue fund used to account for the proceeds of Ad Valorem taxes restricted to expenditures of the Fire Department.

Street Ad Valorem Tax Fund - The Street Ad Valorem Tax Fund is a special revenue fund used to account for the proceeds of Ad Valorem taxes restricted to expenditures of the Street Department.

Street Sales Tax Fund - The Street Sales Tax Fund is a special revenue fund used to account for the proceeds of the special 1% sales and use tax levied for the purposes of construction, maintenance, repair, and improvements of the Town of Jonesboro's streets.

American Rescue Plan - The American Rescue Plan Fund accounts for funds received under the federal American Rescue Plan Act.

Revenues

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are property taxes, franchise taxes, and charges for services. Fines and permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured, and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures: Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due. Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Funds

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into three components-net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary funds use the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis are financed through user charges: or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

The Enterprise Fund of the Town of Jonesboro is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Town of Jonesboro for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues and Expenses

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

E. Equity Classifications

The Town of Jonesboro has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town of Jonesboro is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town had no amount in nonspendable funds for the year ended June 30, 2024.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town Council typically establishes commitments through the adoption and amendment of the budget. The Town did not have any committed funds for the year ended June 30, 2024.

Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Town did not have any assigned funds for year ended June 30, 2024.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town of Jonesboro would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. Budgets

The Mayor prepares a proposed budget and submits it to the Town Council no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Town Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The Town of Jonesboro utilizes formal budgetary integration as a management control device for all funds.

The June 30, 2024, Governmental Funds' budgets were published in the official journal and made available for public inspection. A public hearing for the proposed budgets was held on July 18, 2023. The budget were adopted August 8, 2023. The budget was amended on October 10, 2023.

G. Encumbrances

The Town of Jonesboro does not utilize encumbrance accounting, and management does not believe that the use of encumbrance accounting would provide any significant benefit for budgetary purposes.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town of Jonesboro may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Town may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Town of Jonesboro may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Town of Jonesboro reports restricted assets on the Statement of Net Position, which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

I. Investments

The Town of Jonesboro's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Town of Jonesboro may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town of Jonesboro may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days.

Investments are stated at fair value except for the following, which are permitted under GASB Statement No. 31:

Investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Town of Jonesboro reported at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at the time of purchase of one year or less.

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

J. Inventories

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. All purchased inventory items are valued at cost (average cost method). Inventories of the Enterprise Funds consist of repair materials, spare parts, consumable supplies, and fuel.

K. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expenses as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

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Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

Description	Estimated Lives
Computer and Peripheral Equipment	4-5 years
Machinery and Equipment	3-20 years
Vehicles	5 years
Portable Building	5-10 years
Water Meters	10 years
Water Pumping Station	20 years
Sewerage Treatment Plan	20 years
Sewerage Collection System	20 years
Streets and Sidewalks	20 years
Building Improvements	40 years
Water Distribution System	40 years

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

M. Deferred Outflows of Resources

The Town of Jonesboro reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position.

The deferred outflows of resources are entirely due to the net pension liability, and they do not affect the governmental funds financial statements.

N. Compensated Absences

In accordance with GASB Statement No. 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Employees of the Town of Jonesboro earn one week to three weeks' vacation leave annually, depending on length of service; with the exception of appointed department heads, vacation leave does not accumulate. Employees earn from one week to three weeks of sick leave annually, depending on length of service, and all sick leaves are forfeited upon termination of employment. The cost of leave privileges is recognized as a current-year expenditure in the General Fund when leave is taken.

The Town of Jonesboro has the following policy relating to vacation and sick leave:

A full-time employee after completing one year of continuous employment from the date of hire is eligible for five days of vacation with pay. An employee, upon completion of two years continuous employment from the date of hire, is eligible for 10 days of vacation with pay. Upon completion of five years of continuous employment, the employee is eligible for 15 days of vacation with pay.

Full-time employees who have completed their 90-day probation period will be given four hours of sick time per month until their first anniversary. Thereafter, each employee is granted 80 hours sick leave with pay annually. Each employee may accrue up to 360 hours of paid sick leave.

The Town of Jonesboro's recognition and measurement criteria for compensated absences follow:

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees when both of the following conditions are met:

The employee's right to receive compensation is attributable to services already rendered, and

It is probable that the employee will be compensated for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave should be accrued using one of the following termination approaches:

An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The Town of Jonesboro uses the first approach to accrue the liability for sick leave which includes salary- related payments.

There are no compensated absences as of June 30, 2024.

O. Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond payables are reported net applicable bond premium or discount. Bond issuance costs are reported as deferred outflows of resources and amortized over the term of the related debt.

In the fund financial statements, expenditures for principal and interest payments for long-term obligations are recognized when due as current liabilities and other financing uses. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures

P. Deferred Inflows of Resources

The Town of Jonesboro reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town of Jonesboro will not recognize the related revenues until a future event occurs. The Town of Jonesboro reported deferred inflows of resources of \$579,943 in governmental activities and \$47,175 in business-type activities, and no deferred inflows of resources affect the governmental funds financial statements.

Q. Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet, as well as all other outstanding balances between funds.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

R. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – AD VALOREM TAXES

Ad Valorem taxes are levied on a calendar year basis on real and business property located within the Town of Jonesboro's boundaries. Taxes attach as an enforceable lien on property as of January 1 of each year. Ad valorem taxes are levied by the Town of Jonesboro on property values assessed by the Jackson Parish Tax Collector and approved by the state of Louisiana Tax Commission in November of each year. Taxes are levied by the Town of Jonesboro in September or October, and taxpayers are billed in November. Billed taxes become delinquent on January 1 of the following year. State law requires the Town to collect property taxes in the calendar year in which the assessment is made, and if the taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Town is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

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Revenues from ad valorem taxes are recognized in the period for which taxes are levied, and, accordingly, taxes are budgeted in the year billed. The amount of taxes to be collected occurs in December of the current year, and January and February of the subsequent year. All property taxes are recorded in the general and special revenue funds. The Town of Jonesboro considers the date penalty and interest accrues (January 1) as the date an enforceable legal claim occurs for property taxes.

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The schedule below summarizes the millage that was approved by the Town Council on July 12, 2022, and the millage that is the maximum millage that can be assessed without the approval of the voter of the Town of Jonesboro. For Ad valorem taxes for the year ended June 30, 2024, three rates of taxes were levied on property within the corporate limits, as follows:

	Authorized Millage	Levied Millage	Expiration Date
General	6.89	6.89	Indefinite
Fire	5.00	4.86	2027
Street	5.00	4.86	2027

The difference between authorized and levied millages is the result of reassessments of taxable property required by Article 7, Section 18 (f) of the Louisiana Constitution of 1974. A revaluation of all property is required after 1978 to be completed no less than every four years. Total assessed value on the 2023 tax roll was \$22,812,480.

NOTE 3 - SALES TAXES

The voters of the Town of Jonesboro levied a one percent sales and use tax on April 1, 1980, to provide funds for any lawful activity of the Town of Jonesboro.

In January of 1988, the taxpayers of the Town of Jonesboro levied an additional one percent sales and use tax for a period of 10 years commencing August 1, 1989. In July of 1998, the taxpayers of the Town of Jonesboro renewed the one percent sales and use tax for an additional 10 years commencing August 1, 1999. On May 4, 2019, the taxpayers renewed the one percent sales and use tax for an additional 10 year commencing August 1, 2019. The purpose of this tax is for the general construction, maintenance, repair, and improvements of the Town of Jonesboro's streets.

NOTE 4 - CASH AND CASH EQUIVALENTS

At June 30, 2024, the Town of Jonesboro had cash and cash equivalents (book balances) as presented in the following schedule:

Demand deposits	\$ 881,773
Petty cash	1,849
Restricted cash	692,437
Time deposits	169,523
Total	<u>\$ 1,745,582</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

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Cash and investments are categorized to give an indication of the level of risk assumed by the Town at June 30, 2024. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The Town of Jonesboro has cash and cash equivalents that are covered by \$250,000 of federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution.

At June 30, 2024, the Town of Jonesboro had \$2,122,026 in deposits (collected bank balances). These deposits are secured from risk by \$669,990 of federal deposit insurance and \$1,452,036 of pledged securities. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Town of Jonesboro has complied with these requirements of state law.

NOTE 5 - INVESTMENTS

As stated above in Note 2, Cash and Cash Equivalents, investments are categorized to give an indication of the level of risk assumed by the Town. The Town has only certificates of deposit which are presented in cash and cash equivalents.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The Town of Jonesboro does not have a policy addressing interest rate risk.

NOTE 6 - RECEIVABLES

The receivables at June 30, 2024, are as follows:

			Total		
	General	Street Sales Tax	Governmental Activities	Business-Type Activities	Total
General sales and use	\$105,143	\$ 105,143	\$ 210,286	\$ -	\$ 420,572
Other taxes	18,859	-	18,859	-	37,718
Licenses and permits	17,681	-	17,681	-	35,362
Federal government grants	347,600	-	347,600	-	695,200
State government shared revenue	33,471	-	33,471	-	66,942
Charges for services	36,320	-	36,320	310,457	383,097
Total	<u>\$559,074</u>	<u>\$ 105,143</u>	<u>\$ 664,217</u>	<u>\$ 310,457</u>	<u>\$974,674</u>

Management believes all receivables to be collectible; therefore, no allowance is recorded as of June 30, 2024.

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TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	Balance Beginning of Year	Additions	Deletions	Adjustments	Balance End of Year
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 148,177	\$ -	\$ -	\$ -	\$ 148,177
Construction in progress	1,390,857	605,376	(1,684,647)	64,383	375,969
Total	1,539,034	605,376	(1,684,647)	64,383	524,146
Capital assets being depreciated or amortized:					
Land improvements	1,869,457	257,916	-	-	2,127,373
Buildings	922,006	-	-	-	922,006
Equipment and furniture	2,180,295	19,331	-	-	2,199,626
Vehicles	1,081,851	19,520	-	-	1,101,371
Right of Use Asset	793,824	101,706	-	2,976	898,506
Total	6,847,433	398,473	-	2,976	7,248,882
Less accumulated depreciation or amortization:					
Land improvements	1,037,481	105,322	-	-	1,142,803
Buildings	878,460	6,926	-	-	885,386
Equipment and furniture	2,000,705	36,278	-	-	2,036,983
Vehicles	1,037,701	13,117	-	-	1,050,818
Right of Use Asset	112,368	170,604	-	102,052	385,024
Total	5,066,715	332,247	-	102,052	5,501,014
Capital assets being depreciated or amortized, net	1,780,718	66,226	-	(99,076)	1,747,868
Capital assets, net	\$ 3,319,752	\$ 671,602	\$ (1,684,647)	\$ (34,693)	\$ 2,272,014

TOWN OF JONESBORO
JONESBORO, LOUISIANA
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	Balance Beginning of Year	Additions	Deletions	Adjustments	Balance End of Year
Business-type Activities:					
Capital assets being depreciated or amortized:					
Buildings	\$ 132,146	\$ -	\$ -	\$ -	\$ 132,146
Equipment and vehicles	1,379,763	-	-	-	1,379,763
Water system	4,829,965	-	-	-	4,829,965
Sewer system	5,230,593	1,426,731	-	-	6,657,324
Right of Use Asset	219,459	-	-	12,562	232,021
Total	<u>11,791,926</u>	<u>1,426,731</u>	<u>-</u>	<u>12,562</u>	<u>13,231,219</u>
Less accumulated depreciation or amortization:					
Land improvements	-				
Buildings	80,319	2,934	-	-	83,253
Equipment and vehicles	1,346,089	3,654	-	-	1,349,743
Water system	2,136,891	95,393	-	-	2,232,284
Sewer system	2,272,327	167,652	-	-	2,439,979
Right of Use Asset	7,302	37,587	-	(1,006)	43,883
Total	<u>5,842,928</u>	<u>307,220</u>	<u>-</u>	<u>(1,006)</u>	<u>6,149,142</u>
Capital assets being depreciated or amortized, net	<u>5,948,998</u>	<u>1,119,511</u>	<u>-</u>	<u>13,568</u>	<u>7,082,077</u>
Capital assets, net	<u>\$ 5,948,998</u>	<u>\$ 1,119,511</u>	<u>\$ -</u>	<u>\$ 13,568</u>	<u>\$ 7,082,077</u>

Depreciation and amortization expenses for the year ended June 30, 2024, is charged to the following functions:

Depreciation

Governmental activities:

General government	\$ 148,675
Public safety	12,968
Highways and streets	-
Total	<u>\$ 161,643</u>

Business-type activities:

Sanitation	\$ 150,367
Utility	119,266
Total	<u>\$ 269,633</u>

Amortization

Governmental activities:

General government	\$ 24,315
Public safety	99,736
Highways and streets	148,605
Total	<u>\$ 272,656</u>

Business-type activities:

Sanitation	\$ 10,608
Utility	25,973
Total	<u>\$ 36,581</u>

NOTE 8 - PAYABLES

The payables at June 30, 2024, are as follows:

	Fund		
	General	Enterprise	Total
Accounts payable	\$ 521,117	\$ 194,395	\$ 715,512
Payroll liabilities	39,502	-	39,502
Other payables	11,838	1,832	13,670
Total Fund Financial Statements	572,457	196,227	768,684
Additional payable in Statement of Net Position	167,619	-	167,619
Total Government-Wide Financial Statements	<u>\$ 740,076</u>	<u>\$ 196,227</u>	<u>\$ 936,303</u>

The additional payable in Governmental Activities is owed to Entergy for utility expenses incurred prior to January 2023 which have not been paid. The Enterprise Fund also includes \$68,123, in the accrual basis fund financial statements.

NOTE 9 - RETIREMENT SYSTEMS

Substantially all employees of the Town of Jonesboro are members of the Municipal Employees' Retirement System of Louisiana, Municipal Police Employees' Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multi-employer defined benefit pension plans administered by separate boards of trustees.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Plan Description

The Town of Jonesboro contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost-sharing multiple-employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Any member of Plan A can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 60 with a minimum of ten years of creditable service.
3. Under age 60 with five years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years creditable service at death of member.
5. Any age with 20 years creditable service, exclusive of military service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement shall consist of an amount equal to 3% of the employee's monthly average final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2024, the Town of Jonesboro's total payroll for all employees was \$1,733,739. Total covered payroll was \$699,810. Covered payroll refers to all compensation paid by the Town of Jonesboro to active employees covered by the Plan.

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website www.mersla.com.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2024, the actual employer contribution rate was 29.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Town of Jonesboro's contributions to the System under Plan A for the year ending June 30, 2024, were \$206,442. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Jonesboro to the System monthly.

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the System and the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contribution revenue for the current year is \$23,691.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Town of Jonesboro reported a liability of \$1,151,012 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Jonesboro's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.314926%, which was a decrease of 0.009993% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the Town of Jonesboro recognized pension expense of \$158,262 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$203,699). Total pension expense for the Town of Jonesboro for the year ended June 30, 2024 was (\$45,437).

