

**GERMANTOWN MUNICIPAL SCHOOL DISTRICT
INTERNAL SCHOOL FUNDS**

COMBINED FINANCIAL STATEMENTS

June 30, 2017



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

For the Year Ended June 30, 2017

Jason Manuel, Superintendent
Linda Fisher, Chairman, School Board Position 1
Betsy Landers, School Board Position 2
Suzanne Jones, School Board Position 3
Lisa Parker, Vice Chairman, School Board Position 4
Amy Eoff, 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, 2017, 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, 2017, 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, 2017, 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, 2017, 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, 2017, 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 5, 2017, 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, 2017, 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 5, 2017

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

June 30, 2017

	<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	\$ 83,806	\$ 94,892	\$ 379,989	\$ 177,676	\$ 182,213	\$ 918,576
Inventory	3,392	1,326	1,211	-	5,278	11,207
Total assets	<u>\$ 87,198</u>	<u>\$ 96,218</u>	<u>\$ 381,200</u>	<u>\$ 177,676</u>	<u>\$ 187,491</u>	<u>\$ 929,783</u>
<u>Fund Balances</u>						
General fund - nonspendable	\$ 3,392	\$ 1,326	\$ 1,211	\$ -	\$ 5,278	\$ 11,207
General fund - unassigned	53,108	15,901	136,317	104,507	110,709	420,542
Restricted fund - assigned	20,112	25,656	237,609	60,163	54,059	397,599
Restricted fund - restricted	10,586	53,335	6,063	13,006	17,445	100,435
Total fund balances	<u>\$ 87,198</u>	<u>\$ 96,218</u>	<u>\$ 381,200</u>	<u>\$ 177,676</u>	<u>\$ 187,491</u>	<u>\$ 929,783</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, 2017

	<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, 2016	\$ 71,358	\$ 72,556	\$ 452,823	\$ 161,332	\$ 197,965	\$ 956,034
Revenues	333,227	231,670	1,071,720	331,311	417,471	2,385,399
Expenditures	<u>315,632</u>	<u>208,165</u>	<u>1,137,959</u>	<u>314,967</u>	<u>427,621</u>	<u>2,404,344</u>
Excess of revenues over expenditures	17,595	23,505	(66,239)	16,344	(10,150)	(18,945)
Other Financing Sources (Uses)						
Changes in inventory	(1,755)	157	(5,384)	-	(324)	(7,306)
Transfers in	3,013	2,559	13,255	6,200	5,245	30,272
Transfers out	<u>(3,013)</u>	<u>(2,559)</u>	<u>(13,255)</u>	<u>(6,200)</u>	<u>(5,245)</u>	<u>(30,272)</u>
Total other financing sources (uses)	<u>(1,755)</u>	<u>157</u>	<u>(5,384)</u>	<u>-</u>	<u>(324)</u>	<u>(7,306)</u>
Excess of revenues and other sources over expenditures and other uses	<u>15,840</u>	<u>23,662</u>	<u>(71,623)</u>	<u>16,344</u>	<u>(10,474)</u>	<u>(26,251)</u>
Fund balances - June 30, 2017	<u>\$ 87,198</u>	<u>\$ 96,218</u>	<u>\$ 381,200</u>	<u>\$ 177,676</u>	<u>\$ 187,491</u>	<u>\$ 929,783</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, 2017

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, 2017, 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	\$ 11,207	\$ -
Restricted for:		
Grants	-	100,435
Assigned to:		
Library		19,048
Athletics	-	118,125
Class accounts	-	90,687
Club accounts	-	122,037
Other purposes	-	47,702
Unassigned	420,542	-
Total fund balances	<u>\$ 431,749</u>	<u>\$ 498,034</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, 2017, 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, 2017.

