

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

ANNUAL FINANCIAL REPORT

2009

WELLS COUNTY, INDIANA



FILED

08/09/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Laura A. Brubaker	01-01-07 to 12-31-10
Treasurer	Shar S. Mechling	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	Rina E. Stuck	01-01-09 to 12-31-12
President of the Board of County Commissioners	Paul I. Bonham Kevin Woodward	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the County Council	Peter W. Cole	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wells County (County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note I, the financial statements referred to above do not include a component unit of the County which should have been included to fairly present the financial position of the County.

In our opinion, except that the omission of the component unit of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated June 23, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subjected to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 23, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wells County (County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 23, 2010. The opinions to the financial statements were qualified due to the omission of a component unit which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the County's management, the Board of County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 23, 2010

WELLS COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

Functions/Programs	Program Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals
Primary government:					
Governmental activities:					
General government	\$ 5,653,944	\$ 977,487	\$ 34,058	\$ -	\$ (4,642,399)
Public safety	4,613,505	1,054,319	302,015	-	(3,257,171)
Highways and streets	2,376,940	55,924	2,316,832	-	(4,184)
Sanitation	71,077	1,756	-	-	(69,321)
Health and welfare	507,502	130,004	376,717	-	(781)
Economic development	603,127	-	-	236,500	(366,627)
Total governmental activities	\$ 13,826,095	\$ 2,219,490	\$ 3,029,622	\$ 236,500	(8,340,483)
General receipts:					
Property taxes					4,023,930
Income taxes					3,968,032
Intergovernmental					703,469
Other local sources					453,295
Investment earnings					186,148
Total general receipts					9,334,874
Change in net assets					994,391
Net assets - beginning					6,111,591
Net assets - ending					\$ 7,105,982
<u>Assets</u>					
Cash and investments					\$ 4,675,571
Restricted assets:					
Cash and investments					2,430,411
Total assets					\$ 7,105,982
<u>Net Assets</u>					
Restricted for:					
General government					\$ 735,442
Public safety					614,578
Highways and streets					425,524
Health and welfare					100,118
Capital outlay					554,749
Unrestricted					4,675,571
Total net assets					\$ 7,105,982

The notes to the financial statements are an integral part of this statement.

WELLS COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	General	Economic Development Income Tax	Drainage Maintenance	County Highway	Rainy Day	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 6,153,186	\$ 812,761	\$ -	\$ 327,893	\$ 365,570	\$ 332,552	\$ 7,991,962
Special assessments	-	-	438,043	-	-	42,362	480,405
Intergovernmental	875,112	-	-	1,822,328	-	1,272,151	3,969,591
Charges for services	529,125	-	-	53,229	-	993,881	1,576,235
Fines and forfeits	96,719	-	-	-	-	63,455	160,174
Other	490,673	4,247	9,169	58,989	3,920	51,298	618,296
Total receipts	8,144,815	817,008	447,212	2,262,439	369,490	2,755,699	14,796,663
Disbursements:							
General government	4,189,140	-	352,086	-	-	1,009,570	5,550,796
Public safety	3,369,305	-	-	-	-	950,568	4,319,873
Highways and streets	-	-	-	1,962,959	-	-	1,962,959
Sanitation	71,077	-	-	-	-	-	71,077
Health and welfare	116,827	-	-	-	-	390,675	507,502
Economic development	-	74,300	-	-	-	-	74,300
Capital outlay:							
General government	103,148	-	-	-	-	-	103,148
Public safety	148,112	-	-	-	-	145,520	293,632
Highways and streets	-	-	-	77,926	-	336,055	413,981
Economic development	-	528,827	-	-	-	-	528,827
Total disbursements	7,997,609	603,127	352,086	2,040,885	-	2,832,388	13,826,095
Excess (deficiency) of receipts over disbursements	147,206	213,881	95,126	221,554	369,490	(76,689)	970,568
Other financing sources (uses):							
Transfers in	-	-	-	-	701,578	91,260	792,838
Transfers out	-	-	(91,260)	-	-	(701,578)	(792,838)
Other receipts	23,823	-	-	-	-	-	23,823
Total other financing sources (uses)	23,823	-	(91,260)	-	701,578	(610,318)	23,823
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	171,029	213,881	3,866	221,554	1,071,068	(687,007)	994,391
Cash and investment fund balance - beginning	735,491	770,253	475,243	89,278	344,493	3,696,833	6,111,591
Cash and investment fund balance - ending	<u>\$ 906,520</u>	<u>\$ 984,134</u>	<u>\$ 479,109</u>	<u>\$ 310,832</u>	<u>\$ 1,415,561</u>	<u>\$ 3,009,826</u>	<u>\$ 7,105,982</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 906,520	\$ 984,134	\$ 479,109	\$ -	\$ 1,415,561	\$ 890,247	\$ 4,675,571
Restricted assets:							
Cash and investments	-	-	-	310,832	-	2,119,579	2,430,411
Total cash and investment assets - ending	<u>\$ 906,520</u>	<u>\$ 984,134</u>	<u>\$ 479,109</u>	<u>\$ 310,832</u>	<u>\$ 1,415,561</u>	<u>\$ 3,009,826</u>	<u>\$ 7,105,982</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735,442	\$ 735,442
Public safety	-	-	-	-	-	614,578	614,578
Highways and streets	-	-	-	310,832	-	114,692	425,524
Health and welfare	-	-	-	-	-	100,118	100,118
Capital outlay	-	-	-	-	-	554,749	554,749
Unrestricted	906,520	984,134	479,109	-	1,415,561	890,247	4,675,571
Total cash and investment fund balance - ending	<u>\$ 906,520</u>	<u>\$ 984,134</u>	<u>\$ 479,109</u>	<u>\$ 310,832</u>	<u>\$ 1,415,561</u>	<u>\$ 3,009,826</u>	<u>\$ 7,105,982</u>

