

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
WELLS COUNTY, INDIANA
January 1, 2012 to December 31, 2012



FILED
07/24/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Beth J. Davis	01-01-11 to 12-31-14
Treasurer	Shar S. Mechling	01-01-09 to 12-31-16
Clerk	Yvette K. Runkle	01-01-11 to 12-31-14
Sheriff	Monte L. Fisher	01-01-11 to 12-31-14
Recorder	Rina E. Stuck	01-01-09 to 12-31-16
President of the Board of County Commissioners	Kevin S. Woodward C. Scott Mossburg	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the County Council	Peter W. Cole (Vacant) James E. Van Winkle	01-01-12 to 03-20-12 03-21-12 to 04-03-12 04-04-12 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Wells County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2012.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 8, 2013, 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* in considering the County's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Information

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.



Bruce Hartman
State Examiner

July 8, 2013



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

We have audited, 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, the financial statement of Wells County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated July 8, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is 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*.

Wells County's Response to Findings

The County's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman
State Examiner

July 8, 2013

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

WELLS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
After Settlement Collections	\$ 460,040	\$ 428,011	\$ 460,040	\$ 428,011
Sheriff's Inmate Trust	3,889	140,653	141,058	3,484
Jail Commissary	21,263	75,217	71,481	24,999
Clerk's Trust	233,227	1,978,627	2,135,213	76,641
Sheriff's Cashbook	9,053	646,577	636,108	19,522
General	699,522	9,662,185	8,295,506	2,066,201
Accident Report	3,882	1,444	-	5,326
Campaign Finance Enforcement - County	25	-	-	25
CEDIT County Share	962,549	915,925	1,469,073	409,401
City and Town Court Costs	8,296	3,838	-	12,134
Clerk's Records Perpetuation	10,385	4,966	3,301	12,050
Community Corrections	(16,412)	511,457	530,990	(35,945)
Sales Disclosure- County Share	17,458	2,860	2,831	17,487
Cumulative Bridge	3,956	-	3,956	-
Drug Free Community	10,192	9,847	9,379	10,660
Emergency Planning/Right To Know	11,218	260	3,840	7,638
Emergency Telephone System	452,479	116,202	568,681	-
Extradition	5,516	-	-	5,516
Firearms Training	17,028	9,430	1,975	24,483
General Drain Improvement	632,603	179,631	172,463	639,771
Health	91,940	336,080	266,010	162,010
Identification Security Protection	36,173	2,788	-	38,961
Levy Excess	-	84,600	-	84,600
Local Health Maintenance	37,133	32,672	30,875	38,930
Local Road and Street	177,873	272,513	225,000	225,386
LOIT Public Safety- County Share	182,125	163,176	214,318	130,983
Medical Care for Inmates	9,200	1,756	-	10,956
Misdemeanant	11,781	19,291	19,292	11,780
Highway	301,082	2,247,182	2,216,954	331,310
Plat Book	4,527	6,870	8,562	2,835
Rainy Day	2,179,220	7,947	1,100,000	1,087,167
Reassessment - 2009	274,619	464	149,100	125,983
Reassessment - 2015	182,033	182,904	107,811	257,126
Recorder's Records Perpetuation	47,590	60,005	40,733	66,862
Sex and Violent Offender Administration	1,607	6,224	3,732	4,099
Sheriff's Pension Trust	4,069	12,846	13,165	3,750
Surplus Tax	68,705	31,266	76,095	23,876
Surveyor's Corner Perpetuation	13,350	5,620	-	18,970
Tax Sale Redemption	(8,735)	45,259	36,524	-
Tax Sale Surplus	31,224	79,746	91,161	19,809
Local Health Department Trust Account	108,564	18,866	15,219	112,211
Vehicle Inspection	1,727	670	-	2,397
Wireless Emergency Telephone System	289,797	49,273	339,070	-
Auditor's Ineligible Deductions	19,512	41,586	20,117	40,981
County Elected Officials Training	1,084	2,788	588	3,284
County Offender Transportation	188	250	-	438
Statewide 911	-	880,504	199,655	680,849
Abandoned Vehicle	125	-	-	125
Supplemental Adult Probation Services	199,419	49,321	34,328	214,412
Supplemental Juvenile Probation Services	45,383	8,190	1,207	52,366
County User Fee	79,693	38,902	35,347	83,248
Drainage Maintenance	1,119,968	538,300	634,134	1,024,134
K-9	1,718	-	1,089	629
Donations	2,722	-	1,547	1,175
Payroll Withholdings	21,583	1,526,032	1,528,916	18,699
Settlement	-	17,129,894	17,129,894	-

