



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF MUNICIPAL AUDIT

John G. Morgan
Comptroller of the Treasury

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Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit

June 30, 2003

Mayor and Members of the Board of Commissioners
Town of Adamsville
P. O. Box 301
Adamsville, TN 38310

Mayor and Members of the Board:

As requested by the town administrator, we have concluded our review of issues related to the Garan Company's transfer of its closed garment factory building to the town, including the disposition of property remaining in the building at the time the deed was recorded on December 27, 2002.

Our examination revealed no documentation that Garan had transferred ownership of any personal property in the building to the town or that the personal property was in any way related to the town's obtaining the building. As a result, there appears to be no evidence that the disposition of the personal property was relevant to the issue of appropriate conduct of any town official in regard to the real estate transfer.

However, our examination also revealed the following:

- According to the minutes of the January 17, 2003, meeting of the board of commissioners, Adamsville officials voted to forego 2002 property tax in the amount of \$3,733 on the Garan property. The *Internal Control and Compliance Manual for Tennessee Municipalities*, Title 3, Chapter 4, Section 8, states that "no authority exists under Tennessee law to waive or forgive property tax." To comply with state law, town officials should ensure that all property tax assessed is collected or recorded as delinquent.

Sincerely,

Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit