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

EXAMINATION REPORT
OF
TOWN OF NEWTOWN
FOUNTAIN COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
06/24/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Exit Conference.....	6

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Trudie J. Dillon	01-01-08 to 12-31-11
President of the Town Council	Jeffrey Fruits	01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NEWTOWN, FOUNTAIN COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Newtown (Town), for the period of January 1, 2008 to December 31, 2009. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 26, 2010

TOWN OF NEWTOWN
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 38,323	\$ 9,524	\$ 13,308	\$ 34,539
Motor Vehicle Highway	28,070	8,702	-	36,772
Local Road and Street	5,304	819	-	6,123
Riverboat	2,040	1,016	-	3,056
Rainy Day	-	4,781	-	4,781
Donation	1,000	-	-	1,000
Cumulative Capital Improvement	1,413	527	-	1,940
Cumulative Capital Development	990	657	-	1,647
Totals	<u>\$ 77,140</u>	<u>\$ 26,026</u>	<u>\$ 13,308</u>	<u>\$ 89,858</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 34,539	\$ 18,429	\$ 18,922	\$ 34,046
Motor Vehicle Highway	36,772	10,696	28,254	19,214
Local Road and Street	6,123	795	-	6,918
Riverboat	3,056	1,014	-	4,070
Rainy Day	4,781	4,930	-	9,711
Donation	1,000	-	-	1,000
Cumulative Capital Improvement	1,940	496	-	2,436
Cumulative Capital Development	1,647	1,162	-	2,809
Totals	<u>\$ 89,858</u>	<u>\$ 37,522</u>	<u>\$ 47,176</u>	<u>\$ 80,204</u>

The accompanying notes are an integral part of the financial information.

TOWN OF NEWTOWN
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). In 2008, taxes were payable in two equal installments which became delinquent if not paid by November 10, 2008 and January 12, 2009. In 2009, taxes were due May 10 and November 10, 2009.

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF NEWTOWN
EXIT CONFERENCE

The contents of this report were discussed on May 26, 2010, with Trudie J. Dillon, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.