

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

AUDIT REPORT

OF

TOWN OF AMBOY

MIAMI COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
09/12/2006



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lou Ann Sharp	01-01-04 to 12-31-07
President of the Town Council	Jack Hunt	01-01-04 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amboy (Town), as of and for the years ended December 31, 2004 and 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2004 and 2005, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated August 4, 2006, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Town taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the table of contents, is presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedules, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STATE BOARD OF ACCOUNTS

August 4, 2006



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

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

We have audited the financial statements of the Town of Amboy (Town), as of and for the years ended December 31, 2004 and 2005, and have issued our report thereon dated August 4, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2005-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item Finding No. 2005-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe none of the reportable conditions described above is a material weakness.

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

This report is intended solely for the information and use of the Town's management and federal awarding agencies and pass-through entities 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

August 4, 2006

TOWN OF AMBOY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2004

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>	<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Primary Government Governmental Activities</u>
Primary government:			
Governmental activities:			
General government	\$ 59,478	\$ 3,705	\$ (55,773)
Public safety	-	3	3
Highways and streets	437	-	(437)
Economic development	585	-	(585)
Culture and recreation	581	-	(581)
	<u>\$ 61,081</u>	<u>\$ 3,708</u>	<u>(57,373)</u>
Total primary government			
	<u>\$ 61,081</u>	<u>\$ 3,708</u>	<u>(57,373)</u>
General receipts:			
Property taxes			44,650
Grants and contributions not restricted to specific programs			23,758
Unrestricted investment earnings			331
			<u>68,739</u>
			68,739
			11,366
			11,366
			101,938
			101,938
			\$ 113,304
			<u>\$ 113,304</u>
<u>Assets</u>			
Cash and investments			\$ 3,035
Restricted assets:			
Cash and investments			110,269
			<u>110,269</u>
Total assets			<u>\$ 113,304</u>
			<u>\$ 113,304</u>
<u>Net Assets</u>			
Restricted for:			
Public safety			\$ 783
Highways and streets			85,392
Capital outlay			12,282
Other purposes			11,812
Unrestricted			3,035
			<u>3,035</u>
Total net assets			<u>\$ 113,304</u>
			<u>\$ 113,304</u>

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

TOWN OF AMBOY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2004

	<u>General</u>	<u>Motor Vehicle Highway</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
<b>Receipts:</b>				
Taxes	\$ 42,518	\$ -	\$ 3,430	\$ 45,948
Intergovernmental	1,256	11,142	3,476	15,874
Charges for services	3,708	-	-	3,708
Other	<u>6,628</u>	<u>105</u>	<u>184</u>	<u>6,917</u>
 Total receipts	 <u>54,110</u>	 <u>11,247</u>	 <u>7,090</u>	 <u>72,447</u>
<b>Disbursements:</b>				
General government	59,478	-	-	59,478
Highways and streets	-	437	-	437
Culture and recreation	-	-	581	581
Capital outlay:				
Highways and streets	<u>-</u>	<u>-</u>	<u>585</u>	<u>585</u>
 Total disbursements	 <u>59,478</u>	 <u>437</u>	 <u>1,166</u>	 <u>61,081</u>
 Excess (deficiency) of receipts over (under) disbursements	 <u>(5,368)</u>	 <u>10,810</u>	 <u>5,924</u>	 <u>11,366</u>
 Cash and investment fund balance - beginning	 <u>8,403</u>	 <u>59,040</u>	 <u>34,495</u>	 <u>101,938</u>
 Cash and investment fund balance - ending	 <u>\$ 3,035</u>	 <u>\$ 69,850</u>	 <u>\$ 40,419</u>	 <u>\$ 113,304</u>
 <u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 3,035	\$ -	\$ -	\$ 3,035
Restricted assets:				
Cash and investments	<u>-</u>	<u>69,850</u>	<u>40,419</u>	<u>110,269</u>
 Total cash and investment assets - December 31	 <u>\$ 3,035</u>	 <u>\$ 69,850</u>	 <u>\$ 40,419</u>	 <u>\$ 113,304</u>
 <u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Public safety	\$ -	\$ -	\$ 783	\$ 783
Highway and streets	-	69,850	15,542	85,392
Debt service	-	-	12,282	12,282
Other purposes	-	-	11,812	11,812
Unrestricted	<u>3,035</u>	<u>-</u>	<u>-</u>	<u>3,035</u>
 Total cash and investment fund balance - December 31	 <u>\$ 3,035</u>	 <u>\$ 69,850</u>	 <u>\$ 40,419</u>	 <u>\$ 113,304</u>

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

TOWN OF AMBOY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2005

Functions/Programs	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 58,765	\$ 3,190	\$ -	\$ (55,575)	\$ -	\$ (55,575)
Highways and streets	1,188	-	-	(1,188)	-	(1,188)
Total governmental activities	59,953	3,190	-	(56,763)	-	(56,763)
Business-type activities:						
Wastewater	2,517,261	52,795	1,265,923	-	(1,198,543)	(1,198,543)
Total primary government	<u>\$ 2,577,214</u>	<u>\$ 55,985</u>	<u>\$ 1,265,923</u>	<u>(56,763)</u>	<u>(1,198,543)</u>	<u>(1,255,306)</u>
General receipts:						
Property taxes				69,473	-	69,473
Bonds and loans				-	1,219,000	1,219,000
Grants and contributions not restricted to specific programs				20,826	-	20,826
Unrestricted investment earnings				722	-	722
Total general receipts				<u>91,021</u>	<u>1,219,000</u>	<u>1,310,021</u>
Change in net assets				34,258	20,457	54,715
Net assets - beginning				<u>113,304</u>	<u>-</u>	<u>113,304</u>
Net assets - ending				<u>\$ 147,562</u>	<u>\$ 20,457</u>	<u>\$ 168,019</u>
<u>Assets</u>						
Cash and investments				\$ 20,744	\$ 20,457	\$ 41,201
Restricted assets:						
Cash and investments				126,818	-	126,818
Total assets				<u>\$ 147,562</u>	<u>\$ 20,457</u>	<u>\$ 168,019</u>
<u>Net Assets</u>						
Restricted for:						
Public safety				\$ 783	\$ -	\$ 783
Highway and streets				97,362	-	97,362
Capital outlay				13,395	-	13,395
Other purposes				15,278	-	15,278
Unrestricted				<u>20,744</u>	<u>20,457</u>	<u>41,201</u>
Total net assets				<u>\$ 147,562</u>	<u>\$ 20,457</u>	<u>\$ 168,019</u>

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

TOWN OF AMBOY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2005

	General	Motor Vehicle Highway	Other Governmental Funds	Totals
Receipts:				
Taxes	\$ 66,007	\$ -	\$ 3,466	\$ 69,473
Intergovernmental	1,226	10,983	3,288	15,497
Charges for services	3,010	-	-	3,010
Fines and forfeits	180	-	-	180
Other	6,051	-	-	6,051
	6,051	-	-	6,051
Total receipts	76,474	10,983	6,754	94,211
Disbursements:				
General government	58,765	-	-	58,765
Highways and streets	-	1,188	-	1,188
	-	1,188	-	1,188
Total disbursements	58,765	1,188	-	59,953
Excess of receipts over disbursements	17,709	9,795	6,754	34,258
Cash and investment fund balance - beginning	3,035	69,850	40,419	113,304
Cash and investment fund balance - ending	\$ 20,744	\$ 79,645	\$ 47,173	\$ 147,562
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 20,744	\$ -	\$ -	\$ 20,744
Restricted assets:				
Cash and investments	-	79,645	47,173	126,818
	-	79,645	47,173	126,818
Total cash and investment assets - December 31	\$ 20,744	\$ 79,645	\$ 47,173	\$ 147,562
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Public safety	\$ -	\$ -	\$ 783	\$ 783
Highways and streets	-	79,645	17,717	97,362
Capital outlay	-	-	13,395	13,395
Other purposes	-	-	15,278	15,278
Unrestricted	20,744	-	-	20,744
Total cash and investment fund balance - December 31	\$ 20,744	\$ 79,645	\$ 47,173	\$ 147,562

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

TOWN OF AMBOY  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As of and for the Year Ended December 31, 2005

