

Audit Highlights

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

Scope

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

Results

Our report on Montgomery County's financial statements was qualified because the financial statements did not include one component unit whose financial statements were not available from other auditors at the date of this report.

Our audit resulted in six findings and recommendations, which we have reviewed with Montgomery County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR:

- ◆ The Workers' Compensation Fund had a net asset deficit totaling \$260,031 at June 30, 2004.
 - ◆ The General Debt Service Fund's beginning fund balance was understated by a significant amount.
-

OFFICE OF HIGHWAY SUPERVISOR:

- ◆ The highway supervisor's road list submitted to the County Commission did not include changes made to the list since the previous year, as required by state statute.
-

OFFICE OF CLERK AND MASTER:

- ◆ The office had accounting deficiencies. Bank statements were not reconciled with the general ledger, general ledger year-end balances did not agree with general ledger opening balances, the computer-generated docket trial balance did not reflect all cases, and the office did not produce a detailed activity report of each account in the general ledger.
-

OFFICE OF SHERIFF:

- ◆ The sheriff had deficiencies in the operation of the commissary.
- ◆ The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.

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