



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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April 8, 2022

TO: THE OFFICIALS OF THE TOWN OF NEWBERRY, GREENE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Newberry (Town), Greene County, for the period of January 1, 2017 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifonline.org](http://www.gateway.ifonline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

**Comments**

**ADOPTION OF, AND TRAINING AND CERTIFICATION ON, INTERNAL CONTROL STANDARDS**

*Condition and Context*

The Town certified on the Indiana Gateway for Government Units (Gateway) financial reporting system, that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, during the engagement, the Clerk-Treasurer indicated that the Town had not adopted the minimum internal control standards.

The Town certified on Gateway that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Town; however, during the engagement, the Clerk-Treasurer indicated that all personnel had not received training concerning the internal control standards.

*Criteria*

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

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

"The state examiner shall require from every audited entity 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](#)."

## **ANNUAL FINANCIAL REPORT - BEGINNING AND ENDING BALANCES**

### *Condition and Context*

The Annual Financial Report for 2019, included the LOIT - Public Safety fund and Payroll fund with beginning balances that were \$6,905 and \$26,862 more than the prior period ending balances. Beginning and ending balances should agree.

### *Criteria*

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

"The state examiner shall require from every audited entity 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](#)."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must 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 1)

## **MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND**

### *Condition and Context*

In 2019 and 2020, the Town did not allocate or post at least 50 percent of the distribution from the State Motor Vehicle Highway Account to the MVH Restricted Fund.

### *Criteria*

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
GENERAL	\$ 103,883
MOTOR VEHICLE HIGHWAY	78,895
LOCAL ROAD & STREET	25,077
RIVERBOAT	10,571
RAINY DAY	2,097
COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT)	6,441
CUM CAP IMP- CIG TAX	11,796
CUM CAP DEVELOPMENT	4,883
LOIT- PUBLIC SAFETY	16,039
MVH RESTRICTED	318
STREET SIGN FUND	3,405
PAYROL	1,156
WATER UTILITY OPERATING	179,910
WATER UTL METER DEPOSIT	18,403
 Total	 \$ 462,874

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Kimberly Dent, Clerk-Treasurer, and Margaret L. Dent, President of the Town Council, on March 24, 2022.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner

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March 30, 2022

State Board of Accounts  
302 West Washington Street, Room E418  
Indianapolis, IN 46204-2765

To Whom it may Concern:

The Town Council President and I have reviewed all the findings in the audit. Below you will find our response to each item.

**CAPITAL ASSETS**

Council Members will pass a capital asset policy and inventories will be completed every even numbered year. This policy is anticipated to be in place no later than June 6, 2022.

**INTERNAL CONTROL STANDARDS**

Council Members will pass and follow an Internal Control Standards Policy no later than June 6, 2022. All necessary training will take place this year and as needed.

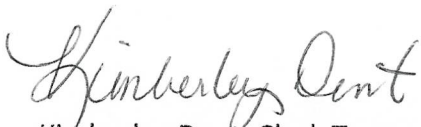
**MVH RESTRICTED FUND**

The Clerk Treasurer corrected the 2019 and 2020 error in 2021 and transferred 50 percent of the State Motor Vehicle Highway Account receipts from 2019 and 2020 as well as 2021 on May 17, 2021. All further deposits of funds from the State Motor Vehicle Highway Account have been properly split 50% since that time.

**ANNUAL FINANCIAL REPORT- BEGINNING AND ENDING BALANCES**

As the Clerk Treasurer, it appears that I did not include the LOIT Public Safe fund in the 2018 reporting as it was a new fund and was overlooked. The Payroll reporting appears that it was not properly saved as well. I did speak with an individual at the State Board of Accounts in 2019 and was told that corrections could not be made. I will work with more attention to detail in the future to ensure the proper amounts are reported in Gateway.

Sincerely,



Kimberley Dent, Clerk Treasurer