NOTE 5 - EMPLOYEE DISHONESTY COVERAGE

Germantown Municipal School District maintained Crime Coverage Insurance covering all employees for the year ended June 30, 2017. 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, 2017

<u>Assets</u>		
Cash		\$ 83,806
Inventory		<u>3,392</u>
Total assets		<u><u>\$ 87,198</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 3,392
General fund - unassigned		53,108
Restricted fund - assigned		20,112
Restricted fund - restricted		<u>10,586</u>
Total fund balances		<u><u>\$ 87,198</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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Bookstore		\$ 22,683	\$ 14,424	\$ 53	\$ -		
Spirit Wear		1,945	3,152	-	-		
Pictures		8,445	-	-	-		
School Yearbooks		7,057	-	-	-		
Unallocated Donations		90,012	39,292	-	-		
Incentives/Awards/Student Body		1,170	-	110	-		
Interest/Checking		-	309	-	-		
Vending Commissions		1,166	397	-	-		
Field Trips		42,497	39,385	-	-		
Dogwood Summer Camp		5,600	5,208	-	-		
Administration		660	15,982	-	-		
Instruction		400	57,168	-	-		
Ins Technology Fee		29,067	19,175	-	-		
Aleks Fee		5,845	5,845	-	-		
Math Fee		935	857	-	-		
Operations and Maintenance		-	798	-	-		
Total general fund	\$ 42,602	\$ 217,482	\$ 201,992	\$ 163	\$ -	\$ (1,755)	\$ 56,500

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, 2017

	July 01, 2016			Other Financing Sources/(Uses)			June 30, 2017 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Sports Club	\$ 922	\$ 8,994	\$ 9,313	\$ -	\$ -	\$ -	\$ 603
Library	3,723	7,830	9,360	-	-	-	2,193
P.E.	3,922	3,814	5,174	-	-	-	2,562
Music	839	-	130	-	-	-	709
Art Department	1,577	11,969	8,912	-	-	-	4,634
Art Club	577	-	-	-	-	-	577
Battle of the Books	15	210	201	-	-	-	24
Violin	1,950	-	1,944	-	-	-	6
Chorus/Music Club	971	3,560	3,622	-	-	-	909
Ambassadors	135	465	562	-	-	-	38
Safety Patrol Club	1,754	1,503	1,738	-	-	-	1,519
Chess Club	204	-	-	-	-	-	204
Destination Imagination	59	-	-	-	-	-	59
Rube Goldberg	227	-	-	-	-	-	227
Jogging Club	-	-	-	-	-	-	-
Steam Club	492	-	-	-	-	-	492
K-Kids Club	-	150	-	-	-	-	150
Lost Library Books	-	300	300	-	-	-	-
Board Allocations/TDF	-	13,041	12,988	2,850	2,903	-	-
BEP Allocations	-	22,553	20,355	-	-	-	2,198
Fee Waiver	588	252	-	-	-	-	840
Copier	1,892	6,745	6,932	-	-	-	1,705

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, 2017

	July 01, 2016		Other Financing Sources/(Uses)			June 30, 2017 Balance	
	Balance	Revenues	Expenditures	Transfers In	Transfers Out		Changes in Inventory
21st Century Furniture	5,000	5,000	9,699	-	-	-	301
Community Collections	-	306	306	-	-	-	-
Teacher / Faculty Staff Morale	-	2,675	2,513	-	-	-	162
Total restricted fund - assigned	24,847	89,367	94,049	2,850	2,903	-	20,112
Restricted Fund - Restricted For:							
Local/City Grants	368	-	345	-	-	-	23
Germantown Ed Foundation Grant	323	19,726	10,987	-	-	-	9,062
Germantown Performing Arts	-	500	500	-	-	-	-
P.T.A. Donation	-	1,501	-	-	-	-	1,501
Target Donation	3,108	-	3,108	-	-	-	-
Staff Development	-	4,651	4,651	-	-	-	-
Aleks Math	110	-	-	-	110	-	-
Total restricted fund - restricted	3,909	26,378	19,591	-	110	-	10,586
Total all funds	\$ 71,358	\$ 333,227	\$ 315,632	\$ 3,013	\$ 3,013	\$ (1,755)	\$ 87,198

