

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

COMPLIANCE ENGAGEMENT REPORT

OF

CLEAR LAKE TOWNSHIP

STEBEN COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**  
05/08/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Leona Sattison	01-01-19 to 12-31-24
Chair of the Township Board	Anne A. Jacquay	01-01-19 to 12-31-19
	Emily Deem	01-01-20 to 12-31-20
	Anne A. Jacquay	01-01-21 to 12-31-22
	Emily Deem	01-01-23 to 12-31-23
	Jacob Cox	01-01-24 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLEAR LAKE TOWNSHIP, STEUBEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Clear Lake Township (Township), for the period of January 1, 2019 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

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. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Leona Sattison, Trustee, and Jacob Cox, Chair of the Township Board, on April 30, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 11, 2024

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY  
COMMENTS

**CAPITAL ASSETS**

*Condition and Context*

Due to the lack of internal controls, the Township did not have a written capital asset policy that details the threshold at which an item is considered a capital asset. Additionally, the Township does not have a complete detailed listing of all capital assets owned by the Township. Lastly, a complete physical inventory of capital assets owned was not taken at least every two years by the Township.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY  
COMMENTS  
(Continued)

**PRESCRIBED FORMS**

*Condition and Context*

Due to the lack of internal controls, the Township did not properly maintain the prescribed form Township Assistance Purchase Order (TA-2). During testing of Township Assistance disbursements, seven of the eight transactions presented were not on prescribed and approved forms.

*Criteria*

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH  
AND INVESTMENT BALANCES - REGULATORY BASIS

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Township	\$ 50,606	\$ 51,553	\$ 26,363	\$ 75,796	\$ 35,505	\$ 27,502	\$ 83,799
Township Assistance	49,992	-	2,604	47,388	-	3,087	44,301
Fire Fighting	92,447	19,474	15,705	96,216	19,033	16,177	99,072
Rainy Day	8,563	-	-	8,563	-	-	8,563
Totals	<u>\$ 201,608</u>	<u>\$ 71,027</u>	<u>\$ 44,672</u>	<u>\$ 227,963</u>	<u>\$ 54,538</u>	<u>\$ 46,766</u>	<u>\$ 235,735</u>

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Township	\$ 83,799	\$ 31,971	\$ 27,701	\$ 88,069	\$ 31,012	\$ 28,107	\$ 90,974
Township Assistance	44,301	-	2,380	41,921	-	2,818	39,103
Fire Fighting	99,072	21,758	16,663	104,167	21,615	17,247	108,535
Rainy Day	8,563	-	-	8,563	-	-	8,563
Totals	<u>\$ 235,735</u>	<u>\$ 53,729</u>	<u>\$ 46,744</u>	<u>\$ 242,720</u>	<u>\$ 52,627</u>	<u>\$ 48,172</u>	<u>\$ 247,175</u>

OFFICIAL RESPONSE

Date: May 6, 2024

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

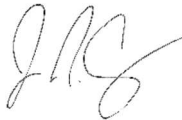
**Re: Clear Lake Township – Recommendations provided by the Indiana State Board of Accounts**

Due to the minimal capital assets held by the Clear Lake Township, we have not historically had a Capital Asset Policy.

Based on the recommendation of the State Board of Accounts, we will move forward with adopting a policy that includes an annual inventory of all capital assets owned by Clear Lake Township.

Once the policy is formally adopted, we will provide the Capital Asset Ledger (Form 369) to your office. We will work to make sure Clear Lake Township meets the standards as defined by the State Examiner and appreciate your team's assistance in identifying this need.

Jacob N. Cox



Chairman & President  
Clear Lake Township