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

WELLS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
LOIT Property Tax Operating Levies Replacement	846,286	2,201,697	3,047,983	-
LOIT Public Safety	-	275,213	275,213	-
LOIT Stabilization	3,690,355	927,648	-	4,618,003
Wheel Tax	-	100,441	98,941	1,500
Sur Tax	-	275,582	275,582	-
CVET Agency	-	318,128	318,128	-
Final Excise Tax Cut Replacement Due State	-	945,089	945,089	-
Weed Lien Collections	-	7,367	7,367	-
Sewage Lien Collections	-	29,666	29,666	-
Financial Institution Tax	-	155,427	155,427	-
CEDIT Homestead Credit	24,454	1,159,808	855,887	328,375
HEA 1001 State Homestead Credit	(2,047)	-	3	(2,050)
LOIT Homestead Credit	5,040	-	12	5,028
LOIT Residential PTRC	22,744	1,100,847	850,109	273,482
State Fines and Forfeitures	4,605	32,890	34,870	2,625
Infraction Judgments	5,893	42,604	37,814	10,683
Special Death Benefit	255	1,660	1,635	280
Sales Disclosure- State Share	245	2,865	2,580	530
Coroner's Training and Continuing Education	233	2,380	2,176	437
Interstate Compact- State Share	63	250	313	-
Mortgage Recording Fees- State Share	297	3,690	3,280	707
DLGF Homestead Property Database	18	46	50	14
Sex and Violent Offender Admin- State	179	277	415	41
Child Restraint Violations Fines	-	175	125	50
Inheritance Tax	328,220	631,376	906,513	53,083
Education Plate Fees Agency	-	563	563	-
Riverboat Revenue Sharing	-	163,713	163,713	-
CAGIT Distribution	-	4,128,181	4,128,181	-
CEDIT Distribution	-	1,449,781	1,449,781	-
93.563 ARRA Clerk IV-D Incentive	3,757	-	-	3,757
93.563 Title IV-D Incentive	93,392	15,621	-	109,013
93.563 Prosecutor IV-D Incentive-Post Oct '99	93,230	23,509	8,719	108,020
93.563 Clerk IV-D Incentive-Post Oct '99	48,228	15,771	5,107	58,892
Property Tax Replacement Credit	-	1,376,059	1,376,059	-
Alco Sensor Grant	85	-	-	85
Jail Lease	2,143	-	2,143	-
Sheriff's Continuing Education	257	718	975	-
Personal Property Collections	131	-	131	-
93.507 Accreditation Grant	-	16,000	-	16,000
County Family and Children	564	-	564	-
Blood Analysis Fee	317	-	317	-
Bio Terror Grant	14,197	-	9,841	4,356
Sheriff's Share Diversion/Deferral	6,707	1,425	8,132	-
Substance / Indigent	4,717	475	611	4,581
Federal Assets Seizure	11	-	11	-
20.509 Public Transit Grant	-	281,636	281,636	-
Public Health Preparedness Capabilities	1,290	-	1,290	-
20.509 ARRA Public Transit Grant	-	32,845	32,845	-
93.069 Public Health Preparedness Federal Grant	-	3,193	3,750	(557)
Commissioners' Certificate Tax Sale	1,100	-	1,100	-
Bridge 59	36,727	55,957	92,684	-
Wind Farm Expense	2,280	-	-	2,280
Data Exchange Agreement Grant	-	2,000	2,000	-
Totals	\$ 14,319,141	\$ 54,353,488	\$ 54,465,669	\$ 14,206,960

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

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. 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 some or all of 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 accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize 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.

