

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS**

COMBINED FINANCIAL STATEMENTS

June 30, 2018



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

For the Year Ended June 30, 2018

Jason Manuel, Superintendent
Linda Fisher, Chairman, Vice Chairman, School Board Position 1
Betsy Landers, Chairman, School Board Position 2
Suzanne Jones, School Board Position 3
Lisa Parker, School Board Position 4
Amy Eoff, School Board Position 5
Kevin Jones, Chief Financial Officer

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, 2018, 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 in the accompanying individual school financial statements as of and for the year ended June 30, 2018, 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*, as described in Note 1. 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, 2018, 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, 2018, 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, 2018, 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. 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 25, 2018, 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 solely 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 effectiveness of Germantown Municipal School District Internal School Funds' 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, 2018, 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.

Watkins Mikusall, PLLC

Memphis, Tennessee
September 25, 2018

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

June 30, 2018

	<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	\$ 74,453	\$ 82,345	\$ 334,584	\$ 165,596	\$ 168,302	\$ 825,280
Inventory	6,708	1,771	1,711	-	14,990	25,180
Prepaid expense	2,000	-	2,783	-	-	4,783
Total assets	<u>\$ 83,161</u>	<u>\$ 84,116</u>	<u>\$ 339,078</u>	<u>\$ 165,596</u>	<u>\$ 183,292</u>	<u>\$ 855,243</u>
<u>Fund Balances</u>						
General fund - nonspendable	\$ 6,708	\$ 1,771	\$ 1,711	\$ -	\$ 14,990	\$ 25,180
General fund - unassigned	33,087	20,053	97,711	111,598	105,182	367,631
Restricted fund - assigned	16,322	35,809	222,671	47,645	45,463	367,910
Restricted fund - restricted	27,044	26,483	16,985	6,353	17,657	94,522
Total fund balances	<u>\$ 83,161</u>	<u>\$ 84,116</u>	<u>\$ 339,078</u>	<u>\$ 165,596</u>	<u>\$ 183,292</u>	<u>\$ 855,243</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, 2018

	<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 - July 01, 2017	\$ 87,198	\$ 96,218	\$ 381,200	\$ 177,676	\$ 187,491	\$ 929,783
Revenues	379,846	193,355	1,020,782	229,772	353,989	2,177,744
Expenditures	<u>387,199</u>	<u>205,902</u>	<u>1,063,404</u>	<u>241,852</u>	<u>367,900</u>	<u>2,266,257</u>
Excess of revenues over expenditures	(7,353)	(12,547)	(42,622)	(12,080)	(13,911)	(88,513)
Other Financing Sources (Uses)						
Changes in inventory	3,316	445	500	-	9,712	13,973
Transfers in	7,679	3,974	23,486	3,723	-	38,862
Transfers out	<u>(7,679)</u>	<u>(3,974)</u>	<u>(23,486)</u>	<u>(3,723)</u>	<u>-</u>	<u>(38,862)</u>
Total other financing sources (uses)	<u>3,316</u>	<u>445</u>	<u>500</u>	<u>-</u>	<u>9,712</u>	<u>13,973</u>
Excess of revenues and other sources over expenditures and other uses	<u>(4,037)</u>	<u>(12,102)</u>	<u>(42,122)</u>	<u>(12,080)</u>	<u>(4,199)</u>	<u>(74,540)</u>
Fund balances - June 30, 2018	<u>\$ 83,161</u>	<u>\$ 84,116</u>	<u>\$ 339,078</u>	<u>\$ 165,596</u>	<u>\$ 183,292</u>	<u>\$ 855,243</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, 2018

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, 2018, 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	\$ 25,180	\$ -
Restricted for:		
Grants	-	94,522
Assigned to:		
Library		30,990
Athletics	-	73,860
Class accounts	-	83,833
Club accounts	-	152,634
Other purposes	-	26,593
Unassigned	<u>367,631</u>	<u>-</u>
Total fund balances	<u>\$ 392,811</u>	<u>\$ 462,432</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, 2018, 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, 2018.

NOTE 5 - EMPLOYEE DISHONESTY COVERAGE

Germantown Municipal School District maintained Crime Coverage Insurance covering all employees for the year ended June 30, 2018. 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, 2018

<u>Assets</u>		
Cash		\$ 74,453
Inventory		6,708
Prepaid expense		<u>2,000</u>
Total assets		<u><u>\$ 83,161</u></u>

