

INDEPENDENT AUDITORS' REPORT

OF

BRISTOL, TENNESSEE BOARD OF EDUCATION

**INTERNAL SCHOOL FUNDS – REGULATORY BASIS
WITH SUPPLEMENTARY INFORMATION**

**TENNESSEE HIGH SCHOOL
G. W. VANCE MIDDLE SCHOOL
ANDERSON ELEMENTARY SCHOOL
AVOCA ELEMENTARY SCHOOL
FAIRMOUNT ELEMENTARY SCHOOL
HAYNESFIELD ELEMENTARY SCHOOL
HOLSTON VIEW ELEMENTARY SCHOOL**

For the Fiscal Year Ended June 30, 2013

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
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SECTION I
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Chairman and Members of the
Bristol, Tennessee Board of Education
Bristol, Tennessee 37620

Report on the Financial Statements

We have audited the accompanying combined and individual school balance sheets – regulatory basis of the Bristol, Tennessee Board of Education Internal School Funds, as of June 30, 2013, and the related combined and individual fund statements of revenues and expenditures and changes in fund balances – regulatory basis for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Bristol, Tennessee Board of Education Internal School Funds' financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Johnson City	801B Sunset Drive, Johnson City, TN 37604	423.282.4511
Kingsport	1361 South Wilcox Drive, Kingsport, TN 37660	423.246.1725
Greeneville	550 Tusculum Boulevard, Greeneville, TN 37745	423.638.8516

In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statements, the financial statements are prepared by the Bristol, Tennessee Board of Education Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Bristol, Tennessee Board of Education Internal School Funds as of June 30, 2013, or changes in financial position for each fund for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund balance of the Bristol, Tennessee Board of Education Internal School Funds as of June 30, 2013, and the changes in fund balances for the fiscal year then ended in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note A.

Emphasis of a Matter

As discussed in Note A, the financial statements present only the internal school funds of Bristol, Tennessee Board of Education and are not intended to present fairly the financial position of Bristol, Tennessee, as of June 30, 2013 or the changes in financial position of Bristol, Tennessee, for the fiscal year ended June 30, 2013, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined and individual fund balance sheets – regulatory basis of the Bristol, Tennessee Board of Education Internal School Funds, as of June 30, 2013, and the related combined and individual fund statements of revenues and expenditures and changes in fund balances – regulatory basis for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Bristol, Tennessee Board of Education Internal School Funds' financial statements. The accompanying financial information, listed in the Table of Contents as supplementary information, is presented for purposes of additional analysis and is not a required part of the basic financial statements – regulatory basis of the schools. As described in Note A of the financial statements, the supplementary information is prepared by the Bristol, Tennessee Board of Education Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements – regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 on our consideration of the Bristol, Tennessee Board of Education Internal School Funds internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bristol, Tennessee Board of Education Internal School Funds internal control over financial reporting and compliance.

Blackburn, Childers & Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 13, 2013

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS**

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**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS - ALL SCHOOLS
June 30, 2013**

EXHIBIT A

	Tennessee High School	G. W. Vance Middle School	Total Elementary Schools (Exhibit B)	Total
ASSETS				
Cash in Bank - Checking	\$ 357,043	91,980	232,119	681,142
Cash in Bank - Savings	4,696	35,354	17,356	57,406
Accounts Receivable	14,942	-	-	14,942
TOTAL ASSETS	\$ 376,681	127,334	249,475	753,490
LIABILITIES				
Accounts Payable	\$ 1,135	-	-	1,135
TOTAL LIABILITIES	1,135	0	0	1,135
FUND BALANCES				
General Fund Unassigned	16,466	59,408	128,056	203,930
Restricted Fund Restricted	34,980	11,804	38,840	85,624
Assigned	324,100	56,122	82,579	462,801
TOTAL FUND BALANCES	375,546	127,334	249,475	752,355
TOTAL LIABILITIES AND FUND BALANCES	\$ 376,681	127,334	249,475	753,490

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS - ELEMENTARY SCHOOLS
June 30, 2013**

EXHIBIT B

	<u>Anderson</u>	<u>Avoca</u>	<u>Fairmount</u>	<u>Haynesfield</u>	<u>Holston View</u>	<u>Total</u>
ASSETS						
Cash in Bank - Checking	\$ 14,843	33,851	101,815	58,024	23,586	232,119
Cash in Bank - Savings	-	5,043	-	5,073	7,240	17,356
TOTAL ASSETS	<u>\$ 14,843</u>	<u>38,894</u>	<u>101,815</u>	<u>63,097</u>	<u>30,826</u>	<u>249,475</u>
LIABILITIES						
Accounts Payable	\$ -	-	-	-	-	-
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES						
General Fund Unassigned	2,719	26,953	57,865	31,551	8,968	128,056
Restricted Fund Restricted	4,867	5,174	16,639	7,041	5,119	38,840
Assigned	<u>7,257</u>	<u>6,767</u>	<u>27,311</u>	<u>24,505</u>	<u>16,739</u>	<u>82,579</u>
TOTAL FUND BALANCES	<u>14,843</u>	<u>38,894</u>	<u>101,815</u>	<u>63,097</u>	<u>30,826</u>	<u>249,475</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,843</u>	<u>38,894</u>	<u>101,815</u>	<u>63,097</u>	<u>30,826</u>	<u>249,475</u>

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - REGULATORY BASIS - ALL SCHOOLS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT C

	Tennessee High School	G.W. Vance Middle School	Total Elementary Schools (Exhibit D)	Total
FUND BALANCES, JULY 1, 2012	\$ 362,350	127,514	178,795	668,659
REVENUES	1,026,507	188,060	474,850	1,689,417
EXPENDITURES	1,013,311	188,240	404,170	1,605,721
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,196	(180)	70,680	83,696
FUND BALANCES, JUNE 30, 2013	\$ 375,546	127,334	249,475	752,355

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - REGULATORY BASIS - ELEMENTARY SCHOOLS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT D

	Anderson	Avoca	Fairmount	Haynesfield	Holston View	Total
FUND BALANCES, JULY 1, 2012	\$ 9,774	25,313	85,758	35,633	22,317	178,795
REVENUES	90,224	103,726	99,907	86,320	94,673	474,850
EXPENDITURES	85,155	90,145	83,850	58,856	86,164	404,170
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,069	13,581	16,057	27,464	8,509	70,680
FUND BALANCES, JUNE 30, 2013	\$ 14,843	38,894	101,815	63,097	30,826	249,475

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

BACKGROUND

Section 49-2-110, *Tennessee Code Annotated*, provides for internal school funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual. This section excludes parent-teacher and parent-student support organizations from the accounting, record keeping, and other requirements of this section.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. FINANCIAL REPORTING ENTITY

This report includes only the internal school funds of the Bristol, Tennessee Board of Education. Internal school funds consist of financial resources accounted for at the individual schools.

Internal School Funds

Internal school funds reported in the accompanying financial statements include donations and grants made to the individual schools; fees collected by schools; funds received from the local Board of Education; funds raised through cooperative agreements; rental fees; and student activity funds.