The notes to the financial statements are an integral part of this statement.

WELLS COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 183,101	\$ -	
Plan members	23,616	-	
Other	<u>393</u>	<u>1,532</u>	
Total contributions	207,110	1,532	
Investment earnings:			
Interest	<u>15,976</u>	<u>-</u>	
Total additions	<u>223,086</u>	<u>1,532</u>	
Deductions:			
Benefits	143,672	-	
Refunds of contributions	300	-	
Administrative and general	<u>25,400</u>	<u>27,591</u>	
Total deductions	<u>169,372</u>	<u>27,591</u>	
Excess (deficiency) of total additions over total deductions	53,714	(26,059)	
Cash and investment fund balance - beginning	<u>2,600,038</u>	<u>32,943</u>	
Cash and investment fund balance - ending	<u>\$ 2,653,752</u>	<u>\$ 6,884</u>	<u>\$ 5,440,770</u>

The notes to the financial statements are an integral part of this statement.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The County's financial reporting entity is composed of the following:

Primary Government: Wells County

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

The Wells County Solid Waste Management District, a discretely presented component unit, has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Economic Development Income Tax Fund accounts for revenues received from the County Economic Development Income Tax (CEDIT) and are used for construction of projects funded by these revenues.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Drainage Maintenance Fund is used to account for the collection of special assessments and other related fees associated with the maintenance and repair of the County's drainage system.

The County Highway Fund receives funds from state motor vehicle highway distributions and general property taxes. This fund is used primarily for the construction and maintenance of county highways.

The Rainy Day Fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

Additionally, the County reports the following fund types:

The pension trust fund accounts for the activities of the sheriff's pension and the sheriff's benefit pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust funds account for donations held by the county for uses restricted by the donor.

Agency funds account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any proprietary funds.

When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as they are needed.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the County in June and in 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. 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 may 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.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At December 31, 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009
GIS Grant	\$ 8,763
GIS	23,345
Public Health Coordinator Grant	29
Child Restraint System Fee	2,063

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk. At December 31, 2009, the County had deposit balances in the amount of \$12,656,587.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2009, the Sheriff's Retirement and Benefit Plans had the following investments:

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 396,012
U.S. agencies	160,829
Corporate bonds	207,701
Mutual funds	158,040
Corporate stock	1,718,725
Total	\$ 2,641,307

Statutory Authorization for Investments

IC 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The investment policy for the Sheriff's Retirement and Benefit Pension Plans was adopted by the Sheriff's Merit Board on January 1, 1984. Authorized investments include U.S. Equities, International Equity, Fixed Income Bonds and Alternate Investments.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

The following investments held by the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	2009 Not in the Government's Name
U.S. treasuries and securities	\$ 396,012
U.S. agencies	160,829
Corporate bonds	207,701
Mutual funds	158,040
Corporate stock	1,718,725
Total	\$ 2,641,307

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years. The County does not have a formal investment policy for interest rate risk for investments.

