

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS**

COMBINED FINANCIAL STATEMENTS

June 30, 2016



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**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
ROSTER OF PUBLICLY ELECTED OFFICIALS**

For the Year Ended June 30, 2016

Jason Manuel, Superintendent
Linda Fisher, Chairman, School Board Position 1
Mark Dely, School Board Position 2
Natalie Williams, School Board Position 3
Lisa Parker, Vice Chairman, School Board Position 4
Ken Hoover, School Board Position 5

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Board Members
Germantown Municipal School District
Germantown, Tennessee

Report on the Financial Statements

We have audited the accompanying combined balance sheet – regulatory basis of Germantown Municipal School District Internal School Funds, as of June 30, 2016, and the related combined statement of revenues, expenditures and changes in fund balances – regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise Germantown Municipal School District Internal School Funds' basic financial statements, as listed in the table of contents. We have also audited the individual school balance sheets – regulatory basis, and the individual school statements of revenues, expenditures and changes in fund balances – regulatory basis presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying individual school financial statements as of and for the year ended June 30, 2016, 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*. 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.

Auditor's 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by Germantown Municipal School District 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 1 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 in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Germantown Municipal School District Internal School Funds as of June 30, 2016, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Germantown Municipal School District Internal School Funds as of June 30, 2016, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1. In addition, in our opinion, the individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Germantown Municipal School District’s Internal School Funds as of June 30, 2016, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements – regulatory basis that collectively comprise Germantown Municipal School District Internal School Funds’ basic financial statements. In addition, our audit was conducted for the purpose of forming an opinion on the individual school financial statements – regulatory basis, presented as supplementary information, as defined by the Governmental Accounting Standards Board. The supplemental schedules and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the schools. As described in Note 1 of the financial statements, the supplemental schedules and other information, as listed in the table of contents, are prepared by Germantown Municipal School District 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 supplemental schedules and other information, as listed in the table of contents, are the responsibility of management and were derived from and relate 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 supplemental schedules and other information, as listed in the table of contents, are 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 September 2, 2016, on our consideration of Germantown Municipal School District Internal School Funds' internal control over financial reporting and on 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 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 Germantown Municipal School District Internal School Funds' internal control over financial reporting and compliance.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the internal school funds of Germantown Municipal School District and do not purport to, and do not, present fairly the financial position of the City of Germantown, Tennessee as of June 30, 2016, the changes in financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Memphis, Tennessee
September 2, 2016

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET – REGULATORY BASIS**

June 30, 2016

	<u>Dogwood Elementary</u>	<u>Farmington Elementary</u>	<u>Houston High</u>	<u>Houston Middle</u>	<u>Riverdale Elementary</u>	<u>Total</u>
<u>Assets</u>						
Cash	\$ 66,211	\$ 71,387	\$ 446,228	\$ 161,332	\$ 192,363	\$ 937,521
Inventory	5,147	1,169	6,595	-	5,602	18,513
Total assets	<u>\$ 71,358</u>	<u>\$ 72,556</u>	<u>\$ 452,823</u>	<u>\$ 161,332</u>	<u>\$ 197,965</u>	<u>\$ 956,034</u>
<u>Fund Balances</u>						
General fund - nonspendable	\$ 5,147	\$ 1,169	\$ 6,595	\$ -	\$ 5,602	\$ 18,513
General fund - unassigned	37,455	40,229	192,296	107,657	117,003	494,640
Restricted fund - assigned	24,847	21,867	229,910	46,370	70,818	393,812
Restricted fund - restricted	3,909	9,291	24,022	7,305	4,542	49,069
Total fund balances	<u>\$ 71,358</u>	<u>\$ 72,556</u>	<u>\$ 452,823</u>	<u>\$ 161,332</u>	<u>\$ 197,965</u>	<u>\$ 956,034</u>

