

Audit Highlights
Annual Financial Report
Fayette County, Tennessee
For the Year Ended June 30, 2003

Scope

We have audited the financial statements of each major fund and the aggregate remaining fund information of Fayette County as of and for the year ended June 30, 2003.

Results

Our report on Fayette County's financial statements expresses an adverse opinion because government-wide financial statements are not presented in accordance with Governmental Accounting Standards Board Statement No. 34.

Our audit resulted in six findings and recommendations, which we have reviewed with Fayette County management. Detailed findings, recommendations, and management's responses are included in the Single Audit Report.

The following are summaries of the audit findings:

FAYETTE COUNTY:

- ◆ Government-wide financial statements were not presented in accordance with generally accepted accounting principles, resulting in an adverse opinion

OFFICE OF COUNTY MAYOR:

- ◆ Purchase orders were not issued in some applicable instances.
- ◆ Expenditures exceeded appropriations approved by the County Commission in the General Fund by \$1,009,933.

OFFICE OF PUBLIC WORKS SUPERINTENDENT:

- ◆ The Public Works Department did not account for the use of road materials on some projects.

OFFICE OF TRUSTEE:

- ◆ At June 30, 2003, the trustee had not required two depositories to adequately collateralize county funds. However, subsequent to June 30, 2003, additional securities had been pledged by the two depositories to protect the county's funds.

OTHER FINDING:

County officials had not adopted a central system of accounting, budgeting, and purchasing.

*State of Tennessee
Comptroller of the Treasury
Department of Audit
Division of County Audit*