

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

SUPPLEMENTAL REPORT

OF

COUNTY COUNCIL

SHELBY COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED

01/03/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Terry Smith	01-01-09 to 12-31-10
President of the Board of County Commissioners	Tony Newton	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SHELBY COUNTY

We have audited the records of the County Council for the period from January 1, 2009 to December 31, 2009, 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Shelby County for the year 2009.

STATE BOARD OF ACCOUNTS

September 9, 2010

COUNTY COUNCIL
SHELBY COUNTY
AUDIT RESULTS AND COMMENTS

DONATIONS OF RACINO FUNDS

The County receives slot machine wagering fees derived from a Racino. In 2009, the County donated \$176,500 of these Racino funds to two school corporations in Shelby County. The County also loaned \$30,000 of Racino funds to the Town of Fairland in Shelby County.

IC 4-35-8.5-4 (Use of County Slot Machine Wagering Fees) 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 Auditors of Indiana, Chapter 14)

FUND SOURCES AND USES

The County deposited the Racino fees into a fund entitled Racino Fund instead of the General Fund as required by statute.

The County then made a permanent transfer of \$500,000 from the Racino Fund to the Cumulative Capital Development Fund. Permanent transfer of money should not be made between funds unless allowed by statute.

IC 4-35-8.5-4(b) states in part:

"Money paid to a political subdivision under this chapter:

- (1) must be paid to the fiscal officer of the political subdivision and must be deposited in the political subdivision's general fund; . . ."

IC 4-35-8.5-4 does not allow for the permanent transfer of these fees to another fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Auditors of Indiana, Chapter 14)

COUNTY COUNCIL
SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2010, with Linda Sanders, Vice-President of the County Council; Tony Newton, President of the Board of County Commissioners; and Amy L. Glackman, Auditor.