



**Internal Audit Division
Finance Department
DeKalb County**

SHERIFF'S OFFICE

2015 AUDIT REPORT

MAY 2016

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**Finance Department
Internal Audit Division**

May 26, 2016

Honorable Sheriff, Jeffrey L. Mann, Esq.
DeKalb County Sheriff's Office
4415 Memorial Drive
Decatur, Georgia 30032

Dear Sheriff Mann:

We have audited the fiscal books, records and other pertinent documents of DeKalb Sheriff's Office for the year ended December 31, 2015. These books and records are the responsibility of the Sheriff's Office management. Our responsibility is to express an opinion on them based on our audit. We did not examine the financial statements of the Inmates Trust Fund and Commissary Accounts whose statements reflect total assets of \$479,101 and \$252,423, respectively, as of December 31, 2015, and total receipts of \$2,897,204 and \$428,281, respectively, for the year then ended. Those statements were audited by other independent auditors whose reports have been provided to us (see attached Internal Audit Financials). Accordingly, we do not express opinion on them.

We planned and performed the audit to obtain a reasonable assurance on whether the fiscal books, records, and other pertinent documents of the Sheriff's Office Trust and Agency Funds are free of material misstatements. Internal Audit performed such audit tests and procedures as it deemed necessary to support the amounts in the financial statements. We believe the audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements and exhibits present fairly the fiscal condition and operation of DeKalb County Sheriff's Office, being reasonably free of material discrepancies and deficiencies as of December 31, 2015.

Sincerely,

Cornelia Louis
Deputy Director of Finance – Internal Audit
DeKalb County, Georgia

CL/RI

cc: Appendix B

**Interim Chief
Executive Officer**

Lee May

**Board of
Commissioners**

District 1
Nancy Jester

District 2
Jeff Rader

District 3
Larry Johnson

District 4
Sharon Barnes Sutton

District 5
Mereda Davis Johnson

District 6
Kathie Gannon

District 7
Vacant



Appendix A - Acknowledgements

We would like to take this opportunity to thank The Sheriff's Office management and staff of all the participating departments for their assistance during this engagement.

Conducted by:

Ralph N. Igwedibie, CPA, CGMA
Principal Auditor
Finance Department - Internal Audit Division

Reviewed by:

Cornelia Louis
Deputy Director of Finance
Finance Department - Internal Audit Division



APPENDIX B – DISTRIBUTION LIST

This report has been distributed to the following individuals:

DeKalb County Board of Commissioners

Lee May, Interim Chief Executive Officer

Zachary L. Williams, Chief Operating Officer/ Executive Assistant

Preston Stephens, Interim Assistant Finance Director

Reginald B. Scandrett, Chief Deputy, Sheriff's Office

Claudette Leak, Assistant to the Chief Operating Officer



Dekalb County Sheriff's Office, Georgia
Comparative Statement Of Assets, Liabilities and Fund Balance
As of December 31, 2015 & 2014

	2015	2014	Increase (Decrease)
ASSETS			
Petty Cash	\$ 3,800	\$ 3,800	\$ -
Operating Fund	7,735	7,252	483
Cash Bond	\$4,410,092	3,953,761	456,332
Overbid Fund	95,225	95,225	-
GSCCCA Fund	1,666	13,029	(11,362)
Sub-total Cash	\$ 4,518,518	\$ 4,073,065	445,453
Due From Others	\$ 1,962	\$ 483	1,479
Total Assets	\$ 4,520,480	\$ 4,073,547	\$ 446,932
LIABILITIES			
Other Funds			
Cash Bond			
Bonds	\$ 4,410,092	\$ 3,954,352	\$ 455,741
Other Cash Account	1,962	-	1,962
Due to GSCCCA	1,666	13,028	(11,361)
Total - other Funds	\$ 4,413,721	\$ 3,967,379	\$ 446,342
Funds Due to Others			
Overbid Fund/Prin. & Attorney	\$ 97,562	\$ 97,561	\$ 1
Advertizing & Storage	\$ 117	\$ 117	\$ -
Total Due from others	\$ 97,679	\$ 97,678	\$ 1
Due to DeKalb County			
Sheriff's Fees	5,270	6,808	(1,538)
Sheriff's Commission	11	11	-
Bond Forfeitures and Jail Fees	-	(2,129)	2,129
Petty Cash	3,800	3,800	-
Total Fund - Due Dekalb	\$ 9,081	\$ 8,490	\$ 591
Total Liabilities and Net Assets	\$ 4,520,480	\$ 4,073,547	\$ 446,934

