

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

EXAMINATION REPORT  
OF  
BOARD OF COUNTY COMMISSIONERS  
OHIO COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**

11/17/2008



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Examination Results and Comments:	
Donation of Riverboat Funds .....	4
Public Works Contract In Excess of \$100,000 .....	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board of County Commissioners	Connie J. Brown	01-01-07 to 12-31-08
President of the County Council	Douglas A. Baker	01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF OHIO COUNTY

We have examined the records of the Board of County Commissioners 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Ohio County for the year 2007.

STATE BOARD OF ACCOUNTS

October 2, 2008

BOARD OF COUNTY COMMISSIONERS  
OHIO COUNTY  
EXAMINATION RESULTS AND COMMENTS

DONATION OF RIVERBOAT FUNDS

The County receives admission taxes derived from a riverboat gaming facility. In 2007, the County gave \$694,797 of riverboat admissions tax to various governmental entities pursuant to revenue sharing agreements. The County also donated \$209,820 of riverboat admission taxes to various not-for-profit organizations.

Indiana Code 4-33-12 (Admission Taxes) does not contain provisions authorizing a county to enter into agreements with units of local governments to share a county's share of admission taxes.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

A similar comment was reported in prior Report B31309.

PUBLIC WORKS CONTRACT IN EXCESS OF \$100,000

A public works contract was awarded to McAlister Excavating, Inc., prior to July 1, 2007, for reconstruction of bridge #31 for \$306,966.80. No retainage portion of payments was withheld from the payments to the contractor by the County.

Indiana Code 36-1-12-14(b) states in part: "A board that enters into a contract for public work, and a contractor who subcontracts parts of that contract, shall include in their respective contracts provisions for the retainage of portions of payments by the board to contractors, by contractors to subcontractors, and for the payment of subcontractors. At the discretion of the contractor, the retainage shall be held by the board or shall be placed in an escrow account with a bank, savings and loan institution, or the state as the escrow agent. The escrow agent shall be selected by mutual agreement between board and contractor or contractor and subcontractor under a written agreement among the bank or savings and loan institution. . . ."

BOARD OF COUNTY COMMISSIONERS  
OHIO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 2, 2008, with Connie L. Smith, County Auditor; and Douglas A. Baker, President of the County Council.