

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, 2014 to December 31, 2014



FILED
02/21/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Beth J. Davis	01-01-11 to 12-31-18
County Treasurer	Shar S. Mechling Kathy J. Peeper	01-01-13 to 12-31-16 01-01-17 to 12-31-20
Clerk of the Circuit Court	Yvette K. Runkle	01-01-11 to 12-31-18
County Sheriff	Monte L. Fisher	01-01-11 to 12-31-18
County Recorder	Rina E. Stuck Carolyn C. Bertsch	01-01-13 to 12-31-16 01-01-17 to 12-31-20
President of the Board of County Commissioners	C. Scott Mossburg Blake C. Gerber	01-01-14 to 12-31-14 01-01-15 to 12-31-17
President of the County Council	James E. Van Winkle Todd J. Mahnensmith	01-01-14 to 12-31-15 01-01-16 to 12-31-17



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

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, 2014, and the related notes to the financial statement as listed in the Table of Contents.

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, 2014.

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, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

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.


Other Information

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, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2017, 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.


Paul D. Joyce, CPA
State Examiner

January 4, 2017



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Telephone: (317) 232-2513
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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, 2014, and the related notes to the financial statement, and have issued our report thereon dated January 4, 2017, 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.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

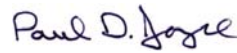
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

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*.

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.


Paul D. Joyce, CPA
State Examiner

January 4, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
After Settlement Collections	\$ 571,022	\$ 556,260	\$ 571,022	\$ 556,260
Sheriff's Inmate Trust	3,108	130,626	124,762	8,972
Jail Commissary	30,824	82,612	79,770	33,666
Clerk's Trust	112,824	2,397,576	2,432,588	77,812
Sheriff's Cashbook	4,942	538,083	537,622	5,403
General	1,703,017	6,043,281	6,591,574	1,154,724
Accident Report	7,845	2,750	984	9,611
CAGIT-County Certified Shares	171,757	2,329,070	1,709,962	790,865
Campaign Finance	25	100	-	125
CEDIT County Share	881,408	921,938	881,844	921,502
Child Advocacy	-	250	-	250
City and Town Court Costs	15,786	3,705	-	19,491
Clerk's Records Perpetuation	14,444	6,307	-	20,751
Community Corrections	18,718	441,014	457,105	2,627
Community Transition Program	5,735	5,515	-	11,250
Sales Disclosure Fee - County	17,447	3,585	3,830	17,202
Drug Free Community	8,937	6,922	9,052	6,807
Emergency Planning and Right to Know	15,901	4,232	11,223	8,910
Extradition	5,916	93	-	6,009
Firearms Training	25,512	7,165	18,353	14,324
General Drain Improvement	609,257	283,334	230,321	662,270
Health	220,397	307,411	269,315	258,493
Identification Security Protection	39,318	2,179	-	41,497
Local Health Maintenance	41,179	33,138	30,426	43,891
Local Road and Street	196,434	281,498	306,100	171,832
LOIT Public Safety-County Share	177,169	183,686	262,711	98,144
Medical Care for Inmates	13,094	2,221	-	15,315
Misdemeanant	11,780	19,291	19,291	11,780
Highway	594,593	3,048,046	2,680,758	961,881
Plat Book	3,196	6,875	4,545	5,526
Rainy Day	1,092,419	1,983	-	1,094,402
Recorder's Records Perpetuation	79,541	44,064	34,422	89,183
Sex and Violent Offender Administration	5,566	2,452	871	7,147
Sheriff's Pension Trust	8,513	4,753	13,266	-
Supplemental Public Defender Services	-	11,861	-	11,861
Surplus Tax	36,660	35,000	39,393	32,267
Surveyor's Corner Perpetuation	25,385	5,730	-	31,115
Tax Sale Redemption	-	9,990	9,990	-
Tax Sale Surplus	81,941	146,685	37,984	190,642
Local Health Department Trust Account	105,534	18,866	24,544	99,856
Vehicle Inspection	3,162	925	3,034	1,053
Auditor's Ineligible Deductions	47,544	16,483	9,462	54,565
County Elected Official Training	4,699	2,265	2,980	3,984
County Offender Transportation	813	812	-	1,625
Statewide 9-1-1	665,821	397,349	358,715	704,455
Abandoned Vehicle	562	-	-	562
Reassessment-2015	452,850	131,245	145,329	438,766
Supplemental Adult Probation Service	218,727	63,739	26,879	255,587
Supplemental Juvenile Probation Service	59,109	6,119	31,598	33,630
County User Fees	68,716	23,315	36,677	55,354
Drainage Maintenance	825,821	739,568	637,245	928,144
K-9	856	20	-	876
Donations	82	-	-	82
Payroll Withholding-Donation	-	624	624	-
Payroll Withholding-Insurance	21,015	253,856	254,197	20,674

