

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

SPECIAL COMPLIANCE REPORT
OF

CLERK-TREASURER
TOWN OF DARMSTADT
VANDERBURGH COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
01/15/2020

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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

This is a special compliance report for the Town of Darmstadt (Town), for the period January 1, 2015 to December 31, 2018, and is in addition to any other report for the Town as required under Indiana Code 5-11-1. All reports pertaining to the Town may be found at www.in.gov/sboa.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The 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

October 21, 2019

CLERK-TREASURER
TOWN OF DARMSTADT
RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

A similar comment also appeared in prior Report B46032, entitled *PENALTIES, INTEREST, AND OTHER CHARGES*.

During the review period, the Town paid penalties, interest, and other charges to the U.S. Department of the Treasury in the amount of \$2,649.52 because the Town did not remit payments in a timely manner. However, the Town did not receive notice of the late payment procedures until November 13, 2017. Therefore, \$450.49 of the \$2,649.52 was related to penalties assessed on payments not made timely after the Town was notified.

In addition, the Town also paid late charges to Vectren in the amount of \$232 because the Town did not remit payments in a timely manner.

Criteria

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 Cities and Towns, Chapter 1)

We requested that Mallory Lowe (Lowe), Clerk-Treasurer, reimburse the Town \$682.49 for the penalties, interest, and other charges paid. Lowe reimbursed the Town on December 19, 2019, Check Nos. 5186 and 5187. (See Summary of Charges, page 5)

OFFICIAL BOND COVERAGE

The Town had a public official bond for Mallory Lowe, Clerk-Treasurer, through Cincinnati Insurance Company (Bond No. 0578371) with coverage as follows:

TERM	COMPANY	AMOUNT
01-31-14 to 01-31-15	Cincinnati Insurance Company	\$ 30,000
01-31-15 to 01-31-16	Cincinnati Insurance Company	30,000
01-01-16 to 12-31-16	Cincinnati Insurance Company	30,000
01-01-17 to 12-31-17	Cincinnati Insurance Company	30,000
01-01-18 to 12-31-18	Cincinnati Insurance Company	30,000

CLERK-TREASURER
TOWN OF DARMSTADT
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2019, with Mallory Lowe, Clerk-Treasurer; Paul Freeman, President of the Town Council; R. Phil McElroy, Town Council member; Jeff Goerges, Superintendent of Wastewater Utility; and Aaron Enlow, Assistant Superintendent of Wastewater Utility/Maintenance.

CLERK-TREASURER
TOWN OF DARMSTADT
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	Charges	Credits	Balance Due
Mallory Lowe, Clerk-Treasurer:			
Penalties, Interest, and Other Charges, page 3	\$ 682.49	\$	\$
Paid December 19, 2019, Check No. 5186		450.49	
Paid December 19, 2019, Check No. 5187		232.00	-
 Totals	\$ 682.49	\$ 682.49	\$ -