Student Activity Funds

Student activity funds include all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic, or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from any account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students and property during the school day.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. OTHER COMPREHENSIVE BASIS OF ACCOUNTING

The accounting and financial reporting requirements for internal school funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual*, issued by the Tennessee Department of Education. The requirements established in the *Tennessee Internal School Uniform Accounting Policy Manual* differ from accounting principles generally accepted in the United States of America primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The internal school funds use a current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets and the fund balances report only spendable resources. Revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Management policies define available as collectible within thirty days after the fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

Fund Structure

The accounts of the individual schools are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of the fund's assets, liabilities, fund equity, revenues and expenditures. The general fund is used to account for revenues and expenditures which are not restricted to any specific group or activity. The restricted fund is used to account for money that is normally restricted in use to a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

Financial Statement Presentation

The financial statements consist of balance sheets and statements of revenues, expenditures and changes in fund balances. The combined financial statements present all of the individual schools in a columnar format and are required to be presented before the notes to the financial statements. These statements focus on each of the individual schools rather than the funds within the schools. In keeping with that focus, the columnar headings identify the individual schools rather than the funds.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. OTHER COMPREHENSIVE BASIS OF ACCOUNTING (Continued)

Financial Statement Presentation (Continued)

The individual school balance sheets and statements of revenues, expenditures and changes in fund balances present the detailed fund activity in each school and are included after the notes to the financial statements.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted “accounts” is presented as total revenues, transfers in, total expenditures and transfers out for each account. A corresponding “fund balance” is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movement of funds between restricted accounts as well as between the general fund and restricted fund.

3. RISK MANAGEMENT

The School System is covered with a Public School System Honesty Blanket Position Bond with Travelers.

NOTE B - COLLATERALIZATION OF DEPOSITS

Cash in Bank represents funds on deposit in various depositories. The total Cash in Bank - Checking and Cash in Bank - Savings balances for the elementary schools are \$232,119 and \$17,356, respectively and the bank balances are \$232,930 and \$17,356, respectively. The total Cash in Bank - Checking and Cash in Bank - Savings balances for the middle school is \$91,980 and \$35,354, respectively and the bank balances are \$94,613 and \$35,354, respectively. The total Cash in Bank - Checking and Cash in Bank - Savings balances for the high school is \$357,043 and \$4,696, respectively and the bank balances are \$393,827 and \$4,696, respectively. All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution(s) that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105% of the uninsured amount of deposits. Custodial credit risk is the risk that in the event of bank failure, the school’s deposits may not be returned to it. None of the school’s deposits were exposed to the custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE C - CAPITAL ASSETS

Capital assets acquired by the individual schools are recorded as expenditures at the time of purchase. Title and accountability for capital assets purchased pass automatically to the Board of Education.

NOTE D - FUND BALANCES

1. RESTRICTED FUND BALANCE

Fund balances reported as restricted are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes grant, donation, teacher award, memorial, and Basic Education Program (BEP) funds. When both restricted and unrestricted resources are available for use, it is the Board of Education's policy to use restricted resources first, then unrestricted resources as needed.

2. ASSIGNED FUND BALANCE

Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school, except for those that account for externally restricted resources as described above. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned because of the Board's intent for those resources to be expended in future periods. The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

3. UNASSIGNED FUND BALANCE

The general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund. When both assigned and unassigned resources are available for use, it is the Board of Education's policy to use assigned resources first, then unassigned resources as they are needed.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE D - FUND BALANCES (Continued)

The fund balance detail for the Bristol, Tennessee Board of Education Internal School Funds is reflected below. Additional detail is provided on the individual school financial statements.

	Tennessee High School		G.W.Vance Middle School		Anderson Elementary School		Avoca Elementary School	
	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund
	FUND BALANCES							
RESTRICTED for								
Excess Board of Education								
Allocations - BEP	\$ -	30,921	-	2,166	-	2,030	-	2,814
Other Accounts	-	148	-	3,620	-	-	-	-
Grant Accounts	-	-	-	1,197	-	865	-	413
Donations	-	3,858	-	4,821	-	1,972	-	1,846
Memorials	-	53	-	-	-	-	-	-
Teacher Awards	-	-	-	-	-	-	-	101
ASSIGNED to								
Athletic Accounts	-	151,374	-	14,636	-	-	-	-
Board of Education Allocations	-	37,112	-	12,050	-	5,632	-	4,616
Class Accounts	-	66,580	-	20,480	-	460	-	-
Club Accounts	-	9,342	-	3,812	-	-	-	-
Donations	-	-	-	-	-	935	-	-
Other Accounts	-	59,692	-	5,144	-	230	-	2,151
UNASSIGNED	16,466	-	59,408	-	2,719	-	26,953	-
TOTAL FUND BALANCES	\$ 16,466	359,080	59,408	67,926	2,719	12,124	26,953	11,941

	Fairmount Elementary School		Haynesfield Elementary School		Holston View Elementary School		Total
	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	
	FUND BALANCES						
RESTRICTED for							
Excess Board of Education							
Allocations - BEP	-	7,639	-	1,849	-	1,876	49,295
Other Accounts	-	-	-	-	-	-	3,768
Grant Accounts	-	65	-	834	-	1,434	4,808
Donations	-	8,935	-	3,858	-	1,809	27,099
Memorials	-	-	-	-	-	-	53
Teacher Awards	-	-	-	500	-	-	601
ASSIGNED to							
Athletic Accounts	-	-	-	-	-	-	166,010
Board of Education Allocations	-	24,688	-	22,420	-	11,656	118,174
Class Accounts	-	-	-	85	-	-	87,605
Club Accounts	-	-	-	-	-	-	13,154
Donations	-	-	-	-	-	-	935
Other Accounts	-	2,623	-	2,000	-	5,083	76,923
UNASSIGNED	57,865	-	31,551	-	8,968	-	203,930
TOTAL FUND BALANCES	57,865	43,950	31,551	31,546	8,968	21,858	752,355

**BRISTOL, TENNESSEE BOARD OF EDUCATION
 TENNESSEE HIGH SCHOOL
 INTERNAL SCHOOL FUNDS
 BALANCE SHEET - REGULATORY BASIS
 June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						Total Liabilities and Fund Balances
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Fund Balances	
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		
General Fund	\$ 11,770	4,696	0	16,466	0	0	0	0	16,466	16,466	16,466
Restricted Funds											
Board of Education Allocations											
Administration	33,351	-	-	33,351	787	787	-	32,564	-	32,564	33,351
Administration - Travel	401	-	-	401	-	-	-	401	-	401	401
Band - IUR - Elementary	37	-	-	37	-	-	-	37	-	37	37
Band - THS - Instruments / Other	2,089	-	-	2,089	-	-	-	2,089	-	2,089	2,089
Band - IUR - Vance Middle	7	-	-	7	-	-	-	7	-	7	7
Band - THS	163	-	-	163	-	-	-	163	-	163	163
Capital Outlay	327	-	-	327	-	-	-	327	-	327	327
Materials/Supplies - BEP	30,921	-	-	30,921	-	-	30,921	-	-	30,921	30,921
Materials/Supplies - Departments	1,065	-	-	1,065	-	-	-	1,065	-	1,065	1,065
Staff Development	458	-	-	458	-	-	-	458	-	458	458
Technology	1	-	-	1	-	-	-	1	-	1	1
Class Accounts											
Band - Vending	7,195	-	544	7,739	-	-	-	7,739	-	7,739	7,739
Band - Concessions	1,191	-	-	1,191	-	-	-	1,191	-	1,191	1,191
Chorus	421	-	-	421	-	-	-	421	-	421	421
Class Accounts	20	-	-	20	-	-	-	20	-	20	20
Credit Recovery	6,801	-	-	6,801	-	-	-	6,801	-	6,801	6,801
Fees - Special Classes	43,788	-	-	43,788	-	-	-	43,788	-	43,788	43,788
JROTC	1,128	-	-	1,128	-	-	-	1,128	-	1,128	1,128
Leadership Challenge	507	-	-	507	-	-	-	507	-	507	507
Special Education	36	-	-	36	-	-	-	36	-	36	36
VICA #1 Industrial Arts	403	-	-	403	-	-	-	403	-	403	403
VICA #2 Cosmetology	28	-	-	28	-	-	-	28	-	28	28
VICA #3 Drafting	57	-	-	57	-	-	-	57	-	57	57
VICA #5 Machine Shop	1,832	-	-	1,832	-	-	-	1,832	-	1,832	1,832
VICA #6 Graphic Arts	1,082	-	-	1,082	-	-	-	1,082	-	1,082	1,082
VICA #7 Electronics-TV Broadcasting	449	-	-	449	-	-	-	449	-	449	449
VICA #8 VAP	1,039	-	-	1,039	-	-	-	1,039	-	1,039	1,039
VICA #9 Auto Mechanic Club	59	-	-	59	-	-	-	59	-	59	59
Club Accounts											
Anchor Club	84	-	-	84	-	-	-	84	-	84	84
Beta Club	20	-	-	20	-	-	-	20	-	20	20
BPA	163	-	-	163	-	-	-	163	-	163	163
Chess Club	32	-	-	32	-	-	-	32	-	32	32
Civinettes	980	-	-	980	-	-	-	980	-	980	980
Civitan's - Junior	2	-	-	2	-	-	-	2	-	2	2
Club 1-2-1	44	-	-	44	-	-	-	44	-	44	44
Fellowship of Christian Athletes	963	-	-	963	-	-	-	963	-	963	963
French Club	562	-	-	562	-	-	-	562	-	562	562
Future Teachers of America	224	-	-	224	-	-	-	224	-	224	224
German Club	66	-	-	66	-	-	-	66	-	66	66
HOSA	8	-	-	8	-	-	-	8	-	8	8
Interact Club	159	-	-	159	-	-	-	159	-	159	159

