

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

AUDIT REPORT

OF

COUNTY COUNCIL

DEARBORN COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/04/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Donations of Riverboat Admission Tax Funds	4
Donations of Riverboat Revenue Sharing Funds	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Dennis A. Kraus, Sr.	01-01-11 to 12-31-12
President of the Board of County Commissioners	Jeffrey Hughes	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF DEARBORN COUNTY

We have audited the records of the County Council for the period from January 1, 2011 to December 31, 2011, 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 Dearborn County for the year 2011.

STATE BOARD OF ACCOUNTS

July 3, 2012

COUNTY COUNCIL
DEARBORN COUNTY
AUDIT RESULTS AND COMMENTS

DONATIONS OF RIVERBOAT ADMISSION TAX FUNDS

The County receives admission taxes derived from a riverboat gaming facility. In 2011, the County gave \$1,817,620 of riverboat admissions tax to various governmental entities pursuant to revenue sharing agreements. The County also donated \$363,524 of riverboat admissions 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 government 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 the prior Reports B31158, B32742, B34942, B37354, and B39092.

DONATIONS OF RIVERBOAT REVENUE SHARING FUNDS

The County receives riverboat revenue sharing funds from the City of Lawrenceburg. In 2011, the County donated \$123,068 of riverboat funds to various not-for-profit organizations

Indiana Code 36-1-8-9(a) states:

"Each unit that receives:

- (1) tax revenue under IC 4-33-12-6 or IC 4-33-13;
- (2) revenue under an agreement to share the tax revenue receive under IC 4-33-12 or IC 4-3-13 by another unit; or
- (3) revenue under a development agreement (as defined in section 9.5 of this chapter);

may establish a riverboat fund. Money in the fund may be used for any legal or corporate purpose of the unit."

This statute does not authorize a county to make donations from the fund.

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 the prior Reports B31158, B32742, B34942, B37354, and B39092.

COUNTY COUNCIL
DEARBORN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2012, with Dennis A. Kraus, Sr., President of the County Council; Jeffrey Hughes, President of Board of County Commissioners; and Gayle L. Pennington, Auditor.