<u>Fund Balances</u>		
General fund - nonspendable		\$ 6,708
General fund - unassigned		33,087
Restricted fund - assigned		16,322
Restricted fund - restricted		<u>27,044</u>
Total fund balances		<u><u>\$ 83,161</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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Bookstore		\$ 19,198	\$ 13,787	\$ -	\$ -		
Spirit Wear		1,790	1,691	-	-		
Class T-Shirts		9,347	6,819	-	-		
Pictures		7,314	-	-	-		
School Yearbooks		5,152	2,848	-	-		
Book fair/entertainment		4,553	2,553	-	-		
Donations		3,296	-	1,175	-		
Incentives/Awards/Student Body		-	760	-	-		
Vending Commission		443	-	-	-		
Field Trips		49,141	46,861	-	-		
Apex Fieldtrip		1,573	1,457	-	-		
Safety Patrol Fieldtrip		12,380	10,599	-	-		
Administration		222	31,032	-	-		
Instruction		16,165	31,617	-	-		
Aleks Fee		3,930	3,860	-	-		
Operations and Maintenance		-	1,816	-	-		
Total general fund	\$ 56,500	\$ 134,504	\$ 155,700	\$ 1,175	\$ -	\$ 3,316	\$ 39,795

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Library	\$ 2,193	\$ 5,182	\$ 5,919	\$ -	\$ -	\$ -	\$ 1,456
P.E.	2,562	1,952	2,501	-	-	-	2,013
Music	709	750	2,157	3,100	-	-	2,402
Art Department	4,634	15,470	12,623	-	3,100	-	4,381
Violin	-	345	345	-	-	-	-
Art Club	577	-	-	-	577	-	-
Battle of the Books	24	-	-	-	-	-	24
Violin	6	-	6	-	-	-	-
General Clubs	4,201	18,850	17,326	-	598	-	5,127
Board Allocations/Special Ed.	-	2,100	2,028	560	560	-	72
Board Allocations/TDF	-	11,610	9,085	-	2,524	-	1
Elementary School/Wish Pool	-	-	2,491	2,844	320	-	33
BEP Allocations	2,198	22,025	24,221	-	-	-	2
Fee Waiver	840	-	68	-	-	-	772
Copier	1,705	6,904	8,572	-	-	-	37
21st Century Furniture	301	5,000	5,301	-	-	-	-
Teacher Staff Morale	162	2,100	2,260	-	-	-	2
Total restricted fund - assigned	20,112	92,288	94,903	6,504	7,679	-	16,322

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Restricted For:							
Local/City Grants	23	-	23	-	-	-	-
Germantown Ed Foundation	9,062	10,915	19,977	-	-	-	-
P.T.A Donations	1,501	134,203	108,660	-	-	-	27,044
Summer Camps	-	7,500	7,500	-	-	-	-
Community Collections	-	436	436	-	-	-	-
Total restricted fund - restricted	10,586	153,054	136,596	-	-	-	27,044
Total all funds	\$ 87,198	\$ 379,846	\$ 387,199	\$ 7,679	\$ 7,679	\$ 3,316	\$ 83,161

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, 2018

<u>Assets</u>		
Cash		\$ 82,345
Inventory		<u>1,771</u>
Total assets		<u><u>\$ 84,116</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 1,771
General fund - unassigned		20,053
Restricted fund - assigned		35,809
Restricted fund - restricted		<u>26,483</u>
Total fund balances		<u><u>\$ 84,116</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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Bookstore		\$ 28,639	\$ 20,450	\$ -	\$ -		
Pictures		7,410	-	-	-		
School Yearbooks		6,935	5,292	-	-		
Donations		4,386	-	230	-		
Entertainment/Student Body		-	1,050	-	-		
Vending Commissions		424	-	-	-		
Field Trips		16,812	16,741	-	-		
Administration		312	8,740	-	-		
Instruction		2,673	9,266	-	-		
Ins Supplies/Materials		-	579	-	-		
Operations and Maintenance		-	1,551	-	-		
Total general fund	\$ 17,227	\$ 67,591	\$ 63,669	\$ 230	\$ -	\$ 445	\$ 21,824

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Library	\$ 5,326	\$ 15,930	\$ 17,643	\$ -	\$ -	\$ -	\$ 3,613
P.E.	-	37	37	-	-	-	-
Music	593	200	48	500	-	-	1,245
Drama	790	13,490	3,720	-	1,000	-	9,560
Art	1,531	11,517	7,170	500	-	-	6,378
Art Club	-	152	121	-	-	-	31
Guitar Club	69	520	239	-	-	-	350
Chorus/Music Club	44	-	-	-	-	-	44
Kiwanis Club	16	2,783	2,721	-	-	-	78
Random Acts of Kindness	92	-	-	-	-	-	92
Destination Imagination	1,035	-	-	-	-	-	1,035
Farmington Fields	-	80	74	-	-	-	6
Math Club	50	1,620	1,635	-	-	-	35
Craft Club	177	-	-	-	179	-	(2)
Steam Club	196	92	272	-	-	-	16
Passport Club	116	-	-	-	-	-	116
Falcon 5k Club	103	13,135	12,685	-	-	-	553
2nd Grade Activites	93	-	-	-	-	-	93
4th Grade Activites	234	-	-	-	-	-	234
5th Grade Activities	7,485	1,977	1,374	-	-	-	8,088
Board Allocations/Special Ed.	-	3,301	3,283	463	462	-	19
Board Allocations/TDF	112	12,003	12,113	2,281	2,280	-	3
BEP Allocations	300	20,645	20,888	-	-	-	57

