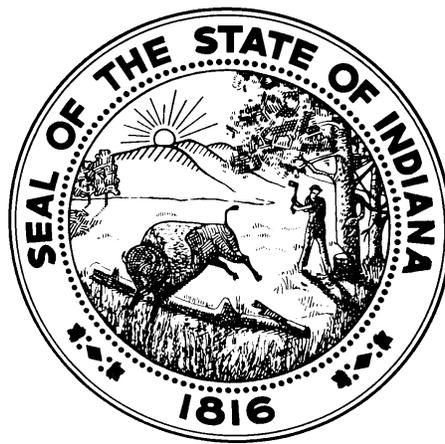


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
TOWN OF DARMSTADT  
VANDERBURGH COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
01/19/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Hoffherr	12-12-06 to 02-22-07
	Vacant	02-23-07 to 02-26-07
	Pamela Ambrose	02-27-07 to 04-30-07
	Vacant	05-01-07 to 05-07-07
	Mallory Lowe	05-08-07 to 12-31-11
President of the Town Council	William Smith	01-01-07 to 06-30-07
	Vacant	07-01-07 to 07-09-07
	David Whipple	07-10-07 to 12-31-07
	Bob Stobbs	01-01-08 to 12-31-09



**STATE OF INDIANA**  
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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DARMSTADT, VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Darmstadt (Town), for the period of January 1, 2007 to December 31, 2008. The Town's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 7, 2009

TOWN OF DARMSTADT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 134,853	\$ 186,364	\$ 164,317	\$ 156,900
Motor Vehicle Highway	94,765	69,391	49,988	114,168
Local Road and Street	44,266	23,206	-	67,472
Cumulative Capital Improvement	72,095	6,113	-	78,208
Cumulative Capital Development	22,929	871	-	23,800
Proprietary Fund:				
Wastewater Utility - Operating	44,295	422,681	355,884	111,092
Totals	<u>\$ 413,203</u>	<u>\$ 708,626</u>	<u>\$ 570,189</u>	<u>\$ 551,640</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 156,900	\$ 160,927	\$ 152,274	\$ 165,553
Motor Vehicle Highway	114,168	65,072	84,764	94,476
Local Road and Street	67,472	21,372	44,813	44,031
Cumulative Capital Improvement	78,208	5,134	40,000	43,342
Cumulative Capital Development	23,800	502	-	24,302
Proprietary Fund:				
Wastewater Utility - Operating	111,092	422,010	348,664	184,438
Totals	<u>\$ 551,640</u>	<u>\$ 675,017</u>	<u>\$ 670,515</u>	<u>\$ 556,142</u>

The accompanying notes are an integral part of the financial information.

TOWN OF DARMSTADT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety (police and fire), highways and streets, general administrative services and wastewater.

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.

TOWN OF DARMSTADT  
EXAMINATION RESULTS AND COMMENTS

COIT SUPPLEMENTAL DISTRIBUTIONS

The Town received a supplemental COIT distribution of \$2,223.65 in the year 2008. The distribution was deposited in the General Fund. Supplemental distributions of COIT should be deposited in a Rainy Day Fund.

Supplemental distributions of COIT money shall be deposited in accordance with IC 6-3.5-7-17.3 which states that a supplemental distribution shall be made in January of an ensuing year and allocated in the same manner as certified distributions for deposit in a civil unit's rainy day fund. (Cities and Towns Bulletin and Uniform Compliance Guidelines, March 2007, Page 4)

INTEREST ON INVESTMENTS

Interest earned on some investments was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF DARMSTADT  
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2009, with Bob Stobbs, President of Town Council; and Mallory Lowe, Clerk-Treasurer. The officials concurred with our findings.