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, 2014
(Continued)

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Payroll Withholding-Child Support	-	10,091	10,091	-
Payroll Withholding-Deferred Compensation	-	48,455	48,455	-
Payroll Withholding-Federal Withholding	-	482,340	482,340	-
Payroll Withholding-FICA and Medicare	52	378,993	378,993	52
Payroll Withholding-Flexible Spending	-	59,030	59,030	-
Payroll Withholding-County Withholding	-	97,514	97,514	-
Payroll Withholding-PERF	-	140,869	140,869	-
Payroll Withholding-Indiana Sheriffs 401(K)Roth	-	2,340	2,340	-
Payroll Withholding-State Withholding	-	167,142	167,142	-
Payroll Withholding-Wage Garnishment	-	515	515	-
Sheriff Retirement	-	29,149	21,752	7,397
Settlement	-	19,860,533	19,860,533	-
LOIT Property Tax Operating Levy Replacement	-	2,478,146	2,478,146	-
LOIT Public Safety	-	309,768	309,768	-
LOIT Stabilization	4,670,631	325,300	-	4,995,931
Wheel Tax	-	140,094	139,769	325
Surtax	-	285,911	285,911	-
CVET Agency	-	298,494	298,494	-
2009 Welfare Excise Tax Allocation	-	998,083	998,083	-
Weed Lien Collections	-	3,104	3,104	-
Sewage Lien Collections	-	28,067	28,067	-
Financial Institution Tax	-	206,515	206,515	-
CEDIT Homestead Credit	(5,155)	1,241,480	1,295,535	(59,210)
HEA1001 State Homestead Credit	(2,050)	2,050	-	-
LOIT Homestead Credit	5,028	-	-	5,028
LOIT Residential PTRC	29,416	1,312,903	1,230,623	111,696
State Fines and Forfeitures	23,022	30,571	52,142	1,451
Infraction Judgments	1,977	33,515	32,640	2,852
Special Death Benefit	55	1,430	1,390	95
Sales Disclosure-State Share	395	3,585	3,560	420
Coroner's Training and Continuing Education	356	2,672	2,598	430
Interstate Compact Fees	-	813	813	-
Mortgage Recording Fee-State	265	2,650	2,700	215
DLGF Homestead Property Database	-	14	10	4
Sex and Violent Offender State	25	273	273	25
Child Restraint Violations Fines	-	200	200	-
Inheritance Tax	752	136,070	136,822	-
Education Plate Fees	-	469	469	-
Riverboat Revenue Sharing	-	163,713	163,713	-
CAGIT Distribution	-	6,195,366	6,195,366	-
CEDIT Distribution	-	1,552,061	1,551,849	212
93.563 County IV-D Incentive	123,563	14,704	-	138,267
93.563 Prosecutor IV-D Incentive-Post Oct '99	93,352	22,122	43,578	71,896
93.563 Clerk Incentive IV-D-Post Oct '99	70,123	14,703	8,365	76,461
Substance/Indigent	4,568	-	-	4,568
20.509 Public Transit Federal Grant	-	280,446	280,456	(10)
93.069 PHD Federal Grant	-	5,688	5,688	-
93.507 Accreditation Grant	32,000	10,000	-	42,000
20.205 Bridge 193 Rehabilitation	94,809	168,246	95,815	167,240
97.042 EMA Projects Grant	-	5,059	5,059	-
Data Exchange Agreement Grant	-	2,000	-	2,000
ALCO Sensor Grant	85	-	-	85
Bio Terror Grant	486	-	313	173
Totals	<u>\$ 14,470,676</u>	<u>\$ 57,119,723</u>	<u>\$ 56,027,776</u>	<u>\$ 15,562,623</u>

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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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. 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. Amounts received from various sources, including, but 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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.

