

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

**Paul D. Joyce, CPA
State Examiner**

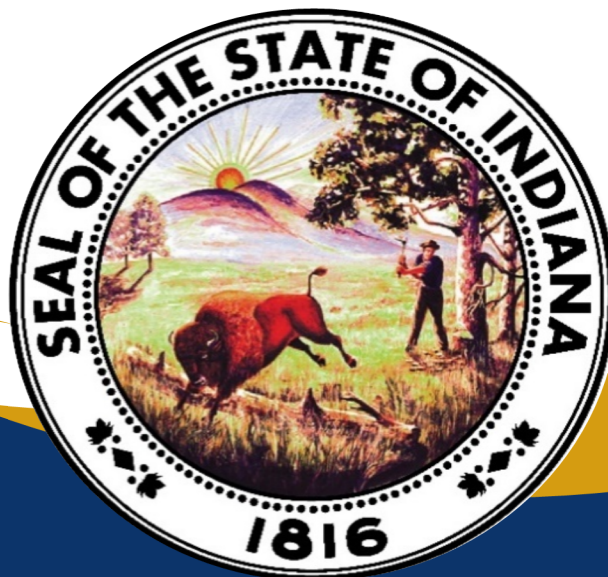
SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF AMBOY

MIAMI COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
11/26/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary Brown	01-01-20 to 12-31-24
President of the Town Council	Linda Sutton	01-01-20 to 12-31-24



Paul D. Joyce, CPA
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INDIANA STATE BOARD OF ACCOUNTS

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

This report is supplemental to the audit report of the Town of Amboy (Town), for the period from January 1, 2020 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with the Financial Statements Audit Report of the Town, which provides our opinions on the Town's financial statements. This report may be found at www.in.gov/sboa/.

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

November 6, 2024



CLERK-TREASURER
TOWN OF AMBOY

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

The same comment appeared in prior Report B55106.

Condition and Context

There were deficiencies in the internal control system of the Town related to financial transactions and reporting, cash and investments, receipts, disbursements, and compliance with laws and regulations. The Town had not separated incompatible activities related to all areas of the financial statements. The failure to establish these internal controls could enable material misstatements and noncompliance to occur and remain undetected.

Financial Close and Reporting

The Town had not properly designed or implemented a system of internal controls to ensure compliance with the submission of the Annual Financial Report (AFR) in the Indiana Gateway for Government Units financial reporting system. The Clerk-Treasurer was responsible for entering the Town's financial information into its AFR, which is the source of the financial statement. There was no internal control process regarding review, oversight, or approval to ensure the Town's financial information was accurately submitted in its AFR.

Cash and Investment

The Town had not properly designed or implemented a system of internal controls to ensure compliance with bank reconciliations. There was no oversight or review process to ensure bank reconciliations were completed and accurate.

Receipts

The Town had not properly designed or implemented a system of internal controls to ensure accurate recording and reporting of receipts, including transfers. Although the Town did implement internal controls over receipts, the internal controls were not effective in preventing, or detecting and correcting, errors. The Clerk-Treasurer recorded monthly Wastewater transfers in the records without processing a receipt, and there was no oversight or review process of these transactions.

Disbursements

The Town had designed a system of internal controls over vendor disbursements; however, those internal controls were not effective in preventing noncompliance related to transfers. Additionally, the Town had not properly designed or implemented a system of internal controls over payroll disbursements to prevent, or detect and correct, errors.

Compliance

Internal controls were not in place to ensure the Town was complying with applicable laws and regulations. As a result, the following issues were identified and further explained in subsequent comments:

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

- Annual Financial Report
- Monthly and Annual Uploads
- Transaction Recording
- Bank Account Reconciliations
- Condition of Records
- Receipt Issuance
- Capital Assets
- Fund Sources and Uses
- Approval of Claims
- Appropriations
- Overdrawn Cash Balances
- Advance Payments

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

ANNUAL FINANCIAL REPORT

The same comment appeared in prior Report B55106.

