

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF AMBOY

MIAMI COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
09/18/2012



## TABLE OF CONTENTS

| <u>Description</u>   | <u>Page</u> |
|--|-------------|
| Officials .....  | 2           |
| Independent Accountant's Report.....   | 3           |
| Financial Statements:  |             |
| Statements of Receipts, Disbursements, and Cash and Investment Balances –<br>Regulatory Basis .....          | 6-7         |
| Notes to Financial Statements .....  | 8-11        |
| Supplementary Information:   |             |
| Combining Schedules of Receipts, Disbursements, and Cash and Investment<br>Balances – Regulatory Basis ..... | 14-17       |
| Schedule of Payables and Receivables .....   | 18          |
| Schedule of Leases and Debt .....  | 19          |
| Examination Results and Comments:  |             |
| Appropriations.....  | 20          |
| Official Bond .....  | 20          |
| Capital Asset Records .....  | 20          |
| Overdrawn Fund Balances .....  | 20          |
| Delinquent Wastewater Accounts.....  | 21          |
| Prescribed Forms .....   | 21          |
| Condition of Records .....   | 22          |
| Salary Ordinance.....  | 22          |
| Penalties and Interest.....  | 22          |
| Exit Conference.....   | 23          |

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Danyel M. Miller  
Mary Brown

01-01-08 to 12-31-11  
01-01-12 to 12-31-15

President of the  
Town Council

Jack Hunt  
Michael Burchick

01-01-06 to 12-31-11  
01-01-12 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF AMBOY, MIAMI COUNTY, INDIANA

We have examined the financial statements of the Town of Amboy (Town), for the period of January 1, 2010 to December 31, 2011. The Town's management is responsible for the financial statements. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables, and Receivables and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 26, 2012

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

TOWN OF AMBOY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

| Fund                                | Cash and<br>Investments<br>01-01-10 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-10 |
|-------------------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| General                             | \$ (3,268)                          | \$ 61,744         | \$ 65,465         | \$ (6,989)                          |
| Motor Vehicle Highway               | 24,366                              | 9,421             | 795               | 32,992                              |
| Local Road And Street               | 11,410                              | 1,898             | -                 | 13,308                              |
| Law Enforcement Continuing Ed       | 772                                 | -                 | -                 | 772                                 |
| Parks And Recreation                | (2,329)                             | 1,400             | 165               | (1,094)                             |
| Criminal Justice - Federal          | 11                                  | -                 | -                 | 11                                  |
| Build Indiana                       | 52                                  | -                 | -                 | 52                                  |
| Co Economic Development Income Tax  | 16,809                              | 3,625             | 531               | 19,903                              |
| Cumulative Capital Improvement      | 2,870                               | 1,054             | -                 | 3,924                               |
| Wastewater Utility - Operating      | 40,901                              | 110,638           | 107,284           | 44,255                              |
| Wastewater Util - Bond And Interest | 68,074                              | 66,000            | 65,258            | 68,816                              |
| Totals                              | <u>\$ 159,668</u>                   | <u>\$ 255,780</u> | <u>\$ 239,498</u> | <u>\$ 175,950</u>                   |

The notes to the financial statements are an integral part of this statement.

TOWN OF AMBOY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

| Fund                                | Cash and<br>Investments<br>01-01-11 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-11 |
|-------------------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| General                             | \$ (6,989)                          | \$ 50,766         | \$ 71,091         | \$ (27,314)                         |
| Motor Vehicle Highway               | 32,992                              | 9,521             | 27,750            | 14,763                              |
| Local Road And Street               | 13,308                              | 1,829             | -                 | 15,137                              |
| Law Enforcement Continuing Ed       | 772                                 | -                 | -                 | 772                                 |
| Parks And Recreation                | (1,094)                             | 3,585             | -                 | 2,491                               |
| Co Economic Development Income Tax  | 19,903                              | 2,643             | -                 | 22,546                              |
| Cumulative Capital Improvement      | 3,924                               | 1,034             | -                 | 4,958                               |
| Criminal Justice - Federal          | 11                                  | -                 | -                 | 11                                  |
| Build Indiana                       | 52                                  | -                 | -                 | 52                                  |
| Wastewater Utility - Operating      | 44,255                              | 106,146           | 117,625           | 32,776                              |
| Wastewater Util - Bond And Interest | 68,816                              | 66,000            | 65,591            | 69,225                              |
| Totals                              | <u>\$ 175,950</u>                   | <u>\$ 241,524</u> | <u>\$ 282,057</u> | <u>\$ 135,417</u>                   |

The notes to the financial statements are an integral part of this statement.