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 145,895	\$ 31,821	\$ 218,296
U.S. agencies	-	54,096	106,733
Corporate bonds	-	15,953	191,748
Mutual funds	158,040	-	-
Corporate stock	1,718,725	-	-
Totals	<u>\$ 2,022,660</u>	<u>\$ 101,870</u>	<u>\$ 516,777</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The County does not have a formal investment policy for credit risk for investments.

The Sheriff's Merit Board has not adopted a policy for credit risk.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	Aaa	\$ -	\$ -	\$ 556,841
AA	Aa	-	31,787	-
A	A	-	111,580	-
BBB	Baa	-	64,334	-
Unrated	Unrated	158,040	-	-
Totals		<u>\$ 158,040</u>	<u>\$ 207,701</u>	<u>\$ 556,841</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Sheriff's Retirement and Benefit Pension Plan held the following investments that were exposed to concentration of credit risk:

Issuer	2009
Federal National Mortgage Association	\$ 71,074
Federal Home Loan Mortgage Corporation Pool	89,755
Total	\$ 160,829

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
Drainage Maintenance Fund	Other governmental funds	\$ 91,260
Other governmental funds	Rainy Day Fund	701,578
Total		\$ 792,838

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

The transfers were made to close out the County Family and Children Fund and the Child Psychiatric Residential Treatment Fund and to repay the General Drain Improvement Fund from the Drainage Maintenance Fund.

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

During 1989, the County joined with other governmental entities to form the Indiana Public Employers' Plan, a public entity risk pool currently operating as a common risk management and insurance program for approximately 599 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The County pays an annual premium to the risk pool for its job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to the maximum statutory limit per insured event. The risk pool obtains independent coverage for insured events in excess of the \$600,000 limit.

B. 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the County during the period were \$172,234.

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

WELLS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

(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

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The contributions made by the County during the period were \$182,901.

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

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The contributions made by the County during the period were \$200.

WELLS COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 9,639,627	\$ 3,961,133	\$ 5,678,494	243%	\$ 3,369,747	169%
07-01-08	10,218,386	4,899,931	5,318,455	209%	3,680,902	144%
07-01-09	8,355,154	5,499,620	2,855,534	152%	4,017,658	71%

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 1,530,973	\$ 2,033,902	\$ (502,929)	75%	\$ 536,822	(94%)
01-01-05	1,715,143	2,196,825	(481,682)	78%	549,637	(88%)
01-01-06	2,030,114	2,424,065	(393,951)	84%	600,100	(66%)
01-01-07	2,375,791	2,723,998	(348,207)	87%	574,482	(61%)
01-01-08	2,715,746	3,072,589	(356,843)	88%	630,362	(57%)
01-01-09	2,616,712	3,317,589	(700,877)	79%	656,644	(107%)