F. Interfund Transfers

The County may, from time to time, make transfers 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 amounts 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 amounts 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.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

State statutes authorize the County to invest in securities including, but not limited to, the following: 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 a cost-sharing 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
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

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. Cash Balance Deficits

The financial statement contains the CEDIT Homestead Credit fund with a deficit in cash. This fund will be replenished by withholding money from taxing units upon the final settlement of 2014 taxes payable in 2015.

WELLS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Subsequent Events

On June 1, 2015, the County entered into a \$437,898 capital lease for the purchase of a rescue truck. The lease has a 3.66 percent interest rate with a December 1, 2021 final maturity date.

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OTHER INFORMATION - UNAUDITED

The County's Annual Financial 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 County's Annual Financial Report 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 other 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, 2014

	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	Sheriff's Cashbook	General
Cash and investments - beginning	\$ 571,022	\$ 3,108	\$ 30,824	\$ 112,824	\$ 4,942	\$ 1,703,017
Receipts:						
Taxes	-	-	-	-	-	4,094,932
Licenses and permits	-	-	-	-	-	35,254
Intergovernmental receipts	-	-	-	-	-	1,402,391
Charges for services	-	-	-	-	-	118,622
Fines and forfeits	-	-	-	-	-	101,906
Other receipts	556,260	130,626	82,612	2,397,576	538,083	290,176
Total receipts	556,260	130,626	82,612	2,397,576	538,083	6,043,281
Disbursements:						
Personal services	-	-	-	-	-	4,396,452
Supplies	-	-	-	-	-	227,670
Other services and charges	-	-	-	-	-	1,700,071
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	209,123
Other disbursements	571,022	124,762	79,770	2,432,588	537,622	58,258
Total disbursements	571,022	124,762	79,770	2,432,588	537,622	6,591,574
Excess (deficiency) of receipts over disbursements	(14,762)	5,864	2,842	(35,012)	461	(548,293)
Cash and investments - ending	\$ 556,260	\$ 8,972	\$ 33,666	\$ 77,812	\$ 5,403	\$ 1,154,724

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Accident Report	CAGIT- County Certified Shares	Campaign Finance	CEDIT County Share	Child Advocacy	City and Town Court Costs
Cash and investments - beginning	\$ 7,845	\$ 171,757	\$ 25	\$ 881,408	\$ -	\$ 15,786
Receipts:						
Taxes	-	2,282,217	-	921,938	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	46,853	-	-	-	-
Charges for services	2,750	-	-	-	-	-
Fines and forfeits	-	-	100	-	250	3,705
Other receipts	-	-	-	-	-	-
Total receipts	2,750	2,329,070	100	921,938	250	3,705
Disbursements:						
Personal services	-	1,407,168	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	984	302,794	-	85,000	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	796,844	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	984	1,709,962	-	881,844	-	-
Excess (deficiency) of receipts over disbursements	1,766	619,108	100	40,094	250	3,705
Cash and investments - ending	\$ 9,611	\$ 790,865	\$ 125	\$ 921,502	\$ 250	\$ 19,491

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Clerk's Records Perpetuation	Community Corrections	Community Transition Program	Sales Disclosure Fee-County	Drug Free Community	Emergency Planning and Right to Know
Cash and investments - beginning	\$ 14,444	\$ 18,718	\$ 5,735	\$ 17,447	\$ 8,937	\$ 15,901
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	184,361	5,515	-	-	-
Charges for services	-	256,653	-	3,585	-	-
Fines and forfeits	6,236	-	-	-	6,922	-
Other receipts	71	-	-	-	-	4,232
Total receipts	6,307	441,014	5,515	3,585	6,922	4,232
Disbursements:						
Personal services	-	238,440	-	-	-	-
Supplies	-	17,300	-	-	-	-
Other services and charges	-	195,448	-	1,930	9,052	14
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	5,917	-	1,900	-	11,209
Other disbursements	-	-	-	-	-	-
Total disbursements	-	457,105	-	3,830	9,052	11,223
Excess (deficiency) of receipts over disbursements	6,307	(16,091)	5,515	(245)	(2,130)	(6,991)
Cash and investments - ending	\$ 20,751	\$ 2,627	\$ 11,250	\$ 17,202	\$ 6,807	\$ 8,910

