

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

AUDIT REPORT

OF

COUNTY COUNCIL

DEARBORN COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**

11/14/2006



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Charles T. Fehrman	01-01-05 to 12-31-06
President of the Board of County Commissioners	Vera Benning Jeff L. Hughes	01-01-05 to 05-16-06 05-17-06 to 12-31-06



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF DEARBORN COUNTY

We have audited the records of the County Council 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 Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Dearborn County for the year 2005.

STATE BOARD OF ACCOUNTS

October 16, 2006

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 2005, the County gave \$2,490,743 of riverboat admissions tax to various governmental entities pursuant to revenue sharing agreements. The County also donated \$372,144 of riverboat admissions taxes to various not-for-profit organizations.

A similar comment has been reported in prior audit reports.

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.

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)

DONATION OF RIVERBOAT REVENUE SHARING FUNDS

The County receives riverboat revenue sharing funds from the City of Lawrenceburg. In 2005, the County donated \$150,000 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 4-33-13 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)

COUNTY COUNCIL  
DEARBORN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2006, with Charles T. Fehrman, President of the County Council.