Condition and Context

The Town's Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units financial reporting system. The Town had not established effective internal controls over the information submitted in the AFR, which resulted in the following errors:

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

Financial Information

Schedule of Errors on AFR				
Fund	2020	2021	2022	2023
Beginning Cash and Investment Balances:				
General	\$ 22,903	\$ -	\$ 1,379	\$ -
Motor Vehicle Highway	-	-	17,309	-
Motor Vehicle Highway Restricted	-	-	(14,646)	-
Local Road And Street	11,485	-	14,604	-
Wastewater Utility-Operating	9,907	-	(10,299)	-
Wastewater Util-Bond And Interest	-	-	115,120	-
	<u>-</u>	<u>-</u>	<u>115,120</u>	<u>-</u>
Total Beginning Cash and Investment Balances	<u>\$ 44,295</u>	<u>\$ -</u>	<u>\$ 123,467</u>	<u>\$ -</u>
Receipts:				
General	\$ (39,898)	\$ (79,818)	\$ 52,589	\$ 21,939
Motor Vehicle Highway	7,243	10,066	7,215	11,716
Motor Vehicle Highway Restricted	(7,243)	(7,358)	(7,214)	(6,272)
Local Road and Street	-	3,120	-	-
Sewer Lien Clearing	9,000	-	-	-
Cares Act	-	(11,971)	-	-
INDOT Grant	-	-	-	(196,131)
Wastewater Utility-Operating	6,531	(17,138)	(2,563)	1,815
	<u>6,531</u>	<u>(17,138)</u>	<u>(2,563)</u>	<u>1,815</u>
Total Receipts	<u>\$ (24,367)</u>	<u>\$ (103,099)</u>	<u>\$ 50,027</u>	<u>\$ (166,933)</u>
Disbursements:				
General	\$ (51,570)	\$ (46,621)	\$ 9,978	\$ 49,301
Motor Vehicle Highway	-	-	-	25,000
Motor Vehicle Highway Restricted	-	-	-	(25,000)
Sewer Lien Clearing	9,000	-	-	-
Cares Act	-	(11,971)	-	-
INDOT Grant	-	-	-	(157,201)
Wastewater Utility-Operating	(22,689)	32,287	(10,566)	-
Wastewater Util-Bond And Interest	(4,500)	(110,619)	-	-
	<u>(4,500)</u>	<u>(110,619)</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>\$ (69,759)</u>	<u>\$ (136,924)</u>	<u>\$ (588)</u>	<u>\$ (107,900)</u>
Ending Cash and Investment Balances:				
General	\$ 34,575	\$ (33,197)	\$ 43,990	\$ (27,362)
Motor Vehicle Highway	7,243	10,066	24,524	(13,284)
Motor Vehicle Highway Restricted	(7,243)	(7,358)	(21,860)	18,728
Local Road and Street	11,485	3,120	14,604	-
Sewer Lien Clearing	-	-	-	-
Cares Act	-	-	-	-
INDOT Grant	-	-	-	(38,930)
Wastewater Utility-Operating	39,127	(49,425)	(2,296)	1,815
Wastewater Util-Bond And Interest	4,500	110,619	115,120	-
	<u>4,500</u>	<u>110,619</u>	<u>115,120</u>	<u>-</u>
Total Ending Cash and Investment Balances	<u>\$ 89,687</u>	<u>\$ 33,825</u>	<u>\$ 174,082</u>	<u>\$ (59,033)</u>

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

Audit adjustments were proposed, accepted by the Town, and made to the financial statements and Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented in the Financial Statements Audit Report of the Town and to the AFR.

Capital Assets

The Town did not maintain a capital asset ledger; therefore, the amounts reported for capital assets in the AFR for each year of the audit period could not be verified.

Leases and Debt

The Town reported the Sewer Revenue Bonds ending principal balance was overstated by \$45,000 and the principal and interest due within one year was understated by \$24,000 in 2020. The Town did not report any debt for the years 2021-2023; however, the Town still had the same Sewer Revenue Bonds debt for those years.

Accounts Receivable/Accounts Payable

The Town reported accounts receivable in the AFR for each year of the engagement period; however, the Town did not maintain supporting documentation for the accounts receivable so the amounts could not be verified.

The financial reporting framework utilized by the Town includes the option to present a Schedule of Capital Assets, Schedule of Leases and Debt, and Schedule of Payables and Receivables as Other Information in the Financial Statements Audit Report of the Town. The Town elected not to present any of these schedules.

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 as set forth in the uniform compliance guidelines. 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](#)."

MONTHLY AND ANNUAL UPLOADS

Condition and Context

Internal controls were not in place to ensure compliance with monthly and annual upload requirements.

The files and governmental unit information that are required to be uploaded monthly include the bank reconciliements, approved Town Council minutes, and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, current year salary ordinance, and an annual vendor history report.