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, 2017

<u>Assets</u>		
Cash		\$ 94,892
Inventory		<u>1,326</u>
Total assets		<u>\$ 96,218</u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 1,326
General fund - unassigned		15,901
Restricted fund - assigned		25,656
Restricted fund - restricted		<u>53,335</u>
Total fund balances		<u>\$ 96,218</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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers out Out	Changes in Inventory	
General Fund							
Bookstore		\$ 28,691	\$ 22,152	\$ -	\$ -		
Pictures		9,968	-	-	-		
School Yearbooks		3,070	2,551	-	-		
Unallocated Donations		3,314	-	1,208	-		
Incentives/Awards/Student Body		-	5	-	-		
Entertainment/Student Body		-	85	-	-		
Vending Concessions		528	-	-	-		
Field Trips		14,211	13,445	-	-		
Kindergarden Camp		5,000	4,806	-	-		
Administration		14	7,035	-	-		
Star-up Change		350	350	-	-		
Instruction		2,447	37,533	-	-		
Ins Supplies/Materials		-	3,022	-	-		
Operations and Maintenance		-	2,145	-	-		
Total general fund	\$ 41,398	\$ 67,593	\$ 93,129	\$ 1,208	\$ -	\$ 157	\$ 17,227

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, 2017

	July 01, 2016			Other Financing Sources/(Uses)			June 30, 2017 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers out Out	Changes in Inventory	
Restricted Fund - Assigned for:							
Library	\$ 5,126	\$ 16,857	\$ 16,657	\$ -	\$ -	\$ -	\$ 5,326
P.E.	185	755	940	-	-	-	-
Music	301	350	558	500	-	-	593
Drama	884	13,063	12,157	-	1,000	-	790
Art	1,751	1,359	2,079	500	-	-	1,531
Guitar Club	33	623	587	-	-	-	69
Chorus/Music Club	44	-	-	-	-	-	44
Kiwanis Club	16	-	-	-	-	-	16
Environmental Club	864	-	-	-	864	-	-
Destination Imagination	-	190	98	-	-	-	92
Manners Club	1,075	1,380	1,420	-	-	-	1,035
Farmington Fields	344	-	-	-	344	-	-
Math Club	187	1,310	1,447	-	-	-	50
Craft Club	177	-	-	-	-	-	177
Steam Club	113	100	17	-	-	-	196
Passport Club	116	-	-	-	-	-	116
Falcon 5k Club	85	3,074	3,056	-	-	-	103
2nd Grade Activities	93	-	-	-	-	-	93
4th Grade Activities	234	-	-	-	-	-	234
5th Grade Activities	1,205	7,685	1,405	-	-	-	7,485
Board Allocations/Special Ed.	184	3,000	3,183	-	-	-	1
Board Allocations/TDF	188	11,209	11,285	351	351	-	112
BEP Allocations	4	23,654	23,358	-	-	-	300

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, 2017

	July 01, 2016			Other Financing Sources/(Uses)			June 30, 2017 Balance
	Balance	Revenues	Expenditures	Transfers In	Transfers out Out	Changes in Inventory	
Fee Waiver	1,246	54	-	-	-	-	1,300
Copier	2,481	2,574	5,055	-	-	-	-
21st Century Furniture	4,931	5,000	7,013	-	-	-	2,918
Community Collections	-	6,427	6,427	-	-	-	-
Teacher /Faculty Staff Morale	-	4,175	1,100	-	-	-	3,075
Total restricted fund - assigned	21,867	102,839	97,842	1,351	2,559	-	25,656
Restricted Fund - Restricted for:							
Race for Education	527	-	527	-	-	-	-
Greater Memphis Arts Council	2,413	-	361	-	-	-	2,052
Exxon Grant	244	-	244	-	-	-	-
Fitness Park Grant	9	-	9	-	-	-	-
Germantown Education Foundation	3,034	13,582	2,324	-	-	-	14,292
Deaton 1 to 1 Ipad Classroom	-	4,600	4,600	-	-	-	-
Project Rtipdads - RTI Coach	-	1,200	1,175	-	-	-	25
Restricted Donations	103	-	-	-	-	-	103
P.T.A Donations	-	41,000	5,405	-	-	-	35,595
P.E. Donations	17	-	17	-	-	-	-

