

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF AMBOY

MIAMI COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
07/18/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary Brown	01-01-12 to 12-31-19
President of the Town Council	Michael Burchick Jack Hunt	01-01-12 to 12-31-15 01-01-16 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

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

This report is supplemental to our examination report of the Town of Amboy (Town), for the period from January 1, 2012 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statements. This report may be found at [www.in.gov/sboa/](http://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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

April 24, 2017

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CLERK-TREASURER  
TOWN OF AMBOY

CLERK-TREASURER  
TOWN OF AMBOY  
EXAMINATION RESULTS AND COMMENTS

**APPROPRIATIONS**

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

Fund	Years	Excess Amount Expended
General	2012	\$ 9,327
Motor Vehicle Highway	2012	12,797
Local Road and Street	2012	10,200
General	2013	16,775
Motor Vehicle Highway	2013	1,750
General	2014	16,474
Motor Vehicle Highway	2014	6,215
General	2015	16,550
Local Road and Street	2015	510
Cumulative Capital Improvement	2015	49
General	2016	14,931

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**

The financial statements presented for examination included the following funds with overdrawn cash balances at end of examination period:

Fund	Amount Overdrawn	Years
General	\$ 1 3,414	2012
General	9,535	2013

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)

**ADVANCE PAYMENTS**

The Town paid \$508, \$550 and \$579 of compensation to the Clerk-Treasurer in 2014, 2015, and 2016, respectively, in advance of the actual date the services were provided. This represented the December payment each year as the Clerk-Treasurer was paid on a monthly basis.

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

Compensation and any other payments for goods and services should 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)

***PRESCRIBED FORM***

The following prescribed form was not always in use: Clerk-Treasurers Receipt, Town Form No. 217. A generic receipt was instead being used by the Clerk-Treasurer.

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

***CONDITION OF RECORDS***

The following deficiencies relating to the recordkeeping that were cited in the previous Reports B18934, B27866, B27867, B32937, B37152, and B40933 were again present during our period of examination:

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

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)

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

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)

***ANNUAL FINANCIAL REPORT ERRORS***

The Annual Financial Reports filed for the examination period contained a number of errors and did not match the Town's records. Receipts were understated \$363,343 and disbursements were understated \$573,045. Adjustments were proposed and management approved corrections to the financial statements.

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

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

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."

CLERK-TREASURER  
TOWN OF AMBOY  
EXIT CONFERENCE

The contents of this report were discussed on April 24, 2017, with Mary Brown, Clerk-Treasurer.