(Continued)

**BRISTOL, TENNESSEE BOARD OF EDUCATION
TENNESSEE HIGH SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Liabilities and Fund Balances	
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		Total Fund Balances
Restricted Funds (Continued)											
Club Accounts (Continued)											
JR Classical League/Latin	12	-	-	12	-	-	-	12	-	12	12
National Art Honor Society	104	-	-	104	-	-	-	104	-	104	104
National Honor Society	1,672	-	-	1,672	-	-	-	1,672	-	1,672	1,672
Natural Helpers	64	-	-	64	-	-	-	64	-	64	64
Robotics Team	3,850	-	-	3,850	-	-	-	3,850	-	3,850	3,850
Spanish Club	239	-	-	239	-	-	-	239	-	239	239
Student Council	71	-	-	71	-	-	-	71	-	71	71
Writers Guild	23	-	-	23	-	-	-	23	-	23	23
Other Accounts											
JR - SR Fundraiser	10,873	-	-	10,873	-	-	-	10,873	-	10,873	10,873
Renaissance Program	1,665	-	-	1,665	-	-	-	1,665	-	1,665	1,665
Special Olympics	148	-	-	148	-	-	148	-	-	148	148
Special Services - Projects	148	-	-	148	-	-	-	148	-	148	148
Strategic Planning Reserve	31,968	-	13,854	45,822	-	-	-	45,822	-	45,822	45,822
Technology - Vending	640	-	544	1,184	-	-	-	1,184	-	1,184	1,184
Athletic Accounts											
Athletics	151,722	-	-	151,722	348	348	-	151,374	-	151,374	151,722
Donation Accounts											
Doc Maples Courtyard	1,253	-	-	1,253	-	-	1,253	-	-	1,253	1,253
Donations - Art	400	-	-	400	-	-	400	-	-	400	400
Donations - Mathletes	1,470	-	-	1,470	-	-	1,470	-	-	1,470	1,470
Rotary Club - Achievement Award	567	-	-	567	-	-	567	-	-	567	567
Rotary Club - Honors Program	168	-	-	168	-	-	168	-	-	168	168
Memorial Accounts											
Memorial - Marcello Dinsmore	8	-	-	8	-	-	8	-	-	8	8
Memorials	45	-	-	45	-	-	45	-	-	45	45
Total Restricted Funds	345,273	0	14,942	360,215	1,135	1,135	34,980	324,100	0	359,080	360,215
Total General and Restricted Funds	\$ 357,043	4,696	14,942	376,681	1,135	1,135	34,980	324,100	16,466	375,546	376,681

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
TENNESSEE HIGH SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances
	July 1, 2012	Revenues		In	Out	
General Fund						
Administration	-	-	5,810	-	-	-
Board of Education Allocations	-	23,985	23,942	-	-	-
Fines, Fees and Dues	-	1,894	636	-	-	-
Instruction	-	-	5,017	-	-	-
Interest	-	1,833	-	-	-	-
Operation and Maintenance	-	-	1,671	-	-	-
Other	-	-	292	-	-	-
Resale Items	-	44,470	34,521	-	-	-
Total General Fund	16,173	72,182	71,889	0	0	16,466
Restricted Funds						
Board of Education Allocations						
Administration	35,550	29,696	32,682	-	-	32,564
Administration - Travel	4,374	2,600	6,573	-	-	401
Band - IUR - Elementary	62	-	25	-	-	37
Band - THS - Instruments / Other	3,289	-	1,200	-	-	2,089
Band - IUR - Vance Middle	198	-	191	-	-	7
Band - THS	4,722	11,680	16,239	-	-	163
Capital Outlay	2,333	10,000	12,006	-	-	327
Chorus	132	8,433	8,565	-	-	-
Materials / Supplies - BEP	25,863	18,500	13,442	-	-	30,921
Materials / Supplies - Departments	2,377	18,720	20,032	-	-	1,065
Staff Development	3,039	3,406	5,987	-	-	458
Technology	9,010	17,182	26,191	-	-	1
Class Accounts						
Band - Vending	2,609	7,612	2,482	-	-	7,739
Band - Concessions	6,950	9,881	15,640	-	-	1,191
Chorus	242	800	621	-	-	421
Class Accounts	20	-	-	-	-	20
Credit Recovery	4,061	2,840	100	-	-	6,801
Fees - Special Classes	40,380	39,040	35,632	-	-	43,788
JRROTC	570	5,000	4,442	-	-	1,128
Leadership Challenge	981	1,070	1,544	-	-	507
Special Education	36	-	-	-	-	36
VICA #1 Industrial Arts	801	311	709	-	-	403
VICA #2 Cosmetology	28	60	60	-	-	28
VICA #3 Drafting	57	-	-	-	-	57
VICA #5 Machine Shop	1,382	584	134	-	-	1,832
VICA #6 Graphic Arts	363	839	120	-	-	1,082
VICA #7 Electronics-TV Broadcasting	590	1,167	1,308	-	-	449
VICA #8 VAP	1,039	-	-	-	-	1,039
VICA #9 Auto Mechanic Club	167	12	120	-	-	59

(Continued)