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, wastewater, and trash.

The accompanying financial statements present the financial information for the Town.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, park rental fees, cable tv receipts, ordinance violations and fines and fees.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies, which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. *Deposits and Investments***

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. *Risk Management***

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement any replacement items purchased.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF AMBOY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

|  | General           | Motor<br>Vehicle<br>Highway | Local<br>Road<br>And<br>Street | Law<br>Enforcement<br>Continuing<br>Ed | Parks<br>And<br>Recreation | Criminal<br>Justice<br>-<br>Federal |
|--|-------------------|-----------------------------|--------------------------------|--|----------------------------|-------------------------------------|
| Cash and investments - beginning                   | \$ (3,268)        | \$ 24,366                   | \$ 11,410                      | \$ 772                                 | \$ (2,329)                 | \$ 11                               |
| Receipts:  |                   |                             |                                |  |                            |                                     |
| Intergovernmental                                  | 53,880            | 9,421                       | 1,898                          | -                                      | -                          | -                                   |
| Utility fees                                       | -                 | -                           | -                              | -                                      | -                          | -                                   |
| Other receipts                                     | 7,864             | -                           | -                              | -                                      | 1,400                      | -                                   |
| Total receipts                                     | <u>61,744</u>     | <u>9,421</u>                | <u>1,898</u>                   | <u>-</u>                               | <u>1,400</u>               | <u>-</u>                            |
| Disbursements:                                     |                   |                             |                                |  |                            |                                     |
| Personal services                                  | 7,574             | -                           | -                              | -                                      | -                          | -                                   |
| Supplies   | 689               | -                           | -                              | -                                      | -                          | -                                   |
| Other services and charges                         | 57,190            | 795                         | -                              | -                                      | 165                        | -                                   |
| Debt service - principal and interest              | -                 | -                           | -                              | -                                      | -                          | -                                   |
| Capital outlay                                     | -                 | -                           | -                              | -                                      | -                          | -                                   |
| Utility operating expenses                         | -                 | -                           | -                              | -                                      | -                          | -                                   |
| Other disbursements                                | 12                | -                           | -                              | -                                      | -                          | -                                   |
| Total disbursements                                | <u>65,465</u>     | <u>795</u>                  | <u>-</u>                       | <u>-</u>                               | <u>165</u>                 | <u>-</u>                            |
| Excess (deficiency) of receipts over disbursements | <u>(3,721)</u>    | <u>8,626</u>                | <u>1,898</u>                   | <u>-</u>                               | <u>1,235</u>               | <u>-</u>                            |
| Cash and investments - ending                      | <u>\$ (6,989)</u> | <u>\$ 32,992</u>            | <u>\$ 13,308</u>               | <u>\$ 772</u>                          | <u>\$ (1,094)</u>          | <u>\$ 11</u>                        |

TOWN OF AMBOY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

|  | Build<br>Indiana | Co<br>Economic<br>Development<br>Income<br>Tax | Cumulative<br>Capital<br>Improvement | Wastewater<br>Utility<br>-<br>Operating | Wastewater<br>Util<br>-<br>Bond<br>And Interest | Totals     |
|--|------------------|--|--------------------------------------|---|---|------------|
| Cash and investments - beginning                   | \$ 52            | \$ 16,809                                      | \$ 2,870                             | \$ 40,901                               | \$ 68,074                                       | \$ 159,668 |
| Receipts:  |                  |  |                                      |   |   |            |
| Intergovernmental                                  | -                | 3,625  | 1,054                                | -                                       | -   | 69,878     |
| Utility fees                                       | -                | -  | -                                    | 110,638                                 | -   | 110,638    |
| Other receipts                                     | -                | -  | -                                    | -                                       | 66,000  | 75,264     |
| Total receipts                                     | -                | 3,625  | 1,054                                | 110,638                                 | 66,000  | 255,780    |
| Disbursements:                                     |                  |  |                                      |   |   |            |
| Personal services                                  | -                | -  | -                                    | -                                       | -   | 7,574      |
| Supplies   | -                | -  | -                                    | -                                       | -   | 689        |
| Other services and charges                         | -                | 55   | -                                    | -                                       | -   | 58,205     |
| Debt service - principal and interest              | -                | -  | -                                    | -                                       | 15,000  | 15,000     |
| Capital outlay                                     | -                | 476  | -                                    | 334                                     | -   | 810        |
| Utility operating expenses                         | -                | -  | -                                    | 40,950                                  | 50,258  | 91,208     |
| Other disbursements                                | -                | -  | -                                    | 66,000                                  | -   | 66,012     |
| Total disbursements                                | -                | 531  | -                                    | 107,284                                 | 65,258  | 239,498    |
| Excess (deficiency) of receipts over disbursements | -                | 3,094  | 1,054                                | 3,354                                   | 742   | 16,282     |
| Cash and investments - ending                      | \$ 52            | \$ 19,903                                      | \$ 3,924                             | \$ 44,255                               | \$ 68,816                                       | \$ 175,950 |