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009

	Local Road and Street	Firearms Training	County Health	Public Transit Federal Grant	Clerk's Record Perpetuation	E911 Service
Receipts:						
Taxes	\$ -	\$ -	\$ 117,015	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	263,891	-	14,034	229,901	-	-
Charges for services	-	16,530	87,669	-	-	334,297
Fines and forfeits	-	-	-	-	3,829	-
Other	2,410	-	-	-	-	6,073
Total receipts	266,301	16,530	218,718	229,901	3,829	340,370
Disbursements:						
General government	-	-	-	229,901	4,333	-
Public safety	-	7,042	-	-	-	385,101
Health and welfare	-	-	253,172	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	128,278
Highways and streets	336,055	-	-	-	-	-
Total disbursements	336,055	7,042	253,172	229,901	4,333	513,379
Excess (deficiency) of receipts over disbursements	(69,754)	9,488	(34,454)	-	(504)	(173,009)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(69,754)	9,488	(34,454)	-	(504)	(173,009)
Cash and investment fund balance - beginning	184,446	12,482	134,572	-	6,355	712,907
Cash and investment fund balance - ending	<u>\$ 114,692</u>	<u>\$ 21,970</u>	<u>\$ 100,118</u>	<u>\$ -</u>	<u>\$ 5,851</u>	<u>\$ 539,898</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	114,692	21,970	100,118	-	5,851	539,898
Total cash and investment assets - ending	<u>\$ 114,692</u>	<u>\$ 21,970</u>	<u>\$ 100,118</u>	<u>\$ -</u>	<u>\$ 5,851</u>	<u>\$ 539,898</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 5,851	\$ -
Public safety	-	21,970	-	-	-	539,898
Highways and streets	114,692	-	-	-	-	-
Health and welfare	-	-	100,118	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 114,692</u>	<u>\$ 21,970</u>	<u>\$ 100,118</u>	<u>\$ -</u>	<u>\$ 5,851</u>	<u>\$ 539,898</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Drug Free Community/ CAD	Emergency Planning and Right to Know	Reassessment	County Extradition	Juvenile Probation Service	Adult Probation Service
Receipts:						
Taxes	\$ -	\$ -	\$ 166,203	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	4,382	19,630	-	-	-
Charges for services	-	-	-	-	11,029	47,447
Fines and forfeits	26,882	-	-	1,251	-	-
Other	-	-	9,866	-	-	16,729
Total receipts	26,882	4,382	195,699	1,251	11,029	64,176
Disbursements:						
General government	-	-	138,244	-	-	-
Public safety	37,555	4,168	-	-	1,455	81,533
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Public safety	-	17,242	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	37,555	21,410	138,244	-	1,455	81,533
Excess (deficiency) of receipts over disbursements	(10,673)	(17,028)	57,455	1,251	9,574	(17,357)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,673)	(17,028)	57,455	1,251	9,574	(17,357)
Cash and investment fund balance - beginning	38,266	25,918	610,405	2,250	55,118	218,689
Cash and investment fund balance - ending	<u>\$ 27,593</u>	<u>\$ 8,890</u>	<u>\$ 667,860</u>	<u>\$ 3,501</u>	<u>\$ 64,692</u>	<u>\$ 201,332</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 8,890	\$ -	\$ 3,501	\$ 64,692	\$ 201,332
Restricted assets:						
Cash and investments	27,593	-	667,860	-	-	-
Total cash and investment assets - ending	\$ 27,593	\$ 8,890	\$ 667,860	\$ 3,501	\$ 64,692	\$ 201,332
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ 667,860	\$ -	\$ -	\$ -
Public safety	27,593	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	8,890	-	3,501	64,692	201,332
Total cash and investment fund balance - ending	\$ 27,593	\$ 8,890	\$ 667,860	\$ 3,501	\$ 64,692	\$ 201,332