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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers out Out	Changes in Inventory	
Special Ed Donation	194	856	192	-	-	-	858
Leadership Germantown	2,750	-	2,340	-	-	-	410
Total restricted fund - restricted	9,291	61,238	17,194	-	-	-	53,335
Total all funds	<u>\$ 72,556</u>	<u>\$ 231,670</u>	<u>\$ 208,165</u>	<u>\$ 2,559</u>	<u>\$ 2,559</u>	<u>\$ 157</u>	<u>\$ 96,218</u>

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, 2017

<u>Assets</u>		
Cash		\$ 379,989
Inventory		1,211
		381,200
Total assets		\$ 381,200
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 1,211
General fund - unassigned		136,317
Restricted fund - assigned		237,609
Restricted fund - restricted		6,063
		381,200
Total fund balances		\$ 381,200

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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Resale Items		\$ 22,969	\$ 21,535	\$ -	\$ -		
Pictures		9,902	-	-	-		
School Yearbooks		35,280	21,984	-	-		
Unallocated Donations		34	-	716	-		
Incentives/Awards/Student Body		-	1,745	-	-		
Vending Concession		3,859	-	-	-		
Field Trips		-	1,886	-	-		
Administration		5,253	81,787	-	-		
Instruction		160,460	163,481	-	-		
Summer School Fee		17,380	11,216	-	-		
Operations and Maintenance		-	8,198	-	-		
Total general fund	\$ 198,891	\$ 255,137	\$ 311,832	\$ 716	\$ -	\$ (5,384)	\$ 137,528

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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 95,283	\$ 233,994	\$ 238,862	\$ 10,910	\$ 11,330	\$ -	\$ 89,995
Circulation Library	3,144	5,595	5,016	-	-	-	3,723
Reference Library	4,074	6,328	5,691	-	-	-	4,711
Orchestra	2,613	2,002	3,670	-	-	-	945
Science Department I	72	-	-	-	72	-	-
Science Department II	246	-	-	-	-	-	246
Graduation	-	12,158	11,654	-	-	-	504
Project Graduation	-	5,690	5,840	150	-	-	-
Art 1	4,152	9,632	11,198	-	-	-	2,586
Art 2	1,317	9,257	10,268	-	-	-	306
Special Education	1,312	1,973	1,362	-	-	-	1,923
Dual Enrollment	-	36,444	36,416	-	-	-	28
Student Activity	7,845	920	4,794	470	-	-	4,441
Stem	1,024	2,145	3,121	-	-	-	48
Class Accounts	131	1,050	711	-	470	-	-
Family and Consumer Science	4,741	9,686	9,793	-	-	-	4,634
Vocational Board Allocations	785	8,350	8,123	-	-	-	1,012
General Clubs	97,454	307,241	292,310	-	762	-	111,623
Gen. Class Act/Incent/Ent.	27	5	-	-	-	-	32
Lost/Damaged Books	95	2,235	2,330	-	-	-	-
Board Property Damage	-	350	350	-	-	-	-
Board Allocations/Special Ed	-	3,600	3,510	89	89	-	90
Board Allocations/TDF	-	21,200	21,200	-	-	-	-
BEP Allocations	-	47,347	47,347	-	-	-	-
T.V. Studio	-	5,840	5,771	-	-	-	69
Fee Waiver	3,368	-	2,409	-	-	-	959
Copier	2,227	7,940	10,167	-	-	-	-
21st Century Furniture	-	7,000	-	-	-	-	7,000