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – REGULATORY BASIS**

For the Year Ended June 30, 2016

	<u>Dogwood Elementary</u>	<u>Farmington Elementary</u>	<u>Houston High</u>	<u>Houston Middle</u>	<u>Riverdale Elementary</u>	<u>Total</u>
Fund balances - June 30, 2015	\$ 44,659	\$ 67,111	\$ 361,570	\$ 157,684	\$ 172,816	\$ 803,840
Revenues	177,478	217,968	1,278,045	266,695	427,560	2,367,746
Expenditures	<u>152,822</u>	<u>212,767</u>	<u>1,192,367</u>	<u>263,047</u>	<u>401,442</u>	<u>2,222,445</u>
Excess of revenues over expenditures	24,656	5,201	85,678	3,648	26,118	145,301
Other Financing Sources (Uses)						
Changes in inventory	2,043	244	5,575	-	(969)	6,893
Transfers in	5,489	5,181	42,317	5,536	3,796	62,319
Transfers out	<u>(5,489)</u>	<u>(5,181)</u>	<u>(42,317)</u>	<u>(5,536)</u>	<u>(3,796)</u>	<u>(62,319)</u>
Total other financing sources (uses)	<u>2,043</u>	<u>244</u>	<u>5,575</u>	<u>-</u>	<u>(969)</u>	<u>6,893</u>
Excess of revenues and other sources over expenditures and other uses	<u>26,699</u>	<u>5,445</u>	<u>91,253</u>	<u>3,648</u>	<u>25,149</u>	<u>152,194</u>
Fund balances - June 30, 2016	<u><u>\$ 71,358</u></u>	<u><u>\$ 72,556</u></u>	<u><u>\$ 452,823</u></u>	<u><u>\$ 161,332</u></u>	<u><u>\$ 197,965</u></u>	<u><u>\$ 956,034</u></u>

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS**

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 the *Tennessee Internal School Uniform Policy Manual* (the "Manual"), issued by the Tennessee Department of Education. This section excludes parent-teacher and parent-student support organizations from the accounting, recordkeeping, and other requirements of the section.

Financial Reporting Entity

This report includes certain internal school funds of Germantown Municipal School District. Internal school funds consist of financial resources accounted for at the individual schools.

Internal School Funds

Internal school funds reported in the accompanying combined financial statements include student activity funds and, if applicable, 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; and rental fees.

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.

Special Purpose Framework

The accounting and financial reporting requirements for internal school funds are set forth in the Manual. The requirements established in the Manual differ from generally accepted accounting principles 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 financial reporting framework.

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. The individual school financial statements 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 and transfers in and total expenditures and transfers out of 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.

Measurement Focus / Basis of Accounting

The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheet and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Management policies define available as collectible within the fiscal year. Expenditures are generally recognized 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 that are comprised of the fund's assets, liabilities, fund equity, revenues and expenditures.

The funds are grouped in the accompanying financial statements as follows:

General fund: The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

Restricted fund: The restricted fund is used to account for money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

Fund Balances

Nonspendable Fund Balance: Fund balances reported as nonspendable in the accompanying financial statements represent amounts for inventory in the general fund.

Restricted Fund Balance: Fund balances reported as restricted, if any, are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes BEP (Basic Education Program) funds and grant funds.

When both restricted and unrestricted resources are available for use, it is the school system's policy to use restricted resources first, then unrestricted resources as they are needed.

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, if any, as described above. Germantown Municipal School District allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

Germantown Municipal School District is authorized to assign amounts for specific purposes with respect to all 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 Manual.

Unassigned Fund Balance: In accordance with generally accepted accounting principles, 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 school system's policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for the activity funds of Germantown Municipal School District at June 30, 2016, is reflected below. Additional detail is provided on the individual school financial statements.

	<u>General Fund</u>	<u>Restricted Fund</u>
Fund Balances:		
Nonspendable:		
Inventory	\$ 18,513	\$ -
Restricted for:		
Grants	-	49,069
Assigned to:		
Library		29,673
Athletics	-	111,524
Class accounts	-	65,348
Club accounts	-	150,065
Other purposes	-	37,202
Unassigned	494,640	-
Total fund balances	<u>\$ 513,153</u>	<u>\$ 442,881</u>

Inventory

Inventories are stated at lower of cost (first in, first out) or market (net realizable value). The purchases method is used to account for inventories. Under the purchases method, inventories are reported as an expenditure when purchased (or when received for donated items) rather than being capitalized as an asset. However, significant amounts of inventory, if any, on hand at year end are reported as an asset in the financial statements. In accordance with generally accepted accounting principles, the fair value of donated goods and supplies are recognized as revenues and expenditures in the financial statements. For the current year, no significant amounts of such donations were received.

NOTE 2 - DEPOSITS

Legal Provisions

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 percent of the uninsured deposits. For the year ended June 30, 2016, Germantown Municipal School District's deposits were with a financial institution that participates in the bank collateral pool.

Cash Deposits

Cash in bank represents funds on deposit in various depositories.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the schools' deposits may not be returned to it. None of the schools' deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

NOTE 3 - 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 Germantown Municipal School District.

NOTE 4 - SALARY SUPPLEMENTS

No salary supplements were paid from activity funds for the year ended June 30, 2016.

NOTE 5 - EMPLOYEE DISHONESTY COVERAGE

Germantown Municipal School District maintained Crime Coverage Insurance covering all employees for the year ended June 30, 2016. The coverage limit is \$150,000 per occurrence with a deductible of \$1,000 per occurrence.

