

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF MADISON PORT AUTHORITY

JEFFERSON COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

09/14/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager	Adam Robillard	01-01-22 to 12-31-23
Chair of the Port Authority Board	Dave Ott	01-01-22 to 12-31-23
Mayor	Bob G. Courtney	01-01-22 to 12-31-23



STATE OF INDIANA
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TO: THE OFFICIALS OF THE CITY OF MADISON PORT AUTHORITY, JEFFERSON COUNTY, INDIANA

This report is supplemental to the audit report of the City of Madison Port Authority (Authority), for the period from January 1, 2022 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Authority. It should be read in conjunction with the Financial Statement Audit Report of the Authority, which provides our opinions on the Authority's financial statement. 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

August 30, 2023

CITY OF MADISON PORT AUTHORITY
AUDIT RESULT AND COMMENT

CONTRACTS - CHANGE ORDERS

Condition and Context

The Authority entered into a public works contract in the amount of \$3,494,410 for construction work on the Graham Creek Bridge. Total payments exceeded the contract amount by \$355,139. Officials indicated the additional amounts paid were for cost over runs; however, there were no approved change orders presented for audit.

Criteria

Indiana Code 36-1-12-18 states:

"(a) If, in the course of the construction, reconstruction, or repair of a public work project, it becomes necessary to change or alter the original specifications, a change order may be issued to add, delete, or change an item or items in the original contract. The change order becomes an addendum to the contract and must be approved and signed by the board and the contractor.

(b) If a licensed architect or engineer is assigned to the public work project, the change order must be prepared by that person.

(c) A change order may not be issued before commencement of the actual construction, reconstruction, or repairs except in the case of an emergency. In that case, the board must make a declaration, and the board's minutes must show the nature of the emergency.

(d) The total of all change orders issued that increase the scope of the project may not exceed twenty percent (20%) of the amount of the original contract. A change order issued as a result of circumstances that could not have been reasonably foreseen does not increase the scope of the project.

(e) All change orders must be directly related to the original public work project.

(f) If additional units of materials included in the original contract are needed, the cost of these units in the change order must be the same as those shown in the original contract."

CITY OF MADISON PORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on August 30, 2023, with Adam Robillard, General Manager; Casey Goode, Director of Railroad Services; and Ray Wilson, Port Authority Board member.