

# ***Audit Highlights***

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

## ***Scope***

We have audited the basic financial statements of Rhea County as of and for the year ended June 30, 2004.

## ***Results***

Our report on Rhea County's financial statements was qualified because the 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 four findings and recommendations, which we have reviewed with Rhea County management. Detailed findings and recommendations are included in the Single Audit section of this report.

The following are summaries of the audit findings:

### **FINANCE DEPARTMENT:**

- ◆ The General Debt Service Fund had a fund deficit of \$1,876,042 at June 30, 2004.
  - ◆ Competitive bids were not solicited for the construction of a second dormitory and car wash facilities at the jail totaling \$132,000.
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### **OFFICE SHERIFF:**

- ◆ Official, prenumbered receipts were not issued for drug control collections, as required by state statute. Also, an automated teller machine was used to withdraw confidential funds from the drug control checking account. State statutes require all disbursements to be by official, prenumbered check.
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### **OTHER FINDING:**

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.

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