SUPPLEMENTARY INFORMATION
Individual School Financial Statements

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
DOGWOOD ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET – REGULATORY BASIS**

June 30, 2016

<u>Assets</u>		
Cash		\$ 66,211
Inventory		<u>5,147</u>
Total assets		<u><u>\$ 71,358</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 5,147
General fund - unassigned		37,455
Restricted fund - assigned		24,847
Restricted fund - restricted		<u>3,909</u>
Total fund balances		<u><u>\$ 71,358</u></u>

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
 DOGWOOD ELEMENTARY SCHOOL
 INTERNAL SCHOOL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Bookstore		\$ 37,201	\$ 26,808	\$ -	\$ -		
Spirit Wear		-	-	-	-		
Pictures		8,459	-	-	-		
School Yearbooks		3,343	-	-	-		
Unallocated Donations		1,197	-	1,699	-		
Incentives/Awards/Student Body		-	1,845	-	-		
Field Trips		24,555	22,364	-	-		
Administration		340	8,074	-	-		
Instruction		-	-	-	-		
Operations and Maintenance		-	77	-	-		
Total general fund	\$ 22,933	\$ 75,095	\$ 59,168	\$ 1,699	\$ -	\$ 2,043	\$ 42,602

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
DOGWOOD ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015			Other Financing Sources/(Uses)			June 30, 2016 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Library	\$ 5,994	\$ 7,236	\$ 9,507	\$ -	\$ -	\$ -	\$ 3,723
P.E.	3,119	2,871	2,068	-	-	-	3,922
Music	853	-	14	-	-	-	839
Art Department	2,035	800	1,258	-	-	-	1,577
Violin	52	-	52	-	-	-	-
Art Club	-	577	-	-	-	-	577
Battle of the Books	-	176	161	-	-	-	15
Violin	-	1,950	-	-	-	-	1,950
Chorus/Music Club	1,458	6,905	7,392	-	-	-	971
Ambassadors	32	650	547	-	-	-	135
Safety Patrol Club	348	2,618	1,212	-	-	-	1,754
Chess Club	204	-	-	-	-	-	204
Destination Imagination	1,499	-	1,440	-	-	-	59
Rube Goldberg	408	480	661	-	-	-	227
Photography Club	-	168	168	-	-	-	-
Jogging Club	-	500	500	-	-	-	-
Steam Club	492	-	-	-	-	-	492
Sport's Club	922	-	-	-	-	-	922
Board Allocations/Special Ed	-	600	600	-	-	-	-
Board Allocations/TDF	-	11,400	11,400	3,790	3,790	-	-
BEP Allocations	-	21,968	21,968	-	-	-	-

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
DOGWOOD ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Fee Waiver	371	349	132	-	-	-	588
Copier	-	11,299	9,407	-	-	-	1,892
21st Century Furniture	-	5,000	-	-	-	-	5,000
GMSD Collections	-	102	102	-	-	-	-
Community Collections	-	6,456	6,456	-	-	-	-
Teacher / Faculty Staff Morale	375	4,802	3,478	-	1,699	-	-
Total restricted fund - assigned	18,162	86,907	78,523	3,790	5,489	-	24,847
Restricted Fund - Restricted For:							
Local/City Grants	368	-	-	-	-	-	368
Race for Education	309	60	369	-	-	-	-
Germantown Ed Foundation Grant	12	4,180	3,869	-	-	-	323
Target Donation	2,625	6,021	5,538	-	-	-	3,108
Aleks Math	250	5,215	5,355	-	-	-	110
Total restricted fund - restricted	3,564	15,476	15,131	-	-	-	3,909
Total all funds	\$ 44,659	\$ 177,478	\$ 152,822	\$ 5,489	\$ 5,489	\$ 2,043	\$ 71,358

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
FARMINGTON ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET – REGULATORY BASIS**

June 30, 2016

<u>Assets</u>		
Cash		\$ 71,387
Inventory		<u>1,169</u>
Total assets		<u><u>\$ 72,556</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 1,169
General fund - unassigned		40,229
Restricted fund - assigned		21,867
Restricted fund - restricted		<u>9,291</u>
Total fund balances		<u><u>\$ 72,556</u></u>