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Extradition	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Local Health Maintenance
Cash and investments - beginning	\$ 5,916	\$ 25,512	\$ 609,257	\$ 220,397	\$ 39,318	\$ 41,179
Receipts:						
Taxes	-	-	142,282	216,519	-	-
Licenses and permits	-	-	-	67,588	-	-
Intergovernmental receipts	-	-	-	23,079	-	33,138
Charges for services	93	7,165	138,512	-	2,179	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	2,540	225	-	-
Total receipts	93	7,165	283,334	307,411	2,179	33,138
Disbursements:						
Personal services	-	-	-	233,046	-	28,080
Supplies	-	18,353	-	2,090	-	45
Other services and charges	-	-	228,582	26,853	-	2,301
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	7,326	-	-
Other disbursements	-	-	1,739	-	-	-
Total disbursements	-	18,353	230,321	269,315	-	30,426
Excess (deficiency) of receipts over disbursements	93	(11,188)	53,013	38,096	2,179	2,712
Cash and investments - ending	\$ 6,009	\$ 14,324	\$ 662,270	\$ 258,493	\$ 41,497	\$ 43,891

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Local Road and Street	LOIT Public Safety-County Share	Medical Care for Inmates	Misdemeanant	Highway	Plat Book
Cash and investments - beginning	\$ 196,434	\$ 177,169	\$ 13,094	\$ 11,780	\$ 594,593	\$ 3,196
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	272,410	183,686	-	19,291	2,892,736	-
Charges for services	-	-	2,221	-	-	6,875
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,088	-	-	-	155,310	-
Total receipts	281,498	183,686	2,221	19,291	3,048,046	6,875
Disbursements:						
Personal services	-	-	-	19,291	1,031,886	-
Supplies	-	-	-	-	1,308,827	-
Other services and charges	-	78,486	-	-	179,298	4,545
Debt service - principal and interest	-	65,739	-	-	-	-
Capital outlay	306,100	118,486	-	-	158,500	-
Other disbursements	-	-	-	-	2,247	-
Total disbursements	306,100	262,711	-	19,291	2,680,758	4,545
Excess (deficiency) of receipts over disbursements	(24,602)	(79,025)	2,221	-	367,288	2,330
Cash and investments - ending	\$ 171,832	\$ 98,144	\$ 15,315	\$ 11,780	\$ 961,881	\$ 5,526

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Rainy Day	Recorder's Records Perpetuation	Sex and Violent Offender Administration	Sheriff's Pension Trust	Supplemental Public Defender Services	Surplus Tax
Cash and investments - beginning	\$ 1,092,419	\$ 79,541	\$ 5,566	\$ 8,513	\$ -	\$ 36,660
Receipts:						
Taxes	-	-	-	-	-	34,715
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	44,064	2,452	463	-	-
Fines and forfeits	-	-	-	4,290	4,015	-
Other receipts	1,983	-	-	-	7,846	285
Total receipts	1,983	44,064	2,452	4,753	11,861	35,000
Disbursements:						
Personal services	-	-	-	12,244	-	-
Supplies	-	1,509	871	-	-	-
Other services and charges	-	23,038	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	9,875	-	-	-	-
Other disbursements	-	-	-	1,022	-	39,393
Total disbursements	-	34,422	871	13,266	-	39,393
Excess (deficiency) of receipts over disbursements	1,983	9,642	1,581	(8,513)	11,861	(4,393)
Cash and investments - ending	\$ 1,094,402	\$ 89,183	\$ 7,147	\$ -	\$ 11,861	\$ 32,267