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Fee Waiver	1,300	-	50	-	-	-	1,250
Copier	-	5,055	5,055	-	-	-	-
21st Century Furniture	2,918	5,000	7,492	-	-	-	426
Community Collections	-	456	456	-	-	-	-
Teacher / Faculty Staff Morale	3,076	2,325	2,912	-	-	-	2,489
Total restricted fund - assigned	25,656	110,318	99,988	3,744	3,921	-	35,809
Restricted Fund - Restricted For:							
Greater Memphis Arts Council	2,052	-	1,115	-	-	-	937
Germantown Education Foundation	14,292	-	5,909	-	-	-	8,383
Project Rtipads - RTI Coach	25	-	-	-	25	-	-
Project Library Tech for All	-	6,496	6,468	-	28	-	-
R.J. Reynolds Grant	-	1,000	-	-	-	-	1,000
Restricted Donations	103	-	-	-	-	-	103
P.T.A Donations	35,595	1,850	22,556	-	-	-	14,889
Fitness Playground	-	500	-	-	-	-	500
Special Ed Donation	858	-	858	-	-	-	-
Leadership Germantown	410	-	-	-	-	-	410
Summer Camps	-	5,600	5,339	-	-	-	261
Total restricted fund - restricted	53,335	15,446	42,245	-	53	-	26,483
Total all funds	\$ 96,218	\$ 193,355	\$ 205,902	\$ 3,974	\$ 3,974	\$ 445	\$ 84,116

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, 2018

<u>Assets</u>		
Cash		\$ 334,584
Inventory		1,711
Prepaid expense		<u>2,783</u>
Total assets		<u><u>\$ 339,078</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 1,711
General fund - unassigned		97,711
Restricted fund - assigned		222,671
Restricted fund - restricted		<u>16,985</u>
Total fund balances		<u><u>\$ 339,078</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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Workbooks		\$ 3,949	\$ 3,706	\$ -	\$ -		
P.E. Uniforms		11,175	10,405	-	-		
Pictures		9,492	-	-	-		
School Yearbooks		35,050	29,735	-	-		
Donations		818	-	6,016	-		
Incentives/Awards/Student Body		-	2,403	-	-		
Vending Commissions		3,705	-	-	-		
Field Trips		189	2,124	-	-		
Administration		714	49,670	-	-		
Instruction		34	43,182	-	-		
Ins Lab Fees		8,815	-	-	-		
Ins Technology Fee		3,880	-	-	-		
Ins Student Parking Fee		14,423	1,684	-	-		
Ins Locker Fees		4,360	5	-	-		
Ins PSAT test		8,440	6,837	-	-		
Ins AP Test		123,536	113,976	-	-		
Summer School Fee		150	150	-	-		
Operations and Maintenance		-	9,475	-	-		
Total general fund	\$ 137,528	\$ 228,730	\$ 273,352	\$ 6,016	\$ -	\$ 500	\$ 99,422

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 82,499	\$ 217,827	\$ 242,059	\$ 14,820	\$ 14,821	\$ -	\$ 58,266
Athletic Supplies	7,493	-	1,777	-	-	-	5,716
Library	8,434	12,902	4,899	-	-	-	16,437
Orchestra	945	599	834	-	-	-	710
Science Department	246	-	-	-	-	-	246
Graduation	504	11,729	11,982	-	-	-	251
Project Graduation	-	5,070	5,470	400	-	-	-
Art Department	2,892	18,380	15,862	-	-	-	5,410
Special Education	1,923	10,165	9,176	-	-	-	2,912
Dual Enrollment	28	49,155	49,183	-	-	-	-
Student Activity	4,441	2,558	4,303	-	-	-	2,696
STEM	48	4,197	2,976	-	-	-	1,269
Family and Consumer Science	4,634	12,728	11,334	-	-	-	6,028
Information Technology, Infrastructure	18	700	718	-	-	-	-
Criminal Justice	1	200	201	-	-	-	-
Health Science Education	3	600	603	-	-	-	-
Agriculture	263	750	1,013	-	-	-	-
Business Tech	155	1,700	1,845	-	-	-	10
Home Ec.	-	2,200	2,200	-	-	-	-
Marketing Education	2	400	402	-	-	-	-
Accounting	312	500	526	-	-	-	286
STEM	-	800	800	-	-	-	-
Programming	257	900	1,157	-	-	-	-