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
FARMINGTON ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers out Out	Changes in Inventory	
General Fund							
Bookstore		\$ 30,512	\$ 24,011	\$ -	\$ -		
Pictures		10,189	-	-	-		
School Yearbooks		4,800	1,540	-	-		
Bookfair		39	-	49	49		
Unallocated Donations		56,459	-	769	-		
Incentives/Awards/Student Body		-	1,614	-	-		
Entertainment/Student Body		-	66	-	-		
F/T Pre-K		293	295	-	-		
F/T Kindergarten		2,516	2,444	-	-		
F/T 1st Grade		1,446	1,346	-	-		
F/T 2nd Grade		1,376	1,274	-	-		
F/T 3rd Grade		1,476	1,135	-	-		
F/T 4th Grade		1,780	1,617	1	1		
F/T 5th Grade		4,305	4,056	10	10		
F/T Apex		1,743	1,647	-	-		
Administration		796	8,692	-	-		
Instruction		94	73,026	-	-		
Fees		7,606	-	-	-		
Operations and Maintenance		-	1,690	-	-		
Total general fund	\$ 39,408	\$ 125,430	\$ 124,453	\$ 829	\$ 60	\$ 244	\$ 41,398

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
FARMINGTON ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015			Other Financing Sources/(Uses)			June 30, 2016 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers out Out	Changes in Inventory	
Restricted Fund - Assigned for:							
Library	\$ 2,919	\$ 16,239	\$ 14,032	\$ 49	\$ 49	\$ -	\$ 5,126
P.E.	-	185	-	-	-	-	185
Music/Strings	322	-	322	-	-	-	-
Music	-	-	199	500	-	-	301
Drama	10	1,874	-	-	1,000	-	884
Art	831	1,457	1,037	500	-	-	1,751
Technology Dept	4,020	-	4,020	-	-	-	-
5th Grade	-	665	665	-	-	-	-
Guitar Club	-	420	387	-	-	-	33
Chorus/Music Club	-	20	(24)	-	-	-	44
Kiwanis Club	65	-	49	-	-	-	16
Environmental Club	864	-	-	-	-	-	864
Destination Imagination	610	1,920	1,455	-	-	-	1,075
Farmington Fields	344	-	-	-	-	-	344
Math Club	405	-	218	-	-	-	187
Craft Club	177	-	-	-	-	-	177
Steam Club	113	-	-	-	-	-	113
Passport Club	45	120	49	-	-	-	116
Falcon 5k Club	-	85	-	-	-	-	85
2nd Grade Activities	93	-	-	-	-	-	93
4th Grade Activities	234	-	-	-	-	-	234

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
FARMINGTON ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers out Out	Changes in Inventory	
5th Grade Activities	-	3,938	2,733	-	-	-	1,205
Lost/Damaged Books	-	36	36	-	-	-	-
Board Allocations/Special Ed.	-	3,000	2,816	183	183	-	184
Board Allocations/TDF	-	11,007	10,819	3,120	3,120	-	188
BEP Allocations	-	20,967	20,963	-	-	-	4
Fee Waiver	1,295	45	94	-	-	-	1,246
Copier	-	10,784	8,303	-	-	-	2,481
21st Century Furniture	-	5,000	69	-	-	-	4,931
GMSD Collections	-	134	134	-	-	-	-
Community Collections	-	5,450	5,450	-	-	-	-
Teacher /Faculty Staff Morale	2,141	472	1,844	-	769	-	-
Total restricted fund - assigned	14,488	83,818	75,670	4,352	5,121	-	21,867

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
FARMINGTON ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers out Out	Changes in Inventory	
Restricted Fund - Restricted for:							
Race for Education	703	720	896	-	-	-	527
Greater Memphis Arts Council	3,030	-	617	-	-	-	2,413
Exxon Grant	244	-	-	-	-	-	244
Fitness Park Grant	9	-	-	-	-	-	9
Target Grant	356	-	356	-	-	-	-
Germantown Educ. Foundation	1,000	5,250	3,216	-	-	-	3,034
Restricted Donations	103	-	-	-	-	-	103
P.T.A. Donation	5,638	-	5,638	-	-	-	-
P.E. Donations	17	-	-	-	-	-	17
Special Ed Donation	194	-	-	-	-	-	194
Golf Tournament	1,921	-	1,921	-	-	-	-
Leadership Germantown	-	2,750	-	-	-	-	2,750
Total restricted fund - restricted	13,215	8,720	12,644	-	-	-	9,291
Total all funds	\$ 67,111	\$ 217,968	\$ 212,767	\$ 5,181	\$ 5,181	\$ 244	\$ 72,556

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON HIGH SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET – REGULATORY BASIS**

June 30, 2016

<u>Assets</u>		
Cash		\$ 446,228
Inventory		<u>6,595</u>
Total assets		<u><u>\$ 452,823</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 6,595
General fund - unassigned		192,296
Restricted fund - assigned		229,910
Restricted fund - restricted		<u>24,022</u>
Total fund balances		<u><u>\$ 452,823</u></u>

