



**BOARD OF EDUCATION OF  
SHELBY COUNTY, TENNESSEE**

**(A COMPONENT UNIT OF SHELBY COUNTY, TENNESSEE)**

**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**

**For the Fiscal Year Ended June 30, 2019**

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**Board of Education  
Shelby County, Tennessee**

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**Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
June 30, 2019**

**Prepared by:**

Shelby County Board Of Education  
(A Component Unit of Shelby County, Tennessee)

Department of Finance



# Table of Contents

## INTRODUCTORY SECTION

Government Finance Officers Association Award	3
Association of School Business Officials Award	4
Letter of Transmittal	5
Shelby County Board of Education	17
Organizational Chart	18

## FINANCIAL SECTION

Independent Auditor's Report	21
Management's Discussion and Analysis	25

## BASIC FINANCIAL STATEMENTS

### Government-wide Financial Statements:

Statement of Net Position	45
Statement of Activities	46

### Fund Financial Statements:

Balance Sheet – Governmental Funds	48
Reconciliation of the Governmental Funds Balance Sheet to the Government wide Statement of Net Position	49
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	50
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes In Fund Balances to the Government wide Statement of Activities	51
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	52
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Food Service Fund	53
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Categorically Aided Fund	54
Statement of Net Position – Proprietary Fund	55
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund	56
Statement of Cash Flows – Proprietary Fund	57
Statement of Fiduciary Net Position	58
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	59

Notes to the Basic Financial Statements	61
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## REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions	109
Schedule of Investment Returns	110
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	111
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Non-Teacher	112
Schedule of Contributions TCRS	113
Schedule of Proportionate Share of the Net Pension Asset	114
Schedule of Contributions Based on Participation in the Teacher Pension Plan of TCRS	115
OPEB Schedule of Changes in the Net OPEB Liability and Related Ratios	116
OPEB Schedule of Contributions	117
OPEB Schedule of Investment Returns	118

## COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Statement of Net Position – Internal Service Funds	121
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	122
Combining Statement of Cash Flows – Internal Service Funds	124

## Table of Contents (continued)

Combining Statement of Fiduciary Net Assets - Fiduciary Trust Funds .....	129
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Trust Funds .....	130
Statement of Changes in Assets and Liabilities – Agency Fund .....	133
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund .....	134

### Capital Assets Information

Schedule of General Capital Assets by Function and Activity .....	135
Schedule of Changes in General Capital Assets by Function and Activity .....	136

### Debt Information

Schedule of General Long-Term Obligations .....	138
---	-----

## STATISTICAL SECTION (Unaudited)

Overview .....	143
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### Financial Trends

Net Position by Component .....	146
Statement of Activities .....	148
General Revenues and Total Changes in Net Position .....	150
Fund Balances, Governmental Funds .....	152
Ten-Year Summary of Governmental Funds Revenues and Expenditures .....	154
Ten-Year Comparison of General Fund Balance to Expenditures and Other Uses .....	156

### Revenue Capacity

Assessed Value and Estimated Actual Value of Taxable Property .....	158
Property Tax Rates and Levies .....	160
Principal Property Tax Payers – Current Year and Nine Years Ago .....	162

### Debt Capacity

Outstanding Debt by Type .....	167
Ten-Year Comparison of Bonded Debt to Assessed Value, Estimated Actual Value and Population .....	168
Percentage of Debt Service to Non-Capital Expenditures – Last Ten Fiscal Years .....	169

### Demographic and Economic Information

Demographic and Economic Statistics .....	173
Principal Employers, Current Year and Nine Years Ago .....	174

### Operating Information

Operating Statistics .....	178
Weighted Full-time Equivalent Average Daily Attendance .....	181
Staff by Type .....	182
Summary of Buildings and Sites .....	184
Schedule of Major Insurance Coverage .....	226
Graduation Information .....	227
School Lunch Program .....	228
Pupil Transportation .....	230

## STATUTORY REPORTING SECTION

Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters .....	235
Independent Auditor's Report on Compliance with Requirements applicable to each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	237
Schedule of Expenditures of Federal and State Awards .....	239
Notes to the Schedule of Expenditures of Federal and State Awards .....	243
Schedule of Findings and Questioned Costs .....	244
Management's Corrective Action Plan .....	247
Summary of Prior Year Findings .....	249

# **Introductory Section**

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Shelby County Board of Education  
Tennessee**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Shelby County Board of Education**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

**Tom Wohlleber, CSR**  
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

**David J. Lewis**  
Executive Director



160 S. Hollywood Street • Memphis, TN 38112 • (901) 416-5300 • [www.SCSK12.org](http://www.SCSK12.org)

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December 13, 2019

Citizens and Shelby County Board of Education  
Shelby County, TN

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completion and accuracy of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Watkins Uiberall, PLLC and Banks, Finley, White & Co. have issued an unmodified (“clean”) opinion on the Shelby County Board of Education’s financial statement for the year ended June 30, 2019. Their independent report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction.