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Vehicle Inspection	Auditor's Ineligible Deductions
Cash and investments - beginning	\$ 25,385	\$ -	\$ 81,941	\$ 105,534	\$ 3,162	\$ 47,544
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	18,866	-	-
Charges for services	5,730	-	-	-	925	16,483
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	9,990	146,685	-	-	-
Total receipts	5,730	9,990	146,685	18,866	925	16,483
Disbursements:						
Personal services	-	-	-	8,769	-	4,178
Supplies	-	-	-	1,144	3,034	-
Other services and charges	-	-	-	7,346	-	5,277
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	7,285	-	-
Other disbursements	-	9,990	37,984	-	-	7
Total disbursements	-	9,990	37,984	24,544	3,034	9,462
Excess (deficiency) of receipts over disbursements	5,730	-	108,701	(5,678)	(2,109)	7,021
Cash and investments - ending	\$ 31,115	\$ -	\$ 190,642	\$ 99,856	\$ 1,053	\$ 54,565

WELLS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	County Elected Official Training	County Offender Transportation	Statewide 9-1-1	Abandoned Vehicle	Reassessment- 2015	Supplemental Adult Probation Service
Cash and investments - beginning	\$ 4,699	\$ 813	\$ 665,821	\$ 562	\$ 452,850	\$ 218,727
Receipts:						
Taxes	-	-	-	-	118,603	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	86	-	-	-	12,642	-
Charges for services	2,179	-	396,050	-	-	-
Fines and forfeits	-	812	-	-	-	62,373
Other receipts	-	-	1,299	-	-	1,366
Total receipts	2,265	812	397,349	-	131,245	63,739
Disbursements:						
Personal services	-	-	-	-	28,829	254
Supplies	-	-	-	-	492	-
Other services and charges	2,980	-	358,715	-	116,008	23,786
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,839
Other disbursements	-	-	-	-	-	-
Total disbursements	2,980	-	358,715	-	145,329	26,879
Excess (deficiency) of receipts over disbursements	(715)	812	38,634	-	(14,084)	36,860
Cash and investments - ending	\$ 3,984	\$ 1,625	\$ 704,455	\$ 562	\$ 438,766	\$ 255,587

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Supplemental Juvenile Probation Service	County User Fees	Drainage Maintenance	K-9	Donations	Payroll Withholding- Donation
Cash and investments - beginning	\$ 59,109	\$ 68,716	\$ 825,821	\$ 856	\$ 82	\$ -
Receipts:						
Taxes	-	-	686,018	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	49,965	-	-	-
Fines and forfeits	6,119	23,315	-	-	-	-
Other receipts	-	-	3,585	20	-	624
Total receipts	6,119	23,315	739,568	20	-	624
Disbursements:						
Personal services	29,948	21,506	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,650	9,082	444,430	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	5,187	-	-	-	-
Other disbursements	-	902	192,815	-	-	624
Total disbursements	31,598	36,677	637,245	-	-	624
Excess (deficiency) of receipts over disbursements	(25,479)	(13,362)	102,323	20	-	-
Cash and investments - ending	\$ 33,630	\$ 55,354	\$ 928,144	\$ 876	\$ 82	\$ -

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Payroll Withholding- Insurance	Payroll Withholding-Child Support	Payroll Withholding- Deferred Compensation	Payroll Withholding- Federal Withholding	Payroll Withholding- FICA and Medicare	Payroll Withholding- Flexible Spending
Cash and investments - beginning	\$ 21,015	\$ -	\$ -	\$ -	\$ 52	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	253,856	10,091	48,455	482,340	378,993	59,030
Total receipts	253,856	10,091	48,455	482,340	378,993	59,030
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	254,197	10,091	48,455	482,340	378,993	59,030
Total disbursements	254,197	10,091	48,455	482,340	378,993	59,030
Excess (deficiency) of receipts over disbursements	(341)	-	-	-	-	-
Cash and investments - ending	\$ 20,674	\$ -	\$ -	\$ -	\$ 52	\$ -