TOWN OF AMBOY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

|   | General            | Motor<br>Vehicle<br>Highway | Local<br>Road<br>And<br>Street | Law<br>Enforcement<br>Continuing<br>Ed | Parks<br>And<br>Recreation | Co<br>Economic<br>Development<br>Income<br>Tax |
|---|--------------------|-----------------------------|--------------------------------|--|----------------------------|--|
| Cash and investments - beginning                      | \$ (6,989)         | \$ 32,992                   | \$ 13,308                      | \$ 772                                 | \$ (1,094)                 | \$ 19,903                                      |
| Receipts:   |                    |                             |                                |  |                            |  |
| Intergovernmental                                     | 46,319             | 9,521                       | 1,829                          | -                                      | -                          | 2,643  |
| Charges for services                                  | 4,412              | -                           | -                              | -                                      | 3,585                      | -  |
| Other receipts  | 35                 | -                           | -                              | -                                      | -                          | -  |
| Total receipts  | <u>50,766</u>      | <u>9,521</u>                | <u>1,829</u>                   | <u>-</u>                               | <u>3,585</u>               | <u>2,643</u>                                   |
| Disbursements:  |                    |                             |                                |  |                            |  |
| Personal services                                     | 5,261              | -                           | -                              | -                                      | -                          | -  |
| Supplies  | 519                | -                           | -                              | -                                      | -                          | -  |
| Other services and charges                            | 65,311             | 27,750                      | -                              | -                                      | -                          | -  |
| Debt service - principal and interest                 | -                  | -                           | -                              | -                                      | -                          | -  |
| Other disbursements                                   | -                  | -                           | -                              | -                                      | -                          | -  |
| Total disbursements                                   | <u>71,091</u>      | <u>27,750</u>               | <u>-</u>                       | <u>-</u>                               | <u>-</u>                   | <u>-</u>                                       |
| Excess (deficiency) of receipts over<br>disbursements | <u>(20,325)</u>    | <u>(18,229)</u>             | <u>1,829</u>                   | <u>-</u>                               | <u>3,585</u>               | <u>2,643</u>                                   |
| Cash and investments - ending                         | <u>\$ (27,314)</u> | <u>\$ 14,763</u>            | <u>\$ 15,137</u>               | <u>\$ 772</u>                          | <u>\$ 2,491</u>            | <u>\$ 22,546</u>                               |