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, 2018

	July 01, 2017			Other Financing Sources/(Uses)			June 30, 2018 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers Out	Changes in Inventory	
Spanish Club	385	630	778	-	-	-	237
French Club	904	3,683	3,562	-	-	-	1,025
Latin Club	3,015	5,380	5,026	-	-	-	3,369
German Club	1,152	3,307	3,901	-	-	-	558
Science Club	752	3,200	2,885	-	40	-	1,027
Physics Club	154	-	-	-	154	-	-
Model UN	853	735	735	-	-	-	853
Debate Club	702	260	91	-	-	-	871
Computer Club	60	300	289	-	-	-	71
Computer / Skills USA	3,201	1,930	2,776	-	-	-	2,355
FBLA	48	-	-	-	-	-	48
Thespian Club	18	-	-	-	-	-	18
Plays	2,118	23,127	23,586	-	-	-	1,659
TV	16	-	16	-	-	-	-
Video	493	1,202	585	-	-	-	1,110
Band	-	3,900	3,828	-	-	-	72
Chorus/Music Club	3,280	7,868	9,781	-	-	-	1,367
FCCLA	1,267	4,548	5,183	-	-	-	632
Life Skills	3,132	1,661	1,667	-	-	-	3,126
National Honor Soc Studies	1,056	1,376	1,118	-	-	-	1,314
Beta	5,994	6,056	4,911	-	-	-	7,139
National Honor Society	7,430	6,760	4,578	-	-	-	9,612
Art Honor Society	1,789	3,984	3,737	-	376	-	1,660

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Spanish Honor Society	1,143	866	994	-	-	-	1,015
Mu Alpha Theta	557	1,832	938	-	-	-	1,451
Key Club	1,192	2,225	2,084	-	-	-	1,333
Student Council	11,743	26,554	26,455	-	500	-	11,342
SADD	345	-	-	-	-	-	345
Pride/BADD	153	270	-	-	-	-	423
Book Club	142	600	562	-	-	-	180
HOSA	37	28,938	26,967	-	-	-	2,008
RAK	471	1,079	1,178	-	-	-	372
Horizons	8,131	6,200	7,129	-	-	-	7,202
Mustang Mob	187	-	-	-	-	-	187
International Club	2,632	3,950	3,809	-	-	-	2,773
FCA	859	2,215	1,208	-	400	-	1,466
St. Impact	643	1,325	942	-	-	-	1,026
Chess Club	849	360	-	-	-	-	1,209
Knowledge Bowl	695	1,305	1,109	-	-	-	891
Environmental Club	944	40	307	-	-	-	677
Pony Express	61	270	325	-	-	-	6
Mustang Spirit	918	409	808	-	-	-	519
Avatar	460	2,126	1,991	-	-	-	595
Newspaper Club	12	370	382	-	-	-	-
DECA	3,460	18,718	16,852	-	-	-	5,326
FFA	3,040	2,130	4,728	-	-	-	442
Trap Team	8,754	1,866	9,515	-	-	-	1,105

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, 2018

	July 01, 2017			Other Financing Sources/(Uses)			June 30, 2018 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers Out	Changes in Inventory	
Varsity Cheerleaders	311	468	468	-	-	-	311
Jr. Varsity Cheerleader	403	-	271	-	-	-	132
Varsity BB Cheerleaders	3,861	-	-	-	3,861	-	-
Prom	9,413	22,089	18,799	-	-	-	12,703
Pom Club	859	18,034	18,893	-	-	-	-
Ping Pong Club	530	-	-	-	530	-	-
30 and Above	1,676	1,915	1,048	-	-	-	2,543
Food Initiative	-	420	796	376	-	-	-
STEM/Robotics	1,176	3,345	3,179	-	-	-	1,342
Best Buddies	531	1,872	1,800	-	-	-	603
Outdoors Club	681	-	-	-	681	-	-
Ultimate Club	457	-	-	-	457	-	-
CTE-NTHS	736	1,585	1,420	-	-	-	901
Mustang Mentors	1,158	1,880	1,331	-	-	-	1,707
St. Jude Club	2,648	3,146	4,794	-	-	-	1,000
CyberPatriot Club	399	1,250	1,426	-	-	-	223
TSA	888	11,152	8,150	-	-	-	3,890
Badmitton Club	33	550	441	-	-	-	142
Beyond Boundaries	455	555	433	-	-	-	577
Beautifully Unique	165	450	365	-	-	-	250
Needlepoint Club	-	90	-	-	-	-	90
Houston Accounting Society	-	660	495	-	-	-	165
Tri-M	-	1,887	1,311	-	-	-	576
Houston Jewish Society Club	-	253	-	-	-	-	253