EXHIBIT "A"



DeKalb County Sheriff's Office, Georgia
Comparative Statement of Cash Receipts and Expenditures
Years Ending December 31, 2015 & 2014

	2015	2014	Increase (Decrease)
RECEIPTS			
Operating Fund			
Sheriff's Fee	\$ 107,025	\$ 103,611	\$ 3,414
Bond Forfeitures & Jail Fees	372,786	445,689	(72,903)
Sheriff's Sales Commission	6,879	5,752.00	1,127
Jail Staff & Const	1,265	1,630	(366)
Advertising and Storage	8,320	5,880	2,440
Overbid/Principal & Attorney	559,017	508,840	50,177
State Revenue Assessment	4,829	10,160	(5,331)
Total Operating Fund	\$ 1,060,122	\$ 1,081,562	\$ (21,440)
Other Funds			
Bonds	\$ 2,827,181	\$ 1,932,946	\$ 894,235.13
GA Sup. Ct. Clerk Coop. Auth.	14,837	16,926	(2,089)
Due from DTAS	2,502	-	2,502
Total - Other Fund	\$ 2,844,520	\$ 1,949,871	\$ 894,649
Total Receipts	\$ 3,904,642	\$ 3,031,434	\$ 873,208
DISBURSEMENTS			
Operating Fund - DeKalb County			
Sheriff's Fee	\$ 108,562	\$ 103,764	\$ 4,798.49
Sheriff's Sales Commission	6,879	5,752	1,127
Bond Forfeitures & Jail Fee	370,657	445,689	(75,032)
Jail Staff & Const. Fund	1,265	1,630	(366)
Others			
Advertising and Storage	8,320	5,880	2,440
Miscellan Due from Others	540	(223)	763
Total Operating Fund	\$ 496,223	\$ 562,492	\$ (66,269)
Other Funds			
Cash Bonds			
GSCCCA Fund	\$26,198	\$ 6,211	\$ 19,987
State Revenue Assessment	4,829	10,160	(5,331)
Cash Bond	\$ 2,371,441	2,355,797	15,643
Overbid Fund	\$559,017	508,840	50,177
Total Other Funds	\$2,961,485	\$ 2,881,008	\$ 80,477
Total Disbursements	\$3,457,708	\$ 3,443,500	\$14,208
Net Receipts (Disbursement)	\$ 446,933	\$ (412,067)	\$ 859,000
Cash, January 1, 2015	\$ 4,073,547	\$ 4,485,614	\$ (412,067)
Cash, December 31, 2015	\$ 4,520,480	\$ 4,073,547	\$ 446,933

EXHIBIT "B"

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE TRUST ACCOUNT
AUDITED FINANCIAL STATEMENTS
(Together with Independent Auditor's Report)**

DECEMBER 31, 2015 and 2014

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE TRUST ACCOUNT
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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INDEPENDENT AUDITOR'S REPORT

To the DeKalb County Sheriff
Honorable Jeffrey Mann

We have audited the accompanying financial statements of the DeKalb County Sheriff's – Inmate Trust Account ("the Account"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of cash receipts and disbursements and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Account's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the DeKalb County Sheriff's Office – Inmate Trust Account as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PJC Group, LLC