The Town did not comply with the State Examiner Directive 2018-1. The Town did not upload all of the monthly files on the Indiana Gateway for Government Units financial reporting system for 2020 and 2021. The Town did not upload any monthly files for 2022 and 2023. Additionally, the Town did not upload any of the required annual files for 2020, 2021, 2022, and 2023.

Criteria

Beginning with July 2018 files, which will be due September 15, 2018, **all** cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

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 Cities and Towns, Chapter 1)

TRANSACTION RECORDING

A similar comment appeared in prior Report B55106, entitled *TIMELY RECORDING*.

Condition and Context

The Town did not have adequate internal controls in place to ensure receipts were properly recorded in the financial records.

Receipts and disbursements were not recorded in a timely manner. For the local distributions tested, 1 percent of the distributions during the audit period were not posted timely. For the sample of vendor disbursements tested, 5 percent were not posted to the financial ledger timely.

Additionally, the Town did not record the license excise and property tax distributions for December 2023 in its financial ledger in the amounts of \$2,190 and \$23,345, respectively.

Criteria

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

BANK RECONCILIATIONS

A similar comment appeared in prior Report B55106, entitled *CONDITION OF RECORDS*.

Condition and Context

The Town did not have adequate internal controls in place to ensure bank reconciliations were performed and accurate. Bank reconciliations were not performed for December 31, 2020, 2021, 2022, and 2023. Reconciliations of the bank statements to the financial ledgers were not performed on a monthly basis throughout the audit period. Based on limited procedures performed to recreate the reconcilements at December 31 of each year of the audit period, variances of \$1,197 and \$466 were noted as of December 31, 2020, and December 31, 2022, respectively.

Criteria

Indiana Code 5-13-6-1(e) states: "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."

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

CONDITION OF RECORDS

A similar comment appeared in prior Report B55106.

Condition and Context

The Town did not have adequate internal controls in place to ensure the financial ledger was properly maintained and accurate. The Town maintained a manual financial ledger by fund; however, the financial ledger did not include all transactions as noted in the *TRANSACTION RECORDING* comment above, and the financial ledger did not include monthly or year-to-date totals for receipts and disbursements for all funds as the form requires.

Criteria

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

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

RECEIPT ISSUANCE

The same comment appeared in prior Report B55106.

Condition and Context

The Town did not have adequate internal controls in place to ensure that the proper receipt forms were used and recorded in the financial ledger appropriately. The Town did not issue receipts for all money received. Receipts were not issued for all local tax distributions, all state tax distributions, and 41 of the 44 other receipts tested for the audit period. Additionally, 11 percent of state distributions, 14 percent of local distributions, and 8 of 44 other receipts tested were recorded in the financial ledger without a specific transaction date.

Criteria

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CAPITAL ASSETS

The same comment appeared in a Management Letter addressed to the Clerk-Treasurer for the audit period ending December 31, 2019.

Condition and Context

The Town did not have adequate internal controls in place to ensure that the capital asset records were properly maintained and physical inventory performed. The Town did implement a policy that detailed the threshold at which an item is considered a capital asset. However, the Town did not properly maintain a detailed listing of all capital assets owned, reflecting their acquisition value. Additionally, no evidence was provided to indicate that a physical inventory was being performed at least every two years.

Criteria

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

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

FUND SOURCES AND USES

Condition and Context

The Town did not have adequate internal controls in place to ensure that required funds were established and maintained and that receipts were receipted into the appropriate funds. The General fund is used to account for all financial resources except those required to be accounted for in another fund. The Town did not establish and maintain some funds required by state statute. The Town received monthly distributions for a Riverboat fund, LIT Public Safety fund, and Cumulative Capital Improvement - Cigarette Tax fund; however, these funds were not created and maintained in the financial records. Amounts received for these funds were receipted into the General fund. Additionally, the Town received distributions for the Local Road and Street and Motor Vehicle Highway funds in which some of the receipts were receipted into the General fund in 2021 and 2023.

Criteria

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

APPROVAL OF CLAIMS

A similar comment appeared in prior report B55106, entitled *TRANSFERS*.

Condition and Context

The Town did not have adequate internal controls in place to ensure that transfers and debt payments were properly approved. The Town did not have governance approve any of the monthly transfers from the Wastewater Operating to the Wastewater Bond for 2021-2023 or the transfers in 2023 from the Motor Vehicle Highway fund, the Motor Vehicle Highway Restricted fund, the Co Economic Development Income Tax fund, and the Local Road and Street fund to the INDOT Grant for the matching grant. Additionally, 4 of 15 debt payments tested were not approved by governance.

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless . . .

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

The same comment appeared in prior Report B55106.

Condition and Context

The Town did not have adequate internal controls in place to ensure disbursements did not exceed approved appropriations. The records presented for audit indicated the following disbursements in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
General	2020	\$ 53,884
General	2021	46,690
General	2022	29,080
General	2023	4,476
Local Road And Street	2023	34,400
Motor Vehicle Highway	2023	15,000

Criteria

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."

OVERDRAWN CASH BALANCES

Condition and Context

The following funds were overdrawn at respective year ends:

Fund	December 31, 2021 Amount Overdrawn	December 31, 2023 Amount Overdrawn
Wastewater Util-Bond And Interest	\$ 33,204	\$ -
Local Road And Street	-	12,804

Criteria

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

CLERK-TREASURER
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

ADVANCE PAYMENTS

The same comment appeared in prior Report B55106.

Condition and Context

The Town paid the Clerk-Treasurer in advance of services performed to the Town. The Clerk-Treasurer completed the payroll process and issued checks at the beginning of each month for that month instead of paying at the end of each month.

Criteria

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF AMBOY
EXIT CONFERENCE

The contents of this report were discussed on November 6, 2024, with Mary Brown, Clerk-Treasurer, and Cheryl Wallace, Town Council member.

TOWN COUNCIL
TOWN OF AMBOY

TOWN COUNCIL
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

The Town did not have adequate internal controls in place to ensure compliance with applicable laws and regulations. As a result, the following issues were identified and explained further in the comments below:

- Contracts
- Appropriations

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

CONTRACTS

Condition and Context

The Town did not have adequate internal controls in place to ensure compliance with contracts. The Town did not have a contracting policy in place during the audit period. Consequently, the lack of a policy allowed the Town to enter into a public works contract between \$50,000-\$150,000 without having a written contract signed by governance. Additionally, the lack of a policy allowed the Town to enter into a public works contract for less \$50,000 without obtaining quotes from at least three persons.

Criteria

Indiana Code 36-1-12-5 states:

"(a) This section applies whenever a public work project is estimated to cost less than fifty thousand dollars (\$50,000). Except as provided in subsection (g) for local boards of aviation commissioners and local airport authorities, if a contract is to be awarded, the board may proceed under section 4 of this chapter or under subsection (b) or (c).

TOWN COUNCIL
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

(b) The board must proceed under the following provisions:

(1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by either of the following:

(A) Mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes. The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.

(B) Soliciting at least three (3) quotes by telephone, facsimile transmission, or electronic mail. The seven (7) day waiting period required by clause (A) does not apply to quotes solicited under this clause. A quote received under this clause shall be reported to the board during the public meeting at which the contract is considered. The name of each person submitting a quote, and the amount of each quote, shall be read aloud at the public meeting.

(2) The board shall award the contract for the public work to the lowest responsible and responsive quoter.

(3) The board may reject all quotes submitted.

(4) If the board rejects all quotes under subdivision (3), the board may negotiate and enter into agreements for the work in the open market without inviting or receiving quotes if the board establishes in writing the reasons for rejecting the quotes. . . ."

Indiana Code 36-1-12-4.7 states:

"(a) This section applies whenever a public work project is estimated to cost at least the following:

(1) Fifty thousand dollars (\$50,000) and less than three hundred thousand dollars (\$300,000), if the political subdivision is a school corporation.

(2) Fifty thousand dollars (\$50,000) and less than one hundred fifty thousand dollars (\$150,000), if the political subdivision is not a school corporation.

(b) The board must proceed under the following provisions:

(1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.

(2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.

TOWN COUNCIL
TOWN OF AMBOY
AUDIT RESULTS AND COMMENTS
(Continued)

- (3) The board shall award the contract for the public work to the lowest responsible and responsive quoter.
- (4) The board may reject all quotes submitted."

APPROPRIATIONS

The same comment appeared in prior Report B55106.

Condition and Context

The Town did not have adequate internal controls in place to ensure disbursements did not exceed approved appropriations. The records presented for audit indicated the following disbursements in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
General	2020	\$ 53,884
General	2021	46,690
General	2022	29,080
General	2023	4,476
Local Road And Street	2023	34,400
Motor Vehicle Highway	2023	15,000

Criteria

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."

TOWN COUNCIL
TOWN OF AMBOY
EXIT CONFERENCE

The contents of this report were discussed on November 6, 2024, with Mary Brown, Clerk-Treasurer, and Cheryl Wallace, Town Council member.