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Gen. Class Act/Incent/Ent.	32	-	32	-	-	-	-
Lost/Damaged Books	-	2,284	2,091	-	-	-	193
Credit Recovery	-	15,600	15,600	-	-	-	-
Board Allocations/Special Ed.	90	3,900	3,527	374	373	-	464
Board Allocations/TDF	-	21,400	21,400	-	-	-	-
BEP Allocations	-	47,252	44,792	-	-	-	2,460
T.V. Studio	69	2,000	1,146	-	-	-	923
Fee Waiver	959	2,066	2,895	-	-	-	130
Copier	-	18,702	15,340	-	-	-	3,362
21st Century Furniture	7,000	7,000	9,657	-	-	-	4,343
Teacher / Faculty Staff Morale	2,734	5,845	4,444	-	1,000	-	3,135
GMSD Collections	-	14,344	14,344	-	-	-	-
St. Jude's	-	6,188	6,188	-	-	-	-
Make a Wish Collections	-	8,413	8,913	500	-	-	-
Designing Houston	-	318	318	-	-	-	-
Total restricted fund - assigned	237,609	764,528	772,743	16,470	23,193	-	222,671

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Restricted For:							
SCS Education Foundation Grant	291	-	-	-	-	-	291
Race for Education	-	20	-	-	-	-	20
Civitan F/S Grant	3,105	-	425	-	-	-	2,680
Pfizer Grant	-	-	-	-	-	-	-
Germantown Education Foundation	1,855	2,200	1,930	-	-	-	2,125
Rocky Mtn. Elk Foundation	500	-	500	-	-	-	-
Youth Risk Behavior Survey	-	750	746	-	-	-	4
MidwayUSA Foundation	-	648	-	-	-	-	648
P.T.O. Donations	-	21,071	11,046	-	-	-	10,025
Classroom Donation	-	800	181	-	-	-	619
Campus Sign Donation	3	-	-	-	3	-	-
Health Room Donation	19	460	216	-	-	-	263
Facility Improvements Donation	217	-	-	-	217	-	-
G'town Charity Horse Show	-	1,500	1,190	-	-	-	310
Auditorium Donation	73	-	-	-	73	-	-
Faculty/Staff Scholarship	-	-	1,000	1,000	-	-	-
Power Cord Fee	-	50	50	-	-	-	-
Laptop/lpad Fee	-	25	25	-	-	-	-
Total restricted fund - restricted	6,063	27,524	17,309	1,000	293	-	16,985
Total all funds	\$ 381,200	\$ 1,020,782	\$ 1,063,404	\$ 23,486	\$ 23,486	\$ 500	\$ 339,078

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**

June 30, 2018

<u>Assets</u>	
Cash	<u><u>\$ 165,596</u></u>
 <u>Fund Balances</u>	
General fund - unassigned	\$ 111,598
Restricted fund - assigned	47,645
Restricted fund - restricted	<u>6,353</u>
 Total fund balances	 <u><u>\$ 165,596</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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Pictures		\$ 2,889	\$ -	\$ -	\$ -		
School Yearbooks		8,439	3,174	-	-		
Donations		32	-	-	-		
Vending Commissions		265	-	-	-		
Field Trips		9,959	9,524	-	-		
Administration		820	2,259	-	-		
Instruction		-	508	-	-		
Instructional Fees		21,639	19,617	-	-		
Operations and Maintenance		-	1,870	-	-		
Total general fund	\$ 104,507	\$ 44,043	\$ 36,952	\$ -	\$ -	\$ -	\$ 111,598

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 5,352	\$ 11,518	\$ 10,897	\$ -	\$ -	\$ -	\$ 5,973
Library	4,060	6,484	7,055	-	-	-	3,489
P.E.	11,883	20,461	19,492	-	-	-	12,852
Band	96	1,287	1,229	-	-	-	154
Chorus	686	3,650	3,886	-	-	-	450
Music / Strings	501	-	100	-	-	-	401
Drama/Forensics	6,463	-	-	-	-	-	6,463
Art Department	2,181	10,455	11,319	-	-	-	1,317
Ron Clark Academy	-	1,010	-	3,586	-	-	4,596
Technology Department	9,784	30	9,719	-	-	-	95
Inventions/Innovations (INI)	3,220	-	2,815	-	-	-	405
Guitar Class	738	575	1,105	-	-	-	208
STEM	1	1,700	1,701	-	-	-	-
General Class Activities	1	-	-	-	-	-	1
Art Club	62	1,260	1,267	-	-	-	55
Bridge Club	575	400	484	-	-	-	491
Math Club	65	385	446	-	-	-	4
Jr. Beta Club	1,681	9,471	10,778	-	-	-	374
Jr. National Honor Society	1,114	1,185	995	-	-	-	1,304
Junior Honor's Academy	134	-	-	-	-	-	134
Student Council	3,997	-	602	-	-	-	3,395
Pride Club	22	-	-	-	-	-	22
Click	225	-	-	-	-	-	225