## **PROFILE OF THE SHELBY COUNTY BOARD OF EDUCATION**

The first Shelby County-funded school opened in January 1871, and after five months of operation, the trustee for the school reported spending \$554.20.

Shelby County Schools has grown from this modest beginning to now being the largest school district in the state of Tennessee and one of the largest districts in the nation.

During the last several years, Shelby County Schools (SCS) has experienced monumental change. On December 20, 2010, the Memphis City Board of Commissioners voted to surrender Memphis City Schools' (MCS) Charter. Tennessee Code Annotated required that a referendum be held. Memphis voters ratified the Board's decision to transfer the administration of Memphis City Schools to Shelby County Schools on March 8, 2011. Shelby County Schools filed a complaint for declaratory judgment on February 11, 2011, and a U.S. District Judge ruled in August 2011 that Memphis City Schools would cease to exist at the conclusion of the 2012-2013 school year. Governor Bill Haslam approved House Bill 1288 in April 2013, paving the way for the creation of six new municipal school districts in Shelby County. The voters approved the separate school districts in a special referendum held in July 2013. As a result, 33 Shelby County schools became part of the municipal school districts for the 2014-2015 school year.

Shelby County Schools – before the merger with the former Memphis City Schools, – was the fourth largest school district in Tennessee. After the merger, Shelby County Schools became the largest school district in Tennessee and remains the largest after the creation of the municipal school districts. The District includes most of the public schools within the City of Memphis – excluding those served by the Achievement School District (ASD) and State Board of Education – and all schools in the unincorporated areas of Shelby County, TN. SCS educated 103,015 students in grades Kindergarten through-12, including charter schools, in 204 locations in fiscal year 2018-19.

During fiscal year 2018-19, the student demographic was 76.7 percent African American, 7.1 percent Caucasian, 14.3 percent Hispanic, 1.9 percent Asian/Pacific Islander, and 3 percent other races and nationalities. The District had a composite ACT score of 17.5 compared to the State's average of 20.2. The SCS graduation rate was 79.6 percent in 2019 compared to the State's rate of 89.1 percent.

Shelby County Schools is a component unit of Shelby County Government, which is defined as the oversight entity by GASB Codification Section 2100. Reporting for SCS follows the criteria established by the Governmental Accounting Standards Board (GASB). During fiscal year 2019, the District was governed by a nine-member Shelby County Board of Education. The Board members elect a member to serve as Chairman and a member to serve as Vice Chairman of the Board for a one-year term.

## **PROFILE OF SHELBY COUNTY**

Shelby County is located on the southwest corner of Tennessee, at the east bank of the Mississippi River. Shelby is the state's largest county, with the city of Memphis as the county seat. The corporate limits contain 785 square miles and include seven incorporated municipalities: Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The County's 2018 population was 927,644 according to the U.S. Census Bureau. The County is empowered to levy, without limit, a property tax on both real and personal property located within its boundaries.

Shelby County was incorporated in 1819. It currently operates under the Mayor-Commission style of government, with the Mayor as chief executive officer. The Mayor oversees the operations of the County's six divisions. The 13 members of the Shelby County Board of Commissioners – as the legislative branch of government – reviews and approves county programs and budgets. The Mayor and each Commissioner serve four-year terms. The Assessor, Circuit Court Clerk, County Clerk, Criminal Court Clerk, General Sessions Court Clerk, Juvenile Court Clerk, Probate Court Clerk and Sheriff are also elected to four-year terms.