Atlanta, Georgia
April 22, 2016

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE TRUST ACCOUNT
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets:		
Restricted Cash (Note 3)	\$ <u>479,101</u>	\$ <u>433,077</u>
Total Current Assets	<u>479,101</u>	<u>433,077</u>
TOTAL ASSETS	<u>\$ 479,101</u>	<u>\$ 433,077</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Due to Inmates (Note 5)	\$ <u>479,101</u>	\$ <u>433,077</u>
Total Current Liabilities	<u>479,101</u>	<u>433,077</u>
Net Assets:		
Net Assets	<u>-</u>	<u>-</u>
Total Net Assets	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 479,101</u>	<u>\$ 433,077</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE TRUST ACCOUNT
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>RECEIPTS</u>	<u>2015</u>	<u>2014</u>
Inmate Receipts:	\$ <u>2,897,204</u>	\$ <u>2,941,512</u>
TOTAL RECEIPTS	\$ <u>2,897,204</u>	\$ <u>2,941,512</u>
 <u>EXPENDITURES</u>		
Inmate Refunds	\$ 755,189	\$ 1,360,397
Commissary Purchases	1,208,268	1,339,763
Cost Recovery	121,560	93,496
Service Charges	4,749	10,097
NUMI	746,317	193,205
Operations	-	41
Other Electronic Expenses	2,000	19,109
Other	<u>40</u>	<u>35</u>
TOTAL EXPENDITURES	<u>2,838,123</u>	<u>3,016,143</u>
 Excess expenditures under (over) receipts	 \$ <u>59,081</u>	 \$ <u>(74,631)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE TRUST ACCOUNT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2015</u>	<u>2014</u>
Excess expenditures over receipts	\$ 59,081	\$ (74,631)
Adjustments to reconcile change in net assets to net restricted cash provided by operating activities:		
Decrease in undeposited receipts	-	27,779
Increase in due to inmates	-	366,536
(Decrease) in accounts payable	-	(25,991)
(Decrease) in cost recovery payable	-	(8,624)
Prior period adjustment	<u>(13,057)</u>	<u>-</u>
Net restricted cash used in operating activities	<u>46,024</u>	<u>285,069</u>
Net increase (decrease) in restricted cash	46,024	285,069
Restricted cash at beginning of year	<u>433,077</u>	<u>148,008</u>
Restricted cash at end of year	<u>\$ 479,101</u>	<u>\$ 433,077</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

NOTE 1 – FINANCIAL REPORTING ENTITY

The DeKalb County Sheriff's Office - Inmate Trust Account (the "Account") was established to safeguard inmate funds received during the time of incarceration and deposited on their behalf while in custody. The Account returns any unused funds to the inmate upon his/her release from custody.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Account have been prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of cash flows.

FINANCIAL STATEMENT PRESENTATION

The financial statements of the Account have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applicable to government units. The Government Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Net assets of the Account are restricted classes and are created only by law and policy-imposed restrictions on their use that may or will be met either by actions of the Account and/or the passage of time.

INCOME TAXES

The Account is exempt from Federal income taxes under Section 115(1) of the Internal Revenue Code. The Fund is an instrumentality of DeKalb County, Georgia and its income is exempt from taxation as a local government entity. Therefore, no provision for income taxes is necessary.

NOTE 3 – RESTRICTED CASH

Restricted cash is cash set aside for inmate purchases at the direction of the inmate. Any unused cash is refunded to the inmate upon their release.

NOTE 4- DUE TO INMATES

Due to inmates consist of funds held on behalf of the inmates, for their use while incarcerated and are refunded to inmates upon their release.

NOTE 5 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 22, 2016, which is the date the financial statements were available to be issued.

NOTE 6 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to correct the cash account in the amount of \$13,057.