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Recorder's Perpetuation	County Family and Children	Local Health Maintenance	Community Corrections Grant	Pre-Trial Diversion	Plat Book Maintenance
Receipts:						
Taxes	\$ -	\$ 49,334	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	125,711	33,139	100,983	-	-
Charges for services	41,294	-	-	-	-	6,425
Fines and forfeits	-	-	-	-	8,023	-
Other	-	-	-	-	-	-
Total receipts	<u>41,294</u>	<u>175,045</u>	<u>33,139</u>	<u>100,983</u>	<u>8,023</u>	<u>6,425</u>
Disbursements:						
General government	21,416	-	-	-	-	12,829
Public safety	-	-	-	93,110	13,281	-
Health and welfare	-	72,053	28,885	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	<u>21,416</u>	<u>72,053</u>	<u>28,885</u>	<u>93,110</u>	<u>13,281</u>	<u>12,829</u>
Excess (deficiency) of receipts over disbursements	<u>19,878</u>	<u>102,992</u>	<u>4,254</u>	<u>7,873</u>	<u>(5,258)</u>	<u>(6,404)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(562,534)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(562,534)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>19,878</u>	<u>(459,542)</u>	<u>4,254</u>	<u>7,873</u>	<u>(5,258)</u>	<u>(6,404)</u>
Cash and investment fund balance - beginning	<u>8,621</u>	<u>459,542</u>	<u>33,531</u>	<u>-</u>	<u>22,502</u>	<u>17,129</u>
Cash and investment fund balance - ending	<u>\$ 28,499</u>	<u>\$ -</u>	<u>\$ 37,785</u>	<u>\$ 7,873</u>	<u>\$ 17,244</u>	<u>\$ 10,725</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 37,785	\$ -	\$ -	\$ 10,725
Restricted assets:						
Cash and investments	28,499	-	-	7,873	17,244	-
Total cash and investment assets - ending	<u>\$ 28,499</u>	<u>\$ -</u>	<u>\$ 37,785</u>	<u>\$ 7,873</u>	<u>\$ 17,244</u>	<u>\$ 10,725</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ 28,499	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	7,873	17,244	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	37,785	-	-	10,725
Total cash and investment fund balance - ending	<u>\$ 28,499</u>	<u>\$ -</u>	<u>\$ 37,785</u>	<u>\$ 7,873</u>	<u>\$ 17,244</u>	<u>\$ 10,725</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Jury Pay	Town of Vera Cruz Grant	Sheriff's Commissary	County Corrections	Community Corrections Grant II	Tobacco Settlement
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	236,500	-	19,291	77,318	19,322
Charges for services	2,695	-	109,080	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	2,695	236,500	109,080	19,291	77,318	19,322
Disbursements:						
General government	3,750	180,865	-	-	-	-
Public safety	-	-	124,251	17,102	77,688	-
Health and welfare	-	-	-	-	-	11,226
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	3,750	180,865	124,251	17,102	77,688	11,226
Excess (deficiency) of receipts over disbursements	(1,055)	55,635	(15,171)	2,189	(370)	8,096
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,055)	55,635	(15,171)	2,189	(370)	8,096
Cash and investment fund balance - beginning	34,287	-	26,241	14,898	370	85,750
Cash and investment fund balance - ending	<u>\$ 33,232</u>	<u>\$ 55,635</u>	<u>\$ 11,070</u>	<u>\$ 17,087</u>	<u>\$ -</u>	<u>\$ 93,846</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 55,635	\$ 11,070	\$ 17,087	\$ -	\$ 93,846
Restricted assets:						
Cash and investments	33,232	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 33,232</u>	<u>\$ 55,635</u>	<u>\$ 11,070</u>	<u>\$ 17,087</u>	<u>\$ -</u>	<u>\$ 93,846</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ 33,232	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	55,635	11,070	17,087	-	93,846
Total cash and investment fund balance - ending	<u>\$ 33,232</u>	<u>\$ 55,635</u>	<u>\$ 11,070</u>	<u>\$ 17,087</u>	<u>\$ -</u>	<u>\$ 93,846</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Levy Excess	Child Psychiatric Residential Treatment	Homeland Security Reimbursement	Wireless 911	Pretrial Deferral	Sheriff's Accident Report
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	86,442	-	-	-
Charges for services	-	-	-	61,022	-	-
Fines and forfeits	-	-	-	-	23,470	-
Other	5,407	-	-	-	-	1,359
Total receipts	5,407	-	86,442	61,022	23,470	1,359
Disbursements:						
General government	5,407	-	-	-	-	13
Public safety	-	-	86,442	-	21,840	-
Health and welfare	-	25,339	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	5,407	25,339	86,442	-	21,840	13
Excess (deficiency) of receipts over disbursements	-	(25,339)	-	61,022	1,630	1,346
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(139,044)	-	-	-	-
Total other financing sources (uses)	-	(139,044)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(164,383)	-	61,022	1,630	1,346
Cash and investment fund balance - beginning	92,013	164,383	-	-	38,393	511
Cash and investment fund balance - ending	<u>\$ 92,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,022</u>	<u>\$ 40,023</u>	<u>\$ 1,857</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 92,013	\$ -	\$ -	\$ 61,022	\$ 40,023	\$ 1,857
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 92,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,022</u>	<u>\$ 40,023</u>	<u>\$ 1,857</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	92,013	-	-	61,022	40,023	1,857
Total cash and investment fund balance - ending	<u>\$ 92,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,022</u>	<u>\$ 40,023</u>	<u>\$ 1,857</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	GIS Grant	ALCO Sensor Grant	Surveyor's Corner Perpetuation	Urinalysis Fees	Special Vehicle Inspection	GED Education
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	4,960	7,033	915	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	4,960	7,033	915	-
Disbursements:						
General government	8,763	-	21,348	544	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	8,763	-	21,348	544	-	-
Excess (deficiency) of receipts over disbursements	(8,763)	-	(16,388)	6,489	915	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,763)	-	(16,388)	6,489	915	-
Cash and investment fund balance - beginning	-	85	23,823	8,396	443	4,669
Cash and investment fund balance - ending	<u>\$ (8,763)</u>	<u>\$ 85</u>	<u>\$ 7,435</u>	<u>\$ 14,885</u>	<u>\$ 1,358</u>	<u>\$ 4,669</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (8,763)	\$ 85	\$ 7,435	\$ 14,885	\$ 1,358	\$ 4,669
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (8,763)</u>	<u>\$ 85</u>	<u>\$ 7,435</u>	<u>\$ 14,885</u>	<u>\$ 1,358</u>	<u>\$ 4,669</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	(8,763)	85	7,435	14,885	1,358	4,669
Total cash and investment fund balance - ending	<u>\$ (8,763)</u>	<u>\$ 85</u>	<u>\$ 7,435</u>	<u>\$ 14,885</u>	<u>\$ 1,358</u>	<u>\$ 4,669</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Blood Analysis Fee	Abandoned Vehicle	BIO Terror Grant	Clerk Incentive IV-D	Prosecutor IV-D Incentive	Sheriffs Share Diversion/ Deferral
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	13,263	-	-
Charges for services	-	-	-	-	-	2,050
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	13,263	-	2,050
Disbursements:						
General government	-	-	-	4,791	4,406	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	-	-	-	4,791	4,406	-
Excess (deficiency) of receipts over disbursements	-	-	-	8,472	(4,406)	2,050
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	8,472	(4,406)	2,050
Cash and investment fund balance - beginning	317	125	19,287	35,826	19,549	2,857
Cash and investment fund balance - ending	<u>\$ 317</u>	<u>\$ 125</u>	<u>\$ 19,287</u>	<u>\$ 44,298</u>	<u>\$ 15,143</u>	<u>\$ 4,907</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 317	\$ 125	\$ 19,287	\$ 44,298	\$ 15,143	\$ 4,907
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 317</u>	<u>\$ 125</u>	<u>\$ 19,287</u>	<u>\$ 44,298</u>	<u>\$ 15,143</u>	<u>\$ 4,907</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	317	125	19,287	44,298	15,143	4,907
Total cash and investment fund balance - ending	<u>\$ 317</u>	<u>\$ 125</u>	<u>\$ 19,287</u>	<u>\$ 44,298</u>	<u>\$ 15,143</u>	<u>\$ 4,907</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Substance/ Indigent	Community Correction Project Income	County Medical for Inmates	GIS	Interstate Compact Fees	Public Health Coordinator Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	231,570	2,629	-	150	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	231,570	2,629	-	150	-
Disbursements:						
General government	461	229,286	-	-	112	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	461	229,286	-	-	112	-
Excess (deficiency) of receipts over disbursements	(461)	2,284	2,629	-	38	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(461)	2,284	2,629	-	38	-
Cash and investment fund balance - beginning	7,376	4,535	1,166	(23,345)	-	(29)
Cash and investment fund balance - ending	\$ 6,915	\$ 6,819	\$ 3,795	\$ (23,345)	\$ 38	\$ (29)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 6,915	\$ 6,819	\$ 3,795	\$ (23,345)	\$ 38	\$ (29)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,915	\$ 6,819	\$ 3,795	\$ (23,345)	\$ 38	\$ (29)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	6,915	6,819	3,795	(23,345)	38	(29)
Total cash and investment fund balance - ending	\$ 6,915	\$ 6,819	\$ 3,795	\$ (23,345)	\$ 38	\$ (29)