At June 30, 2024, the Town of Jonesboro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,594	\$10,526
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan	132,265	-
Changes in employer's proportion of beg NPL	-	34,533
Differences between employer and proportionate share of contributions	-	4,742
Subsequent measurement contributions	206,442	-
Total	\$339,480	\$49,801

TOWN OF JONESBORO
JONESBORO, LOUISIANA
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The \$185,180 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$661
2026	(4,958)
2027	95,952
2028	(8,419)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Salary increases, including inflation and merit increases	1 to 4 years of service - 6.4% More than 4 years of service - 4.5%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNE-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	56%	2.44%
Public fixed income	29%	1.26%
Alternatives	15%	0.65%
Totals	100%	4.35%
Inflation		2.50%
Expected arithmetic nominal return		6.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for the years ended June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town of Jonesboro's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Jonesboro's proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the Town of Jonesboro's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85%) or one percentage-point higher (7.85%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net position liability	\$ 1,595,731	\$ 1,151,012	\$ 775,357

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at www.mersla.com.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Plan Description

The Town of Jonesboro contributes to the Municipal Police Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

Any member of the Plan who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

The monthly amount of benefits are 3 1/3% of their average final compensation (employee's average monthly earnings during the highest 36 consecutive or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Eligibility for retirement for members hired on or after January 1, 2013, is as follows:

Hazardous Duty

1. Any age with 25 years of creditable service.
2. Age 55 with twelve or more years of creditable service.
3. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Non-Hazardous Duty

1. Any age with 30 years of creditable service.
2. Age 55 with twenty-five or more years of creditable service.
3. Age 60 with ten or more years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

The benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2024, the Town of Jonesboro's total payroll for all employees was \$1,733,739. Total covered payroll was \$278,795. Covered payroll refers to all compensation paid by the Town of Jonesboro to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411, or by visiting the System's website www.lampers.org.

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2024, the actual employer contribution rate was 33.925%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 33.925% and 10.00%, respectively. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2023, and excluded from pension expense. Non-employer contribution revenue for the current year is \$18,426.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Employer reported a liability of \$844,057 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Jonesboro's proportion of the Net Pension Liability was based on a projection of the Town of Jonesboro's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town of Jonesboro's proportion was 0.079892%, which was a decrease of 0.004214% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town of Jonesboro recognized pension expense of \$131,529 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$76,755). Total pension expense for the Town of Jonesboro for the year ended June 30, 2024, was \$54,771.

At June 30, 2024, the Town of Jonesboro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,455	\$ 354
Changes in assumptions	14,805	-
Net difference between projected and actual earnings on pension plan	91,124	-
Changes in employer's proportion of beg NPL	111,235	25,768
Differences between employer and proportionate share of contributions	-	2,764
Subsequent measurement contributions	94,627	-
Total	\$ 370,523	\$ 28,886

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

The \$94,627 reported as deferred inflows of resources related to pensions resulting from Town of Jonesboro contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2025	\$ 134,169
2026	35,212
2027	82,155
2028	(4,526)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, are as follows:

Valuation Date	June 30, 2023	
Actuarial Cost Method	Entry Age Normal Cost	
Actuarial Assumptions:		
Investment Rate of Return	6.75%, net of investment expense	
Inflation Rate	2.50%	
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%
Expected Remaining Service Lives	4 years	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014, through June 30, 2019, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates range of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment of the effect of rebalance/diversification. The resulting forecasted long-term rate of return is 7.9% for the year ended June 30, 2023. The best estimate of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	52%	3.29%
Fixed income	34%	1.12%
Alternatives	14%	0.95%
Other	-%	-%
Totals	100%	5.36%
Inflation		2.54%
Expected arithmetic nominal return		7.90%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town of Jonesboro's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Jonesboro's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town of Jonesboro's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$1,187,654	\$844,057	\$557,026

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at www.lampers.com.

FIREFIGHTERS' RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Plan Description

The Town of Jonesboro contributes to the Firefighters' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana.

Any member of the Plan can retire providing the member meets one of the following criteria:

5. Any age with 25 years of creditable service.
6. Age 50 with a minimum of twenty or more years of creditable service.
7. Age 55 with a minimum of twelve years of creditable service.

The monthly amount of benefits are 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2024, the Town's total payroll for all employees was \$1,733,739. Total covered payroll was \$211,328. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Firefighters' Retirement System of Louisiana, 3100 Brentwood Drive, Baton Rouge, Louisiana, or by visiting the System's website www.lafirefightersret.com.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2024, total contributions due for employers and employees were 43.25%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer and employee contribution rates for all members were 33.25% and 10.00%, respectively. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

According to state statute, the System receives insurance premium assessments from the state of Louisiana. The assessment is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2024, and were excluded from pension expense. Non-employer contribution revenue for the current year is \$23,054.

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Town of Jonesboro reported a liability of \$513,829 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Jonesboro's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.078726% which was a decrease of 0.007182% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town of Jonesboro recognized pension expense of \$101,720 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$54,240). Total pension expense for the Town for the year ended June 30, 2024, was \$47,480.

At June 30, 2024, the Town of Jonesboro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,042	\$ 17,604
Changes in assumptions	31,092	-
Net difference between projected and actual earnings on pension plan	69,643	-
Changes in employer's proportion of beg NPL	85,712	46,054
Differences between employer and proportionate share of contributions	2,717	472
Subsequent measurement contributions	60,470	-
Total	\$ 265,676	\$ 64,130

The \$60,470 reported as deferred inflows of resources related to pensions resulting from Town of Jonesboro contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2025	\$ 42,219
2026	27,155
2027	79,133
2028	3,119
2029	(7,457)
2030	(3,091)

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years, closed period
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation)
Inflation Rate	2.50%
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases
Mortality rates	<p>For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.</p> <p>For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.</p> <p>For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.</p> <p>In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.</p>

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, standard deviations, and correlation coefficients for each asset class. The process integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

The June 30, 2023, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2023 and the Curran Actuarial Consulting average study for 2023. The consultant's average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2023.

TOWN OF JONESBORO
JONESBORO, LOUISIANA
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Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2023, are summarized in the following tables:

Asset Class		Target Allocation	Long-Term Expected Real Rate of Return
Equity	US Equity	29.50%	6.24%
	Non-US Equity	11.50%	6.49%
	Global Equity	10.00%	6.49%
	Emerging Market Equity	5.00%	8.37%
Fixed Income	US Core Fixed Income	20.00%	1.89%
	US TIPS	2.00%	1.72%
	Emerging Market Debt	2.00%	4.30%
	Multisector Fixed Income	2.00%	***0%
Multi-Asset Strategies	Global Tactical Asset Allocation	-%	4.02%
	Risk Parity	-%	4.02%
Alternatives	Private Equity/Private Debt	9.00%	9.57%
	Real Estate	6.00%	4.41%
	Private Equity	3.00%	5.62%
Total			<u>100%</u>

***Multisector Fixed Income was added to the target asset allocation policy subsequent to the actuary's calculation of the 2023 long-term expected rate of return.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town of Jonesboro's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Jonesboro's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 792,684	\$ 513,829	\$ 281,252

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Audit Report at www.lafirefightersret.com.

NOTE 11 - ON BEHALF SUPPLEMENTAL PAY

Certain employees meeting statutory qualifications in the fire and police departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$34,880 is recognized as intergovernmental revenue and public safety expenditures in the following departments:

<u>Department</u>	<u>Amount</u>
Police	\$ 13,280
Fire	21,600
Total	<u>\$ 34,880</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation

The Town is involved in certain legal proceedings arising in the ordinary course of operations. Management, after consultation with legal counsel, believes that the resolution of these matters will not have a material adverse effect on the Town's financial position, results of operations, or cash flows.

Management believes that any potential liability arising from this litigation will be fully covered by its insurance policies. While management expects the insurance to cover any potential liabilities, there are inherent uncertainties in litigation, and the outcome cannot be predicted with certainty. Management will continue to monitor the situation and adjust its disclosures as necessary.

Grants Receivable

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town of Jonesboro expects such amounts, if any, to be immaterial.

NOTE 13 - LONG-TERM OBLIGATIONS

The following schedule is a summary of the long-term obligation transactions for the year ended June 30, 2024. The schedule also includes the current portion (due in one year or less) of the long-term obligations.

The repayment of capital lease obligations is managed using resources from governmental activities, with the lease obligation being reported as a liability in the Statement of Net Position. Compensated absences are funded by the specific fund from which salaries are paid, and these are recognized as a liability when earned by employees in the government-wide financial statements. Bond principal payments are handled through business-type activities, where the repayment reduces the long-term liabilities in the Statement of Net Position rather than being reported as an expenditure.

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>	<u>Ending Balance</u>	<u>Current</u>
Governmental activities:						
Lease(s)	\$ 619,310	\$ 91,017	\$ (132,692)	\$ (107,663)	\$ 469,972	\$ 130,628
Net pension liability (asset) - MERS	965,647	-	(194,283)	-	771,364	-
Net pension liability (asset) - MPERS	859,713	-	(15,656)	-	844,057	-
Net pension liability (asset) - FRS	605,762	-	(91,933)	-	513,829	-
Total governmental activities	<u>\$ 3,050,432</u>	<u>\$ 91,017</u>	<u>\$ (431,800)</u>	<u>\$ (107,663)</u>	<u>\$ 2,601,986</u>	<u>\$ 130,628</u>
Business-type activities:						
USDA Water Revenue Bonds, Series 2008	\$ 1,899,221	\$ -	\$ (40,666)	\$ -	\$ 1,858,555	\$ 42,534
Lease(s)	212,224	-	(34,638)	(16,768)	160,818	37,442
Net pension liability (asset) - MERS	383,818	-	(4,170)	-	379,648	-
Total business-type activities	<u>\$ 2,495,263</u>	<u>\$ -</u>	<u>\$ (82,238)</u>	<u>\$ (16,768)</u>	<u>\$ 2,396,257</u>	<u>\$ 79,976</u>
Grand total:	<u>\$ 5,545,695</u>	<u>\$ 91,017</u>	<u>\$ (514,038)</u>	<u>\$ (124,431)</u>	<u>\$ 4,998,243</u>	<u>\$ 210,604</u>

The individual bond issue is as follows:

<u>Bond Issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Business-type Activities:						
USDA - Water Revenue Bonds Series 2008	1/22/2009	\$ 2,300,000	4.5%	1/22/2049	\$ 1,213,278	\$ 1,858,555

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The cost of the 2018 Ford F550 9' Mini Pumper was \$105,000 and the entire cost was financed by Government Capital Corporation at an interest rate of 4.725% for 10 years. Lease payments are due on November 23 annually.

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The cost of the 2004 American LaFrance 500 Gallon tankers was \$121,054, and \$100,895 of the cost was financed by Government Capital Corporation at an interest rate of 3.97% for five years. Lease payments are due on February 3 annually.

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The cost of the 2022 Freightliner M2 106 Truck was \$156,500, and \$156,500 of the cost was financed by BancorpSouth Bank at an interest rate of 2.29% for three years. Lease payments are due on the 17th monthly beginning December 17, 2021.

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The combined cost of various vehicles of \$747,973, and \$654,158 of the combined cost was financed by Enterprise with interest rate ranging from 7%-9% for 60-month terms. Lease payments are monthly.

TOWN OF JONESBORO
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2024

The annual requirements to amortize all bonds and leases outstanding at June 30, 2024, are scheduled below.

For the Year Ended June 30th	Governmental Activities		
	Leases		
	Principal	Interest	Total
2025	\$ 130,628	\$ 31,991	162,619
2026	103,803	22,870	126,673
2027	111,994	30,767	142,761
2028	101,875	4,429	106,304
2029	21,672	793	22,465
Total	<u>\$ 469,972</u>	<u>\$ 90,850</u>	<u>\$ 560,822</u>

For the Year Ended June 30th	Business-type Activities					
	Bonds			Leases		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 42,534	\$ 82,770	125,304	\$ 37,442	\$ 11,238	48,680
2026	44,488	80,816	125,304	40,473	8,207	48,680
2027	46,532	78,772	125,304	43,750	4,931	48,681
2028	48,669	76,635	125,304	39,153	1,415	40,568
2029	50,951	74,353	125,304	-	-	-
2030-2034	291,868	334,652	626,520	-	-	-
2035-2039	365,177	261,343	626,520	-	-	-
2040-2044	457,221	169,299	626,520	-	-	-
2045-2049	511,115	54,638	565,753	-	-	-
Total	<u>\$ 1,858,555</u>	<u>\$ 1,213,278</u>	<u>\$ 3,071,833</u>	<u>\$ 160,818</u>	<u>\$ 25,791</u>	<u>\$ 186,609</u>

NOTE 14 - GRANTS

Grantor	Description	Revenues	Expenditures	Federal Expenditures
Transportation	Airport - obstruction removal	\$ 343,585	\$ 343,585	\$ 343,585
Treasury	American Rescue Plan Act	105,671	105,671	105,671
HUD	Lift station improvements	47,047	47,047	47,047
DEQ	Sewer Trunk Main Rehab	304,399	304,399	304,399
DRA	Patterson Street Pump Station Improvements	23,060	26,440	23,060
	Total federal	<u>823,762</u>	<u>\$ 827,142</u>	<u>\$ 823,762</u>
	Fire Insurance Rebate	54,303		
	Police Supplemental Pay	13,280		
	Firefighters Supplemental Pay	21,599		
	Airport	1,044		
	Maintenance of Streets	4,150		
	Other state	<u>6,040</u>		
	Total state	100,416		
	Other local	-		
	Totals	<u>\$ 924,178</u>		

NOTE 15 - RISK MANAGEMENT

The Town of Jonesboro is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Jonesboro maintains commercial insurance coverage from independent third parties covering each of these risks of loss, except for general liability, law enforcement officers' liability, and public officials' liability coverages that were obtained from the Louisiana Municipal Risk Management Agency (Agency). The Louisiana Municipal Risk Management Agency is a municipal risk pool administered by the Louisiana Municipal Association, and the Agency operated similar to a commercial insurance company.

Premiums are assessed for members of the Louisiana Municipal Association annually, based on past experience of claims. The Agency services all claims for risk of loss to which the Town of Jonesboro is exposed and cannot assess additional amounts if losses exceed their premium (the covered risks are transferred to the Agency). Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of Jonesboro. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2024.

NOTE 16 - DEFICIT FUND BALANCES AND NET POSITION

At June 30, 2024, an unrestricted net position deficit of \$2,281,347 exists for the Town of Jonesboro for the governmental activities, resulting primarily from the net pension liability that was accounted for according to GASB Statement No. 68. The liability is an estimate of the Town's proportionate share of the cost-sharing retirement plan for municipal employees, firefighters, and police. Please refer to Note 9 for a detailed explanation of the retirement plans.

Also at June 30, 2024, fund balances are deficits of \$535,556 and \$53,786 in the General Fund and ARPA funds, respectively.

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the May 30, 2025, the date on which the financial statements were available to be issued.

