

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

AUDIT REPORT

OF

COUNTY AUDITOR

WELLS COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED

08/09/2010

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Laura A. Brubaker	01-01-07 to 12-31-10
President of the County Council	Peter W. Cole	01-01-09 to 12-31-10
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



STATE OF INDIANA
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TO: THE OFFICIALS OF WELLS COUNTY

We have audited the records of the County Auditor for the period from January 1, 2009 to December 31, 2009, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Wells County for the year 2009.

STATE BOARD OF ACCOUNTS

June 23, 2010

COUNTY AUDITOR
WELLS COUNTY
AUDIT RESULTS AND COMMENTS

CONTRACTS

The Wells County Commissioners have a contract with the Wells County Solid Waste Management District (District) for payroll, pension, and health and life insurance benefits. The County pays the employees of the Solid Waste District and provides retirement and health and life insurance benefits for the full-time employees. These expenses are then to be reimbursed to the County by the District. The County has provided the following in compensation and benefits to the District:

Year	Amount
Benefits provided:	
2005	\$ 60,323
2006	62,652
2007	72,844
2008	74,549
2009	95,367
January to April 2010	28,471
Total benefits provided	394,206
Reimbursements received:	
July 2006	45,872
October 2006	21,293
Amount owed as of April 30, 2010	\$ 327,041

The County Auditor is also the Controller for the District. A similar comment appeared in prior Report B35541.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

SURPLUS TAX FUND

Financial records presented for audit of the Surplus Tax Fund did not provide sufficient information to audit receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. The Surplus Tax Fund ledger did not have an accurate detail of each item of surplus tax collected. A similar comment appeared in prior Report B35541.

Excess (surplus) tax shall be reported by the treasurer on the County Treasurer's Certificate of Tax Collections, County Form 49TC. The county treasurer is also required to file Ledger Form 65-STF, Surplus Tax Fund Ledger, listing in detail by taxing district each item of surplus tax collected, the total of which shall be receipted into the "Surplus Tax Fund." The detail ledger sheets shall be placed in the county auditor's ledger and be disbursed in the manner discussed on page 7-9. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 9)

COUNTY AUDITOR
WELLS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping of the General Drain Improvement and Drainage Maintenance Funds were present during the audit period. A similar comment appeared in prior Report B35541.

1. The prescribed forms for the General Drain Improvement Fund Ledger Form (63C) and Drainage Maintenance Fund Ledger (Form 63CM) were not properly completed.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 9)

2. Assessments were not posted properly to the General Drain Improvement Fund Ledger Form (63C) and Drainage Maintenance Fund Ledger (Form 63CM).

For the General Drain Improvement Fund "assessments unpaid as shown in Col. 6 of each Subsidiary Ledger sheet (Form 63C) must be equal to unpaid assessments for construction or reconstruction (Principal only) appearing on the Ditch Duplicate for the particular ditch." (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

For the Drainage Maintenance Fund "assessments unpaid as shown in Col. 6 of each Subsidiary Ledger sheet (Form 63CM) must be equal to unpaid assessments (Principal only) appearing on the Ditch Duplicate for the particular ditch." (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

3. The receipt and disbursement activity of the subsidiary ledgers did not agree with the Auditor's General Ledger for the year ending December 31, 2009.

At the end of any accounting period: (1) the sum of receipt postings to the Subsidiary Ledger sheets (Form 63C), Col. 10, must equal the total receipt postings to the Control sheet (Form 63C) and to the General Ledger for the same period, (2) the sum of disbursement postings to the Subsidiary Ledger sheets (Form 63C), Col. 11, must equal the total disbursement postings to the Control sheet (Form 63C), Col. 11, and to the General Ledger for the same period, and (3) the total of balances and overdrafts in Col. 12, Subsidiary Ledger (Form 63C) must equal the balance in the Control Sheet (Form 63C) and in the General Ledger. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

At the end of any accounting period: (1) the sum of receipt postings to the Subsidiary Ledger sheets (Form 63CM), Col. 7, must equal the total receipt postings to the Control sheet (Form 63CM) and to the General Ledger for the same period, (2) the sum of disbursement postings to the Subsidiary Ledger sheets (Form 63CM), Col. 8, must equal the total of disbursement postings to the Control sheet (Form 63CM), and to the total of disbursement postings to the General Ledger for the same period, and (3) the total of balances and overdrafts in Col. 9, Subsidiary Ledger (Form 63CM) must equal the balance in Drainage Maintenance - General Ledger. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

COUNTY AUDITOR
WELLS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

TAX SALE SURPLUS AND TAX SALE REDEMPTION FUNDS

As noted in prior Report B35541 for the year 2008, an examination of the Tax Sale Surplus Fund and the Tax Sale Redemption Fund disclosed improper disbursements. Two disbursements from the Tax Sale Surplus Fund to tax sale purchasers for the redemption of property sold at the tax sale included not only the surplus, but also the redemption amount. The redemption amount paid to the purchaser should have been paid from the Tax Sale Redemption Fund where the funds were deposited when the property was redeemed by the owner.

Disbursements from the Tax Sale Redemption Fund in 2008 were for tax sale administrative and postage costs. The expenses of the tax sale should have been paid from the General Fund.

These errors have not been corrected as of June 22, 2010.

When real property is redeemed, a quietus shall be issued by the county auditor in favor of the person paying the money to the treasurer and the amount receipted into the "tax sale redemption" fund shall be held in trust for the purchaser. The county auditor shall issue a warrant to the purchaser or purchaser's assignee upon the surrendering of the certificate of sale, in an amount equal to the amount received by the treasurer for redemption. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn at December 31, 2009: GIS Grant Fund \$8,763; GIS Fund \$23,345; Public Health Coordinator Grant Fund \$29; and Child Restraint System Fee Fund \$2,063. A similar comment appeared in prior Report B35541.

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

CITY AND TOWN COURT COST FUND

There were no distributions from the City and Town Court Cost Fund to qualified municipalities as required by Indiana Code. A similar comment appeared in prior Report B35541.

IC 33-37-7-6(a) states in part: "The qualified municipality share to be distributed to each city and town maintaining a law enforcement agency that prosecutes at least fifty percent (50%) of the city's or town's ordinance violations in a circuit, superior, or county court located in the county is three percent (3%) of the amount of fees collected. . . ."

COUNTY AUDITOR
WELLS COUNTY
EXIT CONFERENCE

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