

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

EXAMINATION REPORT
OF
WELLS COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED

01/15/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Laura A. Brubaker	01-01-07 to 12-31-10
Treasurer	Rinda S. Vaughn Shar S. Mechling	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Clerk	Beth J. Davis	01-01-07 to 12-31-10
Sheriff	Robert E. Frantz	01-01-07 to 12-31-10
Recorder	Sandra K. Fair Rina E. Stuck	01-01-05 to 12-31-08 01-01-09 to 12-31-12
President of the Board of County Commissioners	Paul I. Bonham	01-01-08 to 12-31-09
President of the County Council	Peter W. Cole	01-01-08 to 12-31-09



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

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, 2008 to December 31, 2008. 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, 2008, 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

December 9, 2009

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, 2008

	Cash and Investments		Cash and Investments	
	01-01-08	Receipts	Disbursements	12-31-08
Governmental Funds:				
General	\$ 1,484,892	\$ 7,342,014	\$ 8,091,415	\$ 735,491
County Highway	348,488	2,323,714	2,582,924	89,278
County Health	206,074	169,306	240,808	134,572
Local Road and Street	217,957	285,171	318,682	184,446
Property Reassessment 2006	574,715	173,523	137,833	610,405
Accident Report	(427)	1,359	421	511
Firearms Training	11,745	11,210	10,473	12,482
Surveyor's Corner Perpetuation	18,758	5,065	-	23,823
Supplemental Adult Probation Service	243,368	44,097	68,776	218,689
Supplemental Juvenile Probation Service	46,586	8,532	-	55,118
County Extradition	2,749	596	1,095	2,250
Recorder's Records Perpetuation	19,588	29,322	40,289	8,621
County Corrections	17,415	19,291	21,808	14,898
Local Health Maintenance	49,360	24,854	40,683	33,531
Sheriff's Commissary	25,459	119,027	118,245	26,241
Drainage Maintenance	822,666	25,517	372,940	475,243
Emergency Planning and Right to Know	4,181	23,866	2,129	25,918
County Police Pension	28,889	19,028	-	47,917
Urinalysis Fees	2,948	5,448	-	8,396
Pretrial Diversion	27,559	11,087	16,144	22,502
County Drug Free Community	35,593	37,732	35,059	38,266
Vehicle Inspection	1,703	735	1,995	443
Community Corrections Home Detention	28,825	261,886	286,176	4,535
Community Corrections Grant	(12,658)	74,330	61,672	-
Community Corrections Grant II	(23,319)	121,687	97,998	370
Indigent	5,707	4,000	2,331	7,376
Emergency Telephone System	562,469	422,939	272,501	712,907
County Family and Children	475,449	1,391,286	1,407,193	459,542
County Medical Care For Inmates	3,569	2,859	5,262	1,166
G.E.D. Education	4,669	-	-	4,669
Jury Fee	30,946	3,808	467	34,287
Blood Analysis Fee	317	-	-	317
Abandoned Vehicle	125	-	-	125
Tobacco Settlement	76,709	19,345	10,304	85,750
Geographic Information System	7,200	-	30,545	(23,345)
Clerk's Records Perpetuation	13,727	4,666	12,038	6,355
Pretrial Deferral	29,125	36,798	27,530	38,393
Federal Assets Seizure	11	-	-	11
Bio Terrorism Grant	19,293	1,000	1,006	19,287
Community Transition Program	12,085	-	12,085	-
Interstate Compact Fee	75	525	600	-
Clerk Incentive IV-D	11,778	28,967	4,919	35,826
Prosecutor IV-D	40,749	-	21,200	19,549
Rainy Day	198,079	147,303	889	344,493
Sheriff's Share Diversion Deferral	697	2,160	-	2,857
Plat Book	22,644	5,210	10,725	17,129
Child Psychiatric Residential Treatment	243,738	-	79,355	164,383
Public Health Coordinator Grant	(2,299)	2,500	230	(29)
Public Transit Federal Grant	-	184,515	184,515	-
County Identification Security Protection	4,464	9,522	6,184	7,802
Levy Excess	92,013	-	-	92,013
PHD - Bioterrorism Grant	-	38,825	38,825	-
Homeland Security Reimbursement	-	21,166	21,166	-
Alco Sensor Grant	-	1,160	1,075	85
Ace 69 Grant	-	5,749	5,749	-
Jail Lease Debt Service	104,743	-	102,600	2,143
Cumulative Bridge	3,753	203	-	3,956
Economic Development Income Tax	554,963	747,727	532,437	770,253
General Drain Improvement	629,489	16,574	115,718	530,345

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, 2008
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Fiduciary Funds:				
Sheriff's Pension Trust	2,774,287	1,365,500	1,539,749	2,600,038
Congressional Principal	26,045	-	-	26,045
Granand Cemetery Trust	4,112	-	1,025	3,087
Sheriff's Donation	1,420	20	-	1,440
K-9 Donation	546	1,022	1,163	405
Project Lifesaver Donation	626	3,993	2,653	1,966
Tax Sale Surplus	642	215,965	140,854	75,753
Infraction Judgment	5,349	66,009	66,991	4,367
Special Death Benefit	110	3,060	2,815	355
Fines and Forfeitures	2,186	36,523	18,208	20,501
Inheritance Tax	263,487	1,668,412	912,906	1,018,993
Surplus Tax	235,957	-	60,191	175,766
Congressional Interest	7,914	-	-	7,914
Surplus Dog Tax	178	-	-	178
County Sheriff	13,408	796,866	796,330	13,944
Tax Distributions	23,291	39,257,958	37,304,242	1,977,007
City/Town Court Cost	9,045	5,517	-	14,562
County Payroll	99,345	1,547,812	1,580,660	66,497
Clerk of the Circuit Court	135,728	2,061,851	2,133,633	63,946
Welfare Trust	2,887	400	2,662	625
Sheriff's Inmate Trust	7,775	140,898	139,937	8,736
County Recorder	150	124,280	124,280	150
County Treasurer	254,820	33,144,764	29,764,117	3,635,467
County Law Enforcement Continuing Education	364	-	-	364
State Sales Disclosure Fee	10,833	5,620	3,370	13,083
Coroner's Training and Continuing Education	320	2,655	2,692	283
Probation Department	-	83,755	83,755	-
User Fees	14,440	1,460	507	15,393
Education Plate Fee	-	1,556	1,556	-
Personal Property Collections Attorney	131	-	-	131
Tax Sale Redemption	-	5,385	2,149	3,236
Mortgage Fees	557	3,280	3,615	222
Homestead Credit Rebate	961,868	11,443	967,096	6,215
Child Restraint System Fee	3	-	3	-
Totals	<u>\$ 12,187,225</u>	<u>\$ 94,793,208</u>	<u>\$ 91,112,173</u>	<u>\$ 15,868,260</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.

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

A. 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.

B. 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)

C. 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, 2008

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	47,507,364
Buildings	5,114,052
Improvements other than buildings	464,544
Machinery and equipment	<u>5,527,908</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 58,631,034</u>

WELLS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The County has entered into the following loan:

<u>Description of Asset</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental activities: Energy Savings Loan	<u>\$ 656,126</u>	<u>\$ 238,997</u>

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
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2009, with Laura A. Brubaker, Auditor; Paul I. Bonham, President of the Board of County Commissioners; and Peter W. Cole, President of the County Council.