

Audit Highlights
Annual Financial Report
Putnam County School Department
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 the Putnam County School Department as of and for the year ended June 30, 2004.

Results

Our report on Putnam County School Department'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 three findings and recommendations, which we have reviewed with Putnam County School Department management. Detailed findings, recommendations, and management's responses are included in the Single Audit Report.

The following are summaries of the audit findings:

PUTNAM COUNTY SCHOOL DEPARTMENT:

- ◆ Government-wide financial statements were not presented in accordance with generally accepted accounting principles, resulting in an adverse opinion.
- ◆ Federal program claims for reimbursement were not filed on a timely basis for the School Federal Projects Fund. Also, the school department had not reflected these reimbursements as receivables on the financial records as of June 30, 2004. This resulted in the records reflecting fund deficits for many of these programs at June 30, 2004. We provided management with adjustments for these receivables and these receivables are properly reflected in the financial statements of this report.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

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