NOTE 18 - PRIOR PERIOD ADJUSTMENTS

Management noted several errors in the prior year financial statements resulting in restatement of net position:

- a) Errors in the implementation of GASB 87
- b) Duplicate entries
- c) Error in adjusting utility billings
- d) Failure to record amounts due for prior years' unpaid utility bills
- e) Errors in recording prior year audit entries

	Beginning Balance, as Previously Stated	Prior Period Adjustments	Beginning Balance, as Restated
Governmental Activities	\$ 2,489,087	\$ (200,974)	\$ 2,288,113
Business-Type Activities	\$ 4,212,438	\$ (435,967)	\$ 3,776,471

	Beginning Balance, as Previously Stated	Prior Period Adjustments	Beginning Balance, as Restated
General Fund	\$ 121,041	\$ 156,335	\$ 277,376
Utility Fund	\$ 4,212,438	\$ (435,967)	\$ 3,776,471

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Ad valorem	\$ 161,904	\$ 161,904	\$ 162,377	\$ 473
Sales and use	1,052,000	1,052,000	1,222,419	170,419
Other taxes				
Franchise	177,000	177,000	199,762	22,762
Other taxes	2,000	2,000	43,463	41,463
Penalties and interest on delinquent taxes	250	250	1,278	1,028
Licenses and permits	180,000	180,000	218,674	38,674
Intergovernmental:				
Federal grants	61,553	61,553	343,585	282,032
State grants	-	-	100,417	100,417
Local government payment in lieu of taxes	12,000	12,000	-	(12,000)
Charges for services	324,300	324,300	330,394	6,094
Fines	50,000	50,000	43,545	(6,455)
Investment earnings	-	-	632	632
Rents and royalties	40,000	40,000	21,666	(18,334)
Contributions and donations from private sources	-	-	11,000	11,000
Other revenues	20,000	20,000	22,408	2,408
Total revenues	<u>2,081,007</u>	<u>2,081,007</u>	<u>2,721,620</u>	<u>640,613</u>
EXPENDITURES				
Current:				
General government	759,900	759,900	997,143	(237,243)
Public safety	1,094,900	1,094,900	1,302,673	(207,773)
Highways and streets	1,281,870	1,281,870	1,109,699	172,171
Sanitation	305,000	305,000	273,588	31,412
Cemeteries	1,500	1,500	-	1,500
Health and welfare	1,500	1,500	21,069	(19,569)
Culture and recreation	10,500	10,500	34,876	(24,376)
Transportation	65,000	65,000	28,293	36,707
Debt service	-	-	188,312	(188,312)
Capital outlay	-	-	742,059	(742,059)
Total expenditures	<u>3,520,170</u>	<u>3,520,170</u>	<u>4,697,712</u>	<u>(1,177,542)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(1,439,163)</u>	<u>(1,439,163)</u>	<u>(1,976,092)</u>	<u>(536,929)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	1,276,000	1,276,000	979,570	(296,430)
General long-term debt issued	-	-	91,017	91,017
Proceeds from insurance	-	-	92,573	92,573
Total other financing sources (uses)	<u>1,276,000</u>	<u>1,276,000</u>	<u>1,163,160</u>	<u>(112,840)</u>
Net change in fund balances	<u>(163,163)</u>	<u>(163,163)</u>	<u>(812,932)</u>	<u>(649,769)</u>
Fund balance at beginning of year	<u>412,901</u>	<u>412,901</u>	<u>277,376</u>	<u>(135,525)</u>
Fund balance at end of year	<u>\$ 249,738</u>	<u>\$ 249,738</u>	<u>\$ (535,556)</u>	<u>\$ (785,294)</u>

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE - STREET AD VALOREM FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Ad valorem	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,490</u>	<u>\$ 109,490</u>
EXPENDITURES				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>109,490</u>	<u>109,490</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>(109,490)</u>	<u>(109,490)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE - FIRE AD VALOREM FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Ad valorem	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,490</u>	<u>\$ 109,490</u>
EXPENDITURES				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>109,490</u>	<u>109,490</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>(109,490)</u>	<u>(109,490)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>822</u>	<u>822</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 822</u></u>	<u><u>\$ 822</u></u>

TOWN OF JONESBORO
JONESBORO, LOUISIANA

GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE - STREET SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Sales and use	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,214,892</u>	<u>\$ 1,214,892</u>
EXPENDITURES				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,214,892</u>	<u>1,214,892</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>(1,347,362)</u>	<u>(1,347,362)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(132,470)</u>	<u>(132,470)</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>849,697</u>	<u>849,697</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 717,227</u></u>	<u><u>717,227</u></u>

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024**

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Employer's proportion of the net pension liability (asset)
2023	0.314926%	\$ 1,151,012	\$ 627,733	183.36%	72.46%
2022	0.324919%	\$ 1,349,465	\$ 620,609	217.44%	67.87%
2021	0.334932%	\$ 931,614	\$ 663,228	140.47%	77.82%
2020	0.310949%	\$ 1,344,360	\$ 628,236	213.99%	64.52%
2019	0.344175%	\$ 1,438,191	\$ 589,676	243.90%	64.68%
2018	0.328520%	\$ 1,378,233	\$ 607,693	226.80%	63.94%
2017	0.288100%	\$ 1,205,244	\$ 523,205	230.36%	62.49%
2016	0.284821%	\$ 1,167,399	\$ 508,788	229.45%	62.11%
2015	0.259739%	\$ 927,828	\$ 443,307	209.30%	66.18%
2014	0.325444%	\$ 835,235	\$ 530,325	157.49%	73.99%

The amounts presented have a measurement date of the previous fiscal year end.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024**

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Employer's proportion of the net pension liability (asset)
2023	0.079892%	\$ 844,057	\$ 269,525	313.16%	71.30%
2022	0.084106%	\$ 859,713	\$ 254,750	337.47%	70.80%
2021	0.073371%	\$ 391,108	\$ 196,238	199.30%	84.09%
2020	0.040108%	\$ 370,691	\$ 183,719	201.77%	70.94%
2019	0.072350%	\$ 657,059	\$ 225,943	290.81%	71.01%
2018	0.069455%	\$ 587,177	\$ 204,943	286.51%	71.89%
2017	0.060219%	\$ 525,737	\$ 179,772	292.45%	70.08%
2016	0.049137%	\$ 460,552	\$ 137,645	334.59%	66.04%
2015	0.035852%	\$ 280,860	\$ 95,903	292.86%	70.73%
2014	0.028929%	\$ 180,981	\$ 81,307	222.59%	75.10%

The amounts presented have a measurement date of the previous fiscal year end.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FIREFIGHTERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024**

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Employer's proportion of the net pension liability (asset)
2023	0.078726%	\$ 513,829	\$ 211,328	243.14%	77.69%
2022	0.085908%	\$ 605,762	\$ 221,326	273.70%	74.68%
2021	0.074040%	\$ 318,078	\$ 225,131	141.29%	86.78%
2020	0.062552%	\$ 513,212	\$ 183,662	279.43%	72.61%
2019	0.060359%	\$ 391,695	\$ 151,178	259.10%	73.96%
2018	0.059324%	\$ 347,190	\$ 143,703	241.60%	74.76%
2017	0.077495%	\$ 340,036	\$ 138,515	245.49%	73.55%
2016	0.078851%	\$ 506,887	\$ 174,733	290.09%	68.16%
2015	0.076682%	\$ 425,568	\$ 167,572	253.96%	72.48%
2014	7.668200%	\$ 341,228	\$ 155,770	219.06%	76.02%

The amounts presented have a measurement date of the previous fiscal year end.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024**

	Contractually required contribution	Contributions in relation to required contributions	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered employee payroll
2023	\$ 185,180	\$ 185,180	\$ -	\$ 627,733	29.50%
2022	\$ 183,078	\$ 183,078	\$ -	\$ 620,609	29.50%
2021	\$ 195,650	\$ 195,650	\$ -	\$ 663,228	29.50%
2020	\$ 174,335	\$ 174,335	\$ -	\$ 628,236	27.75%
2019	\$ 153,315	\$ 153,315	\$ -	\$ 589,676	26.00%
2018	\$ 150,404	\$ 150,404	\$ -	\$ 607,693	24.75%
2017	\$ 119,029	\$ 119,029	\$ -	\$ 523,205	22.75%
2016	\$ 100,486	\$ 100,486	\$ -	\$ 508,788	19.75%
2015	\$ 87,553	\$ 87,553	\$ -	\$ 443,307	19.75%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024**

	Contractually required contribution	Contributions in relation to required contributions	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered employee payroll
2023	\$ 84,227	\$ 84,227	\$ -	\$ 269,525	31.25%
2022	\$ 77,237	\$ 77,237	\$ -	\$ 254,750	30.32%
2021	\$ 66,230	\$ 66,230	\$ -	\$ 196,238	33.75%
2020	\$ 57,976	\$ 57,976	\$ -	\$ 182,003	31.85%
2019	\$ 72,866	\$ 72,866	\$ -	\$ 225,943	32.25%
2018	\$ 63,029	\$ 63,029	\$ -	\$ 204,970	30.75%
2017	\$ 57,078	\$ 57,078	\$ -	\$ 179,772	31.75%
2016	\$ 40,605	\$ 40,605	\$ -	\$ 137,645	29.50%
2015	\$ 30,209	\$ 30,209	\$ -	\$ 95,903	31.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024**

	Contractually required contribution	Contributions in relation to required contributions	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered employee payroll
2023	\$ 70,269	\$ 70,269	\$ -	\$ 211,328	33.25%
2022	\$ 74,698	\$ 74,698	\$ -	\$ 221,327	33.75%
2021	\$ 72,605	\$ 72,605	\$ -	\$ 225,131	32.25%
2020	\$ 51,152	\$ 51,152	\$ -	\$ 183,662	27.85%
2019	\$ 40,063	\$ 40,063	\$ -	\$ 151,178	26.50%
2018	\$ 38,082	\$ 38,082	\$ -	\$ 143,703	26.50%
2017	\$ 34,975	\$ 34,975	\$ -	\$ 138,515	25.25%
2016	\$ 47,615	\$ 47,615	\$ -	\$ 174,733	27.25%
2015	\$ 49,015	\$ 49,015	\$ -	\$ 167,572	29.25%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF JONESBORO
JONESBORO, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

Dr. James "Spike" Harris, Mayor	
Salary	\$ 60,000
Medicare	870
Retirement	17,700
Travel	2,390
Reimbursements	<u>353</u>
Total	<u><u>\$ 81,313</u></u>

TOWN OF JONESBORO
JONESBORO, LOUISIANA

SCHEDULE OF COMPENSATION PAID COUNCILPERSONS
FOR THE YEAR ENDED JUNE 30, 2024

Devin R. Flowers	\$ 8,400
James W. Ginn	8,400
Nia E. Johnson	8,400
Robbie A. Siadek	8,400
Robert Hunter	<u>8,400</u>
Total	<u><u>\$ 42,000</u></u>

TOWN OF JONESBORO

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

FYE 6/30/2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	6,463
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	19,537	24,017
Criminal Court Costs/Fees	6,463	6,691
Subtotal Collections	26,000	30,708
Less: Amounts Retained by Collecting Agency		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	19,537	24,017
Subtotal Disbursements/Retainage	19,537	24,017
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	6,463	13,154

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<i>Federal Program/Program Title</i>	<i>Assistance Listing Number</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Name of Grant - Grant ID Number</i>	<i>Federal Expenditures</i>
Department of Housing and Urban Development					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Division of Administration	2000562601	LCDBG Public Facilities Program	\$ 47,047
Department of Transportation					
Airport Improvement Program and COVID-19 Airports Programs	20.106	N/A	N/A	3-22-023-014-2023	317,824
Airport Improvement Program and COVID-19 Airports Programs	20.106	N/A	N/A	3-22-023-015-2023	25,761
					<u>343,585</u>
Department of the Treasury					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	N/A	COVID 19 - ARPA	<u>105,671</u>
Environmental Protection Agency					
Clean Water State Revolving Fund	66.458	LDEQ		CS-221732-.01	<u>304,399</u>
Delta Regional Authority					
Critical Infrastructure	90.200	N/A		Patterson Street Pump Station Improvements	<u>23,060</u>
Total Expenditures of Federal Awards					<u>\$ 823,762</u>

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of ABC Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of ABC Organization.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C—INDIRECT COST RATE

The Town has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the Honorable Dr. James "Spike" Harris, Mayor and
the Honorable Members of the Board of Aldermen
Town of Jonesboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, and each major fund, of Town of Jonesboro, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Jonesboro's basic financial statements and have issued our report thereon dated May 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Jonesboro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Jonesboro's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Jonesboro's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002 to 2024-008, 2024-010 to 2024-013 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-009 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Jonesboro's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-003 to 2024-006, 2024-008 to 2024-013.

Town of Jonesboro's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Jonesboro's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Town of Jonesboro's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Town of Jonesboro
Jonesboro, Louisiana
Independent Auditor's Report on Financial Statements
For the Year Ended June 30, 2024

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
May 30, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Dr. James "Spike" Harris, Mayor and
The Honorable Members of the Board of Aldermen
Jonesboro, Louisiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Town of Jonesboro, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Jonesboro, Louisiana's major federal programs for the year ended June 30, 2024. the Town of Jonesboro, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on 21.027 Coronavirus State and Local Fiscal Recovery Funds and 66.458 Clear Water State Revolving Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, the Town of Jonesboro, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *21.027 Coronavirus State and Local Fiscal Recovery Funds and 66.458 Clear Water State Revolving Fund* for the year ended June 30, 2024.

Basis for Qualified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Jonesboro, Louisiana and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Jonesboro, Louisiana's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on 21.027 Coronavirus State and Local Fiscal Recovery Funds on 66.458 Clear Water State Revolving Fund

As described in the accompanying schedule of findings and questioned costs, the Town of Jonesboro, Louisiana did not comply with requirements regarding *21.027 Coronavirus State and Local Fiscal Recovery Funds* as described in finding 2024-017 for Allowable Costs, 2024-018 for Procurement and Suspension and Debarment, and 2024-019 for Reporting and regarding *66.458 Clear Water State Revolving Fund* as described in finding numbers 2024-014 and 2024-016 for Procurement and Suspension and Debarment, and 2024-015 for Cash Management.

Compliance with such requirements is necessary, in our opinion, for the Town of Jonesboro, Louisiana to comply with the requirements applicable to those programs.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Jonesboro, Louisiana's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Jonesboro, Louisiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Jonesboro, Louisiana's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Jonesboro, Louisiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Jonesboro, Louisiana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jonesboro, Louisiana's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Jonesboro, Louisiana's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town of Jonesboro, Louisiana's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-014 through 2024-019 to be material weaknesses.

