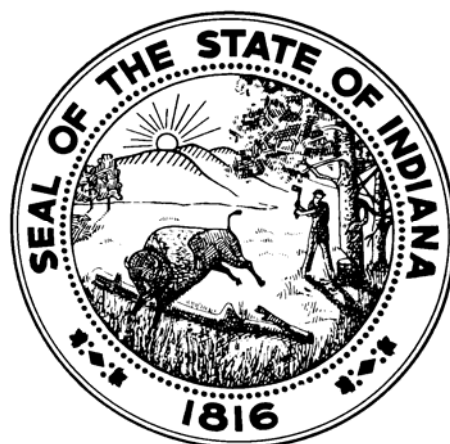


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
BOARD OF COUNTY COMMISSIONERS
OHIO COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
09/21/2006

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 Projects | 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 | 01-01-05 to 12-31-06 |
| President of the County Council | Douglas A. Baker | 01-01-05 to 12-31-06 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF OHIO COUNTY

We have examined the records of the Board of County Commissioners for the period from January 1, 2005 to December 31, 2005, 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 2005.

STATE BOARD OF ACCOUNTS

August 10, 2006

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 2005, the County donated \$201,694 of riverboat admission taxes to various not-for-profit organizations.

The above condition was reported in the prior Audit Report B26262. County officials contend they have the authority to make such payments.

Indiana Code 4-33-12 (Admission Taxes) does give a county the authority to enter into agreements with units of local governments to share the county's share of admission taxes.

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

PUBLIC WORKS PROJECT

On March 18, 2003, the Commissioners received and opened sealed bids for the construction of a salt storage facility. The Poole Group, Inc., who was the low bidder, submitted a bid of \$158,000. The Commissioners made a motion to table decision of awarding the bids. It was not until the meeting on July 18, 2004, that the Commissioners approved Poole Group Inc.'s bid. However, the minutes of the July 18, 2004, meeting stated that a motion was made to approve the low bid from the Poole Group, Inc., of \$158,000 plus an increase in material costs justified through change orders with the ACE (hired engineer firm). At the meeting on January 18, 2005, the Commissioners approved change orders No. 1 through No. 5 which totaled \$48,162 or 31% of the original contract. Change Order No. 3 was \$41,456 or 27% of the original contract amount. This change order was approved for increase in cost due to rising prices of metal and fuel.

Indiana Code 36-1-12-18 states in part: "(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. . . . (c) A change order may not be issued before commencement of the actual construction, reconstruction, or repairs except for in the case of 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."

BOARD OF COUNTY COMMISSIONERS
OHIO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006, with Shane Koons, Commissioner; and Deborah K. Thomason, Auditor.