

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

HADDON TOWNSHIP

SULLIVAN COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
09/15/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Marsha D. Earley	01-01-11 to 12-31-18
Chairman of the Township Board	Jack Mize Todd Waldroup	01-01-12 to 12-31-14 01-01-15 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HADDON TOWNSHIP, SULLIVAN COUNTY, INDIANA

This report is supplemental to our examination report of Haddon Township (Township), Sullivan County, for the period from January 1, 2012 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statements Examination Report of the Township, which provides our opinion on the Township's financial statements. This report may be found at [www.in.gov/sboa](http://www.in.gov/sboa).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

July 20, 2017

HADDON TOWNSHIP, SULLIVAN COUNTY  
EXAMINATION RESULTS AND COMMENTS

**OPTICAL CHECK IMAGES**

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks from December 1, 2014 to December 31, 2016. The back side or endorsement side of the checks was not returned.

Indiana Code 5-15-5.1-10(a) states in part:

"Each . . . local government shall:

- (1) Make and preserve records containing adequate and proper documentation of . . . essential transactions of the . . . local government to protect the legal and financial rights of the government. . . ."

Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference. . . .

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a). . . ."

**APPROVAL OF SALARIES**

The Township Board did not establish the salaries of the Township officials and employees for the years 2012, 2013, 2014, 2015, and 2016.

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages; . . .

of all officers and employees of the township."

The same comment also appeared in prior Report B41544.

HADDON TOWNSHIP, SULLIVAN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**TOWNSHIP ASSISTANCE STANDARDS**

The Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2012, 2013, 2014, 2015, and 2016.

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed."

**PENALTIES, INTEREST, AND OTHER CHARGES**

The Township paid penalties, interest, and other charges to the Internal Revenue Service in the amount of \$40.12 because the Township did not remit payments on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

HADDON TOWNSHIP, SULLIVAN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2017, with Marsha D. Earley, Trustee.