	<u>Wastewater Utility</u>
Operating receipts:	
Flat rate receipts	\$ <u>52,795</u>
Operating disbursements:	
Equipment and capital improvements	1,601
Insurance claims and premiums	488
Salaries and wages	1,868
Purchased power	29
Material and supplies	2,094
Miscellaneous disbursements	<u>363</u>
Total operating disbursements	<u>6,443</u>
Excess of operating receipts over operating disbursements	<u>46,352</u>
Nonoperating receipts (disbursements):	
Bond proceeds	1,219,000
Capital construction	(2,480,696)
Miscellaneous disbursements	<u>(30,122)</u>
Total nonoperating receipts (disbursements)	<u>(1,291,818)</u>
Deficiency of receipts under disbursements and nonoperating disbursements	(1,245,466)
Capital contributions	<u>1,265,923</u>
Excess of receipts, contributions and transfers in over disbursements and transfers out	20,457
Cash and investment fund balance - beginning	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 20,457</u>
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	<u>\$ 20,457</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Unrestricted	<u>\$ 20,457</u>

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

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENTS

I. 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 Council-Mayor Town Council form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, general administrative services, and wastewater.

The Town's financial reporting entity is composed of the following:

Primary Government: Town of Amboy

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The motor vehicle and highway fund (MVH) accounts for state motor vehicle highway distributions and property tax distributions from the County to be used for the construction and maintenance of streets and alleys. A restricted portion can be used for law enforcement purposes.

The Town reports the following major proprietary fund:

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations and collection systems.

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, 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 cash and investment 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. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Wastewater and the Town. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The Town does not have any internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds).

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

On or before August 31, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

TOWN OF AMBOY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2005, the bank balance was insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

IV. Other Information

A. Risk Management

The Town is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illnesses or Injuries

During 2003, the Town joined with other governmental entities in the Indiana Public Employers Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers compensation claims. The Town pays an annual premium to the risk pool for its job related illness or injury coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Rate Structure – Enterprise Fund

Wastewater Utility

The current rate structure was approved by the Town Council on February 21, 2005.

TOWN OF AMBOY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2004

	Local Road and Street	Criminal Justice	Law Enforcement Continuing Education	Build Indiana	County Economic Development Income Tax	Cumulative Capital Improvement	Amboy Festival	Totals
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,430	\$ -	\$ -	\$ 3,430
Intergovernmental	2,133	-	-	-	-	1,343	-	3,476
Other	184	-	-	-	-	-	-	184
Total receipts	<u>2,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,430</u>	<u>1,343</u>	<u>-</u>	<u>7,090</u>
Disbursements:								
Culture and recreation	-	-	-	581	-	-	-	581
Capital outlay:								
Highways and streets	-	-	-	-	-	585	-	585
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>581</u>	<u>-</u>	<u>585</u>	<u>-</u>	<u>1,166</u>
Excess (deficiency) of receipts over (under) disbursements	2,317	-	-	(581)	3,430	758	-	5,924
Cash and investment fund balance - beginning	<u>13,225</u>	<u>11</u>	<u>772</u>	<u>633</u>	<u>8,263</u>	<u>11,524</u>	<u>67</u>	<u>34,495</u>
Cash and investment fund balance - ending	<u>\$ 15,542</u>	<u>\$ 11</u>	<u>\$ 772</u>	<u>\$ 52</u>	<u>\$ 11,693</u>	<u>\$ 12,282</u>	<u>\$ 67</u>	<u>\$ 40,419</u>
<u>Cash and Investment Assets - December 31</u>								
Restricted assets:								
Cash and investments	<u>\$ 15,542</u>	<u>\$ 11</u>	<u>\$ 772</u>	<u>\$ 52</u>	<u>\$ 11,693</u>	<u>\$ 12,282</u>	<u>\$ 67</u>	<u>\$ 40,419</u>
<u>Cash and Investment Fund Balance - December 31</u>								
Restricted for:								
Public safety	\$ -	\$ 11	\$ 772	\$ -	\$ -	\$ -	\$ -	\$ 783
Highway and streets	15,542	-	-	-	-	-	-	15,542
Capital outlay	-	-	-	-	-	12,282	-	12,282
Other purposes	-	-	-	52	11,693	-	67	11,812
Total cash and investment fund balance - December 31	<u>\$ 15,542</u>	<u>\$ 11</u>	<u>\$ 772</u>	<u>\$ 52</u>	<u>\$ 11,693</u>	<u>\$ 12,282</u>	<u>\$ 67</u>	<u>\$ 40,419</u>