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Payroll Withholding- County Withholding	Payroll Withholding- PERF	Payroll Withholding- Indiana Sheriffs 401(K)Roth	Payroll Withholding-State Withholding	Payroll Withholding-Wage Garnishment	Sheriff Retirement
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	343
Fines and forfeits	-	-	-	-	-	6,032
Other receipts	97,514	140,869	2,340	167,142	515	22,774
Total receipts	97,514	140,869	2,340	167,142	515	29,149
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	97,514	140,869	2,340	167,142	515	21,752
Total disbursements	97,514	140,869	2,340	167,142	515	21,752
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	7,397
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,397

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Settlement	LOIT Property Tax Operating Levy Replacement	LOIT Public Safety	LOIT Stabilization	Wheel Tax	Surtax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 4,670,631	\$ -	\$ -
Receipts:						
Taxes	19,860,533	2,478,146	-	325,300	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	309,768	-	140,094	285,911
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>19,860,533</u>	<u>2,478,146</u>	<u>309,768</u>	<u>325,300</u>	<u>140,094</u>	<u>285,911</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>19,860,533</u>	<u>2,478,146</u>	<u>309,768</u>	<u>-</u>	<u>139,769</u>	<u>285,911</u>
Total disbursements	<u>19,860,533</u>	<u>2,478,146</u>	<u>309,768</u>	<u>-</u>	<u>139,769</u>	<u>285,911</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,300</u>	<u>325</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,995,931</u>	<u>\$ 325</u>	<u>\$ -</u>

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	CVET Agency	2009 Welfare Excise Tax Allocation	Weed Lien Collections	Sewage Lien Collections	Financial Institution Tax	CEDIT Homestead Credit
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,155)
Receipts:						
Taxes	-	998,083	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	298,494	-	-	-	206,515	1,241,480
Charges for services	-	-	3,104	28,067	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>298,494</u>	<u>998,083</u>	<u>3,104</u>	<u>28,067</u>	<u>206,515</u>	<u>1,241,480</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>298,494</u>	<u>998,083</u>	<u>3,104</u>	<u>28,067</u>	<u>206,515</u>	<u>1,295,535</u>
Total disbursements	<u>298,494</u>	<u>998,083</u>	<u>3,104</u>	<u>28,067</u>	<u>206,515</u>	<u>1,295,535</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(54,055)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,210)</u>

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	HEA1001 State Homestead Credit	LOIT Homestead Credit	LOIT Residential PTRC	State Fines and Forfeitures	Infraction Judgments	Special Death Benefit
Cash and investments - beginning	\$ (2,050)	\$ 5,028	\$ 29,416	\$ 23,022	\$ 1,977	\$ 55
Receipts:						
Taxes	2,050	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	1,312,903	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	30,571	33,515	1,430
Other receipts	-	-	-	-	-	-
Total receipts	<u>2,050</u>	<u>-</u>	<u>1,312,903</u>	<u>30,571</u>	<u>33,515</u>	<u>1,430</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	1,230,623	52,142	32,640	1,390
Total disbursements	<u>-</u>	<u>-</u>	<u>1,230,623</u>	<u>52,142</u>	<u>32,640</u>	<u>1,390</u>
Excess (deficiency) of receipts over disbursements	<u>2,050</u>	<u>-</u>	<u>82,280</u>	<u>(21,571)</u>	<u>875</u>	<u>40</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 5,028</u>	<u>\$ 111,696</u>	<u>\$ 1,451</u>	<u>\$ 2,852</u>	<u>\$ 95</u>

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Sales Disclosure-State Share	Coroner's Training and Continuing Education	Interstate Compact Fees	Mortgage Recording Fee-State	DLGF Homestead Property Database	Sex and Violent Offender State
Cash and investments - beginning	\$ 395	\$ 356	\$ -	\$ 265	\$ -	\$ 25
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	2,672	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	3,585	-	-	2,650	14	273
Fines and forfeits	-	-	813	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	3,585	2,672	813	2,650	14	273
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,560	2,598	813	2,700	10	273
Total disbursements	3,560	2,598	813	2,700	10	273
Excess (deficiency) of receipts over disbursements	25	74	-	(50)	4	-
Cash and investments - ending	\$ 420	\$ 430	\$ -	\$ 215	\$ 4	\$ 25

