

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

Paul D. Joyce, CPA  
State Examiner

COMPLIANCE ENGAGEMENT REPORT

OF

BETHLEHEM TOWNSHIP

CASS COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**

11/27/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Margaret Hubenthal	01-01-20 to 12-31-22
	Ashly Berry	01-01-23 to 12-31-24
Chair of the Township Board	Melvin Price	01-01-20 to 08-31-22
	(Vacant)	09-01-22 to 12-31-22
	Dan Williams	01-01-23 to 12-31-23
	Andrew Hubenthal	01-01-24 to 12-31-24



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## INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF BETHLEHEM TOWNSHIP, CASS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Bethlehem Township (Township), for the period of January 1, 2020 to December 31, 2023. 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 Ashly Berry, Trustee, and Dan Williams, Chair of the Township Board, on November 4, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

October 17, 2024

BETHLEHEM TOWNSHIP, CASS COUNTY  
COMMENTS

**CAPITAL ASSETS**

*Condition and Context*

Internal controls were not in place to ensure compliance over capital assets. The Township had not adopted a capital asset policy during the engagement period.

*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 the 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 components 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. . . ."

**TRAINING ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

Internal controls were not in place to ensure that applicable employees received training on internal control standards. The Township adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts; however, the Trustee did not complete the internal control standards training for 2023.

BETHLEHEM TOWNSHIP, CASS COUNTY  
COMMENTS  
(Continued)

*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."

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

BETHLEHEM TOWNSHIP, CASS COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
Township	\$ 42,288	\$ 11,470	\$ 10,547	\$ 43,211	\$ 96	\$ 10,723	\$ 32,584
Township Assistance	13,787	10,167	4,134	19,820	10,194	2,315	27,699
Fire Fighting	21,393	23,876	30,292	14,977	36,260	30,828	20,409
Rainy Day	5,343	-	-	5,343	-	-	5,343
Cumulative Fire	84,535	8,976	-	93,511	8,098	-	101,609
Totals	<u>\$ 167,346</u>	<u>\$ 54,489</u>	<u>\$ 44,973</u>	<u>\$ 176,862</u>	<u>\$ 54,648</u>	<u>\$ 43,866</u>	<u>\$ 187,644</u>

BETHLEHEM TOWNSHIP, CASS COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
Township	\$ 32,584	\$ 5,090	\$ 11,429	\$ 26,245	\$ 16,724	\$ 11,127	\$ 31,842
Township Assistance	27,700	10,863	4,244	34,319	5,525	3,155	36,689
Fire Fighting	20,408	31,033	30,929	20,512	26,842	31,187	16,167
Rainy Day	5,343	-	-	5,343	-	-	5,343
Cumulative Fire	101,609	8,052	-	109,661	20,690	-	130,351
Totals	<u>\$ 187,644</u>	<u>\$ 55,038</u>	<u>\$ 46,602</u>	<u>\$ 196,080</u>	<u>\$ 69,781</u>	<u>\$ 45,469</u>	<u>\$ 220,392</u>