

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WELLS COUNTY, INDIANA

January 1, 2021 to December 31, 2021



**FILED**  
07/13/2022



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lisa K. McCormick	01-01-21 to 12-31-22
County Treasurer	Kathy J. Peeper	01-01-21 to 12-31-22
Clerk of the Circuit Court	Beth J. Davis	01-01-21 to 12-31-22
County Sheriff	Scott A. Holliday	01-01-21 to 12-31-22
County Recorder	Carolyn C. Bertsch	01-01-21 to 12-31-22
President of the Board of County Commissioners	Blake C. Gerber Michael K. Vanover	01-01-21 to 12-31-21 01-01-22 to 12-31-22
President of the County Council	Steven R. Huggins	01-01-21 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

This report is supplemental to our audit report of Wells County (County), for the period from January 1, 2021 to December 31, 2021. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

June 29, 2022

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COUNTY AUDITOR  
WELLS COUNTY

COUNTY AUDITOR  
WELLS COUNTY  
AUDIT RESULT AND COMMENT

**MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND**

*Condition and Context*

The County correctly posted 50 percent of its State Motor Vehicle Highway (MVH) Account distributions to the MVH Restricted fund as required. The County reduced the 2021 fiscal year distributions from the MVH Account below 50 percent by transferring \$176,903 to the 2021-01 Community Crossing fund. The transferred funds were used for a County bridge project. Although these expenditures were for allowable construction expenses, they should have been paid directly from the MVH Restricted fund. The transfer was not a permissible use (construction, reconstruction, or preservation) of the MVH Restricted fund.

*Criteria*

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted.

The political subdivision, by ordinance or resolution, may elect to allocate more than fifty percent (50%) of the distributions to MVH Restricted. During the same fiscal year, the political subdivision may transfer, by ordinance or resolution, the amount allocated in excess of the 50% requirement from MVH Restricted to MVH. ***In no event can any transfers from MVH Restricted to MVH reduce the fiscal year distributions from the State Motor Vehicle Highway Account below the 50% requirement for MVH Restricted.*** . . . (State Examiner Directive 2018-2)

COUNTY AUDITOR  
WELLS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2022, with Lisa K. McCormick, County Auditor; Michael K. Vanover, President of the Board of County Commissioners; Jeff Stringer, County Commissioner; Steven R. Huggins, President of the County Council; and Vicki Andrews, County Council member.