Town of Jonesboro
Jonesboro, Louisiana
Uniform Guidance
June 30, 2024

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Jonesboro, Louisiana's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town of Jonesboro, Louisiana's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana

May 30, 2025

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

I. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Town of Jonesboro, Louisiana, (the Entity) were prepared in accordance with GAAP.
2. Eleven material weaknesses and one significant deficiency disclosed during the audit of the financial statements are reported in the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. Eleven instances of noncompliance material to the financial statements of the Entity, which are required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Seven material weaknesses in internal control over major federal award programs disclosed during the audit are reported in the *Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance*.
5. The auditor's report on compliance for the major federal award programs for the Town of Jonesboro, Louisiana, expresses qualified opinions on both major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs were: 20.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and 66.458 Clear Water State Revolving Fund.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Town of Jonesboro, Louisiana was determined not to be a low-risk auditee.
10. No management letter was issued.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2024-001 Noncompliance with Public Bid Law

First reported

2015

Type

Noncompliance

Criteria

Louisiana Revised Statute 38:2212.1 states in part, "A.(1)(a) All purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided in this Part. (b) However, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file." The statute also states in part, "C.(1) Whenever a public entity desires to purchase technical equipment, apparatus, machinery, materials, or supplies of a certain type and such purchases are clearly in the public interest, the public entity may specify a particular brand, make, or manufacturer in the specifications let out for public bid as provided by this Part. If a particular brand, make, or manufacturer is specified, the model or catalog number also shall be specified. (2) Wherever in specifications the name of a certain brand, make, manufacturer, or definite specification is utilized, the specifications shall state clearly that they are used only to denote the quality standard of product desired and that they do not restrict bidders to the specific brand, make, manufacturer, or specification named; that they are used only to set forth and convey to prospective bidders the general style, type, character, and quality of product desired; and that equivalent products will be acceptable."

Condition

Since the 2015 audit, we have reported a finding for failure to comply with the bid law with respect to the purchase of fuel. For the 2021 audit, we requested an opinion from the Town Attorney. He was unable to state that the Town has complied with the bid law. Management has indicated that the Town has corrected this condition for the year ending June 30, 2025.

Cause

Former management believed that the fact that the vendor owns the dispensing equipment meant that bids were not required. For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for the fiscal year ended June 30, 2023, could not be completed in a timely manner due to the state of the records left behind. The 2022-2023 audit was submitted April 29, 2024. Current management has indicated that the condition will be cleared for the year ending June 30, 2025.

Effect

It appears that the Town did not comply with state law. The Town may have paid more for fuel than necessary.

Recommendation

We recommend that current management ensure that the public bid law is followed when making any purchases. In unusual circumstances, legal counsel should be consulted. If considered necessary, an Attorney General opinion should be requested.

Management's Response

See management's corrective action plan.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

2024-002 Failure in Internal Control Over Purchasing

First reported

2016

Type

Material Weakness

Criteria

In a small government setting, basic internal controls over purchasing and disbursements are essential to ensure that transactions are properly authorized, executed, and recorded. Here are some examples of such controls:

Segregation of Duties: Responsibilities should be divided to prevent any single individual from handling a transaction from start to finish. For instance, the duties for voucher preparation should be separate from approval and recording of these transactions. Similarly, purchasing duties should be separate from requisitioning and receiving.

Authorization and Approval: Purchases of goods and services should be properly authorized by designated individuals. This includes indicating the appropriation and coding to be used by the person requesting the purchase. Changes to contracts or purchase orders should require the same approvals as the original order.

Documentation and Records: Adequate written procedures should exist to ensure that goods and services are received prior to payment. Invoices should be received in a central location and should include procedures for the physical verification of receipt of goods and services.

Independent Checks on Performance: Review and approval of invoices and vouchers for completeness of supporting documents and proper authorizations should be conducted (preaudit). This ensures that payments are properly authorized and that the police jury pays only agreed-upon prices for goods and services.

Control Over Disbursements: Disbursement approval and warrant or check-signing procedures should be in place. This includes control over warrant or check-signing machines as to signature plates and usage.

These controls help ensure that transactions are executed in accordance with established policies and procedures, thereby reducing the risk of errors or fraud.

Condition

We haphazardly selected twenty-five disbursements. Excluding certain types of transactions and certain recurring transactions, we also selected disbursements for each fund that were greater than a selected threshold based on the fund's expenditure level. We selected a total of forty-six disbursements. "Not applicable" was marked if we were unable to test an attribute.

Below is a summary of the results of the test of twenty-five:

	Not Applicable	No Exception	Exception	Total
Supported by invoices or other documentation	0	22	3	25
Supported by documentation of the receipt of goods or services	9	9	7	25
Properly classified as to fund and account	0	25	0	25
Documentation included evidence of segregation of duties	3	15	7	25
Allowable or not prohibited	0	24	1	25
Check signed by authorized personnel	1	23	1	25

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Below is a summary of the results of the test of twenty-one individually significant items:

	Not Applicable	No Exception	Exception	Total
Supported by invoices or other documentation	0	21	0	21
Supported by documentation of the receipt of goods or services	3	11	7	21
Properly classified as to fund and account	0	18	3	21
Expenditure was properly authorized	3	8	10	21
Check signed by authorized personnel	0	21	0	21

Cause

Internal control was not properly designed or operating effectively. As of June 30, 2024, current management had not had sufficient opportunity to address all issues. However, we have noticed efforts to improve controls. See the cause for finding 2024-001.

Effect

Unauthorized purchases could be made. The Town could pay for goods or services that it did not receive or did not need.

Recommendation

We recommend:

- That employees be reminded of the policies and their purposes.
- That employees be notified that policies will be enforced.
- That checks to vendors are not prepared or signed if the documentation is not appropriate.
- Proper internal control includes the environment, risk assessment, information and communication, and monitoring. It is imperative that all employees who are involved in purchasing in any manner believe that management expects the policies to be followed.

Management's Response

See management's corrective action plan.

2022-003 Noncompliance with Budget Act

First reported

2016

Type

Material Weakness, Noncompliance

Criteria

Section 406 of the Lawrason Act, states in part, "A. (3) Any act of the Board of Aldermen which would provide for the appropriation of funds, the incurrence of debt, or the issuance of bonds or other evidences of indebtedness shall be by ordinance."

The Louisiana Local Government Budget Act includes specific requirements for preparation, content, format, adoption, amendment, deadlines, and public participation. Significant requirements include:

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- Each political subdivision must prepare a comprehensive budget for each fiscal year, covering the general fund and each special revenue fund.
- The chief executive or administrative officer, or their equivalent, is responsible for preparing the proposed budget.
- Budget Document Contents: 1) A budget message signed by the preparer, summarizing the financial plan, policies, objectives, assumptions, budgetary basis, and key features. 2) A detailed statement for the general and special revenue funds, showing estimated fund balances, receipts, revenues, expenditures, and other financial sources and uses. This includes a side-by-side comparison with current year data and percentage changes.
- The proposed budget must be accompanied by an adoption instrument, such as a letter, ordinance, or resolution, defining the authority of officials to make budget changes. Ordinances are required for Lawrason Act municipalities.
- Proposed expenditures must not exceed estimated available funds for the fiscal year.
- The proposed budget for political subdivisions with a governing authority, including municipalities, parishes, school boards, and special districts, must be completed and submitted to the governing authority and made available for public inspection no later than fifteen days prior to the beginning of each fiscal year.
- Political subdivisions with total proposed expenditures of five hundred thousand dollars or more from the general fund and any special revenue funds in a fiscal year or other similar budgetary period shall afford the public an opportunity to participate in the budgetary process prior to adoption of the budget.
- A published notice in the official journal that the budget is available for public inspection and a public hearing will be held. The notice shall be published at least ten days prior to the date of the first public hearing.
- The political subdivision shall certify completion of all action required by this Section by publishing a notice in the same manner as is herein provided for the notice of availability of the proposed budget and public hearing.
- All actions necessary to adopt, finalize, and implement the budget, including any amendments, must be taken in an open meeting and completed before the end of the prior fiscal year.
- The adopted budget must be balanced, with approved expenditures not exceeding the total of estimated funds available (beginning fund balance plus budgeted revenues and other sources).
- Upon adoption, certified copies of the budget and adoption instrument must be transmitted to and retained by the chief executive or administrative officer as required by R.S. 39:1313.
- Adoption of budget amendment when the governing authority receives notification pursuant to R.S. 39:1311, or there is a change in operations affecting the original adopted budget, a budget amendment must be adopted in an open meeting to reflect such changes. An amendment is required when total revenue and other sources, plus projected revenue and other sources for the remainder of the year, within a fund, fall short of total budgeted revenues and other sources by five percent or more; when total actual expenditures and other uses, plus projected expenditures and other uses for the remainder of the year, within a fund, exceed total budgeted expenditures and other uses by five percent or more; and/or when actual beginning fund balance, within a fund, is less than the estimated beginning fund balance by five percent or more, and the fund balance is being used to fund current year expenditures.
- The adopted budget and any authorized amendments constitute the authority for the chief executive or administrative officers to incur liabilities and authorize expenditures from budgeted funds during the fiscal year.
- The chief executive or administrative officer shall retain and file certified copies of the adopted budget, budget adoption instrument, duly authorized budget amendments, and copies of supporting schedules and correspondence related to the budget at the domicile of the governing authority.

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**SCHEDULE OF FINDINGS AND RESPONSES
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Condition

For 2021, we noted the following exceptions:

- According to the minutes, the 2021 budgets were adopted June 2020.
- There were no amendments.
- We noted no budget message.
- The minutes of meetings did not reflect a budget hearing.
- Per the Budgetary Comparison schedule:
 - The Fire Ad Valorem Special Revenue Fund budget did not include transfers out of \$100,877.
 - The Street Ad Valorem Special Revenue Fund budget did not include transfers out of \$100,501.
 - The Street Sales Tax Revenue Fund budget did not include transfers out of \$772,507.

For 2022, we noted the following exceptions:

- The minutes concerning budget actions were difficult to follow.
- The budget was introduced before the beginning of the fiscal year but was vetoed by the former mayor. The veto was overridden after the year began.
- According to the minutes, the 2022 budgets were adopted July 2022.
- We noted no budget message.
- The minutes of meetings did not reflect a budget hearing.
- No budgets were adopted for the three special revenue funds.

For 2023, we noted the following exceptions:

- The minutes concerning budget actions were difficult to follow.
- We noted no budget message.
- The minutes of meetings did not reflect a budget hearing.
- No budgets were adopted for the three special revenue funds.

For 2024, we noted the following exceptions:

- No budget was adopted for the special revenue funds
- The General Fund budget was not presented in the side-by-side comparison format required by the Local Government Budget Act.
- The proposed budget was submitted to the board on June 22, 2023, which is not fifteen days prior to the beginning of the fiscal year, as required by the Act.
- We were not able to inspect proof of publication of the required notice that the proposed budget was available for inspection.
- The notice of public hearing was published but publication occurred less than 10 days before the hearing.
- The ordinance was adopted on August 8, 2023, after the beginning of the fiscal year.
- Expenditures of the General Fund exceeded the final budget by 33%

Cause

The current Mayor has not had sufficient time to correct conditions. The 2022-2023 audit was submitted April 29, 2024, ten months into the 2023-2024 fiscal year.

Effect

The Town's budget file does not clearly demonstrate the Town's compliance with the Budget Act. Controls did not operate effectively to prevent noncompliance.

Recommendation

The current Mayor asserts that the Town complied with the Act for the 2024-2025 fiscal year. We recommend that the Mayor ensure that written policies and procedures are complete and accurate to ensure future compliance with the Louisiana Local Government Budget Act.

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Management's Response

See management's corrective action plan.

2024-004 Financial Statements Issued After Due Date

First reported

2016

Type

Material Weakness, Noncompliance

Criteria

State law requires the Town to submit to the Louisiana Legislative Auditor audited financial statements within six months of year end.

Condition

The audit report was submitted after the statutory due date. Extension requests were submitted to the LLA.

Cause

The Town is undergoing a transition and improvement takes time. For the year fiscal year ended June 30, 2022, there were 13 audit findings. Due to lack of data, the auditor was not able to complete the audit for the fiscal year ended June 30, 2022, before the former mayor left office on January 6, 2023. As a result, and due to the condition of the records left behind, the audit for the fiscal year ended June 30, 2023, could not be completed in a timely manner. The audit for fiscal year 2021-2022 was ultimately issued by the LLA on November 8, 2023, and the audit for the fiscal year 2022-2023 fiscal year audit was issued by the LLA on May 22, 2024.

Since the current mayor assumed office on January 6, 2023, unfortunate circumstances have caused unusual turnover in the office of Town Clerk. The current Town Clerk is the fourth individual to be appointed to the office in the mayor's term.

As fieldwork for the 2023-2024 audit was nearing completion in December 2024, two aldermen circulated a lengthy "formal complaint" against the current mayor, which required further investigation by the auditor and contributed to additional delays.

The conditions reported in other findings contributed to the delays.

When an engagement is extended, there are delays that naturally occur due to the auditor's schedule. Each six-month period is scheduled based on agency year-ends and audit due dates. When an audit is extended, the auditor must work it in among the engagements that are regularly scheduled in that period.

Effect

When an entity is late filing its report, the entity can be placed on the LLA's noncompliance list. Being placed on the list results in an entity receiving no funds from the State until the entity is removed from the list. Additionally, noncompliance can result in denial of grant funds. Finally, management cannot work in a timely manner to resolve internal control deficiencies and noncompliance with laws, regulations, contracts, and grants identified by the auditor.

Recommendation

We recommend the following:

- Implement recommendations in other findings.
- Clearly communicate proper lines of authority and responsibility to all employees.
- Ensure that the internal control system design includes proper monitoring, supervision, and review and ensure that such monitoring, supervision, and review are taking place.
- Ensure that management is present and actively monitoring operations and supervising employees.
- Engage the outside CPA to monitor accounting monthly to ensure that proper accounting and control procedures are followed.
- Ensure that the outside CPA is allowed access to complete year-end adjustments and submit data to the auditor by August 31st each year.

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**SCHEDULE OF FINDINGS AND RESPONSES
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Management's Response

See management's corrective action plan.