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON HIGH SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Resale Items		\$ 16,966	\$ 14,048	\$ -	\$ -		
Pictures		11,570	-	-	-		
School Newspaper		-	1,124	-	-		
School Yearbooks		29,595	10,777	-	-		
Unallocated Donations		1,397	-	18,352	-		
Field Trips		-	1,899	-	-		
Administration		4,623	46,144	-	-		
Instruction		-	18,218	-	-		
Ins Fees		172,407	121,597	-	-		
Operations and Maintenance		-	4,379	-	-		
Total general fund	\$ 156,592	\$ 236,558	\$ 218,186	\$ 18,352	\$ -	\$ 5,575	\$ 198,891

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON HIGH SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 80,487	\$ 251,237	\$ 241,328	\$ 15,157	\$ 10,270	\$ -	\$ 95,283
Circulation Library	2,497	5,463	4,816	-	-	-	3,144
Reference Library	3,366	5,940	5,232	-	-	-	4,074
Orchestra	-	2,613	-	-	-	-	2,613
Science Department I	72	-	-	-	-	-	72
Science Department II	445	-	199	-	-	-	246
Graduation	-	14,096	10,074	-	4,022	-	-
Project Graduation	-	5,090	5,624	534	-	-	-
Art 1	2,416	13,083	11,347	-	-	-	4,152
Art 2	983	11,324	10,990	-	-	-	1,317
Special Education	82	1,650	420	-	-	-	1,312
Dual Enrollment	85	16,252	16,337	-	-	-	-
Student Activity	7,743	6,334	6,232	-	-	-	7,845
Stem	-	2,836	1,812	-	-	-	1,024
TV Studio	-	2,000	2,000	-	-	-	-
Class Accounts	131	1,870	1,336	-	534	-	131
Family and Consumer Science	4,460	10,397	10,116	-	-	-	4,741
Vocational Board Allocations	130	8,250	7,595	-	-	-	785
General Clubs	82,068	514,093	485,801	2,469	15,375	-	97,454
Gen. Class Act/Incent/Ent.	129	-	102	-	-	-	27
Due to Board	64	4,716	4,685	-	-	-	95
Board Allocations/Special Ed	-	3,000	3,000	172	172	-	-
Board Allocations/TDF	-	20,200	20,200	122	122	-	-

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON HIGH SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
BEP Allocations	-	48,760	48,760	-	-	-	-
Copier	-	16,474	14,247	-	-	-	2,227
21st Century Furniture	-	7,000	7,000	-	-	-	-
Fee Waiver	4,458	-	1,090	-	-	-	3,368
Community Collections	-	6,005	6,005	-	-	-	-
H.S. Principals	138	-	-	-	138	-	-
Teacher / Faculty Staff Morale	4,929	12,841	14,124	5,511	9,157	-	-
Total restricted fund - assigned	194,683	991,524	940,472	23,965	39,790	-	229,910

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON HIGH SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Restricted For:							
SCS Education Foundation Grant	291	-	-	-	-	-	291
Race for Education	32	60	92	-	-	-	-
Civitan F/S Grant	1,500	2,160	-	-	-	-	3,660
Germantown Education Foundation	163	1,432	-	-	-	-	1,595
Stem Grant	999	-	999	-	-	-	-
NRA Grant	-	3,000	3,000	-	-	-	-
MidwayUSA Foundation	-	560	560	-	-	-	-
P.T.A. Donation	-	13,500	-	-	-	-	13,500
Campus Sign Donation	3	-	-	-	-	-	3
Health Room Donation	61	300	283	-	-	-	78
Facility Improvements Donation	4,187	-	3,970	-	-	-	217
G'town Charity Horse Show	-	25,000	23,604	-	-	-	1,396
Leadership Germantown	-	2,750	-	-	-	-	2,750
T. Daniel Scholarship	2,527	-	-	-	2,527	-	-
Soccer Scholarship	532	-	-	-	-	-	532
Miscellaneous Accounts	-	1,201	1,201	-	-	-	-
Total restricted fund - restricted	10,295	49,963	33,709	-	2,527	-	24,022
Total all funds	\$ 361,570	\$ 1,278,045	\$ 1,192,367	\$ 42,317	\$ 42,317	\$ 5,575	\$ 452,823

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON MIDDLE SCHOOL
INTERNAL SCHOOL FUNDS
BALANCE SHEET – REGULATORY BASIS**

For the Year Ended June 30, 2016

<u>Assets</u>	
Cash	<u><u>\$ 161,332</u></u>
 <u>Fund Balances</u>	
General fund - unassigned	\$ 107,657
Restricted fund - assigned	46,370
Restricted fund - restricted	<u>7,305</u>
 Total fund balances	 <u><u>\$ 161,332</u></u>

