

**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, 2010 to December 31, 2011



**FILED**  
02/08/2013



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Examination Result and Comment: Revenue Sharing of Riverboat Funds .....	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Douglas A. Baker	01-01-10 to 12-31-13
President of the Board of County Commissioners	Connie J. Brown	01-01-10 to 12-31-13
Auditor	Connie L. Smith	01-01-11 to 12-31-14



**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, 2010 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 Examination Result and Comment. The financial transactions of this office are reflected in the Financial Statement Examination Reports of Ohio County for the year 2010 and in the Financial Statement Examination Reports of Ohio County for the year 2011.

STATE BOARD OF ACCOUNTS

January 15, 2013

BOARD OF COUNTY COMMISSIONERS  
OHIO COUNTY  
EXAMINATION RESULT AND COMMENT

**REVENUE SHARING OF RIVERBOAT FUNDS**

The County has established a Riverboat Fund. The sources of funds for the Riverboat Fund include Admission Taxes the County receives under Indiana Code 4-33-12 and revenue sharing distributions received from the City of Rising Sun. The County made the following distributions from the Riverboat Fund:

1. During the years 2010 and 2011, the County Council and the Board County of Commissioners approved the distribution of \$704,137 and \$713,219, respectively, of monies in the Riverboat Fund to various governmental entities.

County officials presented for examination an interlocal cooperation between the City of Rising Sun and Ohio County, dated July 24, 1996, whereby the County committed 50 percent of County admission tax imposed under Indiana Code 4-33-12-1 to share with other local governmental entities as the County's authorization for the distribution of monies from the Riverboat Fund to various government entities.

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.

In addition, the authorization to enter into revenue sharing agreements with other governmental units is limited to monies received from Wagering Taxes by the county or city designated as the home dock. Ohio County is not designated as the home dock and does not receive Wagering Taxes.

Indiana Code 4-33-13-6(b) (Wagering Taxes) states: "This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter."

2. During the years 2010 and 2011 the County Council and the Board of County Commissioners also approved the distribution of \$187,917 and \$208,240, respectively, of riverboat admissions tax to various not-for-profit organizations (these not-for-profit organizations did not include community foundations, public school endowment corporations; or public school educational foundations).

No agreements were presented for examination documenting that the not for profit organizations were either providing services to the County or that the funds were to be used for cultural, historical, and scientific facilities and programs, or community restitution and service facilities and programs.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 36-10-2-4 states: "A unit may establish, aid, maintain, and operate libraries and museums, cultural, historical, and scientific facilities and programs, and community restitution or service facilities and programs."

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 Reports B33288, B34800, and B37218.

BOARD OF COUNTY COMMISSIONERS  
OHIO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 15, 2013, with Connie J. Brown, President of the Board of County Commissioners; and Connie L. Smith, Auditor; and Douglas A Baker, President of the County Council.