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Child Restraint Violations Fines	Inheritance Tax	Education Plate Fees	Riverboat Revenue Sharing	CAGIT Distribution	CEDIT Distribution
Cash and investments - beginning	\$ -	\$ 752	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	4,646,524	1,552,061
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	136,070	-	163,713	1,548,842	-
Charges for services	-	-	469	-	-	-
Fines and forfeits	200	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	200	136,070	469	163,713	6,195,366	1,552,061
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	200	136,822	469	163,713	6,195,366	1,551,849
Total disbursements	200	136,822	469	163,713	6,195,366	1,551,849
Excess (deficiency) of receipts over disbursements	-	(752)	-	-	-	212
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	93.563 County IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk Incentive IV-D-Post Oct '99	Substance/ Indigent	20.509 Public Transit Federal Grant	93.069 PHD Federal Grant
Cash and investments - beginning	\$ 123,563	\$ 93,352	\$ 70,123	\$ 4,568	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	14,704	22,122	14,703	-	280,446	5,688
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	14,704	22,122	14,703	-	280,446	5,688
Disbursements:						
Personal services	-	41,043	-	-	-	103
Supplies	-	-	896	-	-	3,119
Other services and charges	-	1,908	7,469	-	-	1,414
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	627	-	-	-	1,052
Other disbursements	-	-	-	-	280,456	-
Total disbursements	-	43,578	8,365	-	280,456	5,688
Excess (deficiency) of receipts over disbursements	14,704	(21,456)	6,338	-	(10)	-
Cash and investments - ending	\$ 138,267	\$ 71,896	\$ 76,461	\$ 4,568	\$ (10)	\$ -

WELLS COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	93.507 Accreditation Grant	20.205 Bridge 193 Rehabilitation	97.042 EMA Projects Grant	Data Exchange Agreement Grant	ALCO Sensor Grant	Bio Terror Grant	Totals
Cash and investments - beginning	\$ 32,000	\$ 94,809	\$ -	\$ -	\$ 85	\$ 486	\$ 14,470,676
Receipts:							
Taxes	-	-	-	-	-	-	38,359,921
Licenses and permits	-	-	-	-	-	-	105,514
Intergovernmental receipts	10,000	68,246	5,059	2,000	-	-	11,161,812
Charges for services	-	-	-	-	-	-	1,095,471
Fines and forfeits	-	-	-	-	-	-	292,604
Other receipts	-	100,000	-	-	-	-	6,104,401
Total receipts	10,000	168,246	5,059	2,000	-	-	57,119,723
Disbursements:							
Personal services	-	-	-	-	-	-	7,501,237
Supplies	-	-	-	-	-	313	1,585,663
Other services and charges	-	-	-	-	-	-	3,818,461
Debt service - principal and interest	-	-	-	-	-	-	65,739
Capital outlay	-	95,815	5,059	-	-	-	1,743,144
Other disbursements	-	-	-	-	-	-	41,313,532
Total disbursements	-	95,815	5,059	-	-	313	56,027,776
Excess (deficiency) of receipts over disbursements	10,000	72,431	-	2,000	-	(313)	1,091,947
Cash and investments - ending	\$ 42,000	\$ 167,240	\$ -	\$ 2,000	\$ 85	\$ 173	\$ 15,562,623

WELLS COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 437,202</u>	<u>\$ -</u>

WELLS COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2014

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	\$ 16,213
Infrastructure	51,083,426
Buildings	5,022,785
Improvements other than buildings	464,544
Machinery, equipment, and vehicles	<u>6,319,773</u>
Total capital assets	<u>\$ 62,906,741</u>

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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, 2014. 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, 2014.

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 the 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 types 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.

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

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

The County's response to the internal control over compliance findings 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 compliance and, accordingly, we express no opinion on the response.

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.