**BRISTOL, TENNESSEE BOARD OF EDUCATION
 TENNESSEE HIGH SCHOOL
 INTERNAL SCHOOL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
 For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances	Revenues	Expenditures	Transfers		Fund Balances
	July 1, 2012			In	Out	June 30, 2013
Restricted Funds (Continued)						
Club Accounts						
Anchor Club	397	7,686	7,999	-	-	84
Beta Club	277	2,012	2,269	-	-	20
BPA	705	2,024	2,566	-	-	163
Chess Club	25	50	43	-	-	32
Civinettes	642	829	491	-	-	980
Civitan's - Junior	1	143	142	-	-	2
Club 1-2-1	316	288	560	-	-	44
Equal Rights Association	-	329	329	-	-	-
Fellowship of Christian Athletes	1,038	-	75	-	-	963
French Club	400	953	791	-	-	562
Future Teachers of America	224	-	-	-	-	224
German Club	129	198	261	-	-	66
HOSA	8	-	-	-	-	8
Interact Club	25	656	522	-	-	159
JR Classical League/Latin	42	337	367	-	-	12
National Art Honor Society	104	-	-	-	-	104
National Honor Society	1,891	1,725	1,944	-	-	1,672
Natural Helpers	64	-	-	-	-	64
Robotics Team	4,771	7,200	8,121	-	-	3,850
Science Club	75	-	75	-	-	-
Spanish Club	250	155	166	-	-	239
Student Council	47	3,121	3,097	-	-	71
Writers Guild	23	-	-	-	-	23
Other Accounts						
Boys State	-	250	250	-	-	-
Field Trips	207	21,300	21,507	-	-	-
Fundraiser - School Projects	130	180	310	-	-	-
JR - SR Fundraiser	7,611	12,120	8,858	-	-	10,873
Renaissance Program	1,884	3,290	3,509	-	-	1,665
Special Olympics	289	100	241	-	-	148
Special Services - Projects	148	-	-	-	-	148
Strategic Planning Reserve	31,968	13,854	-	-	-	45,822
Technology - Vending	4,612	7,612	11,040	-	-	1,184

(Continued)

**BRISTOL, TENNESSEE BOARD OF EDUCATION
 TENNESSEE HIGH SCHOOL
 INTERNAL SCHOOL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
 For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances	Revenues	Expenditures	Transfers		Fund Balances
	July 1, 2012			In	Out	June 30, 2013
Restricted Funds (Continued)						
Athletic Accounts						
Athletics	133,558	664,380	646,564	-	-	151,374
Donation Accounts						
Doc Maples Courtyard	1,253	-	-	-	-	1,253
Donations - Art	400	-	-	-	-	400
Donations - Mathletes	79	2,800	1,409	-	-	1,470
NETSPA - Scholarship	-	300	300	-	-	-
Nursing Scholarship	-	8,000	8,000	-	-	-
Radiology Association Scholarship	-	1,500	1,500	-	-	-
Rotary Club - Achievement Award	860	-	293	-	-	567
Rotary Club - Honors Program	446	1,500	1,778	-	-	168
Memorial Accounts						
Memorial - Marcello Dinsmore	8	-	-	-	-	8
Memorials	45	-	-	-	-	45
Total Restricted Funds	<u>346,177</u>	<u>954,325</u>	<u>941,422</u>	<u>0</u>	<u>0</u>	<u>359,080</u>
Total General and Restricted Funds	<u>\$ 362,350</u>	<u>1,026,507</u>	<u>1,013,311</u>	<u>0</u>	<u>0</u>	<u>375,546</u>

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
G.W. VANCE MIDDLE SCHOOL
INTERNAL SCHOOLS FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Liabilities and Fund Balances	
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		Total Fund Balances
General Fund	\$ 24,054	35,354	0	59,408	0	0	0	0	59,408	59,408	59,408
Restricted Funds											
Board of Education Allocations											
Admin Travel - Asst Principal	74	-	-	74	-	-	-	74	-	74	74
Admin Travel - Principal	1,316	-	-	1,316	-	-	-	1,316	-	1,316	1,316
Capital Outlay	5,349	-	-	5,349	-	-	-	5,349	-	5,349	5,349
Instructional Materials	2,160	-	-	2,160	-	-	-	2,160	-	2,160	2,160
Library Books	36	-	-	36	-	-	-	36	-	36	36
Library Periodicals	1,529	-	-	1,529	-	-	-	1,529	-	1,529	1,529
Library Supplies	634	-	-	634	-	-	-	634	-	634	634
Pooled Materials - BEP	2,166	-	-	2,166	-	-	2,166	-	-	2,166	2,166
Staff Development	788	-	-	788	-	-	-	788	-	788	788
Technology	164	-	-	164	-	-	-	164	-	164	164
Class Accounts											
Art	2,441	-	-	2,441	-	-	-	2,441	-	2,441	2,441
Band	9	-	-	9	-	-	-	9	-	9	9
Chorus	4,671	-	-	4,671	-	-	-	4,671	-	4,671	4,671
Computer	3,071	-	-	3,071	-	-	-	3,071	-	3,071	3,071
Foreign Language	1,085	-	-	1,085	-	-	-	1,085	-	1,085	1,085
General Music	43	-	-	43	-	-	-	43	-	43	43
Physical Education	1,127	-	-	1,127	-	-	-	1,127	-	1,127	1,127
School Teams	4,862	-	-	4,862	-	-	-	4,862	-	4,862	4,862
Science	1,031	-	-	1,031	-	-	-	1,031	-	1,031	1,031
Special Education	1,049	-	-	1,049	-	-	-	1,049	-	1,049	1,049
STEM Education	323	-	-	323	-	-	-	323	-	323	323
Tech Education	768	-	-	768	-	-	-	768	-	768	768
Club Accounts											
Art Honor Society	203	-	-	203	-	-	-	203	-	203	203
Beta Club	1,022	-	-	1,022	-	-	-	1,022	-	1,022	1,022
Fellowship of Christian Athletes	67	-	-	67	-	-	-	67	-	67	67
Natural Helpers	74	-	-	74	-	-	-	74	-	74	74
Newspaper	12	-	-	12	-	-	-	12	-	12	12
Planeteers	1,880	-	-	1,880	-	-	-	1,880	-	1,880	1,880
Science Club	4	-	-	4	-	-	-	4	-	4	4
Student Council	340	-	-	340	-	-	-	340	-	340	340
Tennis Club	210	-	-	210	-	-	-	210	-	210	210
Other Accounts											
Building and Grounds	155	-	-	155	-	-	-	155	-	155	155
Extended Resource - Other	383	-	-	383	-	-	-	383	-	383	383
Guidance	667	-	-	667	-	-	-	667	-	667	667
Library	1,996	-	-	1,996	-	-	-	1,996	-	1,996	1,996
Library Research	633	-	-	633	-	-	-	633	-	633	633
Overnight Field Trips	506	-	-	506	-	-	-	506	-	506	506
Student Needs	3,620	-	-	3,620	-	-	3,620	-	-	3,620	3,620
Summer School	804	-	-	804	-	-	-	804	-	804	804

(Continued)

BRISTOL, TENNESSEE BOARD OF EDUCATION
G. W. VANCE MIDDLE SCHOOL
INTERNAL SCHOOLS FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		
Restricted Funds (Continued)											
Athletic Accounts											
Athletics	14,636	-	-	14,636	-	-	-	14,636	-	14,636	14,636
Donation Accounts											
Mathletes	1,393	-	-	1,393	-	-	1,393	-	-	1,393	1,393
Other	519	-	-	519	-	-	519	-	-	519	519
PTSA	2,909	-	-	2,909	-	-	2,909	-	-	2,909	2,909
Grant Accounts											
Grants	1,197	-	-	1,197	-	-	1,197	-	-	1,197	1,197
Total Restricted Funds	67,926	0	0	67,926	0	0	11,804	56,122	0	67,926	67,926
Total General and Restricted Funds	\$ 91,980	35,354	0	127,334	0	0	11,804	56,122	59,408	127,334	127,334

