

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

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

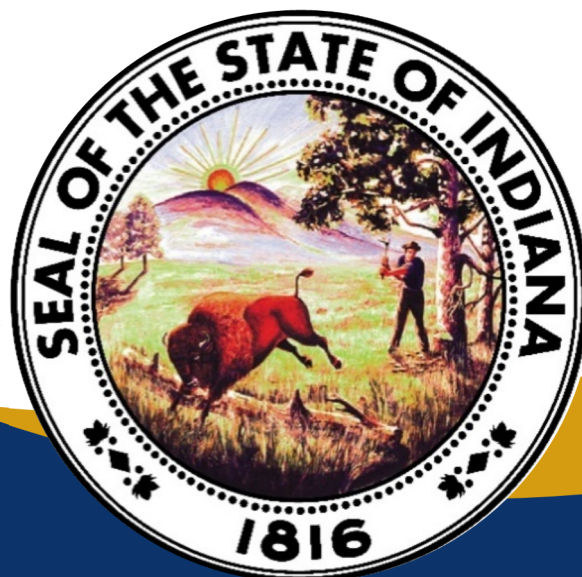
SUPPLEMENTAL COMPLIANCE REPORT

OF

HAMILTON EAST PUBLIC LIBRARY

HAMILTON COUNTY, INDIANA

January 1, 2023 to December 31, 2024



FILED

04/28/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Edra Waterman	01-01-23 to 12-23-23
	Molly Mrozowski (co-interim)	12-24-23 to 05-07-24
	Melissa Loiselle (co-interim)	12-24-23 to 05-07-24
	Melissa Loiselle	05-08-24 to 12-31-25
Treasurer	Shelley Huffman	01-01-23 to 02-25-23
	Laura Gropp	02-26-23 to 09-29-23
	Andre Miksha	09-30-23 to 01-07-24
	Kim Loeffler	01-08-24 to 12-31-25
President of the Library Board	Laura Aldering	01-01-23 to 08-24-23
	Tiffanie Ditlevson	08-25-23 to 11-16-23
	Craig Siebe	11-17-23 to 08-22-24
	Andre Miksha	08-23-24 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE HAMILTON EAST PUBLIC LIBRARY, HAMILTON COUNTY, INDIANA

This report is supplemental to the audit report of the Hamilton East Public Library (Library), for the period from January 1, 2023 to December 31, 2024. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Library. It should be read in conjunction with the Financial Statement Audit Report of the Library, which provides our opinions on the Library'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

April 15, 2025

HAMILTON EAST PUBLIC LIBRARY
AUDIT RESULT AND COMMENT

PUBLIC WORKS CONTRACT

Condition and Context

The Library entered into a contract for a construction project in the amount of \$3,183,093. The Library obtained bids as would have been required for a contract of this dollar amount. However, the Library did not include all of the improvements for the project on the original contract, thus changing the scope of the project. As the scope of the project changed, the total price increased by \$916,567, which was more than 20 percent above the original contract price.

Criteria

Indiana Code 36-1-12-18 states in part:

". . . (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."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. . . ."



OFFICIAL RESPONSE

Date: April 16, 2025

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Public Works Contract

Indiana Code 36-1-12-18 states that a change order issued as a result of circumstances that could not have been reasonably foreseen does not increase the scope of the contract. Several of the change orders for the contract in question were for work as a result of circumstances that could not have been reasonably foreseen. There also was a contingency amount budgeted for the project. If these conditions are taken into consideration, we believe that the total of the change orders would have been less than the 20% cap.

Melissa Loiselle
Hamilton East Public Library Director

HAMILTON EAST PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on April 15, 2025, with Melissa Loiselle, Director; Kim Loeffler, Treasurer; Susan Crandall, Library Board member; and Beth Sheller, Library Board member.