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON MIDDLE SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Pictures		\$ 1,170	\$ -	\$ -	\$ -		
School Yearbooks		16,811	14,746	-	-		
Unallocated Donations		-	-	3,219	-		
Field Trips		8,013	7,269	-	-		
Administration		2,563	8,430	-	-		
Instruction		110	10,690	-	-		
Ins Fees		16,940	6,115	-	-		
Operations and Maintenance		-	158	-	-		
Total general fund	\$ 106,239	\$ 45,607	\$ 47,408	\$ 3,219	\$ -	\$ -	\$ 107,657

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON MIDDLE SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 5,899	\$ 7,720	\$ 9,242	\$ -	\$ -	\$ -	4,377
Library	4,693	10,581	9,490	-	-	-	5,784
P.E.	2,239	11,110	10,440	-	-	-	2,909
Band	3,521	-	2,723	-	-	-	798
Chorus	1,604	1,695	3,012	-	-	-	287
Music / Strings	260	10,942	9,925	-	-	-	1,277
Drama	6,499	-	37	-	-	-	6,462
Social Studies	141	-	141	-	-	-	-
Art Department	1,322	10,480	10,580	-	-	-	1,222
Spanish Dept	16	-	16	-	-	-	-
Technology Dept	6,767	17,840	22,229	15	15	-	2,378
Inventions/Innovations (INI)	3,564	8,826	9,118	-	-	-	3,272
Guitar	480	925	776	-	-	-	629
General Clubs	7,462	25,690	19,855	15	62	-	13,250
Due to Board	1,849	526	526	-	1,849	-	-
Class Accounts	-	575	575	-	-	-	-
Technology Ed (Middle School)	-	1,400	1,396	-	-	-	4
Board Allocations/Special Ed	-	2,400	2,400	1,274	1,274	-	-
Board Allocations/TDF	-	10,000	10,000	1,013	1,013	-	-
BEP Allocations	-	23,421	23,421	-	-	-	-
Fee Waiver	893	87	-	-	-	-	980

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON MIDDLE SCHOOL
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015			Other Financing Sources/(Uses)			June 30, 2016 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers Out	Changes in Inventory	
Copier	-	11,972	9,758	-	-	-	2,214
21st Century Furniture	-	5,000	5,000	-	-	-	-
GMSD Collections	-	8	8	-	-	-	-
Community Collections	-	13,478	13,478	-	-	-	-
Sunshine	235	1,029	737	-	-	-	527
Teacher / Faculty Staff Morale	634	4,797	4,108	-	1,323	-	-
Total restricted fund - assigned	48,078	180,502	178,991	2,317	5,536	-	46,370
Restricted Fund - Restricted For:							
Race for Education	-	90	90	-	-	-	-
Germantown Education Foundation	-	7,896	6,000	-	-	-	1,896
Restricted Donations	-	300	293	-	-	-	7
Leadership Germantown	-	2,750	-	-	-	-	2,750
Locker Donation	-	1,550	25	-	-	-	1,525
SCS Education Foundation Grant	1,097	-	-	-	-	-	1,097
P.T.A. Donation	2,270	28,000	30,240	-	-	-	30
Total restricted fund - restricted	3,367	40,586	36,648	-	-	-	7,305
Total all funds	\$ 157,684	\$ 266,695	\$ 263,047	\$ 5,536	\$ 5,536	\$ -	\$ 161,332

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
RIVERDALE ELEMENTARY
INTERNAL SCHOOL FUNDS
BALANCE SHEET – REGULATORY BASIS**

For the Year Ended June 30, 2016

<u>Assets</u>		
Cash		\$ 192,363
Inventory		5,602
		<hr/>
Total assets		<u>\$ 197,965</u>
<u>Fund Balances</u>		
General fund - nonspendable		\$ 5,602
General fund - unassigned		117,003
Restricted fund - assigned		70,818
Restricted fund - restricted		4,542
		<hr/>
Total fund balances		<u>\$ 197,965</u>

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
RIVERDALE ELEMENTARY
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Bookstore		\$ 50,159	\$ 39,168	\$ -	\$ -		
Spirit Wear		15,315	9,432	-	-		
Pictures		8,765	-	-	-		
School Yearbooks		16,463	14,751	-	-		
Spring Musical		34,101	30,528	-	-		
Unallocated Donations		45,292	-	2,279	-		
Incentives/Awards/Student Body		-	3,013	-	-		
F/T Kindergarten		2,038	1,970	-	-		
F/T 1st Grade		1,862	1,702	-	-		
F/T 2nd Grade		2,856	2,800	-	-		
F/T 3rd Grade		4,144	4,131	-	-		
F/T 4th Grade		8,302	8,519	-	-		
F/T 5th Grade		1,251	1,249	-	-		
F/T 6th Grade		12,379	12,471	-	-		
F/T 7th Grade		7,272	7,139	-	-		
F/T 8th Grade		6,571	6,527	-	-		
Summer Camp		1,710	1,710	-	-		
Administration		1,540	8,433	-	-		
Instruction		-	63,549	-	-		
Operations and Maintenance		-	3,496	-	-		
Total general fund	\$ 121,863	\$ 220,020	\$ 220,588	\$ 2,279	\$ -	\$ (969)	\$ 122,605