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Child Restraint System Fee	County Identification Security Protection	PHD - Bioterrorism Grant	H1N1 Grant	County Police Pension
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	14,724	13,620	-
Charges for services	-	10,870	-	-	16,216
Fines and forfeits	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	-	10,870	14,724	13,620	16,216
Disbursements:					
General government	2,063	-	14,656	3,754	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay:					
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Total disbursements	2,063	-	14,656	3,754	-
Excess (deficiency) of receipts over disbursements	(2,063)	10,870	68	9,866	16,216
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,063)	10,870	68	9,866	16,216
Cash and investment fund balance - beginning	-	7,802	-	-	47,917
Cash and investment fund balance - ending	<u>\$ (2,063)</u>	<u>\$ 18,672</u>	<u>\$ 68</u>	<u>\$ 9,866</u>	<u>\$ 64,133</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ (2,063)	\$ 18,672	\$ 68	\$ 9,866	\$ 64,133
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (2,063)</u>	<u>\$ 18,672</u>	<u>\$ 68</u>	<u>\$ 9,866</u>	<u>\$ 64,133</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	(2,063)	18,672	68	9,866	64,133
Total cash and investment fund balance - ending	<u>\$ (2,063)</u>	<u>\$ 18,672</u>	<u>\$ 68</u>	<u>\$ 9,866</u>	<u>\$ 64,133</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Federal Asset Seizure	Jail Lease	Cumulative Bridge	General Drain Improvement	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 332,552
Special assessments	-	-	-	42,362	42,362
Intergovernmental	-	-	-	-	1,272,151
Charges for services	-	-	-	-	993,881
Fines and forfeits	-	-	-	-	63,455
Other	-	-	-	9,454	51,298
Total receipts	-	-	-	51,816	2,755,699
Disbursements:					
General government	-	-	-	122,628	1,009,570
Public safety	-	-	-	-	950,568
Health and welfare	-	-	-	-	390,675
Capital outlay:					
Public safety	-	-	-	-	145,520
Highways and streets	-	-	-	-	336,055
Total disbursements	-	-	-	122,628	2,832,388
Excess (deficiency) of receipts over disbursements	-	-	-	(70,812)	(76,689)
Other financing sources (uses):					
Transfers in	-	-	-	91,260	91,260
Transfers out	-	-	-	-	(701,578)
Total other financing sources (uses)	-	-	-	91,260	(610,318)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	20,448	(687,007)
Cash and investment fund balance - beginning	11	2,143	3,956	530,345	3,696,833
Cash and investment fund balance - ending	<u>\$ 11</u>	<u>\$ 2,143</u>	<u>\$ 3,956</u>	<u>\$ 550,793</u>	<u>\$ 3,009,826</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 11	\$ 2,143	\$ -	\$ -	\$ 890,247
Restricted assets:					
Cash and investments	-	-	3,956	550,793	2,119,579
Total cash and investment assets - ending	<u>\$ 11</u>	<u>\$ 2,143</u>	<u>\$ 3,956</u>	<u>\$ 550,793</u>	<u>\$ 3,009,826</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 735,442
Public safety	-	-	-	-	614,578
Highways and streets	-	-	-	-	114,692
Health and welfare	-	-	-	-	100,118
Capital outlay	-	-	3,956	550,793	554,749
Unrestricted	11	2,143	-	-	890,247
Total cash and investment fund balance - ending	<u>\$ 11</u>	<u>\$ 2,143</u>	<u>\$ 3,956</u>	<u>\$ 550,793</u>	<u>\$ 3,009,826</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2009