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE COMMISSARY ACCOUNT
AUDITED FINANCIAL STATEMENTS
(Together with Independent Auditor's Report)**

DECEMBER 31, 2015 and 2014

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE COMMISSARY ACCOUNT
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

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INDEPENDENT AUDITOR'S REPORT

To the DeKalb County Sheriff
Honorable Jeffrey Mann

We have audited the accompanying financial statements of the DeKalb County Sheriff's – Inmate Commissary Account ("the Account"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Account's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the DeKalb County Sheriff's Office – Inmate Commissary Account as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PJC Group, LLC

Atlanta, Georgia
April 22, 2016

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE COMMISSARY ACCOUNT
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and Cash Equivalents (Note 3)	\$ <u>252,423</u>	\$ 331,734
Total Current Assets	<u>252,423</u>	<u>331,734</u>
 TOTAL ASSETS	 <u>\$ 252,423</u>	 <u>\$ 331,734</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable (Note 4)	\$ <u>-</u>	\$ <u>16,109</u>
Total Current Liabilities	<u>-</u>	<u>16,109</u>
Net Assets:	<u>252,423</u>	<u>315,625</u>
Total Net Assets	<u>252,423</u>	<u>315,625</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 252,423</u>	 <u>\$ 331,734</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE COMMISSARY ACCOUNT
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>REVENUES</u>	<u>2015</u>	<u>2014</u>
Commissary Rebates	\$ 229,718	\$ 231,948
Barber Rebates	40,565	40,234
Restitution:		
Clothing & Armbands	1,535	2,070
Indigent Packs	7,930	9,588
Shaves & Haircuts	103,381	83,464
Medical Co-Payments	7,097	2,967
Other Restitution	1,616	4,031
Commissary Revenues	31,751	26,883
Bond Renewal Fees	4,500	4,500
Interest Income	83	123
Misc. Income	<u>105</u>	<u>10</u>
 TOTAL REVENUE	 <u>\$ 428,281</u>	 <u>\$ 405,818</u>
 <u>EXPENDITURES</u>		
Inmate Supplies	\$ 237,616	\$ 224,566
Barber Services	243,390	222,429
Bank Charges	107	198
Professional Services	9,678	16
Miscellaneous Expenses	<u>693</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>491,484</u>	 <u>447,209</u>
 Change in Net Assets	 (63,203)	 (41,391)
Net assets beginning of year	<u>315,625</u>	<u>357,016</u>
Net assets at end of year	<u>\$ 252,423</u>	<u>\$ 315,625</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE COMMISSARY ACCOUNT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2015</u>	<u>2014</u>
Change in net assets	\$ (63,203)	\$ (41,391)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in receivables	-	8,624
Decrease (increase) in accounts payable	<u>(16,109)</u>	<u>15,904</u>
Net cash used in operating activities	<u>(79,312)</u>	<u>(16,863)</u>
Net decrease in cash and cash equivalents	(79,312)	(16,863)
Cash and cash equivalents at beginning of year	<u>331,734</u>	<u>348,597</u>
Cash and cash equivalents at end of year	<u>\$ 252,423</u>	<u>\$ 331,734</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**DEKALB COUNTY SHERIFF'S OFFICE
INMATE COMMISSARY ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 – FINANCIAL REPORTING ENTITY

The DeKalb County Sheriff's Office - Inmate Commissary Account (the "Account") provides goods and services to the inmate general population and access to the courts for indigent inmates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Account have been prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of cash flows.

FINANCIAL STATEMENT PRESENTATION

The financial statements of the Account have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applicable to government units. The Government Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Net assets of the Account are restricted classes created only by law and policy-imposed restrictions on their use that may or will be met either by actions of the Account and/or the passage of time.

INCOME TAXES

The Account is exempt from Federal income taxes under Section 115(1) of the Internal Revenue Code. The Fund is an instrumentality of DeKalb County, Georgia and its income is exempt from taxation as a local government entity. Therefore, no provision for income taxes is necessary.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash is considered to be cash on hand and demand deposits.

NOTE 4 - ACCOUNTS PAYABLE

The Accounts Payable balance consists of purchases for the inmates as of December 31, 2015 and 2014, but not yet paid.

NOTE 5 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 22, 2016, which is the date the financial statements were available to be issued.