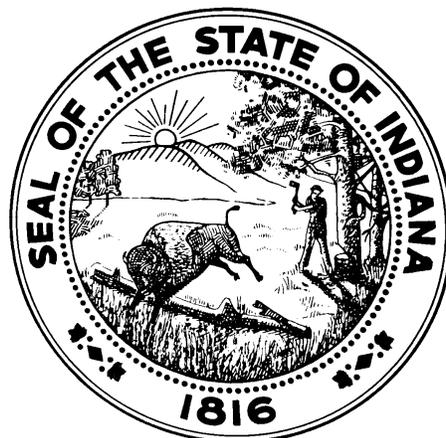


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
COUNTY AUDITOR  
WELLS COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**  
08/22/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Laura A. Brubaker	01-01-07 to 12-31-10
President of the County Council	Peter W. Cole	01-01-07 to 12-31-08
President of the Board of County Commissioners	Paul I. Bonham	01-01-07 to 12-31-08



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TO: THE OFFICIALS OF WELLS COUNTY

We have examined the records of the County Auditor for the period from January 1, 2007 to December 31, 2007, 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 Examination Report of Wells County for the year 2007.

STATE BOARD OF ACCOUNTS

July 28, 2008

COUNTY AUDITOR  
WELLS COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSETS

Wells County hires an outside vendor to prepare their Capital Asset report. The true activity of the County's capital assets for the year was not reflected in the report. It was noted that there were several vehicle additions, but no deletions and there were formula errors in the report. After discussion with employees from the Sheriff's Department and the Highway Department and reviewing supporting documentation it was determined that vehicles were disposed of during 2007.

Every governmental unit should have a complete inventory of all fixed 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 Auditor's, Chapter 14)

CONDITION OF RECORDS

The following deficiencies relating to the record keeping of the General Drain Improvement and Drainage Maintenance Funds were present during the period of examination. A similar comment appeared in prior Report B30144.

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, 2007.

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

COUNTY AUDITOR  
WELLS COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

to the General 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

Financial records presented for examination of the Surplus Tax Fund did not provide sufficient information to examine 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. The detail ledger sheets maintained by the County Auditor exceeded the Surplus Tax Fund cash balance by \$18,017. A similar comment appeared in prior Report B30144.

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 7-9. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 9)

ANNUAL REPORT

The 2007 County Annual Report (CAR) for Wells County was not completed or filed with the State Examiner.

Indiana Code 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner within thirty (30) days after the close of each fiscal year."

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn at December 31, 2007: Accident Report Fund \$427, Community Corrections Grant Fund \$12,658, Community Corrections Grant II Fund \$23,319 and Public Health Coordinator Grant Fund \$2,299.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditor's, Chapter 14)

COUNTY AUDITOR  
WELLS COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

TIMELY RECORDKEEPING

During the testing of collections and postings to the records, we noted seven instances of pre-dating and postdating Quietuses. The time lapse between the Auditor receiving the collections and issuing the quietus ranged from 4 days to 30 days.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with Indiana Code 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR  
WELLS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 28, 2008, with Laura A. Brubaker, Auditor; and Kevin S. Woodward, County Commissioner. The officials concurred with our examination findings.