2024-005 Accounting Errors

First reported

2024

Type

Material Weakness, Noncompliance

Criteria

The Town's financial statements should be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Condition

Audit adjusting entries were required for the following:

1. General Fund - \$2,296,215:
 - a. Supplemental pay revenues and expenditures were not recorded - \$13,280
 - b. Lease payments were posted to repairs and maintenance - \$162,173
 - c. A new lease agreement was not recorded - \$101,706
 - d. Revenue from various sources were posted to the wrong account - \$12,312
 - e. Federal grant revenue was posted to state grant revenue - \$181,056
 - f. Receivables from grantors were not recorded - \$343,585
 - g. CDBG activity should have been posted in a capital projects fund - \$142,583
 - h. Grant activity should have been included in Water/Sewer Fund - \$526,009
 - i. Costs of the walking park project were expensed as repairs instead of capital outlay - \$228,817
 - j. Accounts payable not recorded - \$62,622
 - k. Transfers between bank accounts were recorded as operating transfers - \$413,945
 - l. Expenditures incorrectly charged to street function/taxes - \$10,941
 - m. Other funds' 2023 net income was included - \$49,882
 - n. 2023 net loss for Water/Sewer Fund was included - \$47,304
2. Street Ad Valorem Tax Fund – Transfers between bank accounts were recorded as operating transfers - \$109,490
3. Street Sales Tax Fund – 2023 net income was included in General Fund - \$12,790
4. LCDBG Fund – 2023 net income was included in General Fund - \$37,092
5. Water/Sewer Fund - \$1,779,469:
 - a. Lease payments were posted to repairs and maintenance and other accounts - \$48,681
 - b. CDBG grant activity should have been posted in a capital projects fund - \$185,755
 - c. Expenditures incorrectly posted in construction in progress - \$216,601
 - d. Grant activity incorrectly posted in another fund - \$311,159
 - e. Invalid receivable created when billing software was changed - \$496,099
 - f. Amount due to Jackson Parish Sheriff for infrastructure at jail was not recorded - \$256,949
 - g. Amount due to General Fund for expenses charged to street function/taxes \$3,770
 - h. 2023 net loss included in General Fund - \$47,304
 - i. Prior period adjustment to correct net pension liability and related - \$63,151
 - j. Amount owed for past utility bills not recorded - \$150,000
6. All Funds - Accounts receivable and accounts payable were not reversed
7. Governmental Activities – Amount owed for past utility bills not recorded - \$150,000

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Cause

While the Town has engaged a CPA firm to assist with bookkeeping, the scope of their services was limited to processing payroll, making adjustments from data provided to them by Town personnel, and preparing monthly financial statements. As the Town has struggled to pay for professional services, it is not feasible to increase the scope of services to include oversight of posting transactions beyond answering questions when asked. Additionally, there has been significant turnover in the office of the Town Clerk and related positions that affect the gathering of information and the accuracy of posting of transactions.

Effect

Monthly financial statements used by management and the board were not fairly stated. Additional unplanned time was required to complete the audit and prepare the audited financial statements. This condition contributed to the late audit report.

Recommendation

We recommend the following: 1) Train personnel with responsibility for coding and posting transactions to understand the errors that were made. 2) Assign appropriate personnel the duty of reviewing the general ledger, cash disbursements journals, cash receipts journals, and general journals for posting errors.

Management's Response

See management's corrective action plan.

2024-006 Capital Assets – Lack of Controls

First reported

2022

Type

Material Weakness, Noncompliance

Condition

The depreciation schedule does not include sufficient information (such as make, model, year, and serial number) to allow for identification when items need to be removed from the depreciation schedule.

Criteria

Common accounting practice includes sufficient information on the depreciation schedule to allow management to physically track the asset and to properly record disposal of the asset.

LRS 24:515 B (1), *Accounts of offices, boards, commissions, agencies, and departments; records of general fixed assets* states the following:

“B.(1) The head of every auditee subject to examination and audit under the provisions of R.S. 24:513(A) shall maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to the date of purchase of such property or equipment, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed of. When ascertaining the exact cost, exact selling price, or any other relevant information on property or equipment obtained prior to January 1, 1980, creates a hardship on the auditee, such agency may provide estimates of the information. The records shall be made available to the legislative auditor or, when the audit is conducted by a certified public accountant, the certified public accountant, at the time of examination and audit of the auditee, or any such time as the legislative auditor or certified public accountant requests the copies of such records be furnished. The records shall not include office supplies. Said records shall be used as one of the criteria in determining the rating which the auditee will be given.

(2) The records required to be maintained by Paragraph (1) hereof for state government shall be prepared on forms and conform to procedures developed and established by the division of administration in accordance with the Administrative Procedure Act. Article VII, Section 14, prohibits the donation of public property or the use of such property.

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Cause

The former administration did not design or follow proper a proper internal control system to prevent errors and ensure proper accounting and prevention of noncompliance with state law. Also see the stated causes for other findings.

Effect

Reported capital assets, net of accumulated depreciation could be misstated. A proper inventory cannot be performed as it is impossible to identify some of the assets based on the information on the depreciation schedule. For items that are fully depreciated, the financial statements are not misstated but management cannot identify assets to remove them from the depreciation schedule when they are sold or otherwise disposed of.

Recommendation

We recommend the following:

- Perform a physical inventory, immediately and annually.
- Adjust the depreciation schedule to the physical inventory.
- Audit titles and insurance coverage to ensure that all vehicles are properly registered and insured.
- Evaluate written policies and procedures to ensure they are properly designed.
- Communicate requirements, policies and procedures to appropriate personnel.

Management's Response

See management's corrective action plan.

2024-007 Bills Paid Late

First reported

2022

Type

Material Weakness

Criteria

Best practices include paying costs in a timely manner. Failing to do so indicates poor internal control and/or poor financial condition.

Condition

As of June 30, 2024, the Town's accounts payable include the following amounts that were past due:

- General Fund and Special Revenue Funds - \$85,508, including professional services of \$72,622, equipment repair of \$8,685, and others
- Water/Sewer Fund - \$69,986, for repairs and maintenance, \$68,123 due to a utility company (from prior administration)
- Governmental Activities -\$167,619 due to a utility company (from prior administration, not recorded in fund statements which are prepared on the modified accrual basis)

Cause

Overspending and unpaid bills in the prior administrations caused a cash flow shortage at the beginning of the current administration's term. While cash flow may have improved, currently, payroll seems to continue to burden the current budgets. Payroll and benefits were \$2,445,867 and \$2,180,064 and represented approximately 29% and 25% of total expenses/expenditures for the year ended June 30, 2024, and 2023, respectively. Payroll and related benefits require approximately \$47,000 every two weeks.

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Effect

The Town may be overspending which increases the risk that other issues will develop including inability to provide services and vendors refusing credit.

Recommendation

We recommend that management consider the budget as a critical tool for determining when spending is possible. Specifically, we recommend that management consider a reduction in personnel costs. All bills should be paid on time.

Management's Response

See management's corrective action plan.

2024-008 Street Ad Valorem Taxes & Sales Taxes – Possible Noncompliance

First reported

2024

Type

Material Weakness, Noncompliance

Criteria

The 2018 proposition approved by the voters for an ad valorem tax read in part, "...for the purpose of opening, constructing, and improving the streets in said Town, and for the maintenance thereof..."

The 2019 proposition approved by the voters for a sales tax read in part, "...for the purpose of acquiring, constructing, maintaining, repairing, improving streets and acquiring, constructing, maintaining, repairing, improving and operating drainage facilities in the Town..."

Louisiana Attorney General Opinion 08-0339 which states in part, "...it is not permissible for the Parish Council to use tax proceeds dedicated to "construct, acquire, extend, expand, improve, maintain and operate roads, bridges, and related road drainage throughout the Parish" in order to pay for paving of public property used solely as a parking lot which has no integral connexity to a public road, bridge, or related road drainage."

The Town of Jonesboro Code of Ordinances, chapter 130, Section 130-3, defines street as, "a public right-of-way which provides vehicular access to adjacent properties."

Condition

A project was completed which seems to include connecting a parking lot and walking trail to Highway 167. The project includes drainage for the property. Documentation refers to the project as "Town Park Improvements." The auditor could not conclude that the entirety of project expenditures was allowable when considering the criteria included in the tax propositions. The mayor and legal counsel assert that the work constitutes a road and drainage project. The project totaled \$257,916.

The audit revealed that street tax funds were expended for other functions including \$7,110 for Christmas lights used in downtown Jonesboro. See the finding related to accounting errors. Though this has historically been done, Christmas lights do not appear to be allowable under the tax propositions.

The audit revealed that management paid \$256,000 from the Street taxes for a liability insurance premium due to cash flow shortage. The cost should be allocated to all functions.

Cause

Project - The mayor consulted officials in the LLA's office and legal counsel. He believes the expenditures are allowable.

Christmas Lights – The practice has been occurring for many years. The current mayor was not aware these expenditures might not be allowable using the proceeds of the taxes dedicated to streets. The costs may be allowable using economic development funds or other funds. Management would need to utilize the Cabella case test outlined in the legal assistance section on the LLA's website.

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Other transactions - There were inadequate internal controls or oversight which allowed coding errors or funds were used due to a cash flow shortage.

Effect

Funds may not be available for street maintenance or construction projects. The General Fund may owe the funds back to the Street Tax accounts. There could be legal repercussions for non-compliance with the tax propositions.

Recommendation

We recommend that the mayor request an opinion from the Louisiana Attorney General for this particular set of facts and provide training to appropriate staff.

Management's Response

See Management's Corrective Action Plan.

2024-009 Town Did not Remit Court Costs to other Agencies

First reported

2024

Type

Significant Deficiency, Noncompliance

Criteria

State law requires that court costs collected in the Mayor's court be remitted to designated third parties within a specified timeframe.

Condition

The audit revealed that the Town failed to remit collected court costs totaling \$13,154, to the appropriate third parties, resulting in non-compliance with legal requirements.

Cause

Turnover in the office of Town Clerk highlighted inadequate internal controls and a lack of oversight for processing and remitting court costs.

Effect

Failure to remit collections could result in penalties under the law.

Recommendations

We recommend that management revisit job descriptions and written policies and procedures to ensure that this task is adequately documented to prevent turnover from causing noncompliance. Management should ensure that staff receive adequate training to ensure compliance with collection and remittance requirements.

Management's Response

See Management's Corrective Action Plan.

2024-010 Use of ARPA Funds Duplicated DEQ Reimbursement

First reported

2024

Type

Material Weakness, Noncompliance

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Criteria

Grant regulations specify allowable costs and activities. Costs must not be claimed under more than one program.

The “Compliance and Reporting Guidance” (emphasis added) says: “Period of Performance. Your organization should also develop and implement internal controls related to activities occurring outside the period of performance. For eligible uses under the 2022 final rule, all funds remain subject to statutory and regulatory requirements that they must be used for costs incurred by the recipient during the period that begins on March 3, 2021, and ends on December 31, 2024, and that award funds for the financial obligations incurred by December 31, 2024 must be expended by December 31, 2026. For eligible uses under the 2023 IFR, recipients may use SLFRF funds for costs incurred beginning December 29, 2022. Consistent with the existing eligible uses, **recipients must obligate SLFRF funds for the new eligible uses by December 31, 2024.** Recipients must expend SLFRF funds obligated to provide emergency relief from natural disasters by December 31, 2026. Recipients must expend SLFRF funds obligated for Surface Transportation projects and Title I projects by September 30, 2026. Any funds not expended must be returned to Treasury as part of the award closeout process pursuant to 2 C.F.R. 200.344(d).”

Condition

The audit revealed that the Town transferred \$52,837 from ARPA funds to a DEQ project. This amount was reimbursed by DEQ. Therefore, it cannot be an expenditure from of ARPA funds.

Cause

Internal control was not operating effectively to prevent or identify the error.

Effect

Funds cannot be considered expended by ARPA if they were reimbursed by another program. Since ARPA was required to be obligated by December 31, 2024, the Town may be required to return the funds.

Recommendations

We recommend that management consider revisions to policies and procedures to ensure that future programs are in compliance.

Management’s Response

See Management’s Corrective Action Plan.

2024-011 Contracts Not Approved by Board

First reported

2024

Type

Material Weakness, Noncompliance

Criteria

The Lawrason Act (LRS 33:321-463) provides in part:

“§362. Exercise of municipal powers; legislative, executive

A. (1) The legislative powers of a municipality shall be vested in and exercised by the board of aldermen.

(2) The board of aldermen may:

(a) Repealed by Acts 1986, No. 1076, §2, eff. Jan. 1, 1987.

(b) Enact ordinances and enforce the same by fine not to exceed five hundred dollars or imprisonment not exceeding sixty days, or both.

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(c) Provide by ordinance for assessing against the abutting property the cost of cutting, destroying, or removing noxious weeds, grass, or other deleterious, unhealthy, or noxious growths or accumulations on any sidewalk; assess on the owner of such lot or place or area the cost of cutting, destroying, or removing noxious weeds, grass or other deleterious, unhealthy, or noxious growths or accumulations within the corporate limits; and on the owner of any lot or place or area within the corporate limits the cost of cutting, destroying or removing noxious weeds, grass, or other deleterious, unhealthy, or noxious growth or accumulation on the lot or place or area; and provide for the filing of notice of such cost which shall constitute a privilege upon the property and shall be prior in rank to mortgages, vendor's privileges, and all other privileges except tax privileges.

(d)(i) Seek reimbursement from a former municipal employee on whose behalf the municipality paid licensure fees for a commercial driver's license when such employee is employed by the municipality for a period of six months or less from the date upon which the municipality paid such licensure fee on behalf of the employee. Reimbursement shall be limited to the amount of the licensure fee paid by the municipality.

(ii) The former employee of the municipality shall be liable to the municipality for an amount equal to the amount of the licensure fee paid by the municipality.

(3) Subject to law, including R.S. 33:423.2 and 423.3, and applicable civil service rules and regulations, the board of aldermen shall, by ordinance, provide policies and procedures regulating the employment of municipal employees including the hiring and firing of such employees.

B. The mayor shall be the chief executive officer of the municipality.

C. Any department of a municipality, other than the police department in a municipality with an elected chief of police, shall be created, abolished, merged, or consolidated by the board of aldermen, upon written recommendation of the mayor.”

“§381. Municipal officers

A. The officers of every municipality shall be a mayor, aldermen, a chief of police, a tax collector, and a clerk.

B. The mayor and chief of police in all municipalities shall be elected at large. The clerk or chief of police may be a tax collector or assessor, if the board of aldermen so decides. Municipalities where the chief of police is appointed rather than elected as of August 1, 1970, may continue to operate with an appointive chief.”

The following are excerpts from section 404:

“§404. Duties of mayor

A. The mayor shall have the following powers, duties, and responsibilities.

(1) To supervise and direct the administration and operation of all municipal departments, offices, and agencies, other than a police department with an elected chief of police, in conformity with ordinances adopted by the board of aldermen and with applicable provisions of state law; however, no such ordinance may limit the authority granted to the mayor by this Paragraph. All administrative staff shall be subordinate to the mayor...

(4) To sign all contracts on behalf of the municipality.

(5) To prepare and submit an annual operations budget and a capital improvements budget for the municipality to the board of aldermen in accordance with the provisions of R.S. 39:1301 et seq. and any other supplementary laws or ordinance

(9) To have any other power or perform any other duty as may be necessary or proper for the administration of municipal affairs not denied by law.

Condition

On January 10, 2023, the water operator became the interim public works director and has been paid as an independent contractor. We noted no authorization for a contract in the minutes. We considered whether the adopted budget authorized the contract. The general ledger accounts for such a contractor included \$109,726. However, the budget amount for those accounts was \$20,000. Management asserted that the budget was allocated to other accounts. However, those accounts were salary accounts. Additionally, in total for all accounts considered, actual expenditures exceeded the sum of budgeted expenditures by \$122,866. We did not identify in the Board minutes any authorization for the operator to become an independent contractor.

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Cause

Internal control was not operating effectively to prevent or identify the error.

Effect

The Town may not be in compliance with the Lawrason Act.

Recommendations

We recommend that all contracts either be included in the adopted budget or specifically approved by the Board. Further, we recommend that all contracts be posted to contract labor accounts, not in salary accounts.

