

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF CRAWFORDSVILLE

MONTGOMERY COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
10/31/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri J. Gadd	01-01-14 to 12-31-19
Mayor	Todd D. Barton	01-01-14 to 12-31-19
President Pro Tempore of the Common Council	Andrew P. Biddle Dan Guard Andrew P. Biddle	01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16
Superintendent of Wastewater Utility	Larry Kadinger	01-01-14 to 12-31-16
Superintendent of Electric Utility	Phillip R. Goode	01-01-14 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF CRAWFORDSVILLE, MONTGOMERY COUNTY, INDIANA

This report is supplemental to our audit report of the City of Crawfordsville (City), for the period from January 1, 2014 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the City, which provides our opinions on the City's financial statement and federal program compliance. This report may be found at 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 Audit 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 Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

June 20, 2016

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CLERK-TREASURER
CITY OF CRAWFORDSVILLE

CLERK-TREASURER
CITY OF CRAWFORDSVILLE
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The financial statement presented for audit included the following funds with overdrawn cash balances at December 31, 2014:

<u>Fund</u>	<u>Amount Overdrawn</u>
Central Garage	\$ 41,794
Golf Course	4,527

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OFFICIAL BONDS NOT RECORDED

The following Official Bonds were not filed in the Office of the County Recorder:

Fire Pension Secretary
Police Pension Secretary
General Manager Electric Utility
Clerk-Treasurer
Payroll Benefits Clerk
Planning and Zoning Director
Position Bond; City Council, City Redevelopment Comm
City Attorney
Chief of Police
Fire Chief
Street Commissioner
Director Park and Recreation

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. . . ."

CLERK-TREASURER
CITY OF CRAWFORDSVILLE
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2016, with Todd D. Barton, Mayor; Terri J. Gadd, Clerk-Treasurer; and Andrew P. Biddle, President Pro Tempore of the Common Council.

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COMMON COUNCIL
CITY OF CRAWFORDSVILLE

COMMON COUNCIL
CITY OF CRAWFORDSVILLE
AUDIT RESULT AND COMMENT

HOME RULE ORDINANCE

The City's Police Department had "Buy Money," but the Council had not passed a corresponding Home Rule Ordinance allowing the use of funds for this program.

The following procedures shall be followed if a municipality wishes to obtain an appropriation and make expenditures for buy money or payments to informants:

1. Under IC 36-1-3 an ordinance shall be passed allowing this type of program and associated expenditures;
2. An appropriation for such purpose must be obtained in the manner authorized by state statutes;
3. Petty cash fund procedures are to be followed as authorized by IC 36-1-8-3; and
4. A minimum documentation procedure must be followed, similar to either:
 - A. "*Guidelines for the Expenditure of Confidential Funds*," published by the U.S. Department of Criminal Justice.
 - B. "*Guidelines For Obtaining and Accounting For Confidential Funds Used in Support of Criminal Investigations*," (Revised S.O.P. PR – INV-0017), by the Indiana State Police Department.

(Cities and Towns Bulletin and Uniform Compliance Guidelines, June 2016)

COMMON COUNCIL
CITY OF CRAWFORDSVILLE
EXIT CONFERENCE

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BOARD OF PARKS AND RECREATION
CITY OF CRAWFORDSVILLE

BOARD OF PARKS AND RECREATION
CITY OF CRAWFORDSVILLE
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS - GOLF COURSE

The internal controls over receipts at the golf course were insufficient. Controls over voiding transactions and employee log in and password information for the golf course's computer system were not in place. This allowed an employee to access transactions under another employee's log in and void those transactions. There was no documentation to support the voided transactions and there was no management approval of the voided transactions.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BOARD OF PARKS AND RECREATION
CITY OF CRAWFORDSVILLE
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2016, with Todd D. Barton, Mayor; Terri J. Gadd, Clerk-Treasurer; Jeff Nelson, President of the Board of Parks and Recreation; Fawn Johnson, Director of Parks and Recreation; and Andrew P. Biddle, President Pro Tempore of the Common Council.