Note 5. Risk Management

The County may be 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; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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.

Note 7. Restatement of County Offices

Certain funds that were included on the prior year financial statement have been omitted from the current year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and this financial statement.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being established to account for reimbursable grants. The reimbursement for expenditures made by the County was not received by December 31, 2012.

Note 9. Combined Funds

Funds related to tax distributions were reported individually in the current financial statement but were combined into one fund for the prior financial statement.

Funds related to Adult Probation, User Fees, Community Corrections, and Donations were reported individually in the prior financial statement but were combined into one fund for the current financial statement.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	Sheriff's Cashbook	General	Accident Report	Campaign Finance Enforcement - County
Cash and investments - beginning	\$ 460,040	\$ 3,889	\$ 21,263	\$ 233,227	\$ 9,053	\$ 699,522	\$ 3,882	\$ 25
Receipts:								
Taxes	-	-	-	-	-	6,329,798	-	-
Licenses and permits	-	-	-	-	-	32,962	-	-
Intergovernmental	-	-	-	-	-	1,602,330	-	-
Charges for services	-	-	-	-	-	184,574	1,444	-
Fines and forfeits	-	-	-	-	-	93,267	-	-
Other receipts	428,011	140,653	75,217	1,978,627	646,577	1,419,254	-	-
Total receipts	428,011	140,653	75,217	1,978,627	646,577	9,662,185	1,444	-
Disbursements:								
Personal services	-	-	-	-	-	5,293,114	-	-
Supplies	-	-	-	-	-	286,685	-	-
Other services and charges	-	-	-	-	-	1,742,589	-	-
Capital outlay	-	-	-	-	-	424,746	-	-
Other disbursements	460,040	141,058	71,481	2,135,213	636,108	548,372	-	-
Total disbursements	460,040	141,058	71,481	2,135,213	636,108	8,295,506	-	-
Excess (deficiency) of receipts over disbursements	(32,029)	(405)	3,736	(156,586)	10,469	1,366,679	1,444	-
Cash and investments - ending	\$ 428,011	\$ 3,484	\$ 24,999	\$ 76,641	\$ 19,522	\$ 2,066,201	\$ 5,326	\$ 25

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation	Community Corrections	Sales Disclosure- County Share	Cumulative Bridge	Drug Free Community	Emergency Planning/Right To Know
Cash and investments - beginning	\$ 962,549	\$ 8,296	\$ 10,385	\$ (16,412)	\$ 17,458	\$ 3,956	\$ 10,192	\$ 11,218
Receipts:								
Taxes	861,746	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	179,526	-	-	-	-
Charges for services	-	-	-	331,931	2,860	-	-	-
Fines and forfeits	-	3,838	4,966	-	-	-	9,847	-
Other receipts	54,179	-	-	-	-	-	-	260
Total receipts	915,925	3,838	4,966	511,457	2,860	-	9,847	260
Disbursements:								
Personal services	-	-	2,564	243,911	-	-	-	-
Supplies	-	-	737	17,149	-	-	-	-
Other services and charges	85,000	-	-	269,319	2,013	-	9,379	13
Capital outlay	1,384,073	-	-	604	818	3,956	-	3,827
Other disbursements	-	-	-	7	-	-	-	-
Total disbursements	1,469,073	-	3,301	530,990	2,831	3,956	9,379	3,840
Excess (deficiency) of receipts over disbursements	(553,148)	3,838	1,665	(19,533)	29	(3,956)	468	(3,580)
Cash and investments - ending	\$ 409,401	\$ 12,134	\$ 12,050	\$ (35,945)	\$ 17,487	\$ -	\$ 10,660	\$ 7,638

