

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

EXAMINATION REPORT
OF
COUNTY COUNCIL
OHIO COUNTY, INDIANA
January 1, 2012 to December 31, 2012



FILED
07/23/2015

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Douglas A. Baker Tamara J. Elbright	01-01-12 to 12-31-14 01-01-15 to 12-31-15
President of the Board of County Commissioners	Connie J. Brown	01-01-12 to 12-31-15
County Auditor	Connie L. Smith Debra A. Cappel	01-01-11 to 12-31-14 01-01-15 to 12-31-18



STATE OF INDIANA
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TO: THE OFFICIALS OF OHIO COUNTY

We have examined the records of the County Council for the period from January 1, 2012 to December 31, 2012, 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 Financial Statement Examination Report of Ohio County for the year 2012.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 16, 2015

COUNTY COUNCIL
OHIO COUNTY
EXAMINATION RESULTS AND COMMENTS

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 year 2012, the County Council and the Board of County Commissioners approved the distribution of \$706,797 of monies in the Riverboat fund to various governmental entities.

County officials presented for examination an interlocal cooperation agreement 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 year 2012, the County Council and the Board of County Commissioners also approved the distribution of \$187,702 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."

COUNTY COUNCIL
OHIO COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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 Report B41777.

NO SALARY ORDINANCE APPROVED

We noted the following regarding the approval of salaries for the year 2012:

1. Statements of Salaries and Wages Proposed to be Paid Officers and Employees (Form 144), which are to be submitted by each County Official or Department Head in requesting salaries and wages to be paid for the positions in their respective offices or departments, were not used for the approval of the 2012 salaries and wages.
2. Salaries and rates of pay for individual positions were paid based on salaries and wages included in the approved budget. The County Council did not approve a separate salary ordinance listing approved salaries and rates of pay for individual positions.

A similar comment was reported in prior Report B41777.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 36-2-5-11(c) states in part:

"At its annual meeting under IC 36-2-3-7(b)(2), the county fiscal body shall consider the statements and recommendations submitted by the county executive under section 4(b) of this chapter and shall then adopt an ordinance, separate from those adopted under subsection (b), fixing . . . the compensation of all officers, deputies and other employees subject to this chapter . . ."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY COUNCIL
OHIO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2015, with Debra A. Cappel, County Auditor; Connie J. Brown, President of the Board of County Commissioners; and Tamara J. Elbright, President of the County Council.