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
G. W. VANCE MIDDLE SCHOOL
INTERNAL SCHOOLS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances
	July 1, 2012	Revenues		In	Out	
General Fund						
Administration	\$ -	-	5,366	-	-	-
Board of Education Allocations	-	6,020	4,126	-	-	-
Fines, Fees and Dues	-	807	-	-	-	-
Gifts, Bequests and Donations	-	42	-	-	-	-
Interest	-	411	-	-	-	-
Instruction	-	-	277	-	-	-
Operation and Maintenance	-	-	954	-	-	-
Resale Items	-	13,219	9,436	-	-	-
Total General Fund	59,068	20,499	20,159	0	0	59,408
Restricted Funds						
Board of Education Allocations						
Admin Travel - Asst Principal	-	2,100	2,026	-	-	74
Admin Travel - Principal	411	1,600	695	-	-	1,316
Capital Outlay	5,559	10,500	10,710	-	-	5,349
Instructional Materials	5,520	4,095	7,455	-	-	2,160
Library A-V	345	-	345	-	-	-
Library Books	464	5,080	5,508	-	-	36
Library Periodicals	1,559	1,200	1,230	-	-	1,529
Library Supplies	237	1,000	603	-	-	634
Pooled Materials - BEP	-	4,050	1,884	-	-	2,166
Staff Development	2,669	5,000	6,881	-	-	788
Teacher Materials - BEP	-	4,050	4,050	-	-	-
Technology	1,530	15,227	16,593	-	-	164
Class Accounts						
Art	2,352	2,656	2,567	-	-	2,441
Band	59	440	490	-	-	9
Chorus	4,699	4,947	4,975	-	-	4,671
Computer	2,587	1,200	716	-	-	3,071
Foreign Language	602	523	40	-	-	1,085
General Music	448	1,156	1,561	-	-	43

(Continued)

**BRISTOL, TENNESSEE BOARD OF EDUCATION
G. W. VANCE MIDDLE SCHOOL
INTERNAL SCHOOLS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances June 30, 2013
	July 1, 2012	Revenues		In	Out	
Restricted Funds (Continued)						
Class Accounts (Continued)						
Physical Education	631	3,306	2,810	-	-	1,127
School Teams	4,559	12,879	12,576	-	-	4,862
Science	1,421	1,366	1,756	-	-	1,031
Special Education	749	300	-	-	-	1,049
STEM Education	-	6,531	6,208	-	-	323
Tech Education	1,869	-	1,101	-	-	768
Club Accounts						
Art Honor Society	203	-	-	-	-	203
Beta Club	1,022	900	900	-	-	1,022
Fellowship of Christian Athletes	185	-	118	-	-	67
Natural Helpers	74	-	-	-	-	74
Newspaper	12	-	-	-	-	12
Planeteers	2,634	12,549	13,303	-	-	1,880
Science Club	320	4,437	4,753	-	-	4
Student Council	340	-	-	-	-	340
Tennis Club	210	-	-	-	-	210
Other Accounts						
Administrative	-	43	43	-	-	-
Building and Grounds	155	-	-	-	-	155
Extended Resource - Other	129	294	40	-	-	383
Guidance	669	200	202	-	-	667
Library	1,868	3,528	3,400	-	-	1,996
Library Research	-	633	-	-	-	633
Overnight Field Trips	506	-	-	-	-	506
Positive Behavior Program	740	-	740	-	-	-
Student Needs	1,208	2,800	388	-	-	3,620
Summer School	1,059	-	255	-	-	804
Athletic Accounts						
Athletics	14,384	44,708	44,456	-	-	14,636
Donation Accounts						
Mathletes	1,672	1,400	1,679	-	-	1,393
Other	1,020	199	700	-	-	519
PTSA	569	6,664	4,324	-	-	2,909
Grant Accounts						
Grants	1,197	-	-	-	-	1,197
Total Restricted Funds	68,446	167,561	168,081	0	0	67,926
Total General and Restricted Funds	\$ 127,514	188,060	188,240	0	0	127,334

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
ANDERSON ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Liabilities and Fund Balances	
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		Total Fund Balances
General Fund	\$ 2,719	0	0	2,719	0	0	0	0	2,719	2,719	2,719
Restricted Funds											
Board of Education Allocations											
Administration	423	-	-	423	-	-	-	423	-	423	423
Audio/Visual	1,458	-	-	1,458	-	-	-	1,458	-	1,458	1,458
Capital Outlay	154	-	-	154	-	-	-	154	-	154	154
Clinic	274	-	-	274	-	-	-	274	-	274	274
Library Books and Supplies	26	-	-	26	-	-	-	26	-	26	26
Materials and Supplies BEP Pool	2,030	-	-	2,030	-	-	2,030	-	-	2,030	2,030
Physical Education	147	-	-	147	-	-	-	147	-	147	147
School Improvement	6	-	-	6	-	-	-	6	-	6	6
Special Areas	505	-	-	505	-	-	-	505	-	505	505
Staff Development	972	-	-	972	-	-	-	972	-	972	972
Technology	243	-	-	243	-	-	-	243	-	243	243
Travel - Principal	1,424	-	-	1,424	-	-	-	1,424	-	1,424	1,424
Class Accounts											
Chorus	460	-	-	460	-	-	-	460	-	460	460
Other Accounts											
Book Fair	230	-	-	230	-	-	-	230	-	230	230
Donations											
Field Trips	95	-	-	95	-	-	95	-	-	95	95
Mathletes	979	-	-	979	-	-	979	-	-	979	979
Other	898	-	-	898	-	-	898	-	-	898	898
Principal Designated	676	-	-	676	-	-	-	676	-	676	676
PTA	259	-	-	259	-	-	-	259	-	259	259
Grants	865	-	-	865	-	-	865	-	-	865	865
Total Restricted Funds	12,124	0	0	12,124	0	0	4,867	7,257	0	12,124	12,124
Total General and Restricted Funds	\$ 14,843	0	0	14,843	0	0	4,867	7,257	2,719	14,843	14,843

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
ANDERSON ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances
	July 1, 2012	Revenues	Expenditures	In	Out	June 30, 2013
General Fund						
Administration	\$ -	-	3,959	-	-	-
Board Allocations	-	24,202	18,723	-	-	-
Fines, Fees and Dues	-	14,076	13,550	-	-	-
Resale Items	-	5,229	5,201	-	-	-
Total General Fund	645	43,507	41,433	0	0	2,719
Restricted Funds						
Board of Education Allocations						
Administration	602	2,000	2,179	-	-	423
Audio/Visual	1,602	-	144	-	-	1,458
Capital Outlay	-	2,500	2,346	-	-	154
Clinic	330	800	856	-	-	274
Library Books and Supplies	46	4,333	4,353	-	-	26
Materials and Supplies BEP Pool	1,662	3,270	2,902	-	-	2,030
Materials and Supplies BEP Teacher	-	3,270	3,270	-	-	-
Physical Education	216	914	983	-	-	147
School Improvement	88	-	82	-	-	6
Special Areas	86	1,000	581	-	-	505
Staff Development	657	3,350	3,035	-	-	972
Technology	1,531	3,830	5,118	-	-	243
Travel - Principal	485	2,225	1,286	-	-	1,424
Class Accounts						
Chorus	201	1,208	949	-	-	460
Other Accounts						
Book Fair	1	5,622	5,393	-	-	230
Donations						
Field Trips	29	1,042	976	-	-	95
Mathletes	979	-	-	-	-	979
Other	105	3,122	2,329	-	-	898
Principal Designated	21	1,403	748	-	-	676
PTA	77	2,426	2,244	-	-	259
School Specific	-	1,652	1,652	-	-	-
Grants	411	2,750	2,296	-	-	865
Total Restricted Funds	9,129	46,717	43,722	0	0	12,124
Total General and Restricted Funds	\$ 9,774	90,224	85,155	0	0	14,843

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
AVOCA ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						Total Liabilities and Fund Balances
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Fund Balances	
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		
General Fund	\$ 21,910	5,043	0	26,953	0	0	0	0	26,953	26,953	26,953
Restricted Funds											
Board of Education Allocations											
Administration	10	-	-	10	-	-	-	10	-	10	10
Capital Outlay	105	-	-	105	-	-	-	105	-	105	105
Clinic	116	-	-	116	-	-	-	116	-	116	116
Materials and Supplies BEP Pool	2,814	-	-	2,814	-	-	2,814	-	-	2,814	2,814
Physical Education	7	-	-	7	-	-	-	7	-	7	7
Special Areas	1,475	-	-	1,475	-	-	-	1,475	-	1,475	1,475
Staff Development	402	-	-	402	-	-	-	402	-	402	402
Technology	677	-	-	677	-	-	-	677	-	677	677
Travel - Principal	1,824	-	-	1,824	-	-	-	1,824	-	1,824	1,824
Other Accounts											
Book Fair	2,151	-	-	2,151	-	-	-	2,151	-	2,151	2,151
Donations											
Mathletes	1,500	-	-	1,500	-	-	1,500	-	-	1,500	1,500
Other	335	-	-	335	-	-	335	-	-	335	335
PTA	11	-	-	11	-	-	11	-	-	11	11
Grants	413	-	-	413	-	-	413	-	-	413	413
Teacher Awards	101	-	-	101	-	-	101	-	-	101	101
Total Restricted Funds	11,941	0	0	11,941	0	0	5,174	6,767	0	11,941	11,941
Total General and Restricted Funds	\$ 33,851	5,043	0	38,894	0	0	5,174	6,767	26,953	38,894	38,894

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
AVOCA ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balance		Expenditures	Transfers		Fund Balances June 30, 2013
	July 1, 2012	Revenues		In	Out	
General Fund						
Administration	\$ -	-	3,455	-	-	-
Board Allocations	-	28,423	22,485	-	-	-
Fines, Fees and Dues	-	15,866	11,744	-	-	-
Gifts, Bequests and Donations	-	1,612	-	-	-	-
Instruction	-	-	288	-	-	-
Interest	-	3	-	-	-	-
Operation and Maintenance	-	-	955	-	-	-
Resale Items	-	7,500	-	-	-	-
Total General Fund	12,476	53,404	38,927	0	0	26,953
Restricted Funds						
Board of Education Allocations						
Administration	40	700	730	-	-	10
Audio/Visual	-	2,910	2,910	-	-	-
Capital Outlay	105	-	-	-	-	105
Clinic	207	-	91	-	-	116
Guidance	-	250	250	-	-	-
Library Books and Supplies	-	4,850	4,850	-	-	-
Materials and Supplies BEP Pool	1,768	2,870	1,824	-	-	2,814
Materials and Supplies BEP Teacher	-	2,870	2,870	-	-	-
Music	106	250	356	-	-	-
Physical Education	28	250	271	-	-	7
Special Areas	1,029	1,380	934	-	-	1,475
Staff Development	97	3,000	2,695	-	-	402
Technology	2,167	4,650	6,140	-	-	677
Travel - Principal	2,494	1,600	2,270	-	-	1,824
Other Accounts						
Book Fair	2,019	8,840	8,708	-	-	2,151
Donations						
Mathletes	2,313	-	813	-	-	1,500
Other	204	2,340	2,209	-	-	335
PTA	11	12,564	12,564	-	-	11
Grants	148	998	733	-	-	413
Teacher Awards	101	-	-	-	-	101
Total Restricted Funds	12,837	50,322	51,218	0	0	11,941
Total General and Restricted Funds	\$ 25,313	103,726	90,145	0	0	38,894

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
FAIRMOUNT ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		
General Fund	\$ 57,865	0	0	57,865	0	0	0	0	57,865	57,865	57,865
Restricted Funds											
Board of Education Allocations											
Administration	4,510	-	-	4,510	-	-	-	4,510	-	4,510	4,510
Audio/Visual	8,682	-	-	8,682	-	-	-	8,682	-	8,682	8,682
Capital Outlay	523	-	-	523	-	-	-	523	-	523	523
Materials and Supplies BEP Pool	7,639	-	-	7,639	-	-	7,639	-	-	7,639	7,639
Staff Development	1,522	-	-	1,522	-	-	-	1,522	-	1,522	1,522
Technology	24	-	-	24	-	-	-	24	-	24	24
Travel - Principal	9,427	-	-	9,427	-	-	-	9,427	-	9,427	9,427
Other Accounts											
Book Fair	2,623	-	-	2,623	-	-	-	2,623	-	2,623	2,623
Donations											
Mathletes	1,534	-	-	1,534	-	-	1,534	-	-	1,534	1,534
Other	5,721	-	-	5,721	-	-	5,721	-	-	5,721	5,721
PTA	1,545	-	-	1,545	-	-	1,545	-	-	1,545	1,545
School Specific	135	-	-	135	-	-	135	-	-	135	135
Grants	65	-	-	65	-	-	65	-	-	65	65
Total Restricted Funds	43,950	0	0	43,950	0	0	16,639	27,311	0	43,950	43,950
Total General and Restricted Funds	\$ 101,815	0	0	101,815	0	0	16,639	27,311	57,865	101,815	101,815

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
FAIRMOUNT ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances
	July 1, 2012	Revenues		In	Out	
General Fund						
Administration	\$ -	-	2,103	-	-	-
Board Allocations	-	26,635	17,327	-	-	-
Fines, Fees and Dues	-	13,325	11,520	-	-	-
Resale Items - Includes	-	3,349	182	-	-	-
Total General Fund	45,688	43,309	31,132	0	0	57,865
Restricted Funds						
Board of Education Allocations						
Administration	5,402	2,500	3,392	-	-	4,510
Audio/Visual	-	9,060	378	-	-	8,682
Capital Outlay	1	1,400	878	-	-	523
Library Books and Supplies	6,932	5,595	12,527	-	-	-
Materials and Supplies BEP Pool	4,050	4,020	431	-	-	7,639
Materials and Supplies BEP Teacher	-	4,020	4,020	-	-	-
Physical Education	8	-	8	-	-	-
Special Areas	24	-	24	-	-	-
Staff Development	801	5,000	4,279	-	-	1,522
Technology	-	4,720	4,696	-	-	24
Travel - Principal	8,421	1,600	594	-	-	9,427
Other Accounts						
Book Fair	2,936	6,948	7,261	-	-	2,623
Donations						
Mathletes	1,123	700	289	-	-	1,534
Other	6,478	2,840	3,597	-	-	5,721
PTA	3,829	5,180	7,464	-	-	1,545
School Specific	-	3,015	2,880	-	-	135
Grants	65	-	-	-	-	65
Total Restricted Funds	40,070	56,598	52,718	0	0	43,950
Total General and Restricted Funds	\$ 85,758	99,907	83,850	0	0	101,815