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Emergency Telephone System	Extradition	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Levy Excess	Local Health Maintenance
Cash and investments - beginning	\$ 452,479	\$ 5,516	\$ 17,028	\$ 632,603	\$ 91,940	\$ 36,173	\$ -	\$ 37,133
Receipts:								
Taxes	-	-	-	175,599	222,103	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	24,114	-	-	32,672
Charges for services	114,606	-	9,430	-	89,863	2,788	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	1,596	-	-	4,032	-	-	84,600	-
Total receipts	116,202	-	9,430	179,631	336,080	2,788	84,600	32,672
Disbursements:								
Personal services	-	-	-	-	220,796	-	-	28,481
Supplies	-	-	-	-	2,878	-	-	122
Other services and charges	114,456	-	-	172,463	41,943	-	-	2,272
Capital outlay	68,844	-	-	-	-	-	-	-
Other disbursements	385,381	-	1,975	-	393	-	-	-
Total disbursements	568,681	-	1,975	172,463	266,010	-	-	30,875
Excess (deficiency) of receipts over disbursements	(452,479)	-	7,455	7,168	70,070	2,788	84,600	1,797
Cash and investments - ending	\$ -	\$ 5,516	\$ 24,483	\$ 639,771	\$ 162,010	\$ 38,961	\$ 84,600	\$ 38,930

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Local Road and Street	LOIT Public Safety- County Share	Medical Care for Inmates	Misdemeanant	Highway	Plat Book	Rainy Day	Reassessment - 2009
Cash and investments - beginning	\$ 177,873	\$ 182,125	\$ 9,200	\$ 11,781	\$ 301,082	\$ 4,527	\$ 2,179,220	\$ 274,619
Receipts:								
Taxes	-	-	-	-	307,970	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	270,878	163,176	-	19,291	1,830,416	-	-	-
Charges for services	-	-	1,756	-	-	6,870	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	1,635	-	-	-	108,796	-	7,947	464
Total receipts	272,513	163,176	1,756	19,291	2,247,182	6,870	7,947	464
Disbursements:								
Personal services	-	-	-	19,292	985,683	8,562	-	8,472
Supplies	-	-	-	-	957,481	-	-	610
Other services and charges	-	-	-	-	118,248	-	-	139,897
Capital outlay	225,000	-	-	-	155,542	-	-	121
Other disbursements	-	214,318	-	-	-	-	1,100,000	-
Total disbursements	225,000	214,318	-	19,292	2,216,954	8,562	1,100,000	149,100
Excess (deficiency) of receipts over disbursements	47,513	(51,142)	1,756	(1)	30,228	(1,692)	(1,092,053)	(148,636)
Cash and investments - ending	\$ 225,386	\$ 130,983	\$ 10,956	\$ 11,780	\$ 331,310	\$ 2,835	\$ 1,087,167	\$ 125,983

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Reassessment - 2015	Recorder's Records Perpetuation	Sex and Violent Offender Administration	Sheriff's Pension Trust	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 182,033	\$ 47,590	\$ 1,607	\$ 4,069	\$ 68,705	\$ 13,350	\$ (8,735)	\$ 31,224
Receipts:								
Taxes	164,991	-	-	-	29,885	-	-	79,746
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	17,913	-	-	-	-	-	-	-
Charges for services	-	60,005	6,224	-	-	5,620	-	-
Fines and forfeits	-	-	-	12,846	-	-	-	-
Other receipts	-	-	-	-	1,381	-	45,259	-
Total receipts	182,904	60,005	6,224	12,846	31,266	5,620	45,259	79,746
Disbursements:								
Personal services	22,169	-	-	-	-	-	-	-
Supplies	813	-	-	-	-	-	-	-
Other services and charges	84,829	40,733	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	3,732	13,165	76,095	-	36,524	91,161
Total disbursements	107,811	40,733	3,732	13,165	76,095	-	36,524	91,161
Excess (deficiency) of receipts over disbursements	75,093	19,272	2,492	(319)	(44,829)	5,620	8,735	(11,415)
Cash and investments - ending	\$ 257,126	\$ 66,862	\$ 4,099	\$ 3,750	\$ 23,876	\$ 18,970	\$ -	\$ 19,809