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Make a Wish Foundation	242	-	-	-	-	-	242
Builders' Club	219	-	-	-	-	-	219
Yearbook Club	121	-	-	-	-	-	121
Varsity Cheerleaders	20	468	468	-	-	-	20
Pom Club	-	585	585	-	-	-	-
Excel Club	46	-	-	-	-	-	46
Destination Imagination	445	-	-	-	-	-	445
STEM	175	-	88	-	-	-	87
IMPACT Club	332	-	-	-	-	-	332
Best Buddies	-	555	506	-	-	-	49
Anime Club	566	-	-	-	-	-	566
Student Ambassador/STAT Club	255	-	-	-	-	-	255
HMS Running Club	44	-	-	-	-	-	44
Mustangs Unleashed	236	1,654	1,202	-	-	-	688
Houston Herald	1	-	-	-	-	-	1
Battle of the Books Club	-	84	84	-	-	-	-
Lost/Damaged Books	-	44	44	-	-	-	-
Board Allocations/Special Ed.	-	2,100	2,100	-	-	-	-
Board Allocations/TDF	4	10,600	10,592	137	137	-	12
BEP Allocations	1,611	23,838	25,229	-	-	-	220
Fee Waiver	1,062	318	-	-	-	-	1,380
Copier	1,169	5,892	7,061	-	-	-	-
21st Century Furniture	-	5,000	5,000	-	-	-	-
Teacher / Faculty Staff Morale	322	2,933	3,075	-	-	-	180
GMSD Collections	-	5,737	5,737	-	-	-	-

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, 2018

	July 01, 2017			Other Financing Sources/(Uses)			June 30, 2018 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers Out	Changes in Inventory	
Sunshine	452	620	742	-	-	-	330
Total restricted fund - assigned	60,163	130,299	146,403	3,723	137	-	47,645
Restricted Fund - Restricted For:							
SCS Education Foundation Grant	1,097	-	1,097	-	-	-	-
Race for Education	-	20	-	-	-	-	20
Germantown Education Foundation	2,266	-	2,049	-	-	-	217
21st Century Classroom Makover	222	-	222	-	-	-	-
James Patterson/Scholastic	2,024	-	2,018	-	-	-	6
Furniture Donations	459	164	623	-	-	-	-
Modern Learning Environment	-	8,848	8,848	-	-	-	-
Restricted Donations	7	-	-	-	-	-	7
P.T.A Donations	66	15,992	15,069	-	-	-	989
Science Lab Donation	1,001	-	1,001	-	-	-	-
Boxtop Donations	-	203	115	-	-	-	88
Locker Donation	1,865	-	-	-	-	-	1,865
Cultural Arts Donation	2,066	-	1,436	-	-	-	630
Ron Clark Academy	1,933	18,768	15,182	-	3,586	-	1,933
Summer Camps	-	11,300	10,702	-	-	-	598
Power Cord Fee	-	135	135	-	-	-	-
Total restricted fund - restricted	13,006	55,430	58,497	-	3,586	-	6,353
Total all funds	\$ 177,676	\$ 229,772	\$ 241,852	\$ 3,723	\$ 3,723	\$ -	\$ 165,596

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

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

June 30, 2018

<u>Assets</u>		
Cash		\$ 168,302
Inventory		<u>14,990</u>
Total assets		<u><u>\$ 183,292</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 14,990
General fund - unassigned		105,182
Restricted fund - assigned		45,463
Restricted fund - restricted		<u>17,657</u>
Total fund balances		<u><u>\$ 183,292</u></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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Bookstore		\$ 48,306	\$ 42,190	\$ -	\$ -		
Spirit Wear		18,477	12,290	-	-		
Basketball Concessions		5,694	2,764	-	-		
Pictures		8,948	-	-	-		
School Yearbooks		16,572	14,389	-	-		
Spring Musical		62,056	40,778	-	-		
Donations		6,260	-	-	-		
Incentives/Awards/Student Body		-	2,304	-	-		
Vending Commissions		441	-	-	-		
Field Trips		28,356	29,543	-	-		
Administration		200	39,307	-	-		
Instruction		-	15,542	-	-		
Operations and Maintenance		-	1,730	-	-		
Total general fund	\$ 115,987	\$ 195,310	\$ 200,837	\$ -	\$ -	\$ 9,712	\$ 120,172