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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Community Collections	-	28,044	28,544	500	-	-	-
Teacher / Faculty Staff Morale	-	5,533	2,799	-	-	-	2,734
Total restricted fund - assigned	229,910	781,559	773,256	12,119	12,723	-	237,609
Restricted Fund - Restricted For:							
SCS Education Foundation Grant	291	-	-	-	-	-	291
Tennessee Humanities Grant	-	1,500	1,500	-	-	-	-
Civitan F/S Grant	3,660	-	555	-	-	-	3,105
Germantown Education Foundation	1,595	1,795	1,535	-	-	-	1,855
Rocky Mtn. Elk Foundation	-	1,000	500	-	-	-	500
Sensory Grant	-	250	250	-	-	-	-
MidwayUSA Foundation	-	541	541	-	-	-	-
P.T.A. Donation	13,500	-	13,500	-	-	-	-
Campus Sign Donation	3	-	-	-	-	-	3
Health Room Donation	78	400	459	-	-	-	19
Facility Improvements Donation	217	-	-	-	-	-	217
G'town Charity Horse Show	1,396	-	1,396	-	-	-	-
Auditorium Donation	-	10,000	9,927	-	-	-	73
Leadership Germantown	2,750	-	2,750	-	-	-	-
Soccer Scholarship	532	-	-	-	532	-	-
JDFR/Breast Cancer Walk	-	1,165	1,165	-	-	-	-
St. Jude's	-	18,373	18,793	420	-	-	-
Total restricted fund - restricted	24,022	35,024	52,871	420	532	-	6,063
Total all funds	\$ 452,823	\$ 1,071,720	\$ 1,137,959	\$ 13,255	\$ 13,255	\$ (5,384)	\$ 381,200

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, 2017

<u>Assets</u>	
Cash	<u><u>\$ 177,676</u></u>
 <u>Fund Balances</u>	
General fund - unassigned	\$ 104,507
Restricted fund - assigned	60,163
Restricted fund - restricted	<u>13,006</u>
 Total fund balances	 <u><u>\$ 177,676</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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Pictures		\$ 1,228	\$ -	\$ -	\$ -		
School Yearbooks		9,300	7,799	-	-		
Unallocated Donations		10	-	-	-		
Incentives/Awards/Student Body		-	97	-	-		
Vending Concession		331	-	-	-		
Field Trips		6,333	6,299	-	-		
Administration		953	3,774	-	-		
Instruction		18,100	19,301	-	-		
Operations and Maintenance		-	2,135	-	-		
Total general fund	\$ 107,657	\$ 36,255	\$ 39,405	\$ -	\$ -	\$ -	\$ 104,507

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, 2017

	July 01, 2016			Transfers	Transfers	Changes in	June 30, 2017
	Balance	Revenues	Expenditures	In	Out	Inventory	Balance
Restricted Fund - Assigned For:							
Athletics	\$ 4,377	\$ 13,587	\$ 12,611	\$ -	\$ -	\$ -	\$ 5,353
Library	5,784	7,169	8,893	-	-	-	4,060
P.E.	2,909	43,000	34,026	-	-	-	11,883
Band	798	819	1,520	-	-	-	97
Chorus	287	3,085	2,686	-	-	-	686
Music / Strings	1,277	-	776	-	-	-	501
Drama	6,462	-	-	-	-	-	6,462
Art Department	1,222	11,285	10,327	-	-	-	2,180
Technology Department	2,378	23,355	15,949	-	-	-	9,784
Inventions/Innovations (INI)	3,272	8,189	8,240	-	-	-	3,221
Guitar	629	825	716	-	-	-	738
STEM	4	1,700	1,703	-	-	-	1
General Class Activities	-	273	271	-	-	-	2
General Club Activities	13,250	29,772	32,447	-	-	-	10,575
Lost/Damaged Books	-	329	329	-	-	-	-
Board Allocations/Special Ed	-	1,200	1,200	1,200	1,200	-	-
Board Allocations/TDF	-	10,400	10,396	5,000	5,000	-	4
BEP Allocations	-	25,690	24,079	-	-	-	1,611
Fee Waiver	980	220	138	-	-	-	1,062
Copier	2,214	5,126	6,171	-	-	-	1,169
21st Century Furniture	-	5,000	5,000	-	-	-	-
GMSD Collections	-	16,350	16,350	-	-	-	-
Community Collections	-	12,107	12,107	-	-	-	-

