



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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November 17, 2023

TO: THE OFFICIALS OF THE TOWN OF AMBIA, BENTON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Ambia (Town), Benton County, for the period of January 1, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

The Town did not create the Motor Vehicle Highway (MVH) - Restricted fund for 2019, 2020, 2021, or 2022 as required; therefore, the Town did not post 50 percent of the State MVH distribution to the MVH Restricted fund. The Town should have posted the following amounts to the MVH Restricted fund: 2019 - \$5,143; 2020 - \$4,536; 2021 - \$5,013; and 2022 - \$4,891.

Criteria

The purpose of this Directive is to authorize and require . . . cities, and towns that receive distributions from the State Motor Vehicle Highway Account to **create a new sub-fund within the MVH Fund** to properly manage and account for the usage restrictions that were included in House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018. (State Examiner Directive 2018-2)

CAPITAL ASSETS

Condition and Context

The Town had not adopted a capital assets policy during the engagement period. In addition, the Town had not conducted a physical inventory or kept record of its capital assets.

Criteria

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

ANNUAL FINANCIAL REPORT - LATE SUBMISSION

Condition and Context

The Town's Annual Financial Report (AFR) for 2020 was not filed electronically until March 8, 2021, which was six days past the due date, AFR for 2021 was not filed electronically until March 3, 2022, which was one day past the due date, and AFR for 2022 was not filed electronically until March 4, 2023, which was two days past the due date.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2022

Fund	Cash and Investments 12-31-22
General	\$ 43,685
Motor Vehicle Highway	61,608
Local Road And Street	11,115
Parks And Recreation	897
Cedit	25,893
LOIT Special Distribution	2,817
Cumulative Capl Imprv Cig Tax	5,629
LOIT-Public Safety	6,524
ARP American Rescue Plan	51,444
Water Utility-Depreciation	5,550
Water Utility-Operating	16,261
Water Utility-Customer Deposit	<u>5,560</u>
Total	<u>\$ 236,983</u>

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

The contents of this report were communicated to Christine M. Brost, Clerk-Treasurer, and Velma Martinez, Clerical Council, on October 31, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner