

**OBION COUNTY SCHOOL SYSTEM
ACTIVITY FUNDS**

FINANCIAL STATEMENTS

June 30, 2011

**OBION COUNTY SCHOOL SYSTEM
ACTIVITY FUNDS
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ACTIVITY FUNDS
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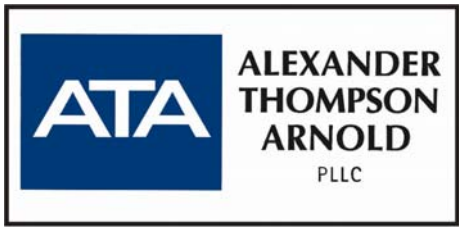
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FINANCIAL SECTION



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INDEPENDENT AUDITOR’S REPORT

Director of Schools and Board of Education
Obion County School System
Union City, Tennessee

We have audited the accompanying combined and individual fund balance sheets of the Obion County School System Activity Funds as of June 30, 2011, and the related combined and individual statements of revenues and expenditures and changes in fund balances for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Schools’ management. 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements referred to above were 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 generally accepted accounting principles in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

As discussed in Note 1, the financial statements present only the activity funds of the Obion County School System and are not intended to present fairly the financial position and results of operations of the Obion County Board of Education in conformity with generally accepted accounting principles in the United States of America.

In our opinion, because of the effects of the matter discussed in the preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Obion County School System Activity Funds as of June 30, 2011, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Obion County Schools Activity Funds at June 30, 2011, and results of its operations and changes in its fund balances for the year then ended, on the basis of accounting described in Note 1.

Dyersburg, TN
Henderson, TN
Jackson, TN
Martin, TN
McKenzie, TN

Milan, TN
Murray, KY
Paris, TN
Trenton, TN
Union City, TN

Obion County School System
Union City, Tennessee

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2011, on our consideration of the Activity Funds' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined and individual financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. As described in Note 1, this supplementary information was 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 generally accepted accounting principles 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the comprehensive basis of accounting described in Note 1. In our opinion, the information is fairly stated in all material respects, in the relation to the financial statements as a whole.

Alexander Thompson Arnold PLLC

Martin, Tennessee
September 19, 2011

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS
ALL SCHOOLS
June 30, 2011

	<u>Black Oak</u>	<u>Hillcrest</u>	<u>Lake Road</u>	<u>Obion County Central High School</u>	<u>Obion County Career Technology Center</u>
ASSETS					
Cash in bank - checking	\$ 17,466.94	\$ 86,999.32	\$ 74,199.13	\$ 139,529.96	\$ 9,607.46
Cash in bank - savings/CD	-	-	-	-	-
Bookstore inventory	-	-	1,222.74	-	-
Total assets	<u>\$ 17,466.94</u>	<u>\$ 86,999.32</u>	<u>\$ 75,421.87</u>	<u>\$ 139,529.96</u>	<u>\$ 9,607.46</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ 9,200.00	\$ -	\$ -	\$ -
Fund Balances					
General fund					
Reserved for Inventory	-	-	1,222.74	-	-
Unreserved	2,340.49	40,010.34	31,070.31	35,883.74	306.47
Total general fund	2,340.49	40,010.34	32,293.05	35,883.74	306.47
Restricted fund	15,126.45	37,788.98	43,128.82	103,646.22	9,300.99
Total fund balances	17,466.94	77,799.32	75,421.87	139,529.96	9,607.46
Total liabilities and fund balances	<u>\$ 17,466.94</u>	<u>\$ 86,999.32</u>	<u>\$ 75,421.87</u>	<u>\$ 139,529.96</u>	<u>\$ 9,607.46</u>

The accompanying notes are an integral part of these financial statements.

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS**

ALL SCHOOLS

June 30, 2011

(Continued)

	<u>Ridgemont</u>	<u>South Fulton Elementary</u>	<u>South Fulton Middle and High School</u>	<u>Total</u>
ASSETS				
Cash in bank - checking	\$ 66,959.04	\$ 33,090.24	\$ 138,331.98	\$ 566,184.07
Cash in bank - savings/CD	-	-	48,877.55	48,877.55
Bookstore inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,222.74</u>
Total assets	<u>\$ 66,959.04</u>	<u>\$ 33,090.24</u>	<u>\$ 187,209.53</u>	<u>\$ 616,284.36</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,200.00</u>
Fund Balances				
General fund				
Reserved for Inventory	-	-	-	1,222.74
Unreserved	<u>54,706.22</u>	<u>21,288.81</u>	<u>106,909.87</u>	<u>292,516.25</u>
Total general fund	54,706.22	21,288.81	106,909.87	293,738.99
Restricted fund	<u>12,252.82</u>	<u>11,801.43</u>	<u>80,299.66</u>	<u>313,345.37</u>
Total fund balances	<u>66,959.04</u>	<u>33,090.24</u>	<u>187,209.53</u>	<u>607,084.36</u>
Total liabilities and fund balances	<u>\$ 66,959.04</u>	<u>\$ 33,090.24</u>	<u>\$ 187,209.53</u>	<u>\$ 616,284.36</u>

The accompanying notes are an integral part of these financial statements.

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS - ALL SCHOOLS**

For the Year Ended June 30, 2011

	<u>Black Oak</u>	<u>Hillcrest</u>	<u>Lake Road</u>	<u>Obion County Central High School</u>	<u>Obion County Career Technology Center</u>
Fund balances - July 1, 2010	\$ 10,610.22	\$ 74,289.20	\$ 78,447.02	\$ 152,360.46	\$ 29,951.35
Revenues	93,970.66	145,876.34	171,129.98	516,855.33	33,017.12
Expenditures	<u>(87,113.94)</u>	<u>(142,366.22)</u>	<u>(173,163.77)</u>	<u>(529,685.83)</u>	<u>(53,361.01)</u>
Excess (deficit) of revenues over (under) expenditures	<u>6,856.72</u>	<u>3,510.12</u>	<u>(2,033.79)</u>	<u>(12,830.50)</u>	<u>(20,343.89)</u>
Other financing sources (uses)					
Operating transfers In	-	-	169.23	730.00	-
Operating transfers out	-	-	(169.23)	(730.00)	-
Change in reserve for inventory	<u>-</u>	<u>-</u>	<u>(991.36)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(991.36)</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues and other sources over (under) expenditures and other uses	<u>6,856.72</u>	<u>3,510.12</u>	<u>(3,025.15)</u>	<u>(12,830.50)</u>	<u>(20,343.89)</u>
Fund balances - June 30, 2011	<u>\$ 17,466.94</u>	<u>\$ 77,799.32</u>	<u>\$ 75,421.87</u>	<u>\$ 139,529.96</u>	<u>\$ 9,607.46</u>

The accompanying notes are an integral part of these financial statements.

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - REGULATORY BASIS - ALL SCHOOLS**

For the Year Ended June 30, 2011

(Continued)

	<u>Ridgemont</u>	<u>South Fulton Elementary</u>	<u>South Fulton Middle and High School</u>	<u>Total</u>
Fund balances - July 1, 2010	\$ 84,489.90	\$ 30,211.24	\$ 148,098.99	\$ 608,458.38
Revenues	121,061.70	57,820.20	293,328.23	1,433,059.56
Expenditures	<u>(138,592.56)</u>	<u>(54,941.20)</u>	<u>(254,277.69)</u>	<u>(1,433,502.22)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(17,530.86)</u>	<u>2,879.00</u>	<u>39,050.54</u>	<u>(442.66)</u>
Other financing sources (uses)				
Operating transfers In	-	-	330.00	1,229.23
Operating transfers out	-	-	(270.00)	(1,169.23)
Change in reserve for inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>(991.36)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(991.36)</u>
Excess (deficit) of revenues and other sources over (under) expenditures and other uses	<u>(17,530.86)</u>	<u>2,879.00</u>	<u>39,050.54</u>	<u>(1,434.02)</u>
Fund balances - June 30, 2011	<u>\$ 66,959.04</u>	<u>\$ 33,090.24</u>	<u>\$ 187,149.53</u>	<u>\$ 607,024.36</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM ACTIVITY FUNDS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Section 49-2-110, Tennessee Code Annotated, provides for student activity 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.

A. Financial Reporting Entity

This report includes only the activity funds of Obion County School System.

B. Other Comprehensive Basis of Accounting

The accounting and financial reporting requirements for school activity 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 generally accepted accounting principles primarily in the presentation of the financial statements. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

C. Measurement Focus/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 activity funds use a financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Management policies define available as collectible within 60 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.

D. 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. Restricted accounts are used to account for money that is normally restricted in use to a specific segment of the school population and not intended to benefit the general school population.

E. Financial Statement Presentation

The financial statements consist of a combined balance sheet and combined statements of revenues, expenditures and changes in fund balance. 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. These statements are required to be presented before the notes to the financial statements. The individual school

OBION COUNTY SCHOOL SYSTEM ACTIVITY FUNDS
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

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

Sources of revenues and object level expenditures are presented for the general 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 and transfers in and 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 funds.

NOTE 2 – DETAILED NOTES ON ACCOUNTS

A. Collateralization of Deposits

Cash in bank represents funds on deposit in various depositories. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the Board of Education's agent in the Board of Education's name, or by the Federal Reserve Banks acting as third-party agents. All balances were entirely insured by the FDIC at year-end.

B. Inventory

Inventories are stated at lower of cost (first-in, first-out) or market (net realizable value). Inventory items are recognized as expenditures when purchased rather than when consumed. Fund balances have been reserved for the amount of inventories on hand at year-end.

C. Fixed Assets

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

D. Risk Management

The schools are covered by insurance which covers the school system as a whole. Details of this insurance coverage are included in the audit report of Obion County, Tennessee.

E. Employee Salaries

There are no employees paid directly from the school activity funds. Employees of the Board of Education that work at special events are paid by the Board of Education, which is reimbursed by the school activity funds prior to any funds being disbursed.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
BLACK OAK SCHOOL
June 30, 2011

	ASSETS		FUND BALANCES	
	Cash in Bank Checking	Total Assets	Unreserved	Total Fund Balances
General fund	\$ 2,340.49	\$ 2,340.49	\$ 2,340.49	\$ 2,340.49
Restricted funds				
Athletics	4,983.81	4,983.81	4,983.81	4,983.81
Band	11.95	11.95	11.95	11.95
BEP	1,731.29	1,731.29	1,731.29	1,731.29
Beta club	12.00	12.00	12.00	12.00
Glover funds	1,140.04	1,140.04	1,140.04	1,140.04
Cheerleaders	5,367.97	5,367.97	5,367.97	5,367.97
Faculty	268.67	268.67	268.67	268.67
Library	60.23	60.23	60.23	60.23
Plus class	1,306.24	1,306.24	1,306.24	1,306.24
Teacher supplies	244.25	244.25	244.25	244.25
Total restricted funds	15,126.45	15,126.45	15,126.45	15,126.45
Totals	\$ 17,466.94	\$ 17,466.94	\$ 17,466.94	\$ 17,466.94

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
BLACK OAK SCHOOL

For the Year Ended June 30, 2011

	Fund Balance <u>July 1, 2010</u>	<u>Revenues</u>	<u>Expenditures</u>	Fund Balance <u>June 30, 2011</u>
General funds				
Administration		\$ -	\$ 1,361.92	
Gifts and donations		3,743.60	3,178.66	
Interest income		68.23	-	
Pictures		4,212.83	3,160.21	
Yearbook		7,820.00	7,760.99	
Workbooks		<u>8,205.71</u>	<u>5,476.96</u>	
Total general funds	<u>\$ (771.14)</u>	<u>24,050.37</u>	<u>20,938.74</u>	<u>\$ 2,340.49</u>
Restricted funds				
Athletics	5,847.74	27,798.47	28,662.40	4,983.81
Annual	65.53	481.00	546.53	-
Band	0.26	1,823.56	1,811.87	11.95
BEP	3,516.13	5,287.00	7,071.84	1,731.29
Beta club	12.00	-	-	12.00
Glover funds	-	6,848.45	5,708.41	1,140.04
Cheerleaders	397.60	9,507.50	4,537.13	5,367.97
Faculty	0.15	890.92	622.40	268.67
Library	68.25	7,619.85	7,627.87	60.23
Plus class	1,473.70	9,132.79	9,300.25	1,306.24
Teacher supplies	<u>-</u>	<u>530.75</u>	<u>286.50</u>	<u>244.25</u>
Total restricted funds	<u>11,381.36</u>	<u>69,920.29</u>	<u>66,175.20</u>	<u>15,126.45</u>
Totals	<u>\$ 10,610.22</u>	<u>\$ 93,970.66</u>	<u>\$ 87,113.94</u>	<u>\$ 17,466.94</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
HILLCREST SCHOOL
June 30, 2011

	<u>ASSETS</u>		<u>LIABILITIES AND FUND BALANCES</u>		
	<u>Cash in Bank Checking</u>	<u>Total Assets</u>	<u>Liabilities</u>	<u>Fund Balances Unreserved</u>	<u>Total Liabilities and Fund Balances</u>
General fund	\$ 40,010.34	\$ 40,010.34	\$ -	\$ 40,010.34	\$ 40,010.34
Restricted funds					
Annual	6,148.68	6,148.68	-	6,148.68	6,148.68
Athletics	23,449.81	23,449.81	9,200.00	14,249.81	23,449.81
Basic Ed	4,858.35	4,858.35	-	4,858.35	4,858.35
Band	363.01	363.01	-	363.01	363.01
Beta club	28.88	28.88	-	28.88	28.88
Faculty	2,959.21	2,959.21	-	2,959.21	2,959.21
Library	6,423.49	6,423.49	-	6,423.49	6,423.49
PEP club	346.25	346.25	-	346.25	346.25
Plus	1,963.95	1,963.95	-	1,963.95	1,963.95
PTO accelerated	447.35	447.35	-	447.35	447.35
Total restricted funds	<u>46,988.98</u>	<u>46,988.98</u>	<u>9,200.00</u>	<u>37,788.98</u>	<u>46,988.98</u>
Totals	<u>\$ 86,999.32</u>	<u>\$ 86,999.32</u>	<u>\$ 9,200.00</u>	<u>\$ 77,799.32</u>	<u>\$ 86,999.32</u>

The accompanying notes are an integral part of these financial statements.

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
HILLCREST SCHOOL**

For the Year Ended June 30, 2011

	<u>Fund Balance</u> <u>July 1, 2010</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u> <u>June 30, 2011</u>
General fund				
Administration		\$ -	\$ 348.25	
Banquet		1,654.60	1,654.60	
Computer supplies		59.00	6,051.86	
Equipment		-	2,069.99	
Field trips		-	4,243.13	
Gifts and donations		1,708.50	862.16	
Instruction supplies		78.50	850.85	
Interest income		541.01	-	
Music		-	206.00	
Obion County Board of Education		28,385.00	-	
Operations and maintenance		16.64	3,269.60	
Other classroom supplies		5,228.45	18,065.60	
Physical education		200.00	280.77	
Pictures		5,255.36	-	
Total general fund	<u>\$ 34,786.09</u>	<u>43,127.06</u>	<u>37,902.81</u>	<u>\$ 40,010.34</u>
Restricted funds				
Annual	6,323.38	14,221.00	14,395.70	6,148.68
Athletics	23,322.99	32,416.89	41,490.07	14,249.81
Basic Ed	-	7,639.99	2,781.64	4,858.35
Band	290.55	647.60	575.14	363.01
Beta club	53.88	1,018.15	1,043.15	28.88
Faculty	1,791.98	2,264.07	1,096.84	2,959.21
Library	3,762.70	17,302.63	14,641.84	6,423.49
PEP club	252.37	153.00	59.12	346.25
Plus	2,670.55	27,072.96	27,779.56	1,963.95
PTO accelerated	1,034.71	12.99	600.35	447.35
Total restricted funds	<u>39,503.11</u>	<u>102,749.28</u>	<u>104,463.41</u>	<u>37,788.98</u>
Totals	<u>\$ 74,289.20</u>	<u>\$ 145,876.34</u>	<u>\$ 142,366.22</u>	<u>\$ 77,799.32</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
LAKE ROAD SCHOOL
June 30, 2011

