

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

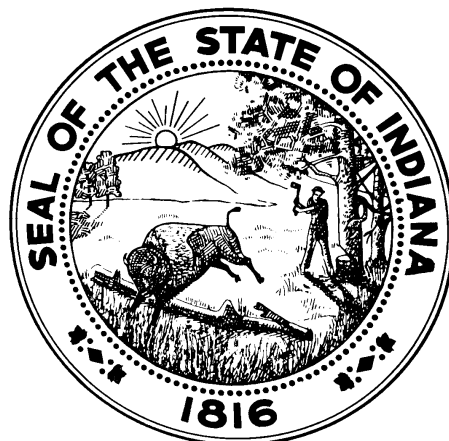
EXAMINATION REPORT

OF

TOWN OF NEWBERRY

GREENE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
10/15/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Wilma Sipes
Linda Henry

01-01-04 to 08-31-06
09-01-06 to 12-31-11

President of the Town Council

Sandra Townsend

01-01-06 to 12-31-08



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, 2006 to December 31, 2007. 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, 2006 and 2007, 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 7, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 57,159	\$ 24,737	\$ 24,580	\$ 57,316
Motor Vehicle Highway	10,498	14,142	-	24,640
Local Road and Street	5,586	1,791	-	7,377
Riverboat	3,901	1,296	-	5,197
Fall Festival Donations	1,359	-	1,359	-
Cumulative Capital Improvement	3,449	736	-	4,185
Cumulative Capital Development	875	207	-	1,082
Memorial Fund	12,005	-	-	12,005
Fire Truck Grant	-	161,800	161,800	-
Proprietary Funds:				
Water Utility - Operating	120,187	47,989	41,391	126,785
Water Utility - Customer Deposit	2,340	580	340	2,580
Fiduciary Fund:				
Payroll	-	4,554	4,554	-
Totals	<u>\$ 217,359</u>	<u>\$ 257,832</u>	<u>\$ 234,024</u>	<u>\$ 241,167</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 57,316	\$ 30,466	\$ 20,882	\$ 66,900
Motor Vehicle Highway	24,640	12,497	-	37,137
Local Road and Street	7,377	1,799	-	9,176
Riverboat	5,197	1,299	-	6,496
Rainy Day	-	70	-	70
Cumulative Capital Improvement	4,185	724	-	4,909
Cumulative Capital Development	1,082	363	-	1,445
Memorial Fund	12,005	-	-	12,005
Fire Donations	-	3,000	3,000	-
Proprietary Funds:				
Water Utility - Operating	126,785	48,637	46,446	128,976
Water Utility - Customer Deposit	2,580	400	210	2,770
Fiduciary Fund:				
Payroll	-	14,982	14,982	-
Totals	<u>\$ 241,167</u>	<u>\$ 114,237</u>	<u>\$ 85,520</u>	<u>\$ 269,884</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.

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.

Note 6. Long-Term Debt

The Town has entered into debt for a Water Storage Tank and Treatment Plant Improvements. The outstanding principal at December 31, 2007, was \$61,615.

**TOWN OF NEWBERRY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS**

For The Year Ended December 31, 2007

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>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 3,150
Buildings	11,865
Improvements other than buildings	803,157
Transportation equipment	23,912
Machinery and equipment	<u>2,734</u>
Total business-type activities capital assets not being depreciated	<u>\$ 844,818</u>

Linda Henry

**TOWN OF NEWBERRY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007**

The Town has entered into the following debt:

<u>Description of Debt</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Business-type Activities:		
Water Utility		
Loan Payable	<u>\$ 61,615</u>	<u>\$ 5,558</u>

Linda Henry

TOWN OF NEWBERRY
EXAMINATION RESULTS AND COMMENTS

ERRORS ON CLAIMS

Three claims from January to July 2006, were not prepared for disbursements.

Indiana Code 5-11-10-1.6(c) states in part: "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."

A similar comment appeared in a prior report.

HYDRANT RENTAL RECEIVABLE (PAYABLE)

The Town of Newberry owes the Water Utility hydrant rental of \$5,940 for the years 2005, 2006, and 2007, pursuant to Rate Ordinance 98-1 passed by the Council on April 23, 1998.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NEWBERRY
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2008, with Linda Henry, Clerk-Treasurer. The official concurred with our findings.