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
HAYNESFIELD ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						Total Liabilities and Fund Balances
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Fund Balances	
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		
General Fund	\$ 26,478	5,073	0	31,551	0	0	0	0	31,551	31,551	31,551
Restricted Funds											
Board of Education Allocations											
Administration	4,223	-	-	4,223	-	-	-	4,223	-	4,223	4,223
Audio/Visual	6,199	-	-	6,199	-	-	-	6,199	-	6,199	6,199
Capital Outlay	2,439	-	-	2,439	-	-	-	2,439	-	2,439	2,439
Clinic	192	-	-	192	-	-	-	192	-	192	192
Library Books and Supplies	6,108	-	-	6,108	-	-	-	6,108	-	6,108	6,108
Materials and Supplies BEP Pool	1,849	-	-	1,849	-	-	1,849	-	-	1,849	1,849
Physical Education	675	-	-	675	-	-	-	675	-	675	675
Staff Development	134	-	-	134	-	-	-	134	-	134	134
Travel - Principal	2,450	-	-	2,450	-	-	-	2,450	-	2,450	2,450
Class Accounts											
Band	85	-	-	85	-	-	-	85	-	85	85
Other Accounts											
Book Fair	2,000	-	-	2,000	-	-	-	2,000	-	2,000	2,000
Donations											
Field Trips	541	-	-	541	-	-	541	-	-	541	541
Mathletes	1,086	-	-	1,086	-	-	1,086	-	-	1,086	1,086
Other	2,231	-	-	2,231	-	-	2,231	-	-	2,231	2,231
Grants	834	-	-	834	-	-	834	-	-	834	834
Teacher Awards	500	-	-	500	-	-	500	-	-	500	500
Total Restricted Funds	31,546	0	0	31,546	0	0	7,041	24,505	0	31,546	31,546
Total General and Restricted Funds	\$ 58,024	5,073	0	63,097	0	0	7,041	24,505	31,551	63,097	63,097

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
HAYNESFIELD ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2013
	July 1, 2012	Revenues	Expenditures	In	Out	
General Fund						
Administration	\$ -	-	69	-	-	-
Board Allocations	-	12,503	12,504	-	-	-
Fines, Fees and Dues	-	11,502	8,592	-	-	-
Gifts, Bequests and Donations	-	110	-	-	-	-
Instruction	-	-	559	-	-	-
Interest	-	1	-	-	-	-
Resale Items	-	6,199	699	-	-	-
Total General Fund	23,659	30,315	22,423	0	0	31,551
Restricted Funds						
Board of Education Allocations						
Administration	51	7,502	3,330	-	-	4,223
Audio/Visual	1,137	9,470	4,408	-	-	6,199
Capital Outlay	11	3,000	572	-	-	2,439
Clinic	295	-	103	-	-	192
Library Books and Supplies	2,390	4,685	967	-	-	6,108
Materials and Supplies BEP Pool	1,561	2,670	2,382	-	-	1,849
Materials and Supplies BEP Teacher	-	2,670	2,670	-	-	-
Physical Education	675	-	-	-	-	675
Staff Development	-	4,500	4,366	-	-	134
Technology	-	4,250	4,250	-	-	-
Travel - Principal	2,350	100	-	-	-	2,450
Class Accounts						
Band	232	530	677	-	-	85
Other Accounts						
Book Fair	-	7,721	5,721	-	-	2,000
Donations						
Field Trips	2,176	-	1,635	-	-	541
Mathletes	182	2,800	1,896	-	-	1,086
Other	80	4,407	2,256	-	-	2,231
PTA	-	200	200	-	-	-
Grants	834	500	500	-	-	834
Teacher Awards	-	1,000	500	-	-	500
Total Restricted Funds	11,974	56,005	36,433	0	0	31,546
Total General and Restricted Funds	\$ 35,633	86,320	58,856	0	0	63,097

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
HOLSTON VIEW ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
June 30, 2013**

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES						
	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Total Assets	Liabilities		Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
					Accounts Payable	Total Liabilities	Restricted	Assigned	Unassigned		
General Fund	\$ 1,728	7,240	0	8,968	0	0	0	0	8,968	8,968	8,968
Restricted Funds											
Board of Education Allocations											
Administration	3,121	-	-	3,121	-	-	-	3,121	-	3,121	3,121
Audio/Visual	2,415	-	-	2,415	-	-	-	2,415	-	2,415	2,415
Capital Outlay	289	-	-	289	-	-	-	289	-	289	289
Clinic	32	-	-	32	-	-	-	32	-	32	32
Library Books and Supplies	2,443	-	-	2,443	-	-	-	2,443	-	2,443	2,443
Materials and Supplies BEP Pool	1,876	-	-	1,876	-	-	1,876	-	-	1,876	1,876
Staff Development	216	-	-	216	-	-	-	216	-	216	216
Technology	325	-	-	325	-	-	-	325	-	325	325
Travel - Principal	2,815	-	-	2,815	-	-	-	2,815	-	2,815	2,815
Other Accounts											
Book Fair	1,707	-	-	1,707	-	-	-	1,707	-	1,707	1,707
Restricted Fundraising	3,376	-	-	3,376	-	-	-	3,376	-	3,376	3,376
Donations											
Mathletes	543	-	-	543	-	-	543	-	-	543	543
Other	32	-	-	32	-	-	32	-	-	32	32
School Specific	38	-	-	38	-	-	38	-	-	38	38
School Specific #2	1,196	-	-	1,196	-	-	1,196	-	-	1,196	1,196
Grants	1,434	-	-	1,434	-	-	1,434	-	-	1,434	1,434
Total Restricted Funds	21,858	0	0	21,858	0	0	5,119	16,739	0	21,858	21,858
Total General and Restricted Funds	\$ 23,586	7,240	0	30,826	0	0	5,119	16,739	8,968	30,826	30,826

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
HOLSTON VIEW ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2013**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2013
	July 1, 2012	Revenues	Expenditures	In	Out	
General Fund						
Administration	\$ -	-	1,071	-	-	-
Board Allocations	-	11,464	11,456	-	-	-
Fines, Fees and Dues	-	19,731	15,983	-	-	-
Gifts, Bequests and Donations	-	1,565	-	-	-	-
Instruction	-	-	2,063	-	-	-
Interest	-	1	-	-	-	-
Resale Items	-	5,331	441	-	-	-
Total General Fund	1,890	38,092	31,014	0	0	8,968
Restricted Funds						
Board of Education Allocations						
Administration	2,293	13,580	12,752	-	-	3,121
Audio/Visual	301	2,442	328	-	-	2,415
Capital Outlay	305	500	516	-	-	289
Clinic	-	200	168	-	-	32
Library Books and Supplies	136	4,070	1,763	-	-	2,443
Materials and Supplies BEP Pool	2,770	2,770	3,664	-	-	1,876
Materials and Supplies BEP Teacher	-	2,770	2,770	-	-	-
Staff Development	2,081	2,000	3,865	-	-	216
Technology	-	3,780	3,455	-	-	325
Travel - Principal	1,215	1,600	-	-	-	2,815
Other Accounts						
Book Fair	2,833	4,236	5,362	-	-	1,707
Restricted Fundraising	5,358	4,551	6,533	-	-	3,376
Donations						
Mathletes	813	2,100	2,370	-	-	543
Other	160	60	188	-	-	32
School Specific	-	10,242	10,204	-	-	38
School Specific #2	873	1,180	857	-	-	1,196
Grants	1,289	500	355	-	-	1,434
Total Restricted Funds	20,427	56,581	55,150	0	0	21,858
Total General and Restricted Funds	\$ 22,317	94,673	86,164	0	0	30,826

The notes are an integral part of these financial statements.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF SALARY SUPPLEMENTS
For the Fiscal Year Ended June 30, 2013**