TOWN OF AMBOY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

|   | Cumulative<br>Capital<br>Improvement | Criminal<br>Justice<br>-<br>Federal | Build<br>Indiana | Wastewater<br>Utility<br>-<br>Operating | Wastewater<br>Util<br>-<br>Bond<br>And Interest | Totals     |
|---|--------------------------------------|-------------------------------------|------------------|---|---|------------|
| Cash and investments - beginning                      | \$ 3,924                             | \$ 11                               | \$ 52            | \$ 44,255                               | \$ 68,816                                       | \$ 175,950 |
| Receipts:   |                                      |                                     |                  |   |   |            |
| Intergovernmental                                     | 1,034                                | -                                   | -                | -                                       | -   | 61,346     |
| Charges for services                                  | -                                    | -                                   | -                | 106,146                                 | -   | 114,143    |
| Other receipts  | -                                    | -                                   | -                | -                                       | 66,000  | 66,035     |
| Total receipts  | 1,034                                | -                                   | -                | 106,146                                 | 66,000  | 241,524    |
| Disbursements:  |                                      |                                     |                  |   |   |            |
| Personal services                                     | -                                    | -                                   | -                | -                                       | -   | 5,261      |
| Supplies  | -                                    | -                                   | -                | -                                       | -   | 519        |
| Other services and charges                            | -                                    | -                                   | -                | 51,625                                  | -   | 144,686    |
| Debt service - principal and interest                 | -                                    | -                                   | -                | -                                       | 65,591  | 65,591     |
| Other disbursements                                   | -                                    | -                                   | -                | 66,000                                  | -   | 66,000     |
| Total disbursements                                   | -                                    | -                                   | -                | 117,625                                 | 65,591  | 282,057    |
| Excess (deficiency) of receipts over<br>disbursements | 1,034                                | -                                   | -                | (11,479)                                | 409   | (40,533)   |
| Cash and investments - ending                         | \$ 4,958                             | \$ 11                               | \$ 52            | \$ 32,776                               | \$ 69,225                                       | \$ 135,417 |

TOWN OF AMBOY  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2011

| Government or Enterprise | Accounts<br>Payable | Accounts<br>Receivable |
|--------------------------|---------------------|------------------------|
| Governmental activities  | \$ 4,267            | \$ 3,355               |
| Wastewater               | <u>65,591</u>       | <u>105,305</u>         |
| Totals                   | <u>\$ 69,858</u>    | <u>\$ 108,660</u>      |

TOWN OF AMBOY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2011

| Description of Debt          |                         | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|------------------------------|-------------------------|--------------------------------|---|
| Type                         | Purpose                 |                                |   |
| Wastewater:<br>Revenue Bonds | Wastewater Construction | 1,145,000                      | 64,904  |
| Totals                       |                         | <u>\$ 1,145,000</u>            | <u>\$ 64,904</u>                                    |

TOWN OF AMBOY  
EXAMINATION RESULTS AND COMMENTS

**APPROPRIATIONS**

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

| <u>Fund</u>           | <u>Years</u> | <u>Excess<br/>Amount<br/>Expended</u> |
|-----------------------|--------------|---------------------------------------|
| General               | 2010         | \$ 10,448                             |
| General               | 2011         | 30,584                                |
| Motor Vehicle Highway | 2011         | 17,097                                |

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

**OFFICIAL BOND**

The following official's bond was not filed in the Office of the County Recorder: Danyel M. Miller, Clerk-Treasurer.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

**CAPITAL ASSET RECORDS**

The Town and the Wastewater Utility did not maintain capital asset records as required.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**OVERDRAWN FUND BALANCES**

The General Fund was overdrawn in 2010 and 2011. The Park Fund was overdrawn in 2010.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF AMBOY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***DELINQUENT WASTEWATER ACCOUNTS***

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor the examination period 2010 and 2011, which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
  - (B) A description of the premises, as shown by the records of the county auditor; and
  - (C) The amount of the delinquent fees, together with the penalty; or
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

***PRESCRIBED FORMS***

The following prescribed or approved forms were not always in use: Form 99B Employees Earnings Record, Form 217 Clerk-Treasurers Receipt, 211 Capital Assets Ledger, Form 313A Register of Daily Cash Receipts, and Form 321 Consumers Ledger.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF AMBOY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**CONDITION OF RECORDS**

The following deficiencies, relating to the recordkeeping that were cited in the Reports B18934, B27866, B27867, B32937, and B37152 were again present during our period of audit:

1. Record balances were not reconciled to depository balances during the two year period.

Indiana Code 5-13-6-1(e) states, in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

2. Year-to-date totals for receipts and disbursements were not maintained.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**SALARY ORDINANCE**

The Town Council did not formally adopt a salary ordinance for the years covered by this examination. A similar comment was noted in prior Reports B18934, B27867, B32937, and B37152.

All compensation and benefits paid to officials and employees must be included in the labor contracts, salary ordinance, and resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**PENALTIES AND INTEREST**

Penalties and interest totaling \$59.23 were paid to the Internal Revenue Service on November 9, 2011, for the period 2011.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF AMBOY  
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2012, with Mary Brown, Clerk-Treasurer. The official concurred with our findings.