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
RIVERDALE ELEMENTARY
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 10,824	\$ 9,594	\$ 8,550	\$ -	\$ -	\$ -	\$ 11,868
Library	7,627	17,588	17,393	-	-	-	7,822
P.E.	2,952	1,048	1,160	-	-	-	2,840
Band	30	11,303	10,419	-	-	-	914
Chorus	198	14,384	10,592	-	-	-	3,990
Music / Strings	68	2,238	1,627	-	-	-	679
Guidance	354	9,149	9,203	-	-	-	300
Art Department	1,749	6,127	4,427	-	-	-	3,449
Technology Dept	20	2,956	2,976	-	-	-	-
Accelerated Reader	43	-	-	-	-	-	43
STEM	75	700	-	-	-	-	775
General Class Activities	242	-	154	-	-	-	88
Riverdale Runners	1,065	-	-	-	-	-	1,065
Chinese Club	117	-	-	-	-	-	117
Computer Club	260	-	-	-	-	-	260
Technology Club	-	218	186	-	-	-	32
Builders Club	254	439	350	-	-	-	343
Chorus/Music Club	2	-	-	-	-	-	2
Jr. Beta Club	4,779	5,139	5,470	-	-	-	4,448
Jr. National Honor Society	102	3,029	433	-	-	-	2,698
Student Council	448	2,560	748	-	-	-	2,260
Girls Club	-	150	-	-	-	-	150
Glee Club	-	777	413	-	-	-	364
Chess Club	841	-	-	-	-	-	841

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
RIVERDALE ELEMENTARY
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Environmental Club	309	5,178	3,409	-	-	-	2,078
Varsity Cheerleaders	7,429	18,495	17,721	-	-	-	8,203
Riverdale Ropers	445	2,724	501	-	-	-	2,668
Riverdale Jr. Ropers	-	735	442	-	-	-	293
Destination Imagination	190	1,000	1,106	-	-	-	84
Intramural Club	4	660	624	-	-	-	40
Kids Care	-	250	134	-	-	-	116
Ceramics Club	123	305	280	-	-	-	148
Mathematical Olympiads	20	420	168	-	-	-	272
Math Counts	75	-	-	-	-	-	75
Best Buddies	-	760	675	-	-	-	85
Swim Team Club	-	710	460	-	-	-	250
Kindergarten Activities	81	-	-	-	-	-	81
Lost/Damaged Books	-	169	132	-	-	-	37
Board Allocations/Special Ed	-	2,700	2,700	-	-	-	-
Board Allocations/TDF	-	14,414	14,414	1,517	1,517	-	-
BEP Allocations	1	32,028	32,029	-	-	-	-
Fee Waiver	3,107	313	2,525	-	-	-	895
Copier	-	25,080	14,935	-	-	-	10,145
21st Century Furniture	-	5,000	5,000	-	-	-	-
GMSD Collections	-	144	144	-	-	-	-
Teacher / Faculty Staff Morale	2,225	7,856	7,802	-	2,279	-	-
Total restricted fund - assigned	46,059	206,340	179,302	1,517	3,796	-	70,818

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

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
RIVERDALE ELEMENTARY
INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REGULATORY BASIS (cont.)**

For the Year Ended June 30, 2016

	July 01, 2015 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2016 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Restricted For:							
Race for Education	352	-	352	-	-	-	-
Germantown Ed Foundation Grant	1,000	-	-	-	-	-	1,000
Restricted Donations	78	1,200	1,200	-	-	-	78
P.T.A. Donation	25	-	-	-	-	-	25
Autism Donation	4	-	-	-	-	-	4
Clinic	5	-	-	-	-	-	5
Bonnie Tubbs	3,430	-	-	-	-	-	3,430
Total restricted fund - restricted	<u>4,894</u>	<u>1,200</u>	<u>1,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,542</u>
Total all funds	<u>\$ 172,816</u>	<u>\$ 427,560</u>	<u>\$ 401,442</u>	<u>\$ 3,796</u>	<u>\$ 3,796</u>	<u>\$ (969)</u>	<u>\$ 197,965</u>

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

SUPPLEMENTAL SCHEDULES AND OTHER INFORMATION

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
DOGWOOD ELEMENTARY
INTERNAL SCHOOL FUNDS
SCHEDULE OF TRANSFERS**

For the Year Ended June 30, 2016

	<u>Transferred To:</u>
<u>Transferred From:</u>	<u>General fund</u>
Teacher/Faculty Staff	<u>\$ 1,699</u>

See independent auditor's report.

