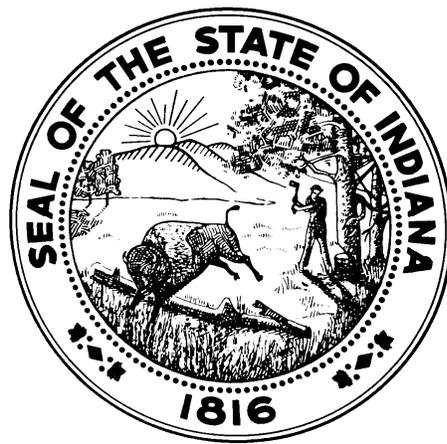


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
COUNTY BOARD OF AVIATION
DAVISS COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
08/25/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Public Works Project	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Airport Manager	Jack Miles	01-01-07 to 12-31-08
President of the Aviation Board	Robert Barron	01-01-07 to 12-31-08
President of the County Council	Loretta Kendall Michael Sprinkle	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Steve Myers Jim Truelove	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DAVIESS COUNTY

We have audited the records of the County Board of Aviation for the period from January 1, 2007 to December 31, 2007, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Result and Comment. The financial transactions of this office are reflected in the Annual Report of Daviess County for the year 2007.

STATE BOARD OF ACCOUNTS

August 7, 2008

COUNTY BOARD OF AVIATION
DAVISS COUNTY
AUDIT RESULT AND COMMENT

PUBLIC WORKS PROJECT

Daviess County Aviation Board contracted with Graber Post Buildings, Inc., and Boyd & Sons Excavating, LLC for the construction of a ten unit T-Hangar and T-Hangar Taxiway. The Aviation Board had previously contracted with these companies to construct a ten unit T-Hangar and taxiways, which were completed during the audit period. The amount of the original construction contracts was \$464,314. In 2006, the Federal Aviation Administration awarded the airport an additional grant to construct another ten (10) unit T-Hangar and taxiway. The total amount of the new construction contracts was estimated to be \$387,319.44. In 2007, the board accepted a change order with Graber Post Buildings, Inc., for \$249,875, which is 100% of the original contract. The Aviation Board elected to proceed with this project through change orders rather than to take bids for the construction of the additional T-Hangars and taxiway. A document submitted for audit in 2006 states that the Aviation Board was aware of the law but felt that since this was an extension of the prior contract, in which funding could not be granted, it would be to the airports best interest not to bid the project.

Indiana Code 36-1-12-4(a) and (b) states in part:

"(a) This section applies whenever the cost of a public work project will be:

(1) at least seventy-five thousand dollars (\$75,000) in:

(A) a consolidated city or second class city; or

(B) a county containing a consolidated city or second class city; or

(C) a regional water or sewage district established under IC 13-26; or

(2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1).

(b) The board must comply with the following procedure:

(1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. If the project involves the resurfacing (as defined by IC 8-14-2-1) of a road, street, or bridge, the specifications must show how the weight or volume of the materials will be accurately measured and verified.

(2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).

(3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed."

Indiana Code 36-1-12-18(d) states in part: "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."

Indiana Code 36-1-12-18(e) states: "All change orders must be directly related to the original public works project."

A similar comment appeared in prior reports.

COUNTY BOARD OF AVIATION
DAVISS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2008, with Kenneth Solliday, Council member; Jim Truelove, President of the Board of County Commissioners; and Gail Doades, Auditor. The officials concurred with our audit findings.

The contents of this report were also discussed on August 7, 2008, with Jack Miles, Airport Manager.