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 9,452	\$ 8,519	\$ 15,669	\$ -	\$ -	\$ -	\$ 2,302
Cross Country	-	7,398	5,795	-	-	-	1,603
Library	7,469	15,384	16,858	-	-	-	5,995
P.E.	3,173	182	1,350	-	-	-	2,005
Band	921	474	1,392	-	-	-	3
Chorus	1,218	3,077	1,899	-	-	-	2,396
Music / Strings	379	3,810	4,189	-	-	-	-
Guidance	683	1,228	1,593	-	-	-	318
Art Department	3,775	5,288	5,057	-	-	-	4,006
Technology Department	-	150	-	-	-	-	150
Accelerated Reader	43	-	-	-	-	-	43
STEM	1,172	1,300	772	-	-	-	1,700
Science Club	-	3,225	2,310	-	-	-	915
Technology Club	58	221	183	-	-	-	96
Builders Club	182	225	79	-	-	-	328
Jr. Beta Club	3,165	1,506	239	-	-	-	4,432
Jr. National Honor Society	3,009	971	1,000	-	-	-	2,980
Student Council	2,354	2,490	1,017	-	-	-	3,827
Girls Club	340	180	61	-	-	-	459
Glee Club	193	382	546	-	-	-	29
Pep Club	45	-	-	-	-	-	45
Environmental Club	349	97	446	-	-	-	-
Varsity Cheerleaders	4,534	1,469	1,278	-	-	-	4,725

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Pom Club	-	533	108	-	-	-	425
Destination Imagination	275	-	-	-	-	-	275
Intramural Club	282	1,020	688	-	-	-	614
Kids Care	15	315	326	-	-	-	4
Ceramics Club	310	252	189	-	-	-	373
Mathematical Olympiads	164	-	163	-	-	-	1
Math Counts	75	-	-	-	-	-	75
Best Buddies	303	-	75	-	-	-	228
Swim Team Club	374	897	753	-	-	-	518
Riverdale Rocks	6	210	178	-	-	-	38
Jr. Honor's Academy	73	460	461	-	-	-	72
Pay it Forward	-	201	199	-	-	-	2
Girls Basketball Club	-	340	233	-	-	-	107
Crafts of Love	-	36	29	-	-	-	7
Golf Club	-	1,466	1,373	-	-	-	93
Lost/Damaged Books	6	-	6	-	-	-	-
Board Allocations/Special Ed.	-	3,000	3,000	-	-	-	-
Board Allocations/TDF	-	16,638	16,638	-	-	-	-
BEP Allocations	-	34,120	34,120	-	-	-	-
Fee Waiver	-	3,000	2,418	-	-	-	582
Copier	8,164	5,259	12,574	-	-	-	849
21st Century Furniture	118	5,000	3,115	-	-	-	2,003
GMSD Collections	-	772	772	-	-	-	-
Teacher / Faculty Staff Morale	1,380	2,950	3,490	-	-	-	840
Total restricted fund - assigned	54,059	134,045	142,641	-	-	-	45,463

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, 2018

	July 01, 2017 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2018 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Restricted For:							
Germantown Education Foundation	4,875	-	-	-	-	-	4,875
Arts Grant	500	-	-	-	-	-	500
Ipads for All Lernalers	86	-	-	-	-	-	86
Putting the "T" in Stem	877	-	-	-	-	-	877
Restricted Donations	78	-	-	-	-	-	78
P.T.A Donations	7,576	10,059	8,673	-	-	-	8,962
Autism Donation	4	-	-	-	-	-	4
Clinic	19	-	16	-	-	-	3
Bonnie Tubbs	3,430	-	2,410	-	-	-	1,020
Summer Camps	-	13,840	12,588	-	-	-	1,252
Power Cord Fee	-	390	390	-	-	-	-
Laptop/Ipad Fee	-	345	345	-	-	-	-
Total restricted fund - restricted	17,445	24,634	24,422	-	-	-	17,657
Total all funds	\$ 187,491	\$ 353,989	\$ 367,900	\$ -	\$ -	\$ 9,712	\$ 183,292

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, 2018

Transferred from:	<u>Transferred to:</u>
	<u>General Fund</u>
Art Club	\$ 577
Destination Imagination	59
Rube Goldberg	227
Joggin Club	1
Chess Club	204
Steam Club	<u>107</u>
Total	<u>\$ 1,175</u>

See independent auditor's report.

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

For the Year Ended June 30, 2018

	<u>Transferred to:</u>
Transferred from:	<u>General Fund</u>
Project RTipads - RTI Coach	\$ 25
Project Library Tech for All	28
Craft Club	<u>177</u>
Total	<u><u>\$ 230</u></u>

See independent auditor's report.