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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Sunshine	527	749	824	-	-	-	452
Teacher / Faculty Staff Morale	-	2,970	2,648	-	-	-	322
Total restricted fund - assigned	46,370	223,200	209,407	6,200	6,200	-	60,163
Restricted Fund - Restricted For:							
SCS Education Foundation Grant	1,097	-	-	-	-	-	1,097
Germantown Education Foundation	1,896	2,266	1,896	-	-	-	2,266
EV# Robot Kids - 8th Grade Stem	-	6,817	6,817	-	-	-	-
21st Century Classroom Makeover	-	2,000	1,778	-	-	-	222
James Patterson/Scholastic	-	3,000	976	-	-	-	2,024
Furniture Donations	-	17,930	17,471	-	-	-	459
Restricted Donations	7	-	-	-	-	-	7
P.T.A. Donation	30	10,413	10,377	-	-	-	66
Science Lab Donation	-	2,000	999	-	-	-	1,001
Leadership Germantown	2,750	-	2,750	-	-	-	-
Locker Donation	1,525	340	-	-	-	-	1,865
Cultural Arts Donation	-	4,000	1,934	-	-	-	2,066
Ron Clark Academy	-	23,090	21,157	-	-	-	1,933
Total restricted fund - restricted	7,305	71,856	66,155	-	-	-	13,006
Total all funds	\$ 161,332	\$ 331,311	\$ 314,967	\$ 6,200	\$ 6,200	\$ -	\$ 177,676

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, 2017

<u>Assets</u>		
Cash		\$ 182,213
Inventory		<u>5,278</u>
Total assets		<u><u>\$ 187,491</u></u>
 <u>Fund Balances</u>		
General fund - nonspendable		\$ 5,278
General fund - unassigned		110,709
Restricted fund - assigned		54,059
Restricted fund - restricted		<u>17,445</u>
Total fund balances		<u><u>\$ 187,491</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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
General Fund							
Bookstore		\$ 44,678	\$ 33,156	\$ -	\$ -		
Spirit Wear		15,321	9,189	-	-		
Basketball Concessions		5,840	3,494	-	-		
Pictures		10,432	-	-	-		
School Yearbooks		17,413	16,597	-	-		
Spring Musical		39,138	28,704	-	-		
Unallocated Donation		10,829	-	5,245	-		
Incentives/ Awards/Student Body		-	1,756	-	-		
Vending Concessions		622	-	-	-		
Field Trips		54,956	54,154	-	-		
Summer Camp		5,690	4,122	-	-		
Administration		1,540	3,533	-	-		
Instruction		35	59,460	-	-		
Operations and Maintenance		-	3,868	-	-		
Total general fund	\$ 122,605	\$ 206,494	\$ 218,033	\$ 5,245	\$ -	\$ (324)	\$ 115,987

