

**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, 2018 to December 31, 2018



**FILED**  
07/23/2019



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Clerk-Treasurer:	
Federal Finding:	
Finding 2018-001	
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - Reporting .....	6-7
Corrective Action Plan .....	8
Exit Conference .....	9

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri Gadd	01-01-16 to 12-31-19
Mayor	Todd Barton	01-01-16 to 12-31-19
President Pro Tempore of the Common Council	Andrew Biddle	01-01-18 to 12-31-19
Electric Utility Superintendent	Phillip R. Goode	01-01-18 to 12-31-19



**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](http://www.in.gov/sboa)

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, 2018 to December 31, 2018. It has been provided as a separate report so that the reader may easily identify any Federal Findings 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/](http://www.in.gov/sboa/).

The Federal Finding, identified in the above referenced audit report, is included in this report.

Any Corrective Action Plan for the Federal Finding, incorporated within this report, was not verified for accuracy.

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

June 20, 2019

(This page intentionally left blank.)

CLERK-TREASURER  
CITY OF CRAWFORDSVILLE

CLERK-TREASURER  
CITY OF CRAWFORDSVILLE  
FEDERAL FINDING

***FINDING 2018-001***

Subject: Community Development Block Grants/State's Program and  
Non-Entitlement Grants in Hawaii - Reporting  
Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/State's Program  
and Non-Entitlement Grants in Hawaii  
CFDA Number: 14.228  
Federal Award Number and Year (or Other Identifying Number): B14DC180001  
Pass-Through Entity: Indiana Office of Community and Rural Affairs  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

*Reporting*

The City had not established proper controls over the semiannual reports. There was no documented review or approval completed at the City level over the reports.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

CLERK-TREASURER  
CITY OF CRAWFORDSVILLE  
FEDERAL FINDING  
(Continued)

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish controls related to the grant agreement and the compliance requirement listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

CITY OF  
**CRAWFORDSVILLE**  
P.O. Box 329  
Crawfordsville, IN 47933

Terri J. Gadd, IAMC  
Clerk Treasurer

City Building  
(765) 364-5150

June 20, 2019

CORRECTIVE ACTION PLAN

**FINDING 2018-001**

Contact Person Responsible for Corrective Action: Terri Gadd, Clerk Treasurer  
Contact Phone Number: 765 364-5150

Views of Responsible Official: Management agrees with the findings.

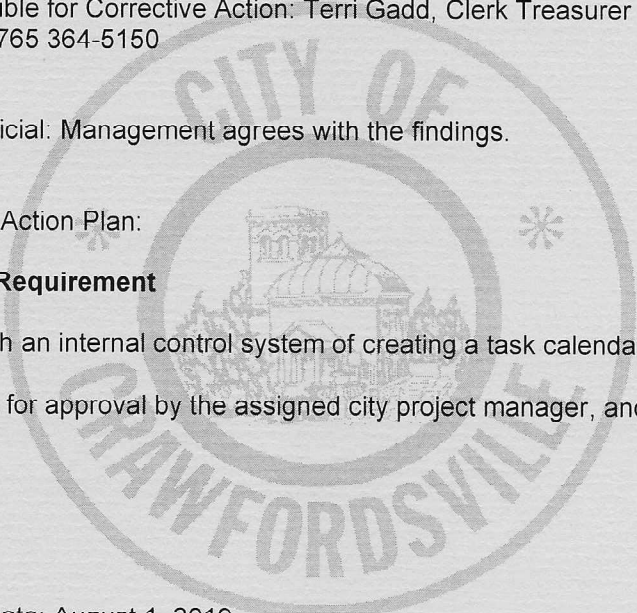
Description of Corrective Action Plan:

**Compliance Reporting Requirement**

Management will establish an internal control system of creating a task calendar for each project.

Reviewing required tasks for approval by the assigned city project manager, and clerk treasurer.

Anticipated Completion Date: August 1, 2019

  
*Terri Gadd*

(Signature)

*Clerk Treasurer*

(Title)

*June 20, 2019*

(Date)

CLERK-TREASURER  
CITY OF CRAWFORDSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2019, with Terri Gadd, Clerk-Treasurer; Todd Barton, Mayor; Andrew Biddle, President Pro Tempore of the Common Council; Stanley D. Hamilton, Common Council member; J. Kent Minette, City Attorney; and Jackson Albrecht, intern.