

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

EXAMINATION REPORT

OF

WELLS COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED
07/20/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Mary A. Towne Laura A. Brubaker	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Treasurer	Rinda S. Vaughn	01-01-05 to 12-31-08
Clerk	Beth Davis	01-01-03 to 12-31-10
Sheriff	Barry J. Story Robert E. Frantz	01-01-03 to 12-31-06 01-01-07 to 01-01-10
Recorder	Sandra K. Fair	01-01-05 to 12-31-08
President of the Board of County Commissioners	Randal E. Plummer Paul I. Bonham	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Peter W. Cole	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

We have examined the financial information presented herein of Wells County (County), for the period of January 1, 2006 to December 31, 2006. The County's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the County for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 25, 2007

WELLS COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 2,496,182	\$ 7,398,404	\$ 7,690,414	\$ 2,204,172
County Highway	250,747	2,625,244	2,653,434	222,557
County Health	167,353	227,680	233,153	161,880
Local Road and Street	137,021	302,462	347,278	92,205
Property Reassessment 2006	436,442	197,589	133,281	500,750
Accident Report	1,074	2,399	2,392	1,081
Firearms Training	3,991	5,230	2,280	6,941
Surveyor's Corner Perpetuation	8,786	6,315	-	15,101
Supplemental Adult Probation Services	209,932	42,930	11,396	241,466
Supplemental Juvenile Probation Services	31,412	10,590	-	42,002
County Extradition	2,356	1,299	23	3,632
Recorder's Records Perpetuation	62,822	36,107	36,605	62,324
County Corrections	6,191	19,241	23,147	2,285
Local Health Maintenance	2,864	75,863	40,620	38,107
Sheriff's Commissary	33,201	88,915	81,413	40,703
Drainage Maintenance	662,423	657,204	544,727	774,900
Emergency Planning and Right to Know	24,078	5,141	19,209	10,010
County Police Pension	8,971	7,036	-	16,007
Urinalysis Fees	7,831	2,199	7,418	2,612
Pretrial Diversion	19,888	12,991	6,998	25,881
County Drug Free Community	40,621	43,216	41,407	42,430
Vehicle Inspection	969	1,790	1,816	943
Community Corrections Home Detention	34,247	195,669	164,750	65,166
Community Corrections Grant	13,583	78,206	91,632	157
Community Corrections Grant II	(7,624)	85,217	92,654	(15,061)
Indigent	5,814	5,827	6,732	4,909
Emergency Telephone System	491,160	333,394	397,440	427,114
County Family and Children	1,019,804	1,304,079	1,175,958	1,147,925
County Medical Care For Inmates	2,364	2,576	3,720	1,220
G.E.D. Education	3,589	1,430	350	4,669
Jury Fee	29,367	4,008	3,009	30,366
Blood Analysis Fee	317	-	-	317
Abandoned Vehicle	125	-	-	125
Tobacco Settlement	94,772	19,529	47,315	66,986
Geographic Information System	(1,512)	2,700	188	1,000
Clerk's Records Perpetuation	8,582	4,431	224	12,789
Pretrial Deferral	36,283	31,485	32,765	35,003
Federal Assets Seizure	1,297	-	719	578
Bio Terrorism Grant	17,096	8,667	6,470	19,293
Community Transition Program	18,223	-	6,138	12,085
Interstate Compact Fee	-	248	173	75
Clerk Incentive IV-D	43,299	12,508	37,955	17,852
Community Equipment Grant	471,498	487	471,985	-
Prosecutor IV-D	33,011	18,820	4,927	46,904
Rainy Day	15,294	-	-	15,294
Sheriff's Share Diversion Deferral	393	920	1,091	222
Plat Book	11,524	5,795	-	17,319
Child Psychiatric Residential Treatment	277,744	19,629	62,139	235,234

The accompanying notes are an integral part of the financial information.

WELLS COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Public Health Coordinator Grant	(764)	54,999	58,106	(3,871)
Public Transit Federal Grant	-	70,589	70,589	-
County Identification Security Protection	-	11,082	1,575	9,507
Homeland Security Law Enforcement Grant	-	75,269	75,269	-
Levy Excess	-	92,013	-	92,013
Jail Lease Debt Service	(5,815)	550,353	477,194	67,344
Cumulative Bridge	3,463	99	-	3,562
Economic Development Income Tax	683,721	735,757	1,112,351	307,127
General Drain Improvement	595,955	358,401	381,410	572,946
Fiduciary Funds:				
Sheriff's Pension Trust	2,210,806	600,827	355,740	2,455,893
Congressional Principal	26,045	-	-	26,045
Granand Cemetery Trust	5,766	750	1,127	5,389
Sheriff's Donation	1,405	4,515	4,500	1,420
K - 9 Donation	368	998	1,321	45
Tax Sale Surplus	1,867	1,191	834	2,224
Infraction Judgment	851	42,381	39,491	3,741
Special Death Benefit	160	1,950	1,810	300
Fines and Forfeitures	5,178	40,243	35,313	10,108
Inheritance Tax	139,623	708,289	628,889	219,023
Surplus Tax	154,578	125,127	78,165	201,540
Congressional Interest	7,053	1,096	1,042	7,107
Surplus Dog Tax	799	3,065	3,864	-
County Sheriff	132,045	755,811	876,334	11,522
Tax Distributions	8,343	33,546,127	33,528,288	26,182
City/Town Court Costs	12,740	5,015	12,740	5,015
County Payroll	102,270	1,393,939	1,426,115	70,094
Clerk of the Circuit Court	137,891	3,055,490	2,975,579	217,802
Welfare Trust	5,593	-	1,576	4,017
Sheriff's Inmate Trust	6,938	93,276	93,355	6,859
County Recorder	50	135,878	135,778	150
County Treasurer	242,816	32,464,374	32,527,965	179,225
County Law Enforcement Continuing Education	55	721	749	27
State Sales Disclosure Fee	3,418	7,040	3,495	6,963
Coroner's Training and Continuing Education	213	1,457	1,364	306
Probation Department	-	75,625	75,625	-
User Fees	12,886	1,632	-	14,518
Education Plate Fee	-	1,819	1,819	-
Personal Property Collections Attorney	131	-	-	131
Tax Sale	49	-	-	49
Tax Sale Redemption	-	5,179	5,179	-
Hospital Care For The Indigent	-	180,788	180,788	-
Medical Assistance to Wards	-	47,425	47,425	-
Children With Special Health Care Needs	-	16,655	16,655	-
Mortgage Fees	770	4,368	4,058	1,080
Totals	<u>\$ 11,732,672</u>	<u>\$ 89,177,083</u>	<u>\$ 89,728,822</u>	<u>\$ 11,180,933</u>

The accompanying notes are an integral part of the financial information.

WELLS COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

WELLS COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plans

Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

1. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF.

2. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

WELLS COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

3. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

WELLS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 17,166
Infrastructure	42,764,882
Buildings	5,114,052
Improvements other than buildings	464,544
Machinery and equipment	<u>4,818,585</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 53,179,229</u>

WELLS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
County Jail	\$ 325,000	\$ 325,000
Loans payable	1,040,742	187,382
Total governmental activities long-term debt	\$ 1,365,742	\$ 512,382

WELLS COUNTY
OTHER REPORTS

The report presented herein was prepared in addition to other official reports prepared for the individual county offices listed below:

County Auditor
County Treasurer

WELLS COUNTY
OTHER REPORTS

The report presented herein was prepared in addition to other official reports prepared for the individual county offices listed below:

County Auditor
County Treasurer