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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Restricted Fund - Assigned For:							
Athletics	\$ 11,868	\$ 7,686	\$ 10,103	\$ -	\$ -	\$ -	\$ 9,451
Library	7,822	17,565	17,918	-	-	-	7,469
P.E.	2,840	518	185	-	-	-	3,173
Band	914	644	637	-	-	-	921
Chorus	3,990	11,757	14,529	-	-	-	1,218
Music / Strings	679	1,051	1,351	-	-	-	379
Guidance	300	2,124	1,741	-	-	-	683
Art Department	3,449	6,417	6,091	-	-	-	3,775
Accelerated Reader	43	-	-	-	-	-	43
STEM	775	1,300	903	-	-	-	1,172
General Class Activities	88	-	88	-	-	-	-
Riverdale Runners	1,065	-	-	-	1,065	-	-
Chinese Club	117	-	-	-	117	-	-
Computer Club	260	-	-	-	260	-	-
Technology Club	32	182	156	-	-	-	58
Builders Club	343	80	241	-	-	-	182
Chorus/Music Club	2	-	-	-	2	-	-
Jr. Beta Club	4,448	5,488	6,771	-	-	-	3,165
Jr. National Honor Society	2,698	1,853	1,543	-	-	-	3,008
Student Council	2,260	4,538	4,443	-	-	-	2,355
Girls Club	150	190	-	-	-	-	340
Glee Club	364	240	411	-	-	-	193
Pep Club	-	255	210	-	-	-	45
Chess Club	841	-	-	-	841	-	-
Environmental Club	2,078	150	1,879	-	-	-	349
Varsity Cheerleaders	8,203	12,970	16,639	-	-	-	4,534
Riverdale Ropers	2,668	-	-	-	2,668	-	-
Riverdale Jr. Ropers	293	-	1	-	292	-	-

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, 2017

	July 01, 2016 Balance	Revenues	Expenditures	Other Financing Sources/(Uses)			June 30, 2017 Balance
				Transfers In	Transfers Out	Changes in Inventory	
Jr. Honor's Academy	-	387	314	-	-	-	73
Kindergarden Activities	81	-	81	-	-	-	-
Lost/Damaged Books	37	11	42	-	-	-	6
Board Allocations/Special Ed	-	2,700	2,700	-	-	-	-
Board Allocations/TDF	-	15,207	15,207	-	-	-	-
BEP Allocations	-	32,597	32,597	-	-	-	-
Fee Waiver	895	2,385	3,280	-	-	-	-
Copier	10,145	6,307	8,288	-	-	-	8,164
21st Century Furniture	-	5,000	4,882	-	-	-	118
Teacher / Faculty Staff Morale	-	3,775	2,395	-	-	-	1,380
GMSD Collections	-	7,550	7,550	-	-	-	-
Total restricted fund - assigned	<u>70,818</u>	<u>154,776</u>	<u>166,290</u>	<u>-</u>	<u>5,245</u>	<u>-</u>	<u>54,059</u>
Restricted Fund - Restricted For:							
Germantown Ed Foundation Grant	1,000	3,875	-	-	-	-	4,875
Arts Grant	-	500	-	-	-	-	500
Ipads for All Lernalers	-	10,000	9,914	-	-	-	86
Putting the "T" in Stem	-	4,000	3,123	-	-	-	877
Restricted Donations	78	-	-	-	-	-	78
P.T.A. Donation	25	37,551	30,000	-	-	-	7,576
Autism Donation	4	-	-	-	-	-	4
Clinic	5	275	261	-	-	-	19
Bonnie Tubbs	3,430	-	-	-	-	-	3,430
Total restricted fund - restricted	<u>4,542</u>	<u>56,201</u>	<u>43,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,445</u>
Total all funds	<u>\$ 197,965</u>	<u>\$ 417,471</u>	<u>\$ 427,621</u>	<u>\$ 5,245</u>	<u>\$ 5,245</u>	<u>\$ (324)</u>	<u>\$ 187,491</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, 2017

<u>Transferred From:</u>	Transferred To:		
	Restricted Fund	General Fund	Total
Aleks math	\$ -	\$ 110	\$ 110
Belote	-	53	53
School pool	2,850	-	2,850
Total	\$ 2,850	\$ 163	\$ 3,013

See independent auditor's report.