Management's Response

See Management's Corrective Action Plan.

2024-012 Alderman's Spouse Received Health Insurance Coverage

First reported

2024

Type

Material Weakness, Noncompliance

Criteria

The Town's policy does not provide for insurance coverage for spouses of employees and elected officials. The Louisiana Code of Ethics prohibits conflicts of interest and the misuse of public funds. Accepting unauthorized benefits constitutes a violation of these ethical standards.

Condition

An Alderman accepted insurance coverage for his spouse and refused to reimburse the Town for the premiums totaling approximately \$7,000 when confronted by the mayor.

Cause

An investigation revealed that a former employee improperly added the alderman's spouse to the insurance coverage without authorization. The insurance company had sent documentation that should have informed both the alderman and his spouse of this coverage. However, the alderman failed to report the spouse's unauthorized coverage to the appropriate authorities. Upon discovering this unauthorized addition, the mayor took immediate action by addressing the issue directly with both the employee and the alderman. Consequently, the mayor terminated the employee for cause and reported the incident to the sheriff.

Effect

The Alderman owes the Town for the premiums. The expenses are unallowable for the Town.

Recommendations

We recommend that the Alderman return the funds immediately. We recommend that the Mayor consult legal counsel.

Management's Response

See Management's Corrective Action Plan

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2024-013 General Fund Deficit

First reported

2024

Type

Material Weakness, Noncompliance

Criteria

To ensure operational continuity during periods of revenue decline or significant expenditure increases, it is essential for governments to maintain fund balances at levels that are guided by formal policies. These policies should define target fund balance levels, outline replenishment strategies, and incorporate long-term financial planning. Additionally, governments should consider economic conditions and utilize non-recurring revenues to support fund balance replenishment, thereby ensuring financial stability and preparedness for unforeseen financial challenges.

The Louisiana Local Government Budget Act prohibits the Town from budgeting a deficit.

Condition

At June 30, 2024, the General Fund had a deficit of \$535,556.

Cause

See other findings. The current administration inherited several thousand dollars of unpaid bills. However, the current level of payroll does not appear to be sustainable either.

Effect

The Town may not be able to maintain the current level of services to its citizens because management will need to devise a plan to eliminate the deficit which will require a decrease in expenditures and a determination of whether revenues can be increased.

The Town cannot adopt a budget in compliance with the Local Government Budget Act because the actual 2023-2024 fund deficit must be the starting point for the 2024-2025 budget.

Recommendations

The GFOA recommends that governments adopt a formal fund balance policy that defines the appropriate level of fund balance target levels. Also, management should consider specifying the purposes for which various portions of the fund balances are intended. For example, one portion of the fund balance may be for working capital, one for budgetary stabilization, and one for responding to extreme events. This additional transparency helps decision makers understand the reason for maintaining the target levels described in the fund balance policy. The policy should also define what revenue should be used to eliminate the fund deficit.

Management's Response

See Management's Corrective Action Plan.

B. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2024-014 Noncompliance with Suspension and Debarment Requirements

Grantor

Environmental Protection Agency – Assistance Listing 66.458 Clear Water State Revolving Fund
Passed through Louisiana Department of Environmental Quality – Number CS-221732.01
Grant Period – Year ended June 30, 2024

First reported

2024

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Type

Material Weakness, Noncompliance

Condition

The Town failed to establish a policy to outline procedures to be completed to identify contractors that are suspended or debarred. Additionally, the construction contract did not include a compliance clause in the contract, the Town did not obtain certifications from contractors regarding their suspension or debarment status, nor did it document searches conducted in the System for Award Management (SAM) Exclusions to verify contractor eligibility. We did search the list and did not find the contractor.

Criteria

According to the Uniform Guidance, nonfederal entities must verify that contractors are not suspended, debarred, or otherwise excluded from participating in federal programs. This can be achieved by checking the SAM Exclusions, obtaining a certification from the contractor, or including a compliance clause in the contract. Furthermore, entities must document the verification process.

Cause

The Town did not have adequate procedures in place to ensure compliance with federal suspension and debarment requirements.

Effect

The lack of proper verification and documentation could result in the Town engaging with ineligible contractors, potentially leading to noncompliance with federal regulations and jeopardizing federal funding.

Questioned Costs

None

Recommendation

It is recommended that the Town develop and implement a policy to verify the suspension and debarment status of contractors. This policy should include procedures for checking the SAM Exclusions, obtaining necessary certifications, and documenting the verification process. Additionally, training should be provided to staff responsible for procurement to ensure understanding and compliance with these requirements.

Management Response

See management's corrective action plan.

2024-015 Noncompliance with Cash Management Requirements

Grantor

Environmental Protection Agency – Assistance Listing 66.458 Clear Water State Revolving Fund
Passed through Louisiana Department of Environmental Quality – Number CS-221732.01
Grant Period – Year ended June 30, 2024

First reported

2024

Type

Material Weakness, Noncompliance

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Condition

The Town allowed an excessive number of days to lapse between the receipt of federal funds and the subsequent payment to the engineer and contractor. This delay in disbursement is not in compliance with the cash management requirements.

During the year ended June 30, 2024, the Town received funds three times as follows:

Receipt Date	Disbursement Date	Amount
08/31/2023	09/08/2023	\$13,915
11/02/2023	11/10/2023	\$259,898
05/28/2024	06/27/2024	\$37,346

Criteria

According to the Uniform Guidance, nonfederal entities must minimize the time elapsing between the transfer of funds from the U.S. Treasury or pass-through entity and the disbursement by the nonfederal entity for direct program or project costs and the proportionate share of allowable indirect costs.

Cause

The Town did not have adequate procedures in place to ensure timely disbursement of federal funds upon receipt.

Effect

The delay in disbursement could result in inefficient use of federal funds and potential noncompliance with federal cash management requirements, which may lead to financial penalties or interest liabilities.

Questioned Costs

\$311,159

Recommendation

It is recommended that the Town develop and implement procedures to ensure that federal funds are disbursed promptly upon receipt. This may include setting specific timelines for processing payments and monitoring compliance with these timelines. Additionally, training should be provided to staff responsible for cash management to ensure understanding and adherence to these requirements.

Management Response

See management's corrective action plan.

2024-016 Noncompliance with Build America, Buy America Act (BABA) Requirements

Grantor

Environmental Protection Agency – Assistance Listing 66.458 Clear Water State Revolving Fund
Passed through Louisiana Department of Environmental Quality – Number CS-221732.01
Grant Period – Year ended June 30, 2024

First reported

2024

Type

Material Weakness, Noncompliance

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Condition

The Town failed to include any provisions or policies related to the Build America, Buy America Act (BABA) in their procurement policies. Additionally, the Town did not document any procedures performed to ensure compliance with BABA requirements for federally funded infrastructure projects.

Criteria

The BABA Act requires that all iron, steel, manufactured products, and construction materials used in federally funded infrastructure projects be produced in the United States. These requirements must be incorporated into the terms and conditions of each award with an infrastructure project.

Cause

The Town did not update its procurement policies and procedures to reflect the requirements of the BABA Act, possibly due to a lack of awareness or understanding of the new regulations.

Effect

The absence of BABA-related policies and procedures could result in noncompliance with federal requirements, potentially leading to the use of non-domestic materials in infrastructure projects and jeopardizing federal funding.

Questioned Costs

None

Recommendation

It is recommended that the Town revise its procurement policies to include the requirements of the BABA Act. This should involve developing and documenting procedures to ensure that all materials used in federally funded infrastructure projects comply with BABA requirements. Training should also be provided to relevant staff to ensure understanding and compliance with these requirements.

Management Response

See management's corrective action plan.

2024-017 Noncompliance with Allowable Costs Requirements - Duplicate Payments

Grantor

Department of Treasury - Assistance Listing 21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
Grant Period – Year ended June 30, 2024

First reported

2024

Type

Material Weakness, Noncompliance

Condition

The Town used \$53,786 from the 21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program to match expenditures in another federal program that is not a major program. This amount was subsequently reimbursed by the other federal program, resulting in a duplicate payment.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Criteria

According to the cost principles outlined in 2 CFR part 200, subpart E, costs charged to federal awards must be necessary, reasonable, and allocable to the federal award. Costs must not include improper payments, such as duplicate payments, which are payments made more than once for the same good or service.

Cause

The Town did not have adequate controls in place to prevent the use of SLFRF funds for expenditures that were subsequently reimbursed by another federal program, leading to a duplicate payment.

Effect

The Town's use of SLFRF funds for expenditures that were reimbursed by another federal program resulted in noncompliance with the allowable costs requirements, specifically the prohibition of duplicate payments. The Town may be required to return the funds.

Questioned Costs

\$53,786

Recommendation

The Town should implement stronger internal controls to ensure that costs charged to federal awards do not include duplicate payments. This includes verifying that expenditures reimbursed by other federal programs are not also charged to the SLFRF program.

Management's Response

See management's corrective action plan.

2024-018 Noncompliance with Procurement Requirements

Grantor

Department of Treasury - Assistance Listing 21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
Grant Period – Year ended June 30, 2024

First reported

2024

Type

Material Weakness, Noncompliance

Condition

During the audit of the procurement processes, it was identified that the Town may not have fully complied with the federal regulations governing procurement. During the year ended December 31, 2024, the Town paid one contractor a sum of \$85,476 for water and sewer system repairs as necessary. The Town did not provide a contract for audit or evidence that it obtained price or rate quotations from an adequate number of qualified sources.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Criteria

Federal regulations generally require procurement transactions to be conducted in a manner that provides full and open competition, unless specific exceptions apply. Contracts are typically necessary to formalize the procurement relationship and ensure compliance with federal statutes, regulations, and the terms and conditions of a federal award. According to 2 CFR section 200.320, the micro-purchase method allows for procurements where the aggregate dollar amount does not exceed \$10,000, and these purchases may be awarded without soliciting competitive quotations if the nonfederal entity considers the price to be reasonable. For small purchase procedures, which apply to purchases exceeding the micro-purchase amount but not exceeding the simplified acquisition threshold of \$250,000, price or rate quotations must be obtained from an adequate number of qualified sources.

Cause

Management believed the requirement for small purchases did not apply to routine water and sewer system repairs since the individual invoices did not exceed \$10,000 in most cases.

Effect

Noncompliance may lead to the disallowance of costs, where the federal agency may refuse to reimburse noncompliant costs or require refunds.

Questioned Costs

\$85,476

Recommendation

To ensure compliance with federal procurement standards, it is recommended that the Town implement procedures to ensure that price or rate quotations are obtained from an adequate number of qualified sources for all small purchases, thereby promoting full and open competition.

Management's Response

See management's corrective action plan.

2024-019 Non-Compliance with Reporting Requirements for SLFRF Program

Grantor

Department of Treasury - Assistance Listing 21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
Grant Period – Year ended June 30, 2024

First reported

2024

Type

Material Weakness, Noncompliance

Condition

The Town did not provide the auditor with any reports for the State and Local Fiscal Recovery Funds (SLFRF) program for the year ended June 30, 2024.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Criteria

Entities receiving funds under the State and Local Fiscal Recovery Funds (SLFRF) program are required to submit performance reports at least annually. These reports must be prepared in a format authorized by the Office of Management and Budget (OMB).

Cause

The failure may be due to a lack of understanding of the reporting requirements or inadequate internal controls over financial reporting.

Effect

The absence of the required reports impedes the auditor's ability to verify the proper use of SLFRF funds and assess compliance with federal requirements. This non-compliance could result in questioned costs and potential repercussions from federal oversight bodies.

Questioned Costs

None

Recommendation

In the immediate future, we recommend the following:

1. **Seek an Extension:** Contact the cognizant or oversight agency for audit to request an extension. Extensions may be granted if the original deadline imposes an undue burden on the Town.
2. **Communicate with the Agency:** Explain the reasons for the delay to the relevant agency and seek guidance on corrective actions. This communication can help in obtaining an extension or understanding any penalties.
3. **Submit the Report Promptly:** Even if the deadline has been missed, submit the report as soon as possible to minimize negative consequences and demonstrate a commitment to compliance.

In the future, the Town should establish and implement procedures to ensure compliance with grant reporting requirements.

Management's Response

See management's corrective action plan.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

2023-001 Noncompliance with Public Bid Law

Status

Repeated as Finding 2024-001.

2023-002 Failure in Internal Control Over Purchasing

Status

Repeated as Finding 2024-002.

2023-003 Noncompliance with Budget Act

Status

Repeated as Finding 2024-003.

2023-004 Financial Statements Issued After Due Date

Status

Repeated as Finding 2024-004.

2023-005 Omitted Supplementary Information Required by State Law

Status

This finding was cleared.

2023-006 Capital Assets – Lack of Controls

Status

Repeated as Finding 2024-006.

2023-007 Bills Paid Late

Status

Repeated as Finding 2024-007.

2023-008 Authorized Pay Not Properly Documented

Status

This finding was cleared.



TOWN OF JONESBORO

Dr. James "Spike" Harris, Mayor
Telephone: 318-259-2385
Fax: 318-259-4177

P. O. Box 610
128 Allen Avenue
Jonesboro, Louisiana 71251

May 30, 2025

Bosch & Statham, LLC

melissa@bscpa.net and michael@bscpa.net

The Louisiana Legislative Auditor (LLA) is considered to be a specified party to the Statewide Agreed-Upon Procedures (AUPs) and acknowledges that the procedures performed are appropriate for their purposes by their acceptance of the standard audit engagement approval forms. In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the LLA's statewide agreed-upon procedures (AUPs), for the fiscal period **July 1, 2023 through June 30, 2024**, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; fraud notice; information technology disaster recovery/business continuity; prevention of sexual harassment; and other areas (*should be customized by entity, as applicable*).

Yes ☒ No ☐
2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.

Yes ☒ No ☐
3. For the fiscal period **July 1, 2023 through June 30, 2024**, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.

Yes ☒ No ☐
4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes ☒ No ☐
5. We have provided you with access to all records that we believe are relevant to the C/C areas and the statewide AUPs.

Yes ☒ No ☐
6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes ☒ No ☐

7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of **July 1, 2023 through June 30, 2024** and between **June 30, 2024**, and **May 30, 2025**, including any actual, suspected, or alleged fraud.

Yes ☒ No ☐

8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between **June 30, 2024**, and **May 30, 2025**.

Yes ☒ No ☐

9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

Yes ☒ No ☐

10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

14. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and purchase (P) cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.

Yes ☒ No ☐

15. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

16. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

17. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

18. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

19. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

Yes ☒ No ☐

20. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

21. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes ☒ No ☐

22. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

23. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.

Yes ☒ No ☐

24. We are not aware of any material misstatements in the C/C areas identified in the statewide AUPs.

Yes ☒ No ☐

25. We have disclosed to you [*list other matters as you have deemed appropriate*].

Yes ☒ No ☐

26. We have responded fully to all inquiries made by you during the engagement.

Yes ☒ No ☐

27. We have disclosed to you all known events that have occurred subsequent to **June 30, 2024**, that would have a material effect on the C/C areas identified in the statewide AUPs, or would require adjustment to or modification of the results of the statewide AUPs.

