

**Audit Highlights**  
Annual Financial Report  
Cheatham County School Department  
For the Year Ended June 30, 2003

**Scope**

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Cheatham County School Department as of and for the year ended June 30, 2003.

**Results**

Our report on Cheatham 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 four findings and recommendations, which we have reviewed with Cheatham 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:

**OFFICE OF DIRECTOR OF SCHOOLS:**

- ◆ Government-wide financial statements were not presented in accordance with generally accepted accounting principles, resulting in an adverse opinion.
- ◆ The School Federal Projects Fund had a cash overdraft of \$36,324 at June 30, 2003.
- ◆ The office had purchasing deficiencies. It did not issue purchase orders for some applicable purchases, and competitive bids were not solicited for tires purchased with General Purpose School Fund monies.
- ◆ The office did not develop a disaster recovery plan.

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