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
FARMINGTON ELEMENTARY
INTERNAL SCHOOL FUNDS
SCHEDULE OF TRANSFERS**

For the Year Ended June 30, 2016

<u>Transferred from:</u>	<u>Transferred to:</u>		
	<u>General Fund</u>	<u>Restricted</u>	<u>Total</u>
Book Fair	\$ -	\$ 49	\$ 49
F/T 5th Grade	-	10	10
F/T 4th Grade	-	1	1
Library	49	-	49
School Pool	11	-	11
Teacher/Faculty Staff	769	-	769
 Total	\$ 829	\$ 60	\$ 889

See independent auditor's report.

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON HIGH SCHOOL
INTERNAL SCHOOL FUNDS
SCHEDULE OF TRANSFERS**

For the Year Ended June 30, 2016

<u>Transferred From:</u>	<u>Transferred To:</u>
	<u>General fund</u>
Photography Club	\$ 1,323
H.S. Principals	138
Science Olympiad	200
Poetry Club	9
T. Daniel Scholarship	2,527
Teacher/Faculty Staff Morale	9,157
Athletics	5,000
	\$ 18,352

See independent auditor's report.

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
HOUSTON MIDDLE SCHOOL
INTERNAL SCHOOL FUNDS
SCHEDULE OF TRANSFERS**

For the Year Ended June 30, 2016

<u>Transferred from:</u>	<u>Transferred to:</u>
	<u>General Fund</u>
Board Workbooks	\$ 1,849
International Club	47
Teacher / Faculty Staff	<u>1,323</u>
 Total	 <u><u>\$ 3,219</u></u>

See independent auditor's report.

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
RIVERDALE ELEMENTARY SCHOOL
INTERNAL SCHOOL FUNDS
SCHEDULE OF TRANSFERS**

For the Year Ended June 30, 2016

	<u>Transferred to:</u>
<u>Transferred from:</u>	<u>General Fund</u>
Teacher / Faculty Staff	<u>\$ 2,279</u>

See independent auditor's report.

**INDEPENDENT AUDITOR'S 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**

To the Superintendent and Board Members
Germantown Municipal School District
Memphis, Tennessee

We have audited, 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, the combined financial statements of the internal school funds of Germantown Municipal School District, which comprise the combined and individual school balance sheets – regulatory basis as of June 30, 2016, and the related combined and individual school statements of revenues, expenditures, and changes in fund balances – regulatory basis for the year then ended, and the related notes to the combined financial statements, which collectively comprise the Germantown Municipal School District's basic financial statements, and have issued our report thereon dated September 2, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Germantown Municipal School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Germantown Municipal School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Germantown Municipal School District's 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations, as item 2016-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Germantown Municipal School District's 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are listed in the accompanying schedule of findings and recommendations as item 2016-001.

Germantown Municipal School District's Response to Finding

Germantown Municipal School District's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Germantown Municipal School District's response was not subjected 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 purpose.

A handwritten signature in black ink that reads "Watkins Mikusall, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee
September 2, 2016

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

June 30, 2016

Current Year Findings

2016-001 Delivery receipt was not signed or dated

Dogwood Elementary

Condition – There was no signature on the packing slip from the person receiving the goods.

Criteria – *Tennessee Internal School Uniform Accounting Policy Manual* Section 5, Title 2, Revenues/Receipts, p. 5-12 states, “If receiving reports and/or delivery receipts are used, they should be signed and dated by a designated individual to indicate that the items listed were received and accepted, and the report/receipt should be filed with other documentation.”

Cause – Whoever was authorized to receive the items or item did not properly authorize or recognize that the total items received was correct.

Effect – The risk of loss increases when items received are not inspected and approved.

Recommendation – We recommend school personnel follow the prescribed policy.

Management Response – The District provides training to all financial secretaries and principals at the beginning of each year which includes proper procedures for purchasing and receiving goods per TISUAPM. The financial secretary should properly match the invoice to the documentation for receipt of goods or services. This is identified by a dated signature on the invoice, receipt, or packing slip or by providing a written note or e-mail from the person who ordered and received the good or services.

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
SCHEDULE OF PRIOR YEAR FINDINGS**

June 30, 2016

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2015-001	Money not turned into office timely	Corrected
2015-002	Sales tax not paid on resale items	Corrected
2015-003	Sales tax paid for tax-exempt purchase	Corrected