	<u>ASSETS</u>			<u>FUND BALANCES</u>		
	<u>Cash in Bank</u> <u>Checking</u>	<u>Inventory</u>	<u>Total</u> <u>Assets</u>	<u>Reserved for</u> <u>Inventory</u>	<u>Unreserved</u>	<u>Total</u> <u>Fund Balances</u>
General fund	<u>\$ 31,070.31</u>	<u>\$1,222.74</u>	<u>\$32,293.05</u>	<u>\$1,222.74</u>	<u>\$31,070.31</u>	<u>\$ 32,293.05</u>
Restricted funds						
Academic Bowl	611.54	-	611.54	-	611.54	611.54
Annual	8,942.62	-	8,942.62	-	8,942.62	8,942.62
Athletics	10,676.32	-	10,676.32	-	10,676.32	10,676.32
Athletic concessions	8,985.13	-	8,985.13	-	8,985.13	8,985.13
AR account	1,092.41	-	1,092.41	-	1,092.41	1,092.41
Arts council	432.21	-	432.21	-	432.21	432.21
BEP funds	5,022.44	-	5,022.44	-	5,022.44	5,022.44
Beta club	77.15	-	77.15	-	77.15	77.15
CDC	622.81	-	622.81	-	622.81	622.81
Cheerleaders	928.08	-	928.08	-	928.08	928.08
Faculty collection	124.31	-	124.31	-	124.31	124.31
Library	3,087.52	-	3,087.52	-	3,087.52	3,087.52
Damaged books	153.54	-	153.54	-	153.54	153.54
Music	35.59	-	35.59	-	35.59	35.59
Children's Home	5.50	-	5.50	-	5.50	5.50
Pep club	833.28	-	833.28	-	833.28	833.28
Plus class	340.56	-	340.56	-	340.56	340.56
Simpson grant	140.41	-	140.41	-	140.41	140.41
Teacher lounge	915.01	-	915.01	-	915.01	915.01
Wind ensemble	102.39	-	102.39	-	102.39	102.39
Total restricted fund	<u>43,128.82</u>	<u>-</u>	<u>43,128.82</u>	<u>-</u>	<u>43,128.82</u>	<u>43,128.82</u>
Totals	<u>\$ 74,199.13</u>	<u>\$1,222.74</u>	<u>\$75,421.87</u>	<u>\$ 1,222.74</u>	<u>\$74,199.13</u>	<u>\$ 75,421.87</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
LAKE ROAD SCHOOL
For the Year Ended June 30, 2011

	Fund Balance			Interfund Transfers		Change in	Fund Balance
	<u>July 1, 2010</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>In</u>	<u>Out</u>	<u>Inventory</u>	<u>June 30, 2011</u>
General fund							
Administration		\$ -	\$ 10,913.65				
Bank charges		-	52.00				
Bookstore		1,601.52	748.43				
Classroom supplies		-	4,589.48				
Copier expense		-	6,115.33				
Entertainment		25.00	-				
Field trips		4,871.75	5,404.32				
Fundraising		405.00	405.00				
Gifts and donations		50.00	50.00				
Instruction		17,635.77	19,029.16				
Interest income		48.11	-				
Board of Education		13,075.00	-				
Operations		-	321.75				
Pictures		6,826.03	-				
Total general fund	\$ 36,246.12	44,538.18	47,629.12	\$ 129.23	\$ -	\$ (991.36)	\$ 32,293.05
Restricted funds							
Academic Bowl	-	611.54	-	-	-	-	611.54
Annual	10,841.87	16,930.00	18,829.25	-	-	-	8,942.62
Athletics	16,445.53	34,004.79	39,774.00	-	-	-	10,676.32
Athletic concessions	-	15,442.64	6,457.51	-	-	-	8,985.13

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
LAKE ROAD SCHOOL
For the Year Ended June 30, 2011

	Fund Balance			Interfund Transfers		Change in	Fund Balance
	July 1, 2010	Revenues	Expenditures	In	Out	Inventory	June 30, 2011
AR account	1,096.42	31.32	35.33	-	-	-	1,092.41
Arts council	698.21	1,789.00	2,055.00	-	-	-	432.21
Band	179.03	5,728.46	5,907.49	-	-	-	-
BEP funds	4,507.90	8,400.00	7,885.46	-	-	-	5,022.44
Beta club	92.05	324.90	339.80	-	-	-	77.15
CDC	442.81	180.00	-	-	-	-	622.81
Cheerleaders	1,611.25	16,217.38	16,900.55	-	-	-	928.08
Faculty collection	226.07	1,185.12	1,286.88	-	-	-	124.31
Junior Civitan club	129.23	-	-	-	129.23	-	-
Library	4,188.08	13,520.11	14,620.67	-	-	-	3,087.52
Damaged books	153.54	-	-	-	-	-	153.54
Music	19.61	129.12	113.14	-	-	-	35.59
Children's Home	-	294.00	288.50	-	-	-	5.50
Pep club	295.97	925.00	347.69	-	40.00	-	833.28
Plus class	365.67	1,279.00	1,304.11	-	-	-	340.56
Simpson grant	95.54	7,600.64	7,595.77	40.00	-	-	140.41
Teacher lounge	632.23	1,695.78	1,413.00	-	-	-	915.01
Wind ensemble	179.89	303.00	380.50	-	-	-	102.39
Total restricted funds	<u>42,200.90</u>	<u>126,591.80</u>	<u>125,534.65</u>	<u>40.00</u>	<u>169.23</u>	<u>-</u>	<u>43,128.82</u>
Totals	<u>\$ 78,447.02</u>	<u>\$ 171,129.98</u>	<u>\$ 173,163.77</u>	<u>\$ 169.23</u>	<u>\$ 169.23</u>	<u>\$ (991.36)</u>	<u>\$ 75,421.87</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
OBION COUNTY CENTRAL HIGH SCHOOL
June 30, 2011

	<u>ASSETS</u>		<u>FUND BALANCES</u>	
	<u>Cash in Bank</u>	<u>Total Assets</u>	<u>Unreserved</u>	<u>Total Fund Balances</u>
General fund	\$ 35,883.74	\$ 35,883.74	\$ 35,883.74	\$ 35,883.74
Restricted funds				
Annual	14,679.53	14,679.53	14,679.53	14,679.53
Art club	837.89	837.89	837.89	837.89
Athletics	42,805.71	42,805.71	42,805.71	42,805.71
Band	3,404.97	3,404.97	3,404.97	3,404.97
Beta club	111.68	111.68	111.68	111.68
Materials/supplies	1,738.14	1,738.14	1,738.14	1,738.14
Equipment	753.92	753.92	753.92	753.92
CDC Class	60.55	60.55	60.55	60.55
Christian youth	24.58	24.58	24.58	24.58
Class of 2012	2,704.05	2,704.05	2,704.05	2,704.05
Class of 2013	2,229.48	2,229.48	2,229.48	2,229.48
Drama	314.83	314.83	314.83	314.83
Faculty	3,485.54	3,485.54	3,485.54	3,485.54
FFA	20,814.37	20,814.37	20,814.37	20,814.37
FCCLA I	1,865.80	1,865.80	1,865.80	1,865.80
FCCLA II	151.81	151.81	151.81	151.81
FBLA	427.57	427.57	427.57	427.57
Foreign language club	1,173.20	1,173.20	1,173.20	1,173.20
Future teachers of America	155.30	155.30	155.30	155.30
Guidance	40.10	40.10	40.10	40.10
HOSA	63.21	63.21	63.21	63.21
Key club	569.54	569.54	569.54	569.54
Library	676.20	676.20	676.20	676.20
National Honor Society	865.11	865.11	865.11	865.11
Pep club	152.20	152.20	152.20	152.20
Photography	195.06	195.06	195.06	195.06
Rebel Bowl	74.98	74.98	74.98	74.98
SADD	178.81	178.81	178.81	178.81
Science department	4.95	4.95	4.95	4.95
Student council	3,052.14	3,052.14	3,052.14	3,052.14
Warriors of the Ink	35.00	35.00	35.00	35.00
Total restricted funds	<u>103,646.22</u>	<u>103,646.22</u>	<u>103,646.22</u>	<u>103,646.22</u>
Totals	<u>\$ 139,529.96</u>	<u>\$ 139,529.96</u>	<u>\$ 139,529.96</u>	<u>\$ 139,529.96</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
OBION COUNTY CENTRAL HIGH SCHOOL
For the Year Ended June 30, 2011

	Fund Balance	Revenues	Expenditures	Interfund Transfers		Change in Inventory	Fund Balance
	July 1, 2010			In	Out		June 30, 2011
General fund							
Instructional supplies		\$ -	\$ 22,346.62				
Gifts/donations		900.00	1,057.32				
BOE		23,845.00	3,200.42				
BEP funds		5,700.00	5,904.51				
Teacher materials		5,700.00	-				
Interest income		639.52	-				
Student activity		16,379.23	10,180.23				
Parking fees		278.00	571.66				
Operation and maintenance		-	7,117.82				
Lost/damaged books		930.14	62.46				
Total general fund	\$ 31,952.89	54,371.89	50,441.04	\$ -	\$ -	\$ -	\$ 35,883.74
Restricted funds							
Annual	11,570.72	55,541.00	52,462.19	30.00	-	-	14,679.53
Art club	1,097.16	10,110.59	10,369.86	-	-	-	837.89
Athletics	59,138.20	316,220.91	332,553.40	-	-	-	42,805.71
Band	4,050.32	10,519.20	11,164.55	-	-	-	3,404.97
Beta club	736.30	9,683.90	10,308.52	-	-	-	111.68
Materials/supplies	1,738.14	-	-	-	-	-	1,738.14
Equipment	753.92	-	-	-	-	-	753.92
CDC class	39.00	99.00	47.45	-	30.00	-	60.55
Christian youth	258.34	83.00	316.76	-	-	-	24.58
Class of 2011	1,014.45	1,687.31	2,701.76	-	-	-	-
Class of 2012	1,132.70	3,935.00	3,063.65	700.00	-	-	2,704.05
Class of 2013	-	3,302.01	1,072.53	-	-	-	2,229.48

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
OBION COUNTY CENTRAL HIGH SCHOOL
For the Year Ended June 30, 2011

	Fund Balance	Revenues	Expenditures	Interfund Transfers		Change in Inventory	Fund Balance
	July 1, 2010			In	Out		June 30, 2011
Drama	471.98	65.00	222.15	-	-	-	314.83
Faculty	2,884.74	1,803.23	1,202.43	-	-	-	3,485.54
FFA	24,476.13	19,051.52	22,713.28	-	-	-	20,814.37
FCCLA I	2,258.29	4,671.64	5,064.13	-	-	-	1,865.80
FCCLA II	151.81	-	-	-	-	-	151.81
FBLA	427.57	-	-	-	-	-	427.57
Foreign language club	908.56	1,050.00	785.36	-	-	-	1,173.20
Future Teachers of America	208.05	1,701.17	1,753.92	-	-	-	155.30
Guidance	40.10	1,250.00	1,250.00	-	-	-	40.10
HOSA	432.69	8,745.61	9,115.09	-	-	-	63.21
Key club	563.54	240.00	234.00	-	-	-	569.54
Library	564.61	2,351.86	2,240.27	-	-	-	676.20
National Honor Society	803.11	262.00	200.00	-	-	-	865.11
Pep club	677.66	4,035.00	4,560.46	-	-	-	152.20
Photography	87.46	576.49	468.89	-	-	-	195.06
Rebel Bowl	74.98	3,125.00	3,125.00	-	-	-	74.98
SADD	177.15	75.00	73.34	-	-	-	178.81
Science department	-	547.00	542.05	-	-	-	4.95
Student council	3,634.89	1,751.00	1,633.75	-	700.00	-	3,052.14
Warriors of the Ink	35.00	-	-	-	-	-	35.00
Total restricted funds	<u>120,407.57</u>	<u>462,483.44</u>	<u>479,244.79</u>	<u>730.00</u>	<u>730.00</u>	<u>-</u>	<u>103,646.22</u>
Totals	<u>\$ 152,360.46</u>	<u>\$ 516,855.33</u>	<u>\$ 529,685.83</u>	<u>\$ 730.00</u>	<u>\$ 730.00</u>	<u>\$ -</u>	<u>\$ 139,529.96</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
OBION COUNTY CAREER TECHNOLOGY CENTER
June 30, 2011

	<u>ASSETS</u>		<u>FUND BALANCE</u>	
	<u>Cash In Bank</u>	<u>Total Assets</u>	<u>Unreserved</u>	<u>Total Fund Balances</u>
General fund	\$ 306.47	\$ 306.47	\$ 306.47	\$ 306.47
Restricted fund				
Auto body special	4,778.33	4,778.33	4,778.33	4,778.33
Building trades	576.05	576.05	576.05	576.05
Cosmetology	711.54	711.54	711.54	711.54
Faculty fund	132.02	132.02	132.02	132.02
BEP	310.64	310.64	310.64	310.64
VICA	1,522.17	1,522.17	1,522.17	1,522.17
Welding	<u>1,270.24</u>	<u>1,270.24</u>	<u>1,270.24</u>	<u>1,270.24</u>
Total restricted funds	<u>9,300.99</u>	<u>9,300.99</u>	<u>9,300.99</u>	<u>9,300.99</u>
Totals	<u>\$ 9,607.46</u>	<u>\$ 9,607.46</u>	<u>\$ 9,607.46</u>	<u>\$ 9,607.46</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
OBION COUNTY CAREER TECHNOLOGY CENTER
For the Year Ended June 30, 2011

	Fund Balance <u>July 1, 2010</u>	Revenues	Expenditures	Fund Balance <u>June 30, 2011</u>
General fund				
Administration		\$ -	\$ 23,428.70	
Vending		7,669.08	7,110.60	
Interest income		75.55	-	
Total general fund	<u>\$ 23,101.14</u>	<u>7,744.63</u>	<u>30,539.30</u>	<u>\$ 306.47</u>
Restricted funds				
Auto body special	218.46	6,267.65	1,707.78	4,778.33
Building trades	2,310.83	6,700.30	8,435.08	576.05
Cosmetology	598.06	1,551.00	1,437.52	711.54
Faculty fund	111.17	493.93	473.08	132.02
BEP	1,924.56	1,413.54	3,027.46	310.64
VICA	968.46	7,645.27	7,091.56	1,522.17
Welding	718.67	1,200.80	649.23	1,270.24
Total restricted funds	<u>6,850.21</u>	<u>25,272.49</u>	<u>22,821.71</u>	<u>9,300.99</u>
Totals	<u>\$ 29,951.35</u>	<u>\$ 33,017.12</u>	<u>\$ 53,361.01</u>	<u>\$ 9,607.46</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
RIDGEMONT SCHOOL
June 30, 2011

	<u>ASSETS</u>		<u>FUND BALANCES</u>	
	Cash In	Total	Total	
	<u>Bank</u>	<u>Assets</u>	<u>Unreserved</u>	<u>Fund Balances</u>
General fund	<u>\$ 54,706.22</u>	<u>\$ 54,706.22</u>	<u>\$ 54,706.22</u>	<u>\$ 54,706.22</u>
Restricted funds				
Athletics	6,120.31	6,120.31	6,120.31	6,120.31
Faculty flower fund	404.11	404.11	404.11	404.11
Faculty gift fund	263.14	263.14	263.14	263.14
Jr. High annual	1,027.11	1,027.11	1,027.11	1,027.11
Jr. High band	33.02	33.02	33.02	33.02
Jr. High Beta club	1,784.28	1,784.28	1,784.28	1,784.28
Library	669.60	669.60	669.60	669.60
Playground	315.47	315.47	315.47	315.47
Plus class	1,313.92	1,313.92	1,313.92	1,313.92
Teacher lounge	<u>321.86</u>	<u>321.86</u>	<u>321.86</u>	<u>321.86</u>
Total restricted funds	<u>12,252.82</u>	<u>12,252.82</u>	<u>12,252.82</u>	<u>12,252.82</u>
Totals	<u>\$ 66,959.04</u>	<u>\$ 66,959.04</u>	<u>\$ 66,959.04</u>	<u>\$ 66,959.04</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
RIDGEMONT SCHOOL

For the Year Ended June 30, 2011

	Fund Balance July 1, 2010	Revenues	Expenditures	Fund Balance June 30, 2011
General fund				
Administration		\$ 1,024.52	\$ 3,554.50	
Copier expense		-	4,997.12	
Entertainment		1,600.00	1,600.00	
Instruction - students		8,091.92	8,091.92	
Instruction - teacher		775.00	775.00	
Interest income		282.83	-	
Magazines		382.00	382.00	
Fundraisers		990.00	990.00	
Glover AM		10,015.41	10,015.41	
Pictures		9,065.00	5,422.37	
Weekly reader		547.52	547.52	
Workbooks		2,838.51	2,838.51	
Total general fund	<u>\$ 58,307.86</u>	<u>35,612.71</u>	<u>39,214.35</u>	<u>\$ 54,706.22</u>
Restricted funds				
Athletics	16,605.00	32,552.23	43,036.92	6,120.31
Accelerated reader	237.63	-	237.63	-
BEP funds	-	7,488.00	7,488.00	-
Faculty flower fund	539.88	435.00	570.77	404.11
Faculty gift fund	240.31	435.00	412.17	263.14
Guidance	13.36	-	13.36	-
Jr. High annual	2,878.63	19,209.00	21,060.52	1,027.11
Jr. High band	101.57	794.40	862.95	33.02
Jr. High Beta club	2,780.38	7,781.11	8,777.21	1,784.28
Library	440.86	13,130.43	12,901.69	669.60
Playground	315.47	-	-	315.47
Plus class	1,454.43	929.00	1,069.51	1,313.92
Science 7th/8th	-	1,185.00	1,185.00	-
Teacher lounge	574.52	1,509.82	1,762.48	321.86
Total restricted funds	<u>26,182.04</u>	<u>85,448.99</u>	<u>99,378.21</u>	<u>12,252.82</u>
Totals	<u>\$ 84,489.90</u>	<u>\$ 121,061.70</u>	<u>\$ 138,592.56</u>	<u>\$ 66,959.04</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
SOUTH FULTON ELEMENTARY SCHOOL
June 30, 2011

	ASSETS		FUND BALANCES	
	Cash in bank	Total Assets	Unreserved	Total Fund Balances
General fund	\$ 21,288.81	\$ 21,288.81	\$ 21,288.81	\$ 21,288.81
Restricted funds				
Donations	4,539.15	4,539.15	4,539.15	4,539.15
Library	6,502.44	6,502.44	6,502.44	6,502.44
Plus club	526.31	526.31	526.31	526.31
Teacher lounge	233.53	233.53	233.53	233.53
Total restricted funds	11,801.43	11,801.43	11,801.43	11,801.43
Totals	\$ 33,090.24	\$ 33,090.24	\$ 33,090.24	\$ 33,090.24

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS
SOUTH FULTON ELEMENTARY SCHOOL
For the Year Ended June 30, 2011

	<u>Fund Balance</u> <u>July 1, 2010</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u> <u>June 30, 2011</u>
General fund				
Administration		\$ -	\$ 11,254.03	
Interest income		109.22	-	
Pictures		3,997.71	-	
Class materials		5,001.15	5,134.01	
Workbooks and classroom supplies		<u>19,361.00</u>	<u>10,664.39</u>	
Total general fund	<u>\$ 19,872.16</u>	<u>28,469.08</u>	<u>27,052.43</u>	<u>\$ 21,288.81</u>
Restricted funds				
Donations	3,967.87	4,183.95	3,612.67	4,539.15
Library	5,901.27	13,009.70	12,408.53	6,502.44
Lost and damaged	-	80.57	80.57	-
Plus club	200.31	11,439.00	11,113.00	526.31
Teacher lounge	<u>269.63</u>	<u>637.90</u>	<u>674.00</u>	<u>233.53</u>
Total restricted funds	<u>10,339.08</u>	<u>29,351.12</u>	<u>27,888.77</u>	<u>11,801.43</u>
Totals	<u>\$ 30,211.24</u>	<u>\$ 57,820.20</u>	<u>\$ 54,941.20</u>	<u>\$ 33,090.24</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
BALANCE SHEET - REGULATORY BASIS
SOUTH FULTON MIDDLE AND HIGH SCHOOL
June 30, 2011

	ASSETS			FUND BALANCES	
	Cash In Bank	Cash in Bank Savings/CD	Total Assets	Unreserved	Total Fund Balance
General fund	\$ 58,032.32	\$ 48,877.55	\$ 106,909.87	\$ 106,909.87	\$ 106,909.87
Restricted funds					
Annual	3,464.61	-	3,464.61	3,464.61	3,464.61
Athletics	38,395.61	-	38,395.61	38,395.61	38,395.61
Band	48.72	-	48.72	48.72	48.72
BEP	10,626.34	-	10,626.34	10,626.34	10,626.34
Beta club	1,917.69	-	1,917.69	1,917.69	1,917.69
Builders club	23.64	-	23.64	23.64	23.64
Class of 2012	1,496.49	-	1,496.49	1,496.49	1,496.49
Class of 2013	836.28	-	836.28	836.28	836.28
Class of 2014	116.85	-	116.85	116.85	116.85
Donations	4,882.18	-	4,882.18	4,882.18	4,882.18
Drama	756.79	-	756.79	756.79	756.79
Faculty	211.02	-	211.02	211.02	211.02
FBLA	678.73	-	678.73	678.73	678.73
FFA	398.22	-	398.22	398.22	398.22
Flower fund	241.00	-	241.00	241.00	241.00
Glover	5,992.92	-	5,992.92	5,992.92	5,992.92
Home economics	2,296.49	-	2,296.49	2,296.49	2,296.49
Jr. High science club	214.89	-	214.89	214.89	214.89
Library	1,515.64	-	1,515.64	1,515.64	1,515.64
Middle school cheerleaders	3,915.02	-	3,915.02	3,915.02	3,915.02
PEP club	65.53	-	65.53	65.53	65.53
Plus class	188.27	-	188.27	188.27	188.27
Spanish club	720.30	-	720.30	720.30	720.30
Student council	251.84	-	251.84	251.84	251.84
Top ten	1,044.59	-	1,044.59	1,044.59	1,044.59
Total restricted funds	<u>80,299.66</u>	<u>-</u>	<u>80,299.66</u>	<u>80,299.66</u>	<u>80,299.66</u>
Totals	<u>\$ 138,331.98</u>	<u>\$ 48,877.55</u>	<u>\$ 187,209.53</u>	<u>\$ 187,209.53</u>	<u>\$ 187,209.53</u>

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
SOUTH FULTON MIDDLE AND HIGH SCHOOL
For the Year Ended June 30, 2011

	Fund Balance		Interfund Transfers		Fund Balance	
	July 1, 2010	Revenues	Expenditures	In	Out	June 30, 2011
General fund						
Administration		\$ -	\$ 5,513.68			
Parking stickers		84.00	-			
Gifts and donations		849.00	80.00			
Instruction - students		83.00	851.87			
Vending		795.63	-			
Interest income		1,285.59	-			
Lost textbooks		63.00	-			
Operation and maintenance		-	286.52			
Pictures		1,998.50	578.55			
Total general fund	\$109,061.77	5,158.72	7,310.62	\$ -	\$ -	\$106,909.87
Restricted funds						
Annual	3,622.78	32,550.50	32,558.67	-	150.00	3,464.61
Athletics	4,367.25	164,051.03	130,022.67	-	-	38,395.61
Band	30.19	76.96	58.43	-	-	48.72
BEP	4,766.38	6,769.00	909.04	-	-	10,626.34
Beta club	110.78	25,532.95	23,876.04	150.00	-	1,917.69
Builders club	199.68	162.00	338.04	-	-	23.64
Class of 2011	133.96	3,993.98	4,127.94	60.00	60.00	-
Class of 2012	2,125.57	3,001.20	3,570.28	-	60.00	1,496.49
Class of 2013	589.01	763.75	576.48	60.00	-	836.28
Class of 2014	-	56.85	-	60.00	-	116.85
Donations	4,072.93	1,072.85	263.60	-	-	4,882.18
Drama	756.79	-	-	-	-	756.79
Faculty	329.49	475.85	594.32	-	-	211.02
FBLA	1,289.32	6,309.44	6,920.03	-	-	678.73
FFA	0.85	12,589.06	12,191.69	-	-	398.22
Flower fund	96.00	340.00	195.00	-	-	241.00
Glover	10,000.69	2,100.00	6,107.77	-	-	5,992.92
Home economics	2,450.51	1,563.85	1,717.87	-	-	2,296.49
Jr. High science club	4.89	210.00	-	-	-	214.89
Library	1,036.19	1,375.13	895.68	-	-	1,515.64
Middle school cheerleader:	377.13	21,577.61	18,039.72	-	-	3,915.02

The accompanying notes are an integral part of these financial statements.

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
SOUTH FULTON MIDDLE AND HIGH SCHOOL
For the Year Ended June 30, 2011

	Fund Balance			Interfund Transfers		Fund Balance
	<u>July 1, 2010</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>In</u>	<u>Out</u>	<u>June 30, 2011</u>
PEP club	189.65	1,433.00	1,557.12	-	-	65.53
Plus class	298.82	414.50	525.05	-	-	188.27
Spanish club	720.30	-	-	-	-	720.30
Student council	251.84	-	-	-	-	251.84
Top ten	<u>1,216.22</u>	<u>1,750.00</u>	<u>1,921.63</u>	<u>-</u>	<u>-</u>	<u>1,044.59</u>
Total restricted funds	<u>39,037.22</u>	<u>288,169.51</u>	<u>246,967.07</u>	<u>330.00</u>	<u>270.00</u>	<u>80,299.66</u>
Totals	<u>\$148,098.99</u>	<u>\$293,328.23</u>	<u>\$ 254,277.69</u>	<u>\$330.00</u>	<u>\$270.00</u>	<u>\$187,209.53</u>

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

OBION COUNTY SCHOOLS - ACTIVITY FUNDS
SUMMARY OF INTERFUND AND INTERACCOUNT TRANSFERS
For the Year Ended June 30, 2011

LAKE ROAD SCHOOL

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>		<u>Totals</u>
	<u>Pep club</u>	<u>Jr. Civitians</u>	
General fund	\$ -	\$ 129.23	\$ 129.23
Simpson Grant	40.00	-	40.00
Total transfers			<u>\$ 169.23</u>

OBION COUNTY CENTRAL HIGH SCHOOL

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>		<u>Totals</u>
	<u>CDC</u>	<u>Student council</u>	
Yearbook	\$ 30.00	\$ -	\$ 30.00
Class of 2012	-	700.00	700.00
Total transfers			<u>\$ 730.00</u>

SOUTH FULTON MIDDLE AND HIGH SCHOOL

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>			<u>Totals</u>
	<u>Yearbook</u>	<u>Class of 2011</u>	<u>Class of 2012</u>	
Class of 2011	\$ -	\$ -	\$ 60.00	\$ 60.00
Beta club	150.00	-	-	150.00
Class of 2013	-	60.00	-	60.00
Total transfers				<u>\$ 270.00</u>

See independent auditor's report

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUND
SCHEDULE OF SALARY SUPPLEMENTS - BY SCHOOL**

For the Year Ended June 30, 2011

	<u>Amount</u>	<u>Source of Funds</u>	<u>Board Approved</u>	<u>Proper Withholding</u>
<u>BLACK OAK SCHOOL</u>				
Betty Blakely	\$ 715.26	Athletics	YES	YES
Linda Burpo	66.49	Athletics	YES	YES
Eugene Fletcher	165.95	Field trips	YES	YES
Jennifer Green	51.30	Field trips	YES	YES
Dan Gwaltner	95.92	Field trips	YES	YES
Stephanie Jones	50.79	Field trips	YES	YES
Linda Mann	66.49	Athletics	YES	YES
Loretta Markham	1,040.85	Athletics	YES	YES
Loretta Markham	<u>226.85</u>	Field trips	YES	YES
Total	<u>\$ 2,479.90</u>			
<u>HILLCREST SCHOOL</u>				
Amy Bloxom	\$ 136.77	Banquets	YES	YES
Sharon Brewer	294.22	Banquets	YES	YES
Jessica Butler	294.23	Banquets	YES	YES
Mary Carter	157.45	Banquets	YES	YES
Jerry Duncan	45.76	Athletics	YES	YES
Belinda Isbill	157.44	Banquets	YES	YES
Lisa Morris	136.77	Banquets	YES	YES
Hershal Runions	99.57	Field Trips	YES	YES
LW Solmon	309.89	Field Trips	YES	YES
Misty Yarbro	<u>294.22</u>	Banquets	YES	YES
Total	<u>\$ 1,926.32</u>			
<u>SOUTH FULTON ELEMENTARY</u>				
Linda Burton	\$ 84.82	Classroom Su	YES	YES
Teresa Decker	239.01	Classroom Su	YES	YES
Teresa Decker	108.31	Library	YES	YES
Donnie Ragsdale	<u>186.20</u>	Classroom Su	YES	YES
Total	<u>\$ 618.34</u>			

See independent auditor's report

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUND
SCHEDULE OF SALARY SUPPLEMENTS - BY SCHOOL**

For the Year Ended June 30, 2011

	<u>Amount</u>	<u>Source of Funds</u>	<u>Board Approved</u>	<u>Proper Withholding</u>
<u>LAKE ROAD SCHOOL</u>				
Dorothy Barnes	\$ 258.66	Various	YES	YES
Greg Blakenship	182.96	Various	YES	YES
Norm Boucher	311.79	Athletics	YES	YES
Teresa Bowman	45.59	Athletics	YES	YES
Dennis Buchelew	50.00	Athletics	YES	YES
Jerry Duncan	643.49	Various	YES	YES
Laura Hale	171.42	Various	YES	YES
Carl Kizer	368.23	Athletics	YES	YES
Tammy Lewis	200.27	Athletics	YES	YES
Lisa Morris	68.39	Athletics	YES	YES
Mike Muse	74.08	Athletics	YES	YES
Teresa Quinton	1,139.33	Athletics	YES	YES
James Robinson	73.10	Various	YES	YES
Jeff Watts	200.00	Athletics	YES	YES
Hope Zeller	120.09	Various	YES	YES
Total	<u>\$ 3,907.40</u>			

OBION COUNTY CENTRAL HIGH SCHOOL

Cleborah Barker	\$ 880.96	Band	YES	YES
Greg Blankenship	585.80	Athletics	YES	YES
Amy Bloxom	146.20	Athletics	YES	YES
Norm Boucher	455.96	Athletics	YES	YES
Jessica Butler	136.78	Athletics	YES	YES
Jackie Campbell	146.20	Athletics	YES	YES
Diane Cheatham	1,414.13	Athletics	YES	YES
Peggy Cox	472.84	Band	YES	YES
Jerry Duncan	358.47	Athletics	YES	YES
Eugene Fletcher	524.37	Athletics	YES	YES
Van B. Glover	588.72	Field trips	YES	YES
Lisa Grooms	102.19	Band	YES	YES
Belinda Isbell	136.77	Athletics	YES	YES
Layman Jacob	83.44	Field trips	YES	YES
Carl Kizer	172.91	Athletics	YES	YES
Julie Klein	339.55	Athletics	YES	YES
Tammy Lewis	1,024.78	Band	YES	YES
Tammy Lewis	267.88	Field trips	YES	YES
Billy Lynch	1,876.66	Athletics	YES	YES

See independent auditor's report

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUND
SCHEDULE OF SALARY SUPPLEMENTS - BY SCHOOL**

For the Year Ended June 30, 2011

	<u>Amount</u>	<u>Source of Funds</u>	<u>Board Approved</u>	<u>Proper Withholding</u>
<u>OBION COUNTY CENTRAL HIGH SCHOOL - Continued</u>				
Loretta Markham	336.27	Band	YES	YES
Rogers Meeks	116.32	Field trips	YES	YES
Teresa Quinton	777.69	Athletics	YES	YES
Teresa Quinton	169.77	Band	YES	YES
Hershel Runions	1,273.13	Athletics	YES	YES
Hershel Runions	748.27	Field trips	YES	YES
Misty Yarbro	168.70	Athletics	YES	YES
Total	<u>\$ 13,304.76</u>			

RIDGEMONT SCHOOL

Greg Blakenship	\$ 156.20	Field trip	YES	YES
William Chapman	183.71	Field trip	YES	YES
Diane Cheatham	1,219.87	Athletics	YES	YES
Jean Love	417.08	Athletics	YES	YES
Roger Meeks	490.26	Beta Club	YES	YES
Roger Meeks	206.26	Plus Club	YES	YES
Dale Pate	96.29	Athletics	YES	YES
Hershel Runions	288.02	Athletics	YES	YES
Gwin Wood	40.00	Athletics	YES	YES
Total	<u>\$ 3,097.69</u>			