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

For the Year Ended June 30, 2018

Transferred from:	<u>Transferred to:</u>
	<u>General Fund</u>
Science Club II	\$ 40
Physics Club	154
Ping Pong Club	530
Auditorium Donation	73
Campus Sign Donation	3
Facility Improvements Donation	217
Ultimate Club	457
Outdoors Club	681
Varsity BB Cheerleaders	<u>3,861</u>
 Total	 <u><u>\$ 6,016</u></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
Germantown, 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, 2018, 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 Internal School Funds' basic financial statements, and have issued our report thereon dated September 25, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 items 2018-001 through 2018-003, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Germantown Municipal School District Internal School Funds' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 items 2018-001 through 2018-003.

Germantown Municipal School District's Responses to Findings

Germantown Municipal School District's responses to the findings identified in our audit are described in the accompanying schedule of management's corrective action plan. Germantown Municipal School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



Memphis, Tennessee
September 25, 2018

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

June 30, 2018

Current Year Findings

2018-001 Account number and name were not included on receipt

Farmington Elementary

Condition – A receipt did not have an account number or name written on it.

Criteria – *Tennessee Internal School Uniform Accounting Policy Manual* Section 5, Title 2, Purchasing, p. 5-9 states, "The bookkeeper should record on his/her copy of the pre-numbered receipt the applicable account codes and corresponding amounts."

Cause – The school's personnel did not follow the prescribed policy.

Effect – There is a risk of not recording cash receipts to the proper account.

Recommendation – We recommend the school personnel follow the prescribed policy.

2018-002 Ticket event form was not signed by all parties at the close of activity and a date was missing.

Farmington Elementary

Condition – Ticket event form was not signed by all parties at the close of activity and a date was missing.

Criteria – *Tennessee Internal School Uniform Accounting Policy Manual* Section 5, Title 2, Purchasing, p. 5-5 states, "The collection record for these activities may consist of only a recorded count signed by two responsible individuals at the close of the activity."

Cause – The school's personnel did not follow the prescribed policy.

Effect – There is a risk of ticket sales not being accounted for properly.

Recommendation – We recommend the school personnel follow the prescribed policy.

2018-003 Collections not submitted in a timely manner

Houston High

Condition – Money for a ticket event was not turned into the cashier in a timely manner.

Criteria – *Tennessee Internal School Uniform Accounting Policy Manual* Section 5, Title 2, Revenue/Receipts, p. 5-3 state, "All collections by teacher/others should be remitted to the cashier daily or more frequently, if necessary."

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (cont.)**

June 30, 2018

Cause – Money collector did not remit funds in accordance with prescribed policy. In certain situations the money was turned in after the day's deposit had been made. There was no documentation as to the safekeeping of funds.

Effect – The risk of loss increases when cash is not stored in a secure manner.

Recommendation – We recommend the school personnel follow the prescribed policy.

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
MANAGEMENT'S CORRECTIVE ACTION PLAN**

June 30, 2018

The Germantown Municipal School District respectfully submits the following corrective action plan for the year ended June 30, 2018.

Corrective Action Plan Prepared by: Kevin Jones, Chief Financial Officer

Name and address of independent public accounting firm:

Watkins Uiberall, PLLC
1661 Aaron Brenner Drive, Suite 300
Memphis, TN 38120

Audit period:

June 30, 2018

The findings from the June 30, 2018, schedule of findings and responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2018-001 Account number and name were not included on receipt

Person(s) Responsible for Implementing the Corrective Action:

Zac Percoski, Principal
Judy Brewer, Financial Secretary

Anticipated Completion Date for Corrective Action: June 30, 2019

Planned Corrective Action:

Farmington Elementary School – Human error caused this finding. In the future, we will be more diligent in making sure the account number is recorded on the daily cash receipt.

2018-002 Ticket event form was not signed by all parties at the close of activity and a date was missing.

Person(s) Responsible for Implementing the Corrective Action:

Zac Percoski, Principal
Judy Brewer, Financial Secretary

Anticipated Completion Date for Corrective Action: June 30, 2019

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS
MANAGEMENT'S CORRECTIVE ACTION PLAN**

June 30, 2018

Planned Corrective Action:

Farmington Elementary School – Due to haste in preparing for the School Play, procedures for obtaining start-up change and ticket number verification were not followed. In the future, we will be more diligent with the details of completing the ticket reconciliation form.

2018-003 Collections not submitted in a timely manner

Person(s) Responsible for Implementing the Corrective Action:

Rob Taylor, Principal
Maria Comas, Financial Secretary

Anticipated Completion Date for Corrective Action: June 30, 2019

Planned Corrective Action:

Houston High School – Theatre ticket sales was not submitted to the office in a timely manner. We will continue to educate our teachers/school sponsors on the money collection process, and the importance of getting the deposit to the appropriate persons in a timely manner.

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

June 30, 2018

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2017-001	Purchase requisition form not properly cancelled	Corrected
2017-002	Collections not submitted in a timely manner	Repeated
2017-003	Records for fundraisers not properly maintained	Corrected