

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

AUDIT REPORT  
OF  
COUNTY AUDITOR  
WELLS COUNTY, INDIANA  
January 1, 2005 to December 31, 2005



**FILED**  
7/19/06



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Capital Assets .....	4
Condition of Records .....	4-5
Surplus Tax Fund .....	5
Exit Conference .....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Mary A. Towne	01-01-03 to 12-31-06
President of the County Council	Peter W. Cole	01-01-05 to 12-31-06
President of the Board of County Commissioners	Randal E. Plummer	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF WELLS COUNTY

We have audited the records of the County Auditor 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 Financial Report of Wells County for the year 2005.

STATE BOARD OF ACCOUNTS

June 28, 2006

COUNTY AUDITOR  
WELLS COUNTY  
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

As noted in prior Audit Report B25196, Wells County hired a firm to compile their capital asset information. The information presented for audit was not adequate or complete. The report generated did not contain any dates indicating what period was covered, or dates of additions or deletions. Also, no buildings were included in this report.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

CONDITION OF RECORDS

As noted in prior Audit Report B25196, the following deficiencies relating to the record keeping of the General Drain Improvement and Drainage Maintenance Funds were present during the audit period:

1. The prescribed forms for the General Drain Improvement Fund Ledger Form (63C) and Drainage Maintenance Fund Ledger (Form 63CM) were not properly completed.

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 Public Drainage Funds, Chapter 9)

2. Assessments were not posted properly to the General Drain Improvement Fund Ledger Form (63C) and Drainage Maintenance Fund Ledger (Form 63CM).

For the General Drain Improvement Fund "assessments unpaid as shown in Col. 6 of each Subsidiary Ledger sheet (Form 63C) must be equal to unpaid assessments for construction or reconstruction (Principal only) appearing on the Ditch Duplicate for the particular ditch." (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

For the Drainage Maintenance Fund "assessments unpaid as shown in Col. 6 of each Subsidiary Ledger sheet (Form 63CM) must be equal to unpaid assessments (Principal only) appearing on the Ditch Duplicate for the particular ditch." (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

3. The receipt and disbursement activity of the subsidiary ledgers did not agree with the Auditor's General Ledger for the year ending December 31, 2005.

At the end of any accounting period: (1) the sum of receipt postings to the Subsidiary Ledger sheets (Form 63C), Col. 10, must equal the total receipt postings to the Control sheet (Form 63C) and to the General Ledger for the same period, (2) the sum of disbursement postings to the Subsidiary Ledger sheets (Form 63C), Col. 11, must equal the total disbursement postings to the Control sheet (Form 63C), Col. 11, and to the General

COUNTY AUDITOR  
WELLS COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Ledger for the same period, and (3) the total of balances and overdrafts in Col. 12, Subsidiary Ledger (Form 63C) must equal the balance in the Control Sheet (Form 63C) and in the General Ledger. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

At the end of any accounting period: (1) the sum of receipt postings to the Subsidiary Ledger sheets (Form 63CM), Col. 7, must equal the total receipt postings to the Control sheet (Form 63CM) and to the General Ledger for the same period, (2) the sum of disbursement postings to the Subsidiary Ledger sheets (Form 63CM), Col. 8, must equal the total of disbursement postings to the Control sheet (Form 63CM), and to the total of disbursement postings to the General Ledger for the same period, and (3) the total of balances and overdrafts in Col. 9, Subsidiary Ledger (Form 63CM) must equal the balance in Drainage Maintenance - General Ledger. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

SURPLUS TAX FUND

As noted in prior Audit Report B25196, financial records presented for audit of the Surplus Tax Fund did not provide sufficient information to audit receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. The Surplus Tax Fund ledger did not have an accurate detail of each item of surplus tax collected.

Excess (surplus) tax shall be reported by the treasurer on the County Treasurer's Certificate of Tax Collections, County Form 49TC. The county treasurer is also required to file Ledger Form 65-STF, Surplus Tax Fund Ledger, listing in detail by taxing district each item of surplus tax collected, the total of which shall be receipted into the "Surplus Tax Fund." The detail ledger sheets shall be placed in the county auditor's ledger and be disbursed in the manner discussed on page 5. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 9)

COUNTY AUDITOR  
WELLS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2006, with Mary A. Towne, Auditor. The official concurred with our audit findings.