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Local Health Department Trust Account	Vehicle Inspection	Wireless Emergency Telephone System	Auditor's Ineligible Deductions	County Elected Officials Training	County Offender Transportation	Statewide 911
Cash and investments - beginning	\$ 108,564	\$ 1,727	\$ 289,797	\$ 19,512	\$ 1,084	\$ 188	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	18,866	-	-	-	-	-	-
Charges for services	-	670	48,829	41,586	2,788	-	154,512
Fines and forfeits	-	-	-	-	-	250	-
Other receipts	-	-	444	-	-	-	725,992
Total receipts	<u>18,866</u>	<u>670</u>	<u>49,273</u>	<u>41,586</u>	<u>2,788</u>	<u>250</u>	<u>880,504</u>
Disbursements:							
Personal services	8,059	-	-	3,828	-	-	-
Supplies	785	-	-	2,000	-	-	-
Other services and charges	6,375	-	-	14,289	588	-	199,655
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	339,070	-	-	-	-
Total disbursements	<u>15,219</u>	<u>-</u>	<u>339,070</u>	<u>20,117</u>	<u>588</u>	<u>-</u>	<u>199,655</u>
Excess (deficiency) of receipts over disbursements	<u>3,647</u>	<u>670</u>	<u>(289,797)</u>	<u>21,469</u>	<u>2,200</u>	<u>250</u>	<u>680,849</u>
Cash and investments - ending	<u>\$ 112,211</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ 40,981</u>	<u>\$ 3,284</u>	<u>\$ 438</u>	<u>\$ 680,849</u>

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Abandoned Vehicle	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	County User Fee	Drainage Maintenance	K-9	Donations
Cash and investments - beginning	\$ 125	\$ 199,419	\$ 45,383	\$ 79,693	\$ 1,119,968	\$ 1,718	\$ 2,722
Receipts:							
Taxes	-	-	-	-	531,397	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	48,643	8,190	38,902	-	-	-
Other receipts	-	678	-	-	6,903	-	-
Total receipts	-	49,321	8,190	38,902	538,300	-	-
Disbursements:							
Personal services	-	16,993	-	-	-	-	-
Supplies	-	277	-	25,294	-	1,089	1,547
Other services and charges	-	14,887	1,207	2,444	634,134	-	-
Capital outlay	-	1,721	-	-	-	-	-
Other disbursements	-	450	-	7,609	-	-	-
Total disbursements	-	34,328	1,207	35,347	634,134	1,089	1,547
Excess (deficiency) of receipts over disbursements	-	14,993	6,983	3,555	(95,834)	(1,089)	(1,547)
Cash and investments - ending	\$ 125	\$ 214,412	\$ 52,366	\$ 83,248	\$ 1,024,134	\$ 629	\$ 1,175

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Payroll Withholdings	Settlement	LOIT Property Tax Operating Levies Replacement	LOIT Public Safety	LOIT Stabilization	Wheel Tax	Sur Tax
Cash and investments - beginning	\$ 21,583	\$ -	\$ 846,286	\$ -	\$ 3,690,355	\$ -	\$ -
Receipts:							
Taxes	-	15,811,278	2,201,697	-	927,648	100,441	275,582
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,318,616	-	275,213	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,526,032	-	-	-	-	-	-
Total receipts	1,526,032	17,129,894	2,201,697	275,213	927,648	100,441	275,582
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,528,916	17,129,894	3,047,983	275,213	-	98,941	275,582
Total disbursements	1,528,916	17,129,894	3,047,983	275,213	-	98,941	275,582
Excess (deficiency) of receipts over disbursements	(2,884)	-	(846,286)	-	927,648	1,500	-
Cash and investments - ending	\$ 18,699	\$ -	\$ -	\$ -	\$ 4,618,003	\$ 1,500	\$ -

