

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

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



**FILED**  
08/22/2008



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Examination Results and Comments:	
Interest on Investments .....	4
County Treasurer's Monthly Reports .....	4
Bank Account Reconciliations .....	4-5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rinda S. Vaughn	01-01-05 to 12-31-08
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



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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 examined the records of the County Treasurer 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 TREASURER  
WELLS COUNTY  
EXAMINATION RESULTS AND COMMENTS

INTEREST ON INVESTMENTS

Interest earned on investments was added to the principal and not recorded in the records for two of the County's investments.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

COUNTY TREASURER'S MONTHLY REPORTS

The total amount with which the Treasurer is chargeable for per the County Treasurer's Monthly Financial Report (Form 47TR) did not agree with the total charges per the Treasurer's Daily Balance of Cash and Depositories (Form 47) for 10 of the 12 months in 2007.

On or before the 16th day of each month the Treasurer shall prepare a report showing the financial condition of the office as of the close of business on the last day of the preceding month. This report shall show the amounts with which the Treasurer is chargeable for the various funds and accounts, the amounts with which the Treasurer is credited for money on deposit, invested and cash on hand, and any long or short at the close of each month. The report also provides space for reconciliation with depositories.

The report shall be prepared in quadruplicate and each copy shall be verified by certificate of the treasurer. The treasurer shall retain one copy as a public record in the office and three copies shall be filed with the county auditor. The county auditor shall file the original of said reports with the records of the county board of finance, one copy shall be presented to the board of county commissioners at its next regular meeting, and the county auditor shall immediately transmit one copy to the State Board of Accounts. [IC 36-2-9-11 and 36-2-10-16] (Accounting and Uniform Compliance Guidelines Manual for Treasurers, Chapter 4)

BANK ACCOUNT RECONCILIATIONS

As noted in prior Report B30145, depository reconciliations of the fund balances to the bank account balances were either not presented for examination or were incorrect. The Treasurer continues to carry reconciling items that are up to 5 years and 9 months old. These reconciling items include:

1. Bank encoding errors;
2. Twenty checks returned by the depositories for nonsufficient funds, of which fifteen are dated prior to January 1, 2007;
3. Electronic Fund Transfers that were not posted;

COUNTY TREASURER  
WELLS COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

4. Posting errors and cash shortages from daily collections of taxes which have not been corrected or were corrected but not in a timely manner;
5. Old outstanding checks dating back to 2004;
6. Unidentified items or monthly variances.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year."

Indiana Code 5-11-10.5-5(a) states: "Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks."

COUNTY TREASURER  
WELLS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 28, 2008, with Rinda S. Vaughn, Treasurer; and Kevin S. Woodward, County Commissioner. The officials concurred with our examination findings.