

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT

OF

TOWN OF BETHANY

MORGAN COUNTY, INDIANA

January 1, 2002 to December 31, 2005



**FILED**  
08/23/2006



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules .....	5
Examination Result and Comment: Condition of Records .....	6
Exit Conference .....	7

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Howard Cassidy

01-01-02 to 12-31-07

President of the Board

Mark Shirley  
Charles Worley

01-01-02 to 12-31-02  
01-01-03 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BETHANY

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Bethany, for the period of January 1, 2002 to December 31, 2005. The Town of Bethany's management is responsible for the schedules of receipts, disbursements, and cash and investment. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town of Bethany for the years ended December 31, 2002, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 11, 2005

TOWN OF BETHANY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 4,160	\$ 11,889	\$ 11,017	\$ 5,032
Motor Vehicle Highway	2,834	2,598	1,102	4,330
Local Road and Street	197	1,179	1,214	162
Cumulative Capital Improvement	795	434	495	734
Enterprise Funds:				
Wastewater Operating	1,843	11,389	11,950	1,282
Wastewater Bond and Interest	1,055	1,609	1,601	1,063
Totals	<u>\$ 10,884</u>	<u>\$ 29,098</u>	<u>\$ 27,379</u>	<u>\$ 12,603</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 5,032	\$ 11,792	\$ 10,567	\$ 6,257
Motor Vehicle Highway	4,330	2,911	2,898	4,343
Local Road and Street	162	1,049	1,046	165
Cumulative Capital Improvement	734	340	890	184
Enterprise Funds:				
Wastewater Operating	1,282	15,812	15,796	1,298
Wastewater Bond and Interest	1,063	690	1,601	152
Totals	<u>\$ 12,603</u>	<u>\$ 32,594</u>	<u>\$ 32,798</u>	<u>\$ 12,399</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 6,257	\$ 15,211	\$ 16,716	\$ 4,752
Motor Vehicle Highway	4,343	3,033	1,546	5,830
Local Road and Street	165	1,193	1,214	144
Cumulative Capital Improvement	184	351	200	335
Enterprise Funds:				
Wastewater Operating	1,298	11,398	10,760	1,936
Wastewater Bond and Interest	152	1,660	1,144	668
Totals	<u>\$ 12,399</u>	<u>\$ 32,846</u>	<u>\$ 31,580</u>	<u>\$ 13,665</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 4,752	\$ 10,787	\$ 8,681	\$ 6,858
Motor Vehicle Highway	5,830	3,784	1,353	8,261
Local Road and Street	144	1,103	105	1,142
Cumulative Capital Improvement	335	290	-	625
Enterprise Funds:				
Wastewater Operating	1,936	10,503	10,987	1,452
Wastewater Bond and Interest	668	1,973	1,604	1,037
Totals	<u>\$ 13,665</u>	<u>\$ 28,440</u>	<u>\$ 22,730</u>	<u>\$ 19,375</u>

The accompanying notes are an integral part of the schedules.

TOWN OF BETHANY  
NOTES TO SCHEDULES

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). 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.

Note 6. Long-Term Debt

The Town has entered into a loan for wastewater improvements. The outstanding principal at December 31, 2005, was \$14,800.

TOWN OF BETHANY  
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping, cited in the prior audit report, were again present during this period:

- (1) There were a considerable number of posting and mathematical errors.
- (2) Some of the records including the minutes and budget orders were not presented for audit or review.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BETHANY  
EXIT CONFERENCE

The contents of this report were discussed on May 24, 2006, with Howard Cassidy, Clerk-Treasurer.