OBION COUNTY CAREER TECHNOLOGY CENTER

None

See independent auditor's report

**OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUND
SCHEDULE OF SALARY SUPPLEMENTS - BY SCHOOL**

For the Year Ended June 30, 2011

	Amount	Source of Funds	Board Approved	Proper Withholding
<u>RIDGEMONT SCHOOL</u>				
Greg Blakenship	\$ 156.20	Field trip	YES	YES
William Chapman	183.71	Field trip	YES	YES
Diane Cheatham	1,219.87	Athletics	YES	YES
Jean Love	417.08	Athletics	YES	YES
Roger Meeks	490.26	Beta Club	YES	YES
Roger Meeks	206.26	Plus Club	YES	YES
Dale Pate	96.29	Athletics	YES	YES
Hershel Runions	288.02	Athletics	YES	YES
Gwin Wood	40.00	Athletics	YES	YES
Total	<u>\$ 3,097.69</u>			

SOUTH FULTON MIDDLE AND HIGH SCHOOL

Greg Barclay	\$ 23.34	Athletics	Yes	Yes
Sally Bondurant	93.00	Athletics	Yes	Yes
Joe Brown	1,690.18	Athletics	Yes	Yes
Linda Burton	195.47	Science	Yes	Yes
Arch Carthers	1,036.80	Athletics	Yes	Yes
Teresa Decker	503.06	Athletics	Yes	Yes
James Denten	105.39	Athletics	Yes	Yes
Jerry Duncan	308.77	Athletics	Yes	Yes
Eugene Fletcher	430.60	FBLA	Yes	Yes
Kyla Gehring	23.34	Athletics	Yes	Yes
Bill Gray	23.34	Athletics	Yes	Yes
Ricky Hopkins	1,090.60	Athletics	Yes	Yes
Kenneth Jackson	23.34	Athletics	Yes	Yes
Layman Jacobs	76.98	Athletics	Yes	Yes
Curt Lee	1,000.00	Athletics	Yes	Yes
Lori Martin	48.02	Athletics	Yes	Yes
Jeremy McFarland	163.45	Athletics	Yes	Yes
Wes Miller	23.34	Athletics	Yes	Yes
Donnie Ragsdale	131.08	Athletics	Yes	Yes
Johnny Sams	1,036.80	Athletics	Yes	Yes
Tammy Sisson	144.06	Athletics	Yes	Yes
Paula Smith	144.06	Athletics	Yes	Yes
Leah Spurlock	48.02	Athletics	Yes	Yes
Gwin Wood	119.38	Athletics	Yes	Yes
Total	<u>\$ 8,482.42</u>			

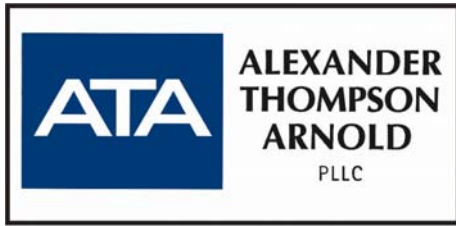
See independent auditor's report

OBION COUNTY SCHOOL SYSTEM - ACTIVITY FUNDS
SCHEDULE OF FIDELITY BOND COVERAGE
June 30, 2011

Company:	Tennessee Risk Management Trust
Type of Coverage:	Employee Fidelity Bond
Amount:	\$150,000 each and every loss \$500 deductible, each occurrence
Period Covered:	07/01/10 - 06/30/11
Positions Covered:	Certificated employees of the Obion County School System

See independent auditor's report

INTERNAL CONTROL AND COMPLIANCE SECTION



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**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**

Director of Schools and Board of Education
Obion County School System
Union City, Tennessee

We have audited the combined and individual financial statements – regulatory basis of the Obion County School System Activity Funds as of and for the year ended June 30, 2011, and have issued our report thereon dated September 19, 2011. We conducted our audit in accordance with 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. Our report disclosed that the financial statements were 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. Our report also discussed that the financial statements present only the activity funds of the Obion County School System and are not intended to present fairly the financial position and results of operations of Obion County in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Activity Funds' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Activity Funds' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Activity Funds' internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as Items 06.1,

06.2, 10.2, 10.3, 10.7, 10.8, 11.1, 11.2, 11.3, 11.4, and 11.5, that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Activity Funds' financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as Items 06.1, 06.2, 10.2, 10.3, 10.7, 10.8, 11.1, 11.2, 11.3, 11.4, and 11.5.

The Activity Funds' responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Activity Funds' responses and, accordingly, we express no opinion on the responses.

In addition, we noted other matters involving internal control and its operation that we have reported to management of Obion County Schools Activity Funds in a separate letter dated September 19, 2011.

This report is intended solely for the information of the board of education, management, the State of Tennessee Comptroller's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Alexander Thompson Arnold PLLC

Martin, Tennessee
September 19, 2011

**OBION COUNTY SCHOOL SYSTEM – ACTIVITY FUNDS
SCHEDULE OF FINDINGS AND RESPONSES**

June 30, 2011

06.1 Purchase order deficiencies (Black Oak, Hillcrest, Lake Road, South Fulton Elementary)

Condition: We observed several instances where purchase orders were not executed properly. These exceptions included: 1) expenditures that exceeded dollar amount approved on purchase order and 2) purchases made prior to issuance of purchase order,

Criteria: Section 5, Title 3 of the *Tennessee Internal School Uniform Accounting Policy Manual* states that a prenumbered purchase authorization is required for each purchase of goods and/or services of \$100 or more except for emergency repairs or purchases, reimbursements from restricted accounts not sponsored by the principal, and purchases of goods and services made under contract. Each purchase of goods and services should be supported by adequate documentation.

Effect: The purchasing procedures outlined in the *Tennessee Internal School Uniform Accounting Policy Manual* are required to insure that purchases are properly authorized and do not exceed fund or account balances, and that goods and services ordered are for an appropriate school purpose. Failure to follow purchasing procedures could also cause expenditures to be allocated to or recorded in the wrong fund or account.

Recommendation: Purchasing procedures as outlined in the Manual should be followed for all disbursements made by the schools, including salary supplement reimbursements.

Management's Response: *We concur with the finding. Going forward, the school principals and/or individuals that exceed amounts on purchase orders will be held personally liable for the excess purchase and school principals and/or individuals purchasing without a purchase order will be held personally liable.*

06.2 Dual signatures (Black Oak, Ridgemont)

Condition: During our testing, we noted instances where checks lacked dual signatures.

Criteria: Section 6, Title 3 of the *Tennessee Internal School Uniform Accounting Policy Manual* states that two signatures are required for all checks. Before signing checks, each signatory should review adequate supporting documentation.

Effect: Failure to obtain dual signatures could result in unauthorized or inappropriate disbursements.

Recommendation: All checks should have dual signatures prior to issuance.

Management's Response: *Although we concur with the finding, the number of instances where checks lacked dual signatures was not numerous. All school principals sign checks by hand and usually in great volume. Bookkeepers will be informed to double check for dual signatures after the principal signs.*

**OBION COUNTY SCHOOL SYSTEM – ACTIVITY FUNDS
SCHEDULE OF FINDINGS AND RESPONSES**

June 30, 2011

10.2 Deficiencies in procedures for cash receipts collected by teachers (Black Oak, Lake Road, South Fulton Elementary)

Condition: During our review of teachers' logs, we noted the following exceptions: 1) one instance at Lake Road where money received by a teacher was not turned in to the office within one day of collection, 2) teachers' logs and bookkeeper's receipt books did not indicate how much cash and/or checks were received and 3) several logs at Lake Road could not be tested because teachers did not record the date of collection.

Criteria: Section 5, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that all collections by teachers/others should be remitted to the cashier daily or more frequently, if necessary. Section 6, Title 2, states that collections should be deposited intact. Intact means that collections are deposited in the form and amount in which they are collected. This requirement could not be tested in the cases where the collection logs and/or receipts did not have a cash/check breakdown.

Effect: The safekeeping of money collected at the schools is compromised when the operating procedures set out for cash receipts in the Manual are not followed completely.

Recommendation: All money should be turned in to the office daily. Receipts should indicate amounts received in cash and by check. All collection logs and receipts should be dated accurately.

Management's Response: *We concur with the finding. If funds cannot be properly accounted for, our individual schools will cease collecting money and having fundraisers. In addition, we will send out to teachers their responsibilities for the collection of money, including the proper use of collection logs and turning over to the bookkeeper and funds collected daily.*

10.3 Violation of three day deposit rule (Lake Road)

Condition: Money received by teachers was not deposited within three banking days.

Criteria: Section 6, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that collections should be deposited daily, if possible, but no more than three days after the initial collection. The school becomes accountable when money is initially received.