TOWN OF AMBOY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005

	Local Road and Street	Criminal Justice	Law Enforcement Continuing Education	Build Indiana	County Economic Development Income Tax	Cumulative Capital Improvement	Amboy Festival	Totals
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,466	\$ -	\$ -	\$ 3,466
Intergovernmental	2,175	-	-	-	-	1,113	-	3,288
Total receipts	2,175	-	-	-	3,466	1,113	-	6,754
Disbursements:								
General government	-	-	-	-	-	-	-	-
Excess of receipts over disbursements	2,175	-	-	-	3,466	1,113	-	6,754
Cash and investment fund balance - beginning	15,542	11	772	52	11,693	12,282	67	40,419
Cash and investment fund balance - ending	<u>\$ 17,717</u>	<u>\$ 11</u>	<u>\$ 772</u>	<u>\$ 52</u>	<u>\$ 15,159</u>	<u>\$ 13,395</u>	<u>\$ 67</u>	<u>\$ 47,173</u>
<u>Cash and Investment Assets - December 31</u>								
Restricted assets:								
Cash and investments	<u>\$ 17,717</u>	<u>\$ 11</u>	<u>\$ 772</u>	<u>\$ 52</u>	<u>\$ 15,159</u>	<u>\$ 13,395</u>	<u>\$ 67</u>	<u>\$ 47,173</u>
<u>Cash and Investment Fund Balance - December 31</u>								
Restricted for:								
Public safety	\$ -	\$ 11	\$ 772	\$ -	\$ -	\$ -	\$ -	\$ 783
Highways and streets	17,717	-	-	-	-	-	-	17,717
Capital outlay	-	-	-	-	-	13,395	-	13,395
Other purposes	-	-	-	52	15,159	-	67	15,278
Total cash and investment fund balance - December 31	<u>\$ 17,717</u>	<u>\$ 11</u>	<u>\$ 772</u>	<u>\$ 52</u>	<u>\$ 15,159</u>	<u>\$ 13,395</u>	<u>\$ 67</u>	<u>\$ 47,173</u>

TOWN OF AMBOY  
AUDIT RESULTS AND COMMENTS

RECEIPT ISSUANCE

Receipts (City and Town Form 217, Clerk-Treasurer's Receipt) were not issued during the audit period.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

For the year 2004, one employee's W-2 contained an error. The amount shown as "Federal Income Tax Withheld" (Box 2) was actually the amount withheld for Social Security, and the amount shown as "Social Security Tax Withheld" (Box 4) was actually the federal income tax withheld from the employee. Also, the 941 for the quarter ending March 31, 2004, was under paid by \$58.28.

In 2004, the Town paid \$1,007.50 in penalties to the Internal Revenue Service related to errors from the 2001 tax year.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should 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 7)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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)

SALARY ORDINANCE

The Town Council did not formally adopt a salary ordinance for the years covered by this audit. A similar comment was noted in prior Audit Report B18934.

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

TOWN OF AMBOY  
AUDIT RESULTS AND COMMENTS  
(Continued)

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use:

General Form 99 - Payroll Schedule and Voucher  
General Form 99B - Employee's Earnings Record  
City and Town Form 217 - Clerk-Treasurer's Receipt

The following form was in use but was not completed in the manner prescribed:

Simplified Cash Journal Wastewater Utility - Class C, Utility Form 323

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)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not prepared for all disbursements.
- (2) Claims were not always adequately itemized.
- (3) Claims were not filed in an organized manner.

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:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (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."

TOWN OF AMBOY  
AUDIT RESULTS AND COMMENTS  
(Continued)

ANNUAL REPORT

An annual report for 2004 was not presented for audit. The annual report for 2005 was completed, but was not accurate. A similar comment was made in prior Audit Report B18934 for the years 2000 and 2001.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

OFFICIAL BOND

The following official bond was not filed in the Office of the County Recorder:

Lou Ann Sharp, Clerk Treasurer    Term: 09-27-05 to 09-27-06

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. . . ."

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping that were cited in the prior audit report, were again present during our period of audit:

- (1) Record balances were not reconciled timely 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) There were a considerable number of posting and addition errors which were not discovered or corrected until reconcilements were made. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, and interest not posted.

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)

- (3) 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)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: www.in.gov/sboa

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

### Compliance

We have audited the compliance of the Town of Amboy (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 2004 and 2005. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2004 and 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item Finding 2005-2.

### Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Town's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 2005-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Town's management and federal awarding agencies and pass-through entities 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

August 4, 2006

TOWN OF AMBOY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended December 31, 2004 and 2005

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-04	Total Federal Awards Expended 12-31-05
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct Grant				
Water and Waste Disposal Systems for Rural Communities	10.760			
Water and Waste Disposal Loan/Grant				
Waste Disposal Loan 15 052 0351107928 Loan #01			\$ -	\$ 970,000
Waste Disposal Loan 15 052 0351107928 Loan #03			-	249,000
Waste Disposal Loan 15 052 0351107928 Grant #02			-	902,661
			-----	-----
Total for federal grantor agency			-	2,121,661
			-----	-----
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Office of Community and Rural Affairs				
Community Development Block Grants/State's Program	14.228			
B03DC18001CF-03-127		CF-03-127	2,000	498,000
			-----	-----
Total federal awards expended			\$ 2,000	\$ 2,619,661
			-----	-----

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF AMBOY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Amboy (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Loans Outstanding

The Town had the following loan balances, with continuing federal compliance requirements, outstanding at December 31, 2005. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2005
Water and Waste Disposal Systems for Rural Communities – Loan #01	10.760	\$ 970,000
Water and Waste Disposal Systems for Rural Communities – Loan #03	10.760	249,000

TOWN OF AMBOY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.760	Water and Waste Disposal Systems for Rural Communities
14.228	Community Development Block Grants/State's Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2005-1, BANK ACCOUNT RECONCILIATIONS

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."

TOWN OF AMBOY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Depository reconciliations of the fund balances to the bank account balances were not completed in a timely manner by the unit. The untimely reconciliations allowed numerous posting and addition errors to go undetected for an unreasonable period.

Failure to timely complete monthly depository reconciliations could lead to incorrect financial decision making due to undetected errors and incorrect fund balances.

We recommended that the Town of Amboy design and properly monitor procedures to ensure that depository reconciliations are being properly performed in a timely manner.

Section III – Federal Award Findings and Questioned Costs

FINDING 2005-2, CASH MANAGEMENT

Federal Agency: U.S. Department of Agriculture  
Federal Program: Water and Waste Disposal Systems for Rural Communities  
CFDA Number: 10.760  
Federal Award Number: 15 052 0351107928

The Town did not expend grant proceeds within a reasonable time. We noted instances where grant proceeds were held for up to 26 days before being disbursed to the appropriate vendors. None of the grant drawdowns tested were expended within a reasonable time.

Officials had no internal control safeguards in place to monitor this compliance requirement and insure the timely expenditure of grant proceeds.

The A-133 Compliance Supplement, Section 3b, states: "When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement. When advance payment procedures are used, recipients must establish similar procedures for subrecipients."

Failure to expend grant funds within a reasonable time could lead to the loss of funds by the Town of Amboy.

We recommended officials institute an internal control structure that will insure proper monitoring of cash management compliance requirements of federal grant proceeds in the future.

TOWN OF AMBOY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Town of Amboy  
P.O. Box 44  
Amboy, IN 46911

Finding No. 2005-~~1~~

Auditee Contact Person: Lou Ann Sharp  
Title of Contact Person: Clerk-Treasurer  
Phone Number: (765) 395-7896  
Expected Completion Date: July 2006

**Corrective Action Planned:**

The clerk-treasurer shall design and monitor procedures to insure that the condition of records shall reflect the correct financial activity of the Town of Amboy.

Lou Ann Sharp

8/4/06

Town of Amboy  
P.O. Box 44  
Amboy, IN 46911

Finding No. 2005-2

Auditee Contact Person: Lou Ann Sharp  
Title of Contact Person: Clerk-Treasurer  
Phone Number: (765) 395-7896  
Expected Completion Date: July 2006

**Corrective Action Planned:**

The clerk-treasurer is requesting from First Farmers Bank and Trust duplicate receipts for daily deposits with the balance included. With this balance the clerk-treasurer is aware of when the electronic deposits are made and can then disperse funds in a timely manner.

Lou Ann Sharp

8/4/06

TOWN OF AMBOY  
EXIT CONFERENCE

The contents of this report were discussed on August 4, 2006, with Lou Ann Sharp, Clerk-Treasurer. The official concurred with our audit findings.