<u>Tennessee High School</u>	<u>Amount</u>	<u>Source</u>	<u>Board Approved</u>	<u>Proper Withholding</u>
T. Adams	\$ 437	Athletics	Yes	Yes
N. Black	646	Athletics	Yes	Yes
E. Dabbs	54	Athletics	Yes	Yes
R. Ensor	2,000	Athletics	Yes	Yes
C. Estep	513	Athletics	Yes	Yes
P. Feathers	4,994	Athletics	Yes	Yes
K. Flanary	250	Athletics	Yes	Yes
S. Harris	710	Athletics	Yes	Yes
R. Irvin	1,165	Athletics	Yes	Yes
J. Jones	3,181	Athletics/Field Maintenance	Yes	Yes
C. Kincheloe	2,167	Athletics/Field Maintenance	Yes	Yes
M. Ledbetter	6,680	Concessions/Athletics	Yes	Yes
S. Long	1,959	Athletics	Yes	Yes
C. Manahan	408	Athletics	Yes	Yes
J. Monroe	129	Athletics	Yes	Yes
M. Pendleton	359	Athletics	Yes	Yes
N. Phillips	408	Athletics	Yes	Yes
D. Puryea	228	Bus Driver	Yes	Yes
D. Rutherford	108	Athletics	Yes	Yes
N. Rutherford	214	Athletics	Yes	Yes
D. Schlauch	408	Athletics	Yes	Yes
M. Sheffield	233	Athletics	Yes	Yes
L. Spivey	52	Bus Driver	Yes	Yes
J. Sproles	408	Athletics	Yes	Yes
A. Taylor	215	Athletics	Yes	Yes
C. Tiller	350	Athletics	Yes	Yes
P. Trent	348	Bus Driver	Yes	Yes
A. Vance	269	Athletics	Yes	Yes
E. Vance	215	Athletics	Yes	Yes
R. Vance	516	Bus Driver	Yes	Yes
B. Wade	87	Athletics	Yes	Yes
R. Wallace	355	Athletics	Yes	Yes
L. Weeden	500	Athletics	Yes	Yes
D. Wood	338	Bus Driver	Yes	Yes
	<u>30,904</u>			

(Continued)

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF SALARY SUPPLEMENTS
For the Fiscal Year Ended June 30, 2013**

<u>G. W. Vance Middle School</u>	<u>Amount</u>	<u>Source</u>	<u>Board Approved</u>	<u>Proper Withholding</u>
D. Boggs	678	Athletics	Yes	Yes
K. Caldwell	39	Athletics	Yes	Yes
S. Harris	51	Athletics	Yes	Yes
B. Morley	522	Athletics	Yes	Yes
S. Place	34	Athletics	Yes	Yes
D. Schlauch	542	Athletics	Yes	Yes
M. Sheffield	157	Athletics	Yes	Yes
L. Spivey	73	Bus Driver	Yes	Yes
A. Taylor	34	Athletics	Yes	Yes
	<u>2,130</u>			
 <u>Anderson Elementary School</u>				
D. Puryea	156	Bus Driver	Yes	Yes
P. Trent	57	Bus Driver	Yes	Yes
	<u>213</u>			
 <u>Haynesfield Elementary School</u>				
L. Spivey	57	Bus Driver	Yes	Yes
	<u>57</u>			
 <u>Holston View Elementary School</u>				
L. Spivey	67	Bus Driver	Yes	Yes
R. Vance	62	Bus Driver	Yes	Yes
	<u>129</u>			
 Total	 <u><u>\$ 33,433</u></u>			

See Independent Auditors' Report.

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF SURETY BOND COVERAGE
For the Fiscal Year Ended June 30, 2013**

Company	Travelers
Type of Coverage	Public School System Honesty Blanket Position Bond
Amount	\$10,000 each and every loss \$100 Deductible
Period Covered	July 1, 2012 – June 30, 2013
Positions Covered	All Employees

In addition, the Bristol, Tennessee Board of Education has additional coverage with TML under the City of Bristol, Tennessee's policy. This coverage includes up to \$200,000 for all employees for employee dishonesty, forgery or alteration, theft, disappearance or destruction and computer fraud.

See Independent Auditors' Report.

SECTION II

COMPLIANCE AND INTERNAL CONTROL SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Chairman and Members of the
Bristol, Tennessee Board of Education
Bristol, Tennessee 37620

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined and individual fund financial statements – regulatory basis of the Bristol, Tennessee Board of Education Internal School Funds (the Schools), as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements, and have issued our report thereon dated December 13, 2013. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the financial statements are prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bristol, Tennessee Board of Education Internal School Funds' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bristol, Tennessee Board of Education Internal School Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Bristol, Tennessee Board of Education Internal School Funds' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Johnson City	801B Sunset Drive, Johnson City, TN 37604	423.282.4511
Kingsport	1361 South Wilcox Drive, Kingsport, TN 37660	423.246.1725
Greeneville	550 Tusculum Boulevard, Greeneville, TN 37745	423.638.8516

Bristol, Tennessee Board of Education
Independent Auditors' Report on Internal Control
and on Compliance

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency: 2013-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bristol, Tennessee Board of Education Internal School Funds' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2013-01.

Bristol, Tennessee Internal School Funds' Response to Findings

The Bristol, Tennessee Board of Education Internal School Funds' response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Schools' response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Blackburn, Childers & Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 13, 2013

SECTION III

SCHEDULE OF FINDINGS AND RESPONSES

**BRISTOL, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2013**

FINANCIAL STATEMENT AUDIT FINDINGS

Current Year Audit Finding

2013-01: Significant Deficiency - Cash Receipts

Criteria: Two of the elementary schools did not always follow requirements for cash receipts. The *Tennessee Internal School Uniform Accounting Policy Manual* (the *Manual*) specifies each school has certain internal control procedures to follow regarding cash receipts.

Condition: The following issues were noted at one elementary school regarding cash receipts for the Book Fair. Book Fair daily cash receipts were not always timely remitted to the office. One daily collection was receipted three days after collection, one receipt was dated five days after collection, and the remaining receipts were dated up to 10 days after the date of collection. This includes the collections being left on site during the Thanksgiving break. Additionally, the amounts receipted by the office plus the credit card purchases, result in an approximately \$500 overage from the total book fair sales per the Scholastic invoice/statement. At another elementary school, the total deposited was less than the amount recorded on the books by \$40.91. There is a note included in the supporting documentation that states the total amount counted by the bookkeeper was \$4,996.14 and that she left the money on her desk (with the office door locked) for the principal to deposit. The total recorded with the bank was \$4,955.23 compared to \$4,996.14 per the receipts for a \$40.91 difference. A journal entry was made to adjust for the \$40.91 discrepancy.

Effect: The effect of these deficiencies cause the schools to be in violation of sound internal controls as illustrated in the *Manual*.

Recommendation: The *Manual* states that it is the Principal's responsibility to ensure that all individuals responsible for school collections are informed of the required procedures and forms and the consequences for noncompliance. Our recommendation is for collections to be receipted and deposited more frequently to prevent cash from accumulating and being left onsite for an extended period of time. The daily receipts should be receipted by the office the day after collection at the latest and should be deposited within three business days.

Management Response: We concur with the recommendation. This issue has been discussed with the school bookkeepers and principals. Information is provided to teachers and staff annually about collection procedures and the need to submit the required paperwork and documentation to record the transactions. This information is also included in teacher handbooks and is reviewed during staff meetings. Staff will be reminded that as daily collections are completed, the collections should be counted and reconciled with the collection record and turned in to the bookkeeper daily. The bookkeeper will complete the cash receipt process, provide a prenumbered receipt to the staff member and deposit the collection within three business days.