Effect: There is a greater chance that school collections could be lost or stolen if not deposited in a timely manner.

Recommendation: All receipts should be deposited daily as stated in the Manual.

Management's Response: *We concur with the finding. If funds cannot be properly accounted for, our individual schools will cease collecting money and having fundraisers. In addition, we will send out to teachers their responsibilities for the collection of money, including the proper use of collection logs and turning over to the bookkeeper and funds collected daily.*

**OBION COUNTY SCHOOL SYSTEM – ACTIVITY FUNDS
SCHEDULE OF FINDINGS AND RESPONSES**

June 30, 2011

10.7 Ticket reconciliations not prepared properly (South Fulton Middle and High School)

Condition: Over 50% of the ticket reconciliations tested were not prepared properly. The forms were either incomplete or contained math errors and other inaccuracies.

Criteria: Section 5, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that the original ticket reconciliation should accompany the money and unsold tickets. The cashier should issue the official receipt to one of the persons signing the ticket reconciliation. This section also states that the bookkeeper should obtain all applicable collection documentation from the cashier, such as collection logs and ticket reconciliations, and determine that the amounts and totals are mathematically correct.

Effect: If ticket reconciliations are not prepared completely and accurately, amounts attributed to events may not be correct. The possibility of money being misappropriated is also increased if all tickets are not accounted for accurately.

Recommendation: The ticket reconciliations should be prepared accurately and completely. The bookkeeper should check the mathematical accuracy of the reconciliations and insure that all tickets are accounted for. The high number of cash overages and shortages should be addressed with those selling tickets.

Management's Response: *We concur with the finding. I will address this finding with the school principal and bookkeeper.*

10.8 General Fund expenditures not classified by function (Black Oak and Hillcrest)

Condition: General Fund expenditures were recorded as reductions in revenue accounts, rather than recorded through expenditure accounts that identified the character of the expenditure. For example, both schools recorded expenditures in the Gifts and Donations revenue account.

Criteria: Section 7, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that at a minimum, revenues must be recorded by source, such as gate receipts, resale items, fees, etc., and expenditures must be recorded by function, such as administration, instruction, etc. Furthermore, the State of Tennessee, Division of Municipal Audit, stated in their letter to the Board of Education dated May 26, 2009, "When a donation is received, the correct procedure would be to record the donation under donation revenue and the expenditure under the function (e.g., equipment)."

Effect: Expenditures in the General Fund are not being identified by function; therefore, the financial reports are not reporting the character of all expenditures. In other words, there is no breakdown of what the gifts and donations were spent on.

Recommendation: We recommend that the schools classify General Fund expenditures by function as required in the Manual and by the State of Tennessee in their review of the prior year audit.

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Management's Response: *We concur with the finding. For the 2011-2012 fiscal year, all individual school budgets were submitted in accordance with the Charts of Accounts for individual schools. Only those account numbers used in the budget were set-up for use when books were opened for the current fiscal year. In addition, I will discuss this finding specifically with the school principal and bookkeeper.*

11.1 Deposit slips (South Fulton Middle and High School)

Condition: Deposit slips do not indicate the receipt numbers that make up each deposit.

Criteria: Section 6, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that receipt numbers comprising the deposit should be written on the deposit slip. It is also acceptable to attach a copy of each receipt to the deposit slip.

Effect: Receipts cannot be followed to deposits into the bank.

Recommendation: We recommend that the schools indicate the receipt numbers included in each deposit by writing the receipt numbers on the deposit slip or attaching a copy of the receipts to each deposit.

Management's Response: *We concur with the finding. This finding will not be a problem to correct. I will address this finding with the school principal and bookkeeper.*

11.2 Deficiencies in procedures for cash receipts collected by teachers (South Fulton Middle and High, Obion County Career Technology Center, Ridgemont)

Condition: We noted the following exceptions during our review of teachers' logs: 1) teachers' logs and bookkeeper's receipt books did not indicate how much cash and/or checks were received, 2) the bookkeeper at Obion County Career Technology Center was completing teachers' logs, and 3) teachers were using pencil and corrective tape on teachers' logs at Ridgemont.

Criteria: Section 5, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that all collections by teachers/others should be remitted to the cashier daily or more frequently, if necessary. Section 6, Title 2, states that collections should be deposited intact. Intact means that collections are deposited in the form and amount in which they are collected. This requirement could not be tested in the cases where the collection logs and/or receipts did not have a cash/check breakdown.

Effect: The safekeeping of money collected at the schools is compromised when the operating procedures set out for cash receipts in the Manual are not followed completely.

Recommendation: All money should be turned in to the office daily. Receipts should indicate amounts received in cash and by check. All collection logs and receipts should be dated accurately.

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Management's Response: *We concur with the finding. If funds cannot be properly accounted for, our individual schools will cease collecting money and having fundraisers. In addition, we will send out to teachers their responsibilities for the collection of money, including the proper use of collection logs and turning over to the bookkeeper any funds collected daily.*

11.3 Supporting documentation (Lake Road and Black Oak)

Condition: Supporting documentation could not be found for gifts given to teachers.

Criteria: Section 5, Title 3, of the *Tennessee Internal School Uniform Accounting Policy Manual* states the bookkeeper should require and obtain adequate supporting documentation before disbursing any school money. When formal supporting documentation is not available, the bookkeeper should prepare a document and have it signed by those receiving the gifts.

Effect: The purchasing procedures outlined in the *Tennessee Internal School Uniform Accounting Policy Manual* are required to insure that purchases are properly documented, and that goods and services ordered are for an appropriate school purpose. Failure to follow purchasing procedures could also cause expenditures to be used inappropriately.

Recommendation: All cash disbursements should be properly supported with invoices or receipts, approved by the school principal.

Management Response: *We concur with this finding. This finding will be corrected as we will no longer purchase gift cards. I will address this finding with the school principal and bookkeeper.*

11.4 Ticket Reconciliations (Black Oak)

Condition: During our review of ticket reconciliations at Black Oak, we noted falsification of ticket reconciliations for school functions. The bookkeeper was recreating ticket reconciliations after the events where the ticket sales did not reconcile properly.

Criteria: Section 5, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that the original ticket reconciliation should accompany the money and unsold tickets. The cashier should issue the official receipt to one of the persons signing the ticket reconciliation. This section also states that the bookkeeper should obtain all applicable collection documentation from the cashier, such as collection logs and ticket reconciliations, and determine that the amounts and totals are mathematically correct.

Effect: If ticket reconciliations are not prepared completely and accurately, amounts attributed to events may not be correct. The possibility of money being misappropriated is also increased if all tickets are not accounted for accurately.

Recommendation: The ticket reconciliations should be prepared accurately and completely. The bookkeeper should check the mathematical accuracy of the reconciliations and insure that

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all tickets are accounted for. The principal or designated party should sign all ticket reconciliations, indicating that they have reviewed the ticket reconciliation for accuracy.

Management's Response: *We concur with the finding. Personnel duties and responsibilities have been reassigned.*

11.5 Bookkeeping Errors (Black Oak)

Condition: An excessive amount of journal entries were made to the accounting records at Black Oak.

Criteria: Section 7, Title 2, of the *Tennessee Internal School Uniform Accounting Policy Manual* states that the general journal is used to record opening entries, correction of errors, transfers between funds and other unusual transactions. Bookkeepers should work to keep journal entries to a minimum.

Effect: The account balances in the accounting records could be misstated due to errors in journal entries.

Recommendation: We recommend that journal entries be kept to a minimum. We also recommend additional training for the bookkeeper to ensure she understands the way the accounting software works.

Management's Response: *We concur with the finding. Personnel duties and responsibilities have been reassigned.*

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- 06.1 Purchase orders dated after the invoice date - Repeated
- 06.2 Dual signatures – Repeated
- 10.1 General fund deficit - Corrected
- 10.2 Deficiencies in procedures for cash receipts collected by teachers – Repeated
- 10.3 Violation of three day deposit rule – Repeated
- 10.4 Prohibited transfers made – Corrected
- 10.5 Deficiencies in required fundraising procedures - Corrected
- 10.6 Trial balance out of balance - Corrected
- 10.7 Ticket reconciliations not prepared properly – Repeated
- 10.8 General Fund expenditures not classified by function – Repeated
- 10.9 Missing fundraiser product - Corrected