

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

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



**FILED**  
12/22/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board of County Commissioners	H. Craig Bond Kenton C. Banta	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the County Council	Michael L. Jones	01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 SWITZERLAND 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 Switzerland County for the year 2007.

STATE BOARD OF ACCOUNTS

November 5, 2008

BOARD OF COUNTY COMMISSIONERS  
SWITZERLAND COUNTY  
EXAMINATION RESULTS AND COMMENTS

PAVING PROJECTS NOT DESCRIBED IN THE SPECIFICATIONS

The Board of County Commissioners awarded an annual contract for the paving of various County roads involving the rental of equipment with an operator furnished by the owner. The bid specifications for the year 2007 did not describe or list any proposed projects. The County paid a total of \$1,253,972 on various highway paving projects during the year 2007.

Indiana Code 36-1-12-3(b) states in part: "When the project involves the rental of equipment with an operator furnished by the owner, or the installation or application of materials by the supplier of the materials, the project is considered to be a public work project and subject to this chapter. However, an annual contract may be awarded for equipment rental and materials to be installed or applied during a calendar or fiscal year if the proposed project or projects are described in the bid specifications. . . ."

PROMOTIONAL EXPENSE

Switzerland County paid \$25,000 to the Cincinnati Reds Community Fund (CRF) on June 18, 2007, and \$30,000 on June 2, 2008. The accounts payable vouchers approved by the Board of Commissioners did not describe the purpose of the expenditure. We requested additional information regarding the purpose of the expenditures. The County Auditor presented an unsigned contract for our examination.

The unsigned contract shows the payment as being a sponsorship fee. The sponsorship fee would be used in connection with CRF holding promotional events to promote the Switzerland County area and to help CRF to raise funds to renovate the Markland Dam Baseball Complex located in Switzerland County. The promotional events included a golf tournament and a concert. The contract shows the sponsorship fee as being \$25,000 in the year 2007 and \$30,000 for the year 2008.

We found the following regarding the \$25,000 payment made in the year 2007 and the \$30,000 payment made in the year 2008:

1. The County does not have a home rule ordinance authorizing the payment of promotional expenses.

BOARD OF COUNTY COMMISSIONERS  
SWITZERLAND COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-1-3-6 states in part:

"(b) If there is no constitutional or statutory provision requiring a specific manner for exercising a power, a unit wanting to exercise the power must either:

- (1) if the unit is a county . . . adopt an ordinance prescribing a specific manner for exercising the power; . . .
- (3) comply with a statutory provision permitting a specific manner for exercising the power."

"(c) An ordinance under subsection (b) (1) must be adopted as follows: . . .

- (3) . . . by the executive of the county . . ."

2. The Contract presented for examination was unsigned and there was not documentation in the minutes of the Board of County Commissioners that the contract was approved at a public meeting. We consider the payment a donation without a written contract being approved by the Board of County Commissioners.

Payments made or received for contractual services should be supported by a written contract. (Accounting and Uniform Compliance Manual for Counties, Chapter 1)

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

BOARD OF COUNTY COMMISSIONERS  
SWITZERLAND COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2008, with Kenton C. Banta, President of the Board of County Commissioners; and Thomas S. Crabtree II, County Council member. The officials concurred with our findings.