Yes ☒ No ☐

The previous responses have been made to the best of our belief and knowledge.

Signature



Date

6/17/2025

Title

Mayor

Signature



Date

6/17/2025

Title

Clerk

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of the Town of Jonesboro, Louisiana, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023, through June 30, 2024. The Town of Jonesboro's management is responsible for those C/C areas identified in the SAUPs.

The Town of Jonesboro (Entity) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023, through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

We obtained and inspected the written policies and procedures.

- i) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

We noted no exceptions.

- ii) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

The Town's policy did not include how vendors are added to the vendor list.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- iii) **Disbursements**, including processing, reviewing, and approving.

We noted no exceptions.

- iv) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Town's policy did not address the preparation of deposits.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- v) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

The Town's policy does not adequately address all of the required elements.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- vi) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Town's policy does not address element (2).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- vii) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We noted no exceptions.

- viii) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

We noted no exceptions.

- ix) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

We noted no exceptions.

- x) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Town's policy does not address element (2).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- xi) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Town's policy does not address elements (1) or (2).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- xii) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

We noted no exceptions.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

We obtained and reviewed the board's minutes for the fiscal period.

- i) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We noted the board met at least monthly.

- ii) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

We noted none of the minutes had any reference to or included monthly budget-to-actuals.

- iii) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

We obtained the prior year audit report and observed a positive unassigned fund balance in the general fund.

- iv) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

We did not observe any written updates of the progress of resolving audit findings.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

We obtained a listing of accounts and management's representation that the listing is complete. We identified the main operating account as the "Control Account". We randomly selected 4 additional accounts for testing and selected the month of October 2023 for testing.

- i) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

We noted no exceptions.

- ii) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month (e.g., initialed and dated, electronically logged); and

None of the reconciliations selected showed evidence of a board/management member's review.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- iii) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Two out of five reconciliations included stale items that were older than 12 months. Neither of the reconciliations showed evidence of stale items being researched.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

4) Collections

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We obtained a listing of deposit sites from management.

We noted no exceptions.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

For the deposit site listed, we obtained a listing of collection locations and management's representation that the listing is complete.

- i) Employees responsible for cash collections do not share cash drawers/registers.

We noted no exceptions.

- ii) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

We noted no exceptions.

- iii) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

We noted no exceptions.

- iv) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

We noted no exceptions.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

We obtained a copy of the crime insurance policy and noted the policy was enforced during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for each of the bank accounts selected under procedure #3. We obtained the supporting documentation for each deposit.

- i) Observe that receipts are sequentially pre-numbered.

The entity uses prenumbered receipt books for collections received in person except for utility payments which are posted in the utility billing software. Collections by mail are not logged in receipt books. We noted no exceptions.

- ii) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We noted one exception.

Management's Response: See Management's Corrective Action Plan

- iii) Trace the deposit slip total to the actual deposit per the bank statement.

We noted no exceptions.

- iv) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

We noted three exceptions.

Management's Response: See Management's Corrective Action Plan

- v) Trace the actual deposit per the bank statement to the general ledger.

We noted no exceptions.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. There was one location on the list.

Exceptions: None

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

We obtained a listing of those employees involved with non-payroll purchasing and payment functions. We noted no written policies and procedures relating to employee job duties. We inquired of employees about their job duties.

- i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We observed that at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Exceptions: None

- ii) At least two employees are involved in processing and approving payments to vendors.

We noted at least two employees are involved in processing and approving payments to vendors.

Exceptions: None

- iii) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The policy states only the Mayor is authorized to add or modify vendors.

Exceptions: None

- iv) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

We noted the employee responsible for signing checks is also authorized to mail the checks.

Exceptions: None

- v) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

The Mayor is the only one authorized to approve electronic disbursements.

Exceptions: None

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

We obtained the population and management's representation that the population is complete. We randomly selected five disbursements and obtained available supporting documentation.

- i) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

We noted no exceptions.

- ii) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We noted no exceptions.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

We noted four exceptions.

Management's Response: See Management's Corrective Action Plan

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

We obtained a listing of all cards and management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

We selected the only card listed. We randomly selected a month for testing and obtained the related statement.

- i) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

We noted no evidence the statement was reviewed or approved.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- ii) Observe that finance charges and late fees were not assessed on the selected statements.

We noted no finance charges or late fees.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁷. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Using the card selected above, we selected the six charges shown on the statement.

1) We noted one exception.

2) We noted two exceptions.

3) We noted no such charges.

We noted no documentation for the transactions with no original receipts. Agency notations indicated the purchases were for office supplies. We noted no compensating control to address the missing receipts.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

We obtained the general ledgers for all funds, identified travel expense accounts, selected a sample of five reimbursements, and requested related documentation.

- i) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We noted three exceptions.

Management's Response: See Management's Corrective Action Plan

- ii) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

We noted two exceptions.

Management's Response: See Management's Corrective Action Plan

- iii) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and.

We noted no exceptions.

- iv) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We noted two exceptions.

Management's Response: See Management's Corrective Action Plan

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Management did not provide a list of contracts. We selected a sample from the Vendor list. We randomly selected 5 contracts to be tested.

- i) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

This procedure is not applicable.

- ii) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

We noted four exceptions.

Management's Response: See Management's Corrective Action Plan

- iii) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

We noted no amendments.

- iv) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We noted one exception.

Management's Response: See Management's Corrective Action Plan

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We obtained a payroll summary for the year and selected five employees for testing. We obtained the required documentation showing authorized salaries/rate and compared to the actual rates paid. We noted no exceptions.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We selected one pay period and obtained the relevant information.

- i) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

We noted no exceptions.

- ii) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

We noted four exceptions.

Management's Response: See Management's Corrective Action Plan

- iii) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

We noted no exceptions.

- iv) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

We noted no exceptions.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

We obtained a listing of those employees that received a termination payment. We selected two from the listing and obtained the related documentation. We noted both payments were for hours worked and not true termination payments. We noted no exceptions on actual paid rates.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

We obtained management's representation that all third-party payroll amounts were paid timely and accurately.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

Using the selected employees from procedure #9A, we obtained the related documentation.

- i) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

We noted one exception.

Management's Response: See Management's Corrective Action Plan

- ii) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Management asserted no documentation was kept.

Management's Response: See Management's Corrective Action Plan

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170

We inquired of management and noted a designee had been appointed.

Exceptions: None

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Management listed no new bonds/notes/debt instruments.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Management listed no outstanding debt.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management listed none.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We noted no exceptions.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

We performed the procedure and discussed the results with management.

- i) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267 . The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Using the employees selected under procedure #9A, we obtained the available sexual harassment training documentation. We noted one of the five employees selected did not have the required training or documentation.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

We noted the policy posted on the Town's website.

Exceptions: None

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i) Number and percentage of public servants in the agency who have completed the training requirements;
- ii) Number of sexual harassment complaints received by the agency;
- iii) Number of complaints which resulted in a finding that sexual harassment occurred;
- iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v) Amount of time it took to resolve each complaint.

Management was unaware of the required report. No report was found.

Management's Response: See Management's Corrective Action Plan

Town of Jonesboro
Jonesboro, Louisiana
Report on Agreed-Upon Procedures, 2024

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
May 30, 2025

Town of Jonesboro
Corrective Action Plan
Fiscal Year Ending 2024/2025
Mayor Dr. James “Spike” Harris

Finding Number: 2024-001 – Noncompliance with Public Bid Law

Corrective Action to be Taken:

The Town of Jonesboro maintains that its bulk fuel purchasing arrangement with Lott Oil has been the most economical and efficient means of acquiring fuel, supported by pre-installed dispensing equipment and ongoing service compatibility. The Town does not agree with the finding, as the arrangement has provided fiscal benefits and operational stability. However, in a good faith effort to strengthen transparency and compliance, the Town will begin obtaining at least three written quotes on bulk fuel annually and will retain all documentation for audit purposes.

Finding Number: 2024-002 – Failure in Internal Control Over Purchasing

Corrective Action to be Taken:

The Town of Jonesboro acknowledges the importance of strong internal controls in the purchasing process. During the audit period ending June 30, 2024, management had not yet had sufficient time to fully implement the Town’s updated purchasing policies and purchase order system. Since that time, a new and structured purchase order system has been implemented and is currently being utilized. The Town has also issued internal reminders to employees on policy compliance, and management has reinforced that all purchasing policies and procedures will be strictly enforced. All purchases must now be accompanied by appropriate documentation before checks are issued to vendors.

Finding Number: 2024-003 – Noncompliance with Local Government Budget Act

Corrective Action to be Taken:

The Town of Jonesboro acknowledges the exceptions noted with regard to compliance with the Local Government Budget Act for the fiscal years 2021 through 2024. However, it is important to note that this administration inherited a situation in which the previous administration failed to initiate or complete any formal budget process. No transition was provided, all records and files were destroyed, and databases were either deleted or access was denied. As a result, this administration spent over a year attempting to reconstruct the 2022/2023 audit period, which continues to impact current operations.

Despite these challenges, the Town has made significant strides toward compliance. We are working closely with auditors and legal counsel to ensure that future budgets include all required

elements—budget messages, timely submission, public hearings, and special revenue fund allocations. The administration is also implementing internal controls to ensure timely adoption and proper formatting of all future budgets as required by the Local Government Budget Act.

Finding Number: 2024-004 – Financial Statements Issued After Due Date

Corrective Action to be Taken:

The Town of Jonesboro acknowledges that audited financial statements were not submitted within the statutory deadline; however, the Town has now caught up on all delinquent financial statements. Delays were primarily due to multiple systemic issues under the previous administration, including failure to maintain an adequate accounting system, improper coding, and overall lack of financial competency. Furthermore, this administration received no transition support; all records and databases were deleted or made inaccessible.

In response, the Town has implemented a new accounting system and provided training to both the Town Clerk and Deputy Clerk. We are now in close communication with our external CPA firm, Louisiana Legislative Auditor, and have established procedures for monthly monitoring, internal review, and timely data submission for audits. The administration is committed to ensuring that year-end data is submitted to auditors by August 31st moving forward.

Finding Number 2024-005- Accounting Errors

The Town of Jonesboro acknowledges the accounting errors identified in the 2024 audit, recognizing the importance of maintaining financial statements in accordance with Generally Accepted Accounting Principles (GAAP). To address and mitigate these errors, the Town has implemented comprehensive processes and procedures designed to enhance financial oversight. Additionally, targeted training programs have been conducted for personnel responsible for transaction posting and coding, ensuring clarity on correct procedures. Furthermore, we have established clear segregation of duties among staff to reinforce accountability and improve accuracy in financial reporting moving forward.

Finding Number: 2024-006 – Capital Assets – Lack of Controls

Corrective Action to be Taken:

The Town of Jonesboro acknowledges the noted deficiencies in capital asset tracking under the previous administration. That administration failed to establish a comprehensive internal control system for asset identification, inventory management, and compliance with LRS 24:515. This administration has since taken steps to address these issues.

Processes and procedures have been implemented to ensure all capital assets are thoroughly logged with detailed identifying information, including make, model, year, and serial number. All assets are tracked for both accountability and depreciation purposes. The Town has initiated an annual physical inventory process to reconcile with the updated depreciation schedule, and all asset records are now maintained in a format that meets statutory requirements. These measures have been communicated to all relevant personnel to ensure continued compliance and internal control reliability.

Finding Number: 2024-007 – Bills Paid Late

At the beginning of this administration's term, the Town of Jonesboro was left with over \$700,000 in unpaid bills inherited from the prior administration. These debts included a substantial utility bill from Entergy totaling over \$301,000, which had not been paid in over 6 to 8 months. This administration immediately initiated payment plans and began working directly with vendors to resolve outstanding obligations. As a result, the majority of past due bills have now been satisfied, and current liabilities are being paid in a timely manner.

Payroll appeared inflated during the audit period due to lack of oversight and accountability by the previous administration. Employees were not required to perform work or track time properly. Under current leadership, strict accountability measures have been implemented, and all personnel are now required to work scheduled hours and meet performance expectations.

Apparent payroll burdens must also be understood in the context of prior mismanagement. The Town was previously not collecting utility services, particularly water, resulting in an estimated loss of \$1.5 million annually. We now collect payment for over 98% of utility usage, and as revenues increase, salary levels are projected to remain stable or decrease in proportion to overall expenses. Financial practices and internal controls have been strengthened, and the budget is now being used as a critical tool in fiscal decision-making.

Finding Number: 2024-008 – Street Ad Valorem Taxes & Sales Taxes – Possible Noncompliance

The Town of Jonesboro recognizes the concerns raised regarding the use of street sales tax funds for certain expenditures. The project referred to in documentation as "Town Park Improvements" should have been correctly named as the implementation of a new street leading into a parking area that provides access to the Civil Rights Walking Trail. This is not merely a park enhancement, but rather a functional roadway with associated drainage infrastructure. The project aligns with the intent of the sales tax proposition to "construct, maintain, and improve streets and drainage" as it connects to Highway 167 and facilitates vehicular access, consistent with the Town Code of Ordinances, Chapter 130, Section 130-3.

With respect to the \$7,110 in expenditures for Christmas lights, the Town acknowledges that these were historically charged to street funds by previous administrations. While the current administration was not initially informed this may be noncompliant, we will make all necessary adjustments and find other lawful funding sources for this longstanding annual community event moving forward.

Additionally, the temporary use of \$256,000 in street tax funds to cover the Town's liability insurance premium was due to cash flow shortages inherited from the previous administration. These included over \$700,000 in unpaid obligations. The General Fund will reimburse the street fund as cash flow stabilizes, and procedures have been put in place to prevent future miscoding or inappropriate allocations. Furthermore, the Town has insured water utility collections are at or (currently exceeding 98%), which will strengthen General Fund revenues and allow for proper allocation of expenses.

We will take the recommendation under advisement and consult legal counsel regarding whether an official opinion from the Louisiana Attorney General is appropriate in this instance. Relevant training will be provided to all finance personnel to ensure compliance with voter-approved propositions.

Finding Number: 2024-009 – City Court Remittances – Delays and Historical Issues

The Town of Jonesboro acknowledges the historical deficiencies in the remittance of court costs and associated payments to relevant entities. These issues stem from significant administrative failures under prior leadership, most notably under former Mayor Leslie Thompson, who defunded the police department in 2010 and failed to remit any fees to entitled agencies. A formal investigation opened in 2012 revealed that citation payments were being entered into the system but then misappropriated. That investigation was prematurely concluded due to Mr. Thompson's incarceration for numerous counts of malfeasance during his second term.

Since that time, and particularly under the current administration, the Town has made significant efforts to restore trust and compliance within the municipal court system. Training has been provided to all representatives responsible for managing court-related financial processes. As a result, all court costs and related remittances are now being submitted in a timely and accurate manner.

These actions have been taken to ensure full compliance with statutory obligations and to prevent recurrence of the systemic issues that have plagued the court's financial operations in the past. Continued monitoring and accountability measures are now firmly in place.