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

For the Year Ended June 30, 2017

<u>Transferred from:</u>	<u>Transferred to:</u>		
	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Total</u>
Environmental club	\$ -	\$ 864	\$ 864
Farminginton fields	-	344	344
Drama	1,000	-	1,000
School pool	351	-	351
	<u>351</u>	<u>-</u>	<u>351</u>
Total	<u>\$ 1,351</u>	<u>\$ 1,208</u>	<u>\$ 2,559</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, 2017

<u>Transferred From:</u>	<u>Transferred To:</u>		
	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Total</u>
Science department	\$ -	\$ 72	\$ 72
Soccer scholarship	-	532	532
Computer club	-	67	67
Builder's club	-	45	45
Football	10,420	-	10,420
Class accounts	470	-	470
Soccer tournament	910	-	910
SPED	89	-	89
Club accounts	650	-	650
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 12,540</u>	<u>\$ 716</u>	<u>\$ 13,255</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, 2017

<u>Transferred From:</u>	<u>General Fund</u>
Riverdale runners	\$ 1,065
Club accounts	1,220
Riverdale ropers	<u>2,960</u>
Total	<u><u>\$ 5,245</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, 2017, 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 5, 2017.

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 2017-001 through 2017-003, 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 2017-001 through 2017-003.

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 findings and recommendations. 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.

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

Memphis, Tennessee
September 5, 2017

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

June 30, 2017

Current Year Findings

2017-001 Purchase requisition form not properly cancelled

Dogwood Elementary

Condition – Purchase requisition forms and/or invoices were not properly cancelled.

Criteria – *Tennessee Internal School Uniform Accounting Policy Manual* Section 5, Title 3, Purchasing, p. 5-13 states, “After payment is made, each page of the invoice and attached documentation, including the purchase authorization and receiving report/delivery receipt, should be stamped “Paid” or cancelled in some manner to prevent duplicate payment.”

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

Effect – There is an increased in risk of duplicate payments being made for one purchase.

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

Management Response - It is our practice to stamp PAID on all disbursement documentation per the Tennessee Internal School Uniform Accounting Policy Manual. With the large volume of financial transactions and interruptions, human error seems unavoidable. On all samples pulled in audit one piece of documentation was left unstamped.

2017-002 Collections not submitted in a timely manner

Farmington Elementary

Condition – Receipts/collections not submitted in a timely manner.

Criteria – *Tennessee Internal School Uniform Accounting Policy Manual* Section 5, Title 2, Purchasing, p. 5-3 states, "All money must be deposited within three days of the initial collection."

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.

Management Response – Teacher turned in money to office after the day’s deposit had been made. Collection documentation was not stamped showing date money was taken and verification of amount had been done. We will continue to stress the importance of completing the procedure that is in place for money turned in after hours.

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

June 30, 2017

2017-003 Records for fundraisers not properly maintained

Farmington Elementary

Condition – Internal records were not maintained for certain fundraisers that would enable the school to independently verify the profit due to the school.

Criteria – *Tennessee Internal School Uniform Accounting Policy Manual* Section 4, Title 8, Fundraising and Resale Activities, p. 4-32 states, "If an outside vendor makes the collections, the school must independently verify total sales and total collections to ensure proper division of profits. The documentation used to verify the school's percentage must be internally generated, not received from an outside party (the vendor)."

Effect– Audit trail is not being maintained which could lead to an underreporting of revenue by the vendor.

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

Management Response - To verify independently that proceeds received for the school's share of the profit from school pictures is difficult. We worked with the auditors after this finding was disclosed to come up with a logical way to verify funds when it involves an outside vendor collecting money.

Our financial secretaries at GMSD work diligently to follow the procedures outlined in the Tennessee Internal School Uniform Policy Manual. However, due to the volume of financial transactions in our schools and the nature of human error, mistakes do occur.

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

June 30, 2017

Finding Number	Finding Title	Status
2016-001	Delivery receipt was not signed or dated	Corrected