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	CVET Agency	Final Excise Tax Cut Replacement Due State	Weed Lien Collections	Sewage Lien Collections	Financial Institution Tax	CEDIT Homestead Credit	HEA 1001 State Homestead Credit
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,454	\$ (2,047)
Receipts:							
Taxes	-	-	7,367	29,666	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	318,128	945,089	-	-	155,427	1,159,808	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>318,128</u>	<u>945,089</u>	<u>7,367</u>	<u>29,666</u>	<u>155,427</u>	<u>1,159,808</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>318,128</u>	<u>945,089</u>	<u>7,367</u>	<u>29,666</u>	<u>155,427</u>	<u>855,887</u>	<u>3</u>
Total disbursements	<u>318,128</u>	<u>945,089</u>	<u>7,367</u>	<u>29,666</u>	<u>155,427</u>	<u>855,887</u>	<u>3</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,921</u>	<u>(3)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,375</u>	<u>\$ (2,050)</u>

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	LOIT Homestead Credit	LOIT Residential PTRC	State Fines and Forfeitures	Infraction Judgments	Special Death Benefit	Sales Disclosure- State Share	Coroner's Training and Continuing Education
Cash and investments - beginning	\$ 5,040	\$ 22,744	\$ 4,605	\$ 5,893	\$ 255	\$ 245	\$ 233
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,100,847	-	-	-	-	-
Charges for services	-	-	-	-	-	2,865	2,380
Fines and forfeits	-	-	32,890	42,604	1,660	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>1,100,847</u>	<u>32,890</u>	<u>42,604</u>	<u>1,660</u>	<u>2,865</u>	<u>2,380</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>12</u>	<u>850,109</u>	<u>34,870</u>	<u>37,814</u>	<u>1,635</u>	<u>2,580</u>	<u>2,176</u>
Total disbursements	<u>12</u>	<u>850,109</u>	<u>34,870</u>	<u>37,814</u>	<u>1,635</u>	<u>2,580</u>	<u>2,176</u>
Excess (deficiency) of receipts over disbursements	<u>(12)</u>	<u>250,738</u>	<u>(1,980)</u>	<u>4,790</u>	<u>25</u>	<u>285</u>	<u>204</u>
Cash and investments - ending	<u>\$ 5,028</u>	<u>\$ 273,482</u>	<u>\$ 2,625</u>	<u>\$ 10,683</u>	<u>\$ 280</u>	<u>\$ 530</u>	<u>\$ 437</u>

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Interstate Compact- State Share	Mortgage Recording Fees- State Share	DLGF Homestead Property Database	Sex and Violent Offender Admin- State	Child Restraint Violations Fines	Inheritance Tax	Education Plate Fees Agency
Cash and investments - beginning	\$ 63	\$ 297	\$ 18	\$ 179	\$ -	\$ 328,220	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	563
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	631,376	-
Charges for services	-	3,690	46	277	-	-	-
Fines and forfeits	250	-	-	-	175	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	250	3,690	46	277	175	631,376	563
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	313	3,280	50	415	125	906,513	563
Total disbursements	313	3,280	50	415	125	906,513	563
Excess (deficiency) of receipts over disbursements	(63)	410	(4)	(138)	50	(275,137)	-
Cash and investments - ending	\$ -	\$ 707	\$ 14	\$ 41	\$ 50	\$ 53,083	\$ -