Finding Number: 2024-010 – Use of ARPA Funds Duplicated DEQ Reimbursement

The Town of Jonesboro acknowledges the importance of ensuring that ARPA funds are expended in full compliance with federal guidelines and regulations, which prohibit duplicative claims across funding sources.

To address this matter and prevent recurrence, the Town of Jonesboro will consult legal and/or financial counsel for all current and future uses of ARPA funds. This will ensure all planned expenditures are reviewed for compliance with applicable eligibility criteria, timeframes, and reporting obligations. Furthermore, internal control policies and procedures are being revised to strengthen review and oversight mechanisms, with staff training to support continued compliance.

Finding Number: 2024-011 – Contracts Not Approved by Board

The Town of Jonesboro acknowledges the audit finding related to contract approvals and budget line-item usage. However, I must respectfully express my disagreement with the interpretation that the appointment of the Town's water operator as the interim Public Works Director required Board of Aldermen approval.

Under the Lawrason Act, the mayor is authorized to appoint municipal personnel within the constraints of the approved annual budget, except where specific positions—such as the Street Commissioner, Town Clerk, Tax Collector, etc—are explicitly subject to Board approval. In this case, the individual appointed was not designated as Street Commissioner, but rather served as an interim director overseeing public works operations. This role was presented before the council in good faith, and compensation was made based on service delivery and critical need during a transition period.

Nonetheless, I do concur with the finding regarding the importance of accurately coding and expending funds from the appropriate contractual line items. The Town is actively working to refine its accounting practices to ensure that all 1099-contracted payments are clearly separated from salary-based accounts, properly budgeted, and recorded with full transparency.

Going forward, we will implement a revised internal review process to ensure that all contract-based appointments are documented appropriately, align with budgeted expenditures, and are entered into the general ledger under the correct classifications. Where legal ambiguity exists, the Town will seek guidance from its legal and financial counsel.

Finding Number: 2024-012- Alderman's Spouse Included on Health Insurance Policy

The Town of Jonesboro acknowledges and concurs with the findings as presented. Upon discovery of the matter referenced in this audit, immediate and appropriate corrective actions were initiated in accordance with applicable laws and municipal responsibilities.

Specifically, the Town has:

1. **Reported the matter to law enforcement authorities**, prompting an active police investigation to examine the potential misuse or misappropriation of public funds;
2. Terminated the employee responsible for deliberately authorizing insurance for the councilman's spouse
3. **Formally notified the council member involved**, ensuring transparency and affording the individual due process under Louisiana Revised Statutes;
4. **Initiated efforts to recoup the misused funds**, which includes pursuing legal remedies through the court system and filing the appropriate complaints and disclosures with the **Louisiana Board of Ethics**, pursuant to La. R.S. 42:1111 et seq.

Finding Reference: 2024-013 – *General Fund and Governmental Activities Deficits*

The Town of Jonesboro concurs with this audit finding and acknowledges that, at the beginning of the current administration's term, a significant number of outstanding obligations and unpaid bills were inherited from the prior administration. This accumulation of prior liabilities contributed materially to the deficits noted in the General Fund and Governmental Activities as of June 30, 2024. Since taking office, the current administration has prioritized fiscal recovery and has taken the following corrective actions:

1. **Substantial Debt Repayment:** The majority of legacy debts and outstanding bills have been addressed and paid to date. A limited number of high-balance accounts remain—such as Entergy—however, the Town has formally entered into a structured repayment plan with the utility provider to ensure consistent and accountable payments moving forward.
2. **Revenue Recovery and Systemic Reforms:**
 - The Town has increased its revenue streams through the implementation of targeted strategies, including ensuring that the majority of utility customers are now actively and consistently paying their bills.
 - Utility rates have been adjusted to reflect actual service costs, in alignment with Louisiana budgetary standards and to promote long-term financial sustainability.
 - The Town is currently in the process of installing **new water meter infrastructure**, which will eliminate manual reading inefficiencies and allow for the **recapture of previously lost or unbilled water revenues** due to outdated metering systems.
3. **Budget Planning and Compliance:** The administration is actively working to bring the General Fund into compliance with the **Louisiana Local Government Budget Act** (La. R.S. 39:1301 et seq.) by integrating historical fund deficits into the base of the FY 2025–2026 budget, while applying strategic expenditure controls and long-term revenue enhancements.

The Town recognizes the importance of adopting a **formal fund balance policy** as recommended by the Government Finance Officers Association (GFOA). We are in the process of drafting such a policy, which will include clearly defined purposes for fund reserves, replenishment strategies, and targets for stabilization and emergency contingencies.

We remain committed to ensuring transparency, compliance, and financial responsibility in all municipal operations and are confident that these corrective measures will promote long-term fiscal health for the Town of Jonesboro.

Finding Reference: 2024-014 – *Noncompliance with Suspension and Debarment Requirements*

The Town of Jonesboro concurs with this audit finding and acknowledges the oversight in failing to fully document verification procedures related to contractor eligibility under the federal suspension and debarment requirements outlined in 2 CFR § 180 and 2 CFR § 200 (Uniform Guidance).

While the contractor engaged was not listed in the **SAM.gov Exclusions database** upon independent verification, the Town did not have formal policies or documentation in place to affirmatively verify and record compliance at the time of contract execution. This included the absence of a compliance clause in the construction contract and lack of formal contractor certification regarding suspension or debarment status.

Corrective Actions Taken and Planned:

1. **Policy Implementation:** The Town is developing and implementing a written internal policy and checklist to ensure full compliance with suspension and debarment requirements for all federally funded projects. This policy will include procedures for:
 - Conducting and documenting searches in the **SAM.gov Exclusions system**,
 - Requiring **written certifications** from all contractors and subcontractors, and
 - Ensuring that **federal compliance clauses** are incorporated in all future contracts funded with federal dollars.
2. **Engineering Oversight Coordination:** The Town acknowledges that coordination with its contracted engineering firm(s) is essential in maintaining federal compliance. Moving forward, we will work closely with our engineers to verify and document that **all contractors and subcontractors meet federal eligibility requirements** prior to award and contract execution.
3. **Training and Compliance Awareness:** The Town will ensure that applicable municipal personnel, as well as project managers working with federal grant funds, receive training or instruction on Uniform Guidance procurement standards, including suspension and debarment protocols.

Finding Reference: 2024-015 – *Noncompliance with Cash Management Requirements*

The Town of Jonesboro respectfully disagrees with this finding as presented. While the audit notes delays between the receipt of federal funds and their disbursement, the Town asserts that it is not responsible for managing or operating the federal financial system that governs the authorization, disbursement, or scheduling of funds related to the referenced grant.

The **Louisiana Department of Environmental Quality (LDEQ)** and other relevant governmental entities manage the disbursement platform used for this grant, and Town personnel do not have direct administrative control over its structure or scheduling capabilities. Furthermore, **Town staff have not received adequate training or guidance from state or federal administrators regarding the procedural requirements** or compliance timelines for the Clear Water State Revolving Fund (CWSRF) program.

Despite these limitations, the Town remains fully committed to compliance with federal cash management standards and the **Uniform Guidance (2 CFR § 200.305)**, which requires recipients to minimize the time elapsing between the receipt and disbursement of federal funds. To that end, the Town will take the following corrective actions:

1. **Formal Communication with Program Administrators:** The Town will engage the appropriate contacts at the Louisiana Department of Environmental Quality and relevant federal partners to clarify disbursement protocols, timelines, and responsibilities under the CWSRF program.
2. **Staff Training and Coordination:** The Town will coordinate with the LDEQ and/or EPA to request or arrange formal training for municipal staff involved in the administration of federal grant funds, with a focus on cash management and financial compliance procedures.
3. **Procedure Development:** Following training and clarification from the funding agencies, the Town will develop internal procedures and documentation protocols to ensure that federal funds are disbursed as promptly as administratively possible upon receipt.

The Town of Jonesboro affirms its commitment to fiscal transparency, accountability, and compliance with all applicable state and federal grant management requirements. We look forward to working collaboratively with our state and federal partners to improve administrative performance in all future program years.

Finding Reference: 2024-016 – *Noncompliance with Build America, Buy America Act (BABA) Requirements*

The Town of Jonesboro respectfully disagrees with the characterization of this finding. While the **Build America, Buy America Act (BABA)** has been in effect since November 2021, the Town has **not received any prior audit findings or notices of noncompliance related to BABA** in previous grant cycles or during past administrations. To date, there has been no formal

notification or technical assistance provided by federal or state agencies to guide the Town in implementing these requirements in its procurement policies.

Nevertheless, the Town fully understands the intent and importance of the BABA provisions, which aim to promote domestic manufacturing and ensure compliance in the use of materials for federally funded infrastructure projects. In light of this finding, the Town will take the following corrective actions:

1. **Policy and Procedure Updates:** The Town will revise its existing procurement policies to explicitly include compliance requirements for the Build America, Buy America Act, including the use of U.S.-produced iron, steel, manufactured products, and construction materials in all federally funded infrastructure projects.
2. **Training and Awareness:** Staff involved in procurement, grant administration, and capital infrastructure will undergo appropriate training to ensure a clear understanding of BABA regulations and documentation requirements. The Town will also coordinate with the Louisiana Department of Environmental Quality and the Environmental Protection Agency to obtain relevant training materials and compliance tools.
3. **Future Audit Integration:** Although the Town has not previously received findings related to BABA, this issue will now be incorporated into **internal compliance checklists and future audit procedures** to ensure consistent adherence going forward.

The Town of Jonesboro is committed to full compliance with federal funding regulations and will implement all necessary improvements to ensure that future federally funded projects align with BABA requirements.

Finding Reference: 2024-017 – *Noncompliance with Allowable Costs Requirements – Duplicate Payments*

The Town of Jonesboro acknowledges this audit finding and concurs with the conclusion that a duplicate payment occurred in connection with the use of \$53,786 in funds from the **Coronavirus State and Local Fiscal Recovery Funds (SLFRF)** program. The duplicate payment resulted from the same expenditure being reimbursed by a second federal program that was not designated as a major program.

While this incident was unintentional and due to a lack of centralized grant tracking at the time, the Town has taken corrective action to prevent such issues from occurring in the future. Specifically:

1. **Implementation of a Grant Award Management System:** The Town is currently deploying a formal **grant tracking and reconciliation system** that will provide centralized oversight of all grant awards, expenditures, and reimbursements. This system is designed to prevent overlapping or duplicative claims across funding sources and will be supported by enhanced documentation and review protocols.

2. **Internal Controls and Policy Enhancements:** In response to this finding, the Town has updated its **grant management policies and internal accounting procedures** to include specific verification steps prior to submitting reimbursement requests. These policies now require:
 - Cross-checking all grant reimbursements against prior or pending claims,
 - Documenting funding source allocation for each expenditure,
 - Requiring dual review by finance and grants administration staff.
3. **Staff Training and Grant Oversight:** Personnel involved in grant administration and finance have received and will continue to receive **training on federal allowable cost principles** under 2 CFR Part 200, Subpart E. The Town is committed to maintaining compliance with all federal funding requirements and is actively working to reinforce accountability and transparency in its use of public funds.

The Town will coordinate with the appropriate federal and state authorities to resolve any remaining discrepancies and, if necessary, return funds that have been deemed ineligible or duplicated.

Finding Reference: 2024-018 – *Noncompliance with Procurement Requirements*

The Town of Jonesboro acknowledges the audit finding and appreciates the opportunity to provide clarification regarding the cited payment of \$85,476 to a contractor for water and sewer system repairs.

This particular contractor had a long-standing relationship with the **previous administration** and continued to submit invoices for services claimed to have been performed under prior authorizations. Upon assuming office, the current administration encountered a backlog of such invoices and, in many cases, limited to no documentation supporting the scope, schedule, or verification of the work that was allegedly completed.

Due to the **lack of transparency, inconsistent billing, and insufficient oversight**, the current administration determined that it was not in the best financial or operational interest of the Town to continue any further engagement with this contractor. It became clear that the pattern of invoicing presented a risk of noncompliance and potentially unsupported expenditures.

As a corrective measure, the Town took the following actions:

1. **Final Settlement and Termination of Relationship:** The Town made a one-time payment to settle the outstanding invoice history. This was done to clear any disputed or lingering financial obligations associated with the contractor's services under the previous administration.
2. **Legal Closure with Notarized Certification:** The Town required and obtained a **notarized letter** from the contractor affirming that **no additional payments are owed** and that all contractual or informal claims have been resolved in full. This was done to ensure finality and mitigate any future risk or liability.

3. **Policy Reaffirmation:** The Town affirms its commitment to federal procurement regulations, specifically those set forth under **2 CFR § 200.320**. Current procedures now mandate that all purchases exceeding the micro-purchase threshold undergo proper procurement documentation, including solicitation of price or rate quotations from multiple qualified vendors.

Moving forward, the Town has ensured all vendors and contractors are engaged under transparent, documented, and compliant procurement procedures. This administration remains dedicated to restoring public trust and operating under full compliance with federal, state, and local purchasing regulations.

Finding Reference: 2024-019 – *Noncompliance with Reporting Requirements for SLFRF Program*

The Town of Jonesboro acknowledges this audit finding and concurs that, for the reporting period ending June 30, 2024, performance and financial reports required under the **State and Local Fiscal Recovery Funds (SLFRF)** program were not submitted to the appropriate oversight authorities nor made available to the audit team.

This lapse was due in part to a **lack of understanding of the federal reporting requirements** and the **absence of internal procedures** to track and manage SLFRF reporting obligations. The Town acknowledges that this noncompliance impeded the auditor's ability to verify program expenditures and compliance with the applicable provisions of 2 CFR Part 200 and guidance issued by the **U.S. Department of the Treasury** and the **Office of Management and Budget (OMB)**.

To correct and prevent future occurrences of this issue, the Town will implement the following corrective action plan:

1. **Immediate Remedial Action:** The Town will submit any required SLFRF reports for the 2024 program year as soon as possible, even if past the original deadline. We will also reach out to the **U.S. Department of the Treasury** or its designated agency to formally communicate the reason for the delay and request guidance on next steps, including potential extensions or waivers.
2. **Establishment of Formal Reporting Procedures:** The Town is developing internal procedures and deadlines to ensure timely submission of all future federal grant reports. These procedures will include:
 - A **reporting calendar** with submission deadlines aligned to OMB and Treasury guidance;
 - **Assigned personnel responsibilities** for data collection, performance metrics, and narrative preparation; and
 - **Review protocols** by finance and grants administration officials prior to submission.
3. **Staff Training and Capacity Building:** The Town will seek appropriate training from federal or state agencies or through official SLFRF guidance webinars and

documentation to ensure staff are fully informed of compliance and reporting responsibilities under the program.

The Town of Jonesboro reaffirms its commitment to full transparency, compliance with federal program requirements, and responsible stewardship of public funds. We view this as an opportunity to strengthen our grants management capacity and ensure continued eligibility for federal assistance programs.

Dr. J. Spike Harris
Mayor
Town of Jonesboro