Paul D. Joyce, CPA
State Examiner

January 4, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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, 2014

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 193			A249-13-320129	\$ 68,246
Bridge Inspections			A249-13-320892	58,664
Unofficial Detours			A249-14-320547	3,565
Bridge 74			A249-8-320789	<u>20,122</u>
Total - Highway Planning and Construction Cluster				<u>150,597</u>
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	A249-13-320334	845
			A249-14-320440	<u>182,769</u>
Total - Formula Grants for Rural Areas				<u>183,614</u>
Total - Department of Transportation				<u>334,211</u>
<u>Department of Health and Human Services</u>				
Hospital Preparedness Program (HPP) and Public Health Emergency	Indiana State Department of Health	93.074		
Preparedness (PHEP) Aligned Cooperative Agreements				
Bioterrorism Preparedness and Response Supplemental			A70-4-0532250	<u>5,688</u>
Child Support Enforcement	Indiana Department of Child Services	93.563	2014	<u>288,781</u>
Total - Department of Health and Human Services				<u>294,469</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-4-406B	5,059
Emergency Management			C44P-5-088B	<u>12,176</u>
Total - Department of Homeland Security				<u>17,235</u>
Total federal awards expended				<u>\$ 645,915</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 (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Subrecipients

Of the expenditures presented in the schedule, the County provided federal awards to a subrecipient as follows for the year ended December 31, 2014:

Program Title	Federal CFDA Number	2014
Formula Grants for Rural Areas	20.509	\$ 183,614

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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Rural 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

FINDING 2014-001 - SUBRECIPIENT MONITORING

Federal Agency: Department of Transportation

Federal Program: Formula Grants for Rural Areas

CFDA Number: 20.509

Federal Award Numbers and Years (or Other Identifying Numbers): A249-13-320334, A249-14-320440

Pass-Through Entity: Indiana Department of Transportation

WELLS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

Management of the County had not established an effective internal control system related to the grant agreement and the Subrecipient Monitoring compliance requirement. The following deficiency constituted a material weakness.

The County passed through Formula Grants for Rural Areas funds to a subrecipient, but did not monitor the activities of the subrecipient as necessary to ensure that federal awards were used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements.

Context

The County did not have adequate controls in place to comply with the Subrecipient Monitoring requirement of the Formula Grants for Rural Areas program.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

Cause

Management had not developed an effective system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the County at risk of non-compliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the Subrecipient Monitoring compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the County. The document is presented as intended by the County.



Beth Davis

Auditor of Wells County

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

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Beth Davis

Contact Phone Number: 260-824-6474

Views of Responsible Official:

As county auditor it is important to have adequate internal controls in place and I have put a plan together to make sure all activities are monitored.

Description of Corrective Action Plan:

The Director of "Wells on Wheels" would always send the Federal Section 5311 grant application, grant agreement, and quarterly claims to the county attorney for review prior to presenting it to the Board of Commissioners for their approval and signatures. The Director will now be sending all documents relating to the Federal Section 5311 Grant to the County Attorney, Board of Commissioners, and the County Auditor to allow enough time for their review prior to bringing it to the Commissioners meeting for the signatures. The County Attorney, Board of Commissioners, and County Auditor will review all documents prior to approving or signing.

Anticipated Completion Date:

Corrected action to take place immediately.

Beth Davis

(Signature)

Auditor

(Title)

11-28-2016

(Date)



BOARD OF COMMISSIONERS

WELLS COUNTY, INDIANA
102 W. Market, Suite 205
BLUFFTON, INDIANA 46714
Telephone (260) 824-6470

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Board of Commissioners

Contact Phone Number: 260-824-6470

Views of Responsible Official:

As Wells County Board of Commissioners it is important to have adequate internal controls in place and we have put a plan together in conjunction with the County Auditor to make sure all activities are monitored.


Description of Corrective Action Plan:

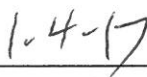
The Director of "Wells on Wheels" would always send the Federal Section 5311 grant application, grant agreement, and quarterly claims to the county attorney for review prior to presenting it to the Board of Commissioners for their approval and signatures. The Director will now be sending all documents relating to the Federal Section 5311 Grant to the County Attorney, Board of Commissioners, and the County Auditor to allow enough time for their review prior to bringing it to the Commissioners meeting for the signatures. The County Attorney, Board of Commissioners, and County Auditor will review all documents prior to approving or signing.

Anticipated Completion Date:

Corrected action to take place immediately.


(Signature)


(Title)


(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.