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Riverboat Revenue Sharing	CAGIT Distribution	CEDIT Distribution	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,757	\$ 93,392	\$ 93,230	\$ 48,228
Receipts:							
Taxes	-	4,128,181	1,449,781	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	163,713	-	-	-	15,621	23,509	15,621
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	150
Total receipts	163,713	4,128,181	1,449,781	-	15,621	23,509	15,771
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	163,713	4,128,181	1,449,781	-	-	8,719	5,107
Total disbursements	163,713	4,128,181	1,449,781	-	-	8,719	5,107
Excess (deficiency) of receipts over disbursements	-	-	-	-	15,621	14,790	10,664
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 3,757	\$ 109,013	\$ 108,020	\$ 58,892

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Property Tax Replacement Credit	Alco Sensor Grant	Jail Lease	Sheriff's Continuing Education	Personal Property Collections	93.507 Accreditation Grant	County Family and Children
Cash and investments - beginning	\$ -	\$ 85	\$ 2,143	\$ 257	\$ 131	\$ -	\$ 564
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,376,059	-	-	-	-	16,000	-
Charges for services	-	-	-	718	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,376,059</u>	<u>-</u>	<u>-</u>	<u>718</u>	<u>-</u>	<u>16,000</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>1,376,059</u>	<u>-</u>	<u>2,143</u>	<u>975</u>	<u>131</u>	<u>-</u>	<u>564</u>
Total disbursements	<u>1,376,059</u>	<u>-</u>	<u>2,143</u>	<u>975</u>	<u>131</u>	<u>-</u>	<u>564</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(2,143)</u>	<u>(257)</u>	<u>(131)</u>	<u>16,000</u>	<u>(564)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,000</u>	<u>\$ -</u>

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Blood Analysis Fee	Bio Terror Grant	Sheriff's Share Diversion/Deferral	Substance/ Indigent	Federal Assets Seizure	20.509 Public Transit Grant	Public Health Preparedness Capabilities
Cash and investments - beginning	\$ 317	\$ 14,197	\$ 6,707	\$ 4,717	\$ 11	\$ -	\$ 1,290
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	281,636	-
Charges for services	-	-	1,425	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	475	-	-	-
Total receipts	-	-	1,425	475	-	281,636	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	1,290
Other services and charges	-	-	-	611	-	-	-
Capital outlay	-	9,841	-	-	-	-	-
Other disbursements	317	-	8,132	-	11	281,636	-
Total disbursements	317	9,841	8,132	611	11	281,636	1,290
Excess (deficiency) of receipts over disbursements	(317)	(9,841)	(6,707)	(136)	(11)	-	(1,290)
Cash and investments - ending	\$ -	\$ 4,356	\$ -	\$ 4,581	\$ -	\$ -	\$ -

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	20.509 ARRA Public Transit Grant	93.069 Public Health Preparedness Federal Grant	Commissioners' Certificate Tax Sale	Bridge 59	Wind Farm Expense	Data Exchange Agreement Grant	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 1,100	\$ 36,727	\$ 2,280	\$ -	\$ 14,319,141
Receipts:							
Taxes	-	-	-	-	-	-	33,635,439
Licenses and permits	-	-	-	-	-	-	32,962
Intergovernmental	32,845	3,193	-	-	-	2,000	11,993,883
Charges for services	-	-	-	-	-	-	1,077,757
Fines and forfeits	-	-	-	-	-	-	298,328
Other receipts	-	-	-	55,957	-	-	7,315,119
Total receipts	<u>32,845</u>	<u>3,193</u>	<u>-</u>	<u>55,957</u>	<u>-</u>	<u>2,000</u>	<u>54,353,488</u>
Disbursements:							
Personal services	-	-	-	-	-	-	6,861,924
Supplies	-	271	-	-	-	-	1,299,028
Other services and charges	-	2,919	-	-	-	2,000	3,702,263
Capital outlay	-	560	-	92,684	-	-	2,372,337
Other disbursements	<u>32,845</u>	<u>-</u>	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,230,117</u>
Total disbursements	<u>32,845</u>	<u>3,750</u>	<u>1,100</u>	<u>92,684</u>	<u>-</u>	<u>2,000</u>	<u>54,465,669</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(557)</u>	<u>(1,100)</u>	<u>(36,727)</u>	<u>-</u>	<u>-</u>	<u>(112,181)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (557)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,280</u>	<u>\$ -</u>	<u>\$ 14,206,960</u>

WELLS COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2012

Government	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 242,452</u>	<u>\$ -</u>

WELLS COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: PNC Equipment Finance	Rescue Truck	<u>\$ 65,738</u>	12-01-09	12-01-14

WELLS COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2012

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.