	Congressional Principal	Sheriff Donation	Project Lifesaver Donation	Granand Cemetery Trust	K-9 Donation	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 100	\$ -	\$ 1,432	\$ 1,532
Deductions:						
Administrative and general	26,045	-	338	1,000	208	27,591
Excess (deficiency) of total additions over total deductions	(26,045)	-	(238)	(1,000)	1,224	(26,059)
Cash and investment fund balance - beginning	26,045	1,440	1,966	3,087	405	32,943
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,440</u>	<u>\$ 1,728</u>	<u>\$ 2,087</u>	<u>\$ 1,629</u>	<u>\$ 6,884</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	<u>City/Town Court Cost</u>	<u>Coroner's Continuing Education</u>	<u>Congressional Interest</u>	<u>Tax Sale Redemption</u>	<u>Surplus Tax</u>	<u>Surplus Dog Tax</u>
Additions:						
Agency fund additions	\$ 4,450	\$ 4,903	\$ 1,192	\$ 20,107	\$ 216,239	\$ -
Deductions:						
Agency fund deductions	-	4,838	9,106	3,368	314,296	178
Excess (deficiency) of total additions over total deductions	4,450	65	(7,914)	16,739	(98,057)	(178)
Cash and investment fund balance - beginning	<u>14,562</u>	<u>283</u>	<u>7,914</u>	<u>3,236</u>	<u>175,766</u>	<u>178</u>
Cash and investment fund balance - ending	<u>\$ 19,012</u>	<u>\$ 348</u>	<u>\$ -</u>	<u>\$ 19,975</u>	<u>\$ 77,709</u>	<u>\$ -</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	State Sales Disclosure Fee	Recorder	County Sheriff	Infraction Judgments	Inheritance Tax	Probation Department
Additions:						
Agency fund additions	\$ 5,615	\$ 144,236	\$ 512,522	\$ 42,366	\$ 952,252	\$ 84,363
Deductions:						
Agency fund deductions	3,565	144,236	515,051	44,428	1,840,762	84,363
Excess (deficiency) of total additions over total deductions	2,050	-	(2,529)	(2,062)	(888,510)	-
Cash and investment fund balance - beginning	13,083	150	13,944	4,367	1,018,993	-
Cash and investment fund balance - ending	<u>\$ 15,133</u>	<u>\$ 150</u>	<u>\$ 11,415</u>	<u>\$ 2,305</u>	<u>\$ 130,483</u>	<u>\$ -</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	County Payroll	Sheriff's Inmate Trust	Special Death Benefit	Education Plate Fee	Tax Sale Surplus	Mortgage Fee
Additions:						
Agency fund additions	\$ 1,521,388	\$ 148,814	\$ 1,785	\$ 956	\$ 3,500	\$ 3,961
Deductions:						
Agency fund deductions	1,537,073	136,912	1,965	956	32,985	1,873
Excess (deficiency) of total additions over total deductions	(15,685)	11,902	(180)	-	(29,485)	2,088
Cash and investment fund balance - beginning	66,497	8,736	355	-	75,753	222
Cash and investment fund balance - ending	<u>\$ 50,812</u>	<u>\$ 20,638</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 46,268</u>	<u>\$ 2,310</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Users Fee	Welfare Trust	Homestead Credit Rebate	Tax Distribution	Fines And Forfeitures
Additions:					
Agency fund additions	\$ 1,403	\$ -	\$ -	\$ 33,514,357	\$ 38,432
Deductions:					
Agency fund deductions	449	625	6,215	32,453,845	-
Excess (deficiency) of total additions over total deductions	954	(625)	(6,215)	1,060,512	38,432
Cash and investment fund balance - beginning	15,393	625	6,215	1,977,007	20,501
Cash and investment fund balance - ending	<u>\$ 16,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,037,519</u>	<u>\$ 58,933</u>

