

# *Audit Highlights*

Annual Financial Report  
DeKalb County, Tennessee  
For the Year Ended June 30, 2004

## *Scope*

We have audited the financial statements of each major fund and the aggregate remaining fund information of DeKalb County as of and for the year ended June 30, 2004.

## *Results*

Our report on DeKalb 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 16 findings and recommendations, which we have reviewed with DeKalb County management. Detailed findings and recommendations are included in the Single Audit Report.

The following are summaries of the audit findings:

### **DEKALB COUNTY:**

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

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### **OFFICE OF COUNTY MAYOR:**

- ◆ The office did not file a Report of Debt Obligations with the state director of Local Finance for debt issued during the year.
- ◆ The Solid Waste/Disposal Fund was not properly maintained on the accrual basis of accounting.
- ◆ County officials did not maintain inventory records for assets owned by the general county government.

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### **OFFICE OF HIGHWAY SUPERINTENDENT:**

- ◆ Receivables of \$132,645 were not determined and posted to the accounting records of the Highway/Public Works Fund at year-end.
  - ◆ The county-owned pickup truck assigned to the highway superintendent was not numbered and labeled as property of the Highway Department, as required by state statute.
  - ◆ Fuel consumption records were not maintained for fuel dispensed from Highway Department fuel pumps. Also, records were not maintained documenting the number and use of consumable assets on hand, such as tires, repair parts, and tile.
  - ◆ Purchase orders were issued after purchases were made, and invoices were paid without documentation in some instances.
  - ◆ A county road list was not submitted to the County Commission for approval, as required by state statute.
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**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:**

- ◆ The clerk did not properly post short-term investment account activity to the cash journal.
  - ◆ Execution docket trial balances prepared for Circuit and General Sessions Courts did not reconcile with cash journal accounts by material amounts.
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**OFFICE OF REGISTER:**

- ◆ Excess fees and commissions were not reported and paid to the county in compliance with state law.
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**OFFICE OF SHERIFF:**

- ◆ Commissary account transactions were not maintained on the cash journal.
  - ◆ Drug fund account transactions were not maintained on the cash journal. Official, pre-numbered receipts were not issued for drug control collections, as required by state statute.
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**OTHER FINDINGS:**

- ◆ County officials had not adopted a central system of accounting and budgeting.
- ◆ Duties were not segregated adequately in the Offices of County Mayor, Highway Superintendent, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.