

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

EXAMINATION REPORT  
OF  
TOWN OF NEWBERRY  
GREENE COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
11/05/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda Henry	01-01-08 to 12-31-11
President of the Town Council	Sandra Townsend	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 NEWBERRY, GREENE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Newberry (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.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 10, 2010

TOWN OF NEWBERRY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY 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	\$ 66,900	\$ 32,208	\$ 33,060	\$ 66,048
Motor Vehicle Highway	37,137	10,034	28,890	18,281
Local Road and Street	9,176	1,709	-	10,885
Riverboat	6,496	1,292	-	7,788
Rainy Day	70	1,052	-	1,122
Cumulative Capital Improvement	4,909	669	-	5,578
Cumulative Capital Development	1,445	371	-	1,816
Memorial Fund	12,005	-	-	12,005
Proprietary Funds:				
Water Utility - Operating	128,976	57,464	54,124	132,316
Water Utility - Customer Deposit	2,770	675	141	3,304
Fiduciary Fund:				
Payroll	-	25,571	25,571	-
Totals	<u>\$ 269,884</u>	<u>\$ 131,045</u>	<u>\$ 141,786</u>	<u>\$ 259,143</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 66,048	\$ 41,476	\$ 30,741	\$ 76,783
Motor Vehicle Highway	18,281	9,934	3,122	25,093
Local Road and Street	10,885	1,639	-	12,524
Riverboat	7,788	1,289	-	9,077
Rainy Day	1,122	356	-	1,478
Cumulative Capital Improvement	5,578	632	-	6,210
Cumulative Capital Development	1,816	387	-	2,203
Memorial Fund	12,005	-	100	11,905
Proprietary Funds:				
Water Utility - Operating	132,316	50,059	93,792	88,583
Water Utility - Customer Deposit	3,304	600	250	3,654
Fiduciary Fund:				
Payroll	-	25,613	25,613	-
Totals	<u>\$ 259,143</u>	<u>\$ 131,985</u>	<u>\$ 153,618</u>	<u>\$ 237,510</u>

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

TOWN OF NEWBERRY  
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, highways and streets, general administrative services and water.

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). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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 NEWBERRY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 10,584
Machinery and equipment	<u>168,336</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 178,920</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 3,150
Buildings	11,865
Improvements other than buildings	843,357
Transportation Equipment	23,912
Machinery and equipment	<u>2,734</u>
 Total business-type activities capital assets	 <u>\$ 885,018</u>

TOWN OF NEWBERRY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Bonds Payable	\$ 51,631	\$ 5,325

TOWN OF NEWBERRY  
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$39.93 were paid to the Indiana Department of Revenue Service on October 7, 2008, for the period December 2005, pertaining to the Indiana Utility Regulatory Tax.

The Town Council was in agreement that the penalty and interest were due to the prior Clerk-Treasurer's error. The Town Council approved paying the penalty and interest and the current Clerk-Treasurer disbursed the funds to the State of Indiana.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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)

OFFICIAL BOND

The Clerk-Treasurer had bonds for 2008, 2009, and 2010, but did not record the bonds in the County Recorder's office.

IC 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. . . ."

TOWN OF NEWBERRY  
EXIT CONFERENCE

The contents of this report were discussed via telephone on August 10, 2010, with Linda Henry, Clerk-Treasurer. The official concurred with our findings.