WELLS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	County Law Enforcement Continuing Education	Personal Property Collections Agency	Clerk of the Circuit Court	County Treasurer	Totals
Additions:					
Agency fund additions	\$ 936	\$ -	\$ 1,634,271	\$ 27,466,525	\$ 66,324,573
Deductions:					
Agency fund deductions	-	-	1,620,102	29,250,300	68,007,491
Excess (deficiency) of total additions over total deductions	936	-	14,169	(1,783,775)	(1,682,918)
Cash and investment fund balance - beginning	364	131	63,946	3,635,467	7,123,688
Cash and investment fund balance - ending	<u>\$ 1,300</u>	<u>\$ 131</u>	<u>\$ 78,115</u>	<u>\$ 1,851,692</u>	<u>\$ 5,440,770</u>

WELLS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2009

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>6,132,620</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 59,235,746</u>

WELLS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Rescue Vehicle	\$ 297,195	\$ 65,738
Notes and loans payable	<u>448,523</u>	<u>238,997</u>
Total governmental activities debt	<u>\$ 745,718</u>	<u>\$ 304,735</u>

WELLS COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to the official report prepared for the County Auditor.

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

Compliance

We have audited the compliance of Wells County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the County's management, the Board of County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 23, 2010

WELLS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Formula Grants for Other Than Urbanized Areas	20.509	A249-09-320343	\$ 150,841
Total for federal grantor agency			<u>150,841</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		241,918
ARRA - Child Support Enforcement	93.563		<u>339</u>
Total for federal grantor agency			<u>242,257</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Hazard Mitigation Grant	97.039		<u>180,845</u>
Emergency Management Performance Grants	97.042		<u>13,599</u>
Law Enforcement Terrorism Prevention Program	97.074		<u>86,442</u>
Total for federal grantor agency			<u>280,886</u>
Total federal awards expended			<u>\$ 673,984</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

WELLS COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Wells County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to sub-recipients as follows for the year ended December 31, 2009:

Program Title	Federal CFDA Number	2009
Formula Grants for Other Than Urbanized Areas	20.509	\$ <u>150,841</u>

WELLS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Other Than Urbanized Areas
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

WELLS COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

WELLS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 23, 2010 with Laura A. Brubaker, Auditor; Peter W. Cole, President of the County Council; and Kevin Woodward, President of the Board of County Commissioners.