	Ending Balance
Governmental activities:	
Land	\$ 16,214
Infrastructure	50,094,402
Buildings	5,022,785
Improvements other than buildings	464,544
Machinery, equipment, and vehicles	5,710,022
Total capital assets	\$ 61,307,967

WELLS COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to another 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 FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Wells County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman
State Examiner

July 8, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

WELLS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Bridge Inspection			A249-10-320517	\$ 70,983
Bridge 59			A249-10-321004	127,551
Bridge 74			A249-8-320789	<u>2,763</u>
Total - Highway Planning and Construction Cluster				<u>201,297</u>
Formula Grants for Other Than Urbanized Areas	Indiana Department of Transportation	20.509		
Public Transit			A249-12-320324	199,645
ARRA - Formula Grants for Other Than Urbanized Area, Recovery Act				
ARRA Public Transit			A249-12-320569	<u>32,845</u>
Total - Formula Grants for Other Than Urbanized Areas				<u>232,490</u>
Total - Department of Transportation				<u>433,787</u>
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness	Indiana State Department of Health	93.069		
Public Health Preparedness			A70-3-0531995	<u>3,193</u>
Child Support Enforcement	Indiana Department of Child Services	93.563		
Clerk IV-D Incentive			FY 2012	5,107
Prosecutor IV-D Incentive			FY 2012	8,718
IV-D Reimbursement			FY 2012	<u>269,757</u>
Total - Child Support Enforcement				<u>283,582</u>
Total - Department of Health and Human Services				<u>286,775</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042		
Emergency Management			C44P-2-395A	<u>9,583</u>
Total - Department of Homeland Security				<u>9,583</u>
Total federal awards expended				<u>\$ 730,145</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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Wells County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2012:

Program Title	Federal CFDA Number	2012
Formula Grants for Other Than Urbanized Areas	20.509	\$ 199,645
ARRA - Formula Grants for Other Than Urbanized Areas, Recovery Act	20.509	32,845

WELLS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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 OMB 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

WELLS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2012-1 – INTERNAL CONTROLS OVER PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

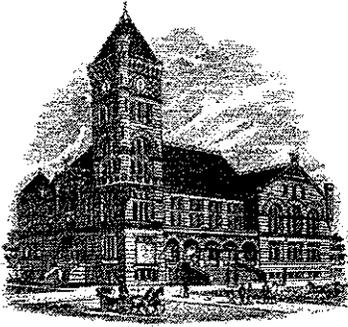
The County did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.



Beth Davis

Auditor of Wells County

*102 W. Market St. • Suite 205
Courthouse • Bluffton, Indiana 46714
Telephone (260) 824-6470*

CORRECTIVE ACTION PLAN

**Finding 2012-1 Internal Controls over Preparation of Schedule of Expenditures
of Federal Awards**

Auditee Contact Person: Beth Davis
Title of Contact Person: County Auditor
Phone Number: 260-824-6474
Expected Completion Date: ASAP

Currently my deputy quietuses in all of the EFT's notices for the Federal Grants and me as auditor processed the information in Gateway to prepare the SEFA report. Starting with the 2013 Annual Report I will have my deputy verify all the information on the SEFA report before it is entered into Gateway.

Beth Davis

June 7, 2013

Beth Davis, Wells County Auditor

WELLS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 8, 2013, with Beth J. Davis, Auditor; C. Scott Mossburg, President of the Board of County Commissioners; and James E. Van Winkle, President of the County Council.