## **LOCAL ECONOMIC OUTLOOK**

As of June 2019, the Memphis Statistical Area generally outperformed the nation in terms of annual employment growth, the unemployment rate, and the issuance of building permits. Personal income growth and manufacturing forecasts for the Memphis area exceeded the national performance. The following points illustrate these assessments:

Based on the data reported by the Bureau of Labor Statistics economic conditions in the Memphis area at the close of second quarter 2019, the annual growth of employment, building permits and housing prices was 1.2 percent, 13.3 percent, and 5.3 percent, respectively, in the Memphis Statistical Area (MSA) and 0.5 percent, negative 10.0 percent, and 3.17 percent, respectively, in the nation. At the same time, the annual growth of personal income was 5.0 percent in Tennessee and 4.9 percent in the nation. Net job gains in the Mining, Logging, and Construction; Professional and Business Services; and Leisure and Hospitality sectors have been the key drivers of this trend. Employment growth in the Memphis surpassed the nation's rates by 0.5 percent the second quarter of 2019. Due to the favorable job claims, the local unemployment rate decreased marginally from 4.9 percent in the second quarter 2018 to 4.8 percent in the same period in 2019. The Memphis unemployment rate of 4.8 percent is 1.0 percent higher than the national rate.

### *Changes in Employment and Unemployment Rate*

Measured against the previous year (June 2018), total non-farm employment only rose by a percentage of 2.1 in the Memphis zone. In the Memphis Statistical Area, employment in the Trade, Transportation, and Utilities rose 0.9 percent. This sector represents approximately 26.78 percent of the labor force. The highest growth areas were and Leisure and Hospitality (5.2 percent), Mining, Logging, and Construction (7.6 percent); Professional and Business Service (3.5 percent); which account for 11.34 percent, 3.87 percent, and 15.20 percent of the labor force, respectively. The remaining growth areas were Financial Activities (2.7 percent), Manufacturing (1.8 percent), Government (1.0 percent), Education and Health Services (.6 percent), and Other Services (.4 percent). The Information sector demonstrated employment losses that partially offset the growth in the above-mentioned sectors. Overall, the employment picture improved by 2.1 percent from June 2018 to June 2019.

### *Personal Income Growth*

For several quarters before the national recession, which started in 2007, personal income growth in Tennessee was less than the nation. Between the second quarter of 2018 and the second quarter of 2019, personal income grew 5.0 percent in Tennessee, compared with 4.9 percent in the nation.

### *Manufacturing Forecasts*

On the manufacturing side, the Memphis area's manufacturing employment increased 0.5 percent in the second quarter, as compared to a 0.2 percent increase in the state of Tennessee and a 0.9 percent increase in the nation. The durable goods sector experienced moderate employment growth in the State by 1.95 percent and 1.94 percent in the nation, while it increased 1 percent in Memphis. The employment rate of non-durable goods sector declined 0.62 percent in Memphis and 0.69 percent in the U.S., while the state of Tennessee increased 1.42 percent.

### *Building Permits*

Relative to the same period last year, housing activity in Shelby County has been strong in 2019. The number of new residential building permits issued in Shelby County during 2019 was slightly higher in the same period in 2018. In comparison, national housing activity declined 13.3 percent. Home prices in the Memphis area increased by 5.5 percent from June 2018 to June 2019, while national home prices increased 3.2 percent year over year in the same period.

### *Projected Enrollment*

The District's enrollment projections for fiscal year 2019-20 estimate that it will serve 104,770 students in grades kindergarten through grade 12. The estimate is a decrease of 336 students from the fiscal year 2018-2019 20-day end-of-month membership count of 105,269. Of the 2019-20 estimated student population, 18,802 are expected to enroll in one of the District's 57 charter schools.

### *Charter Schools*

In 2002, the State of Tennessee passed the Tennessee Public Charter Schools Act. The Act permits the Board to authorize the establishment of public charter schools with the primary purpose of improving the learning for all students and closing the achievement gap between high- and low-performing students. An agreement must be entered into between the sponsor of the charter school and the Board of Education. The charter is approved for an initial period of 10 years but can be revoked by the Board or the State if the school violates certain requirements of the Act. Each school must be operated by a not-for-profit organization with exemption from Federal taxation under 501(c)(3) of the Internal Revenue Code and is responsible for establishing its own governing body separate from that of the Board of Education. The charter schools are supported by the Board of Education as a pass-through from State and local funding sources.

Shelby County Schools operated 54 charter schools in fiscal year 2018-19. Metropolitan Nashville Public Schools had 29 charter schools, Chattanooga Public Schools had four, and Knox County Public Schools had one charter school in fiscal year 2018-2019, per the Tennessee Charter School Center. Other charter schools in operation in the State of Tennessee are authorized by the ASD and State Board of Education.

Charter schools started in Tennessee in 2003 as an alternative for students assigned to failing urban schools. Charter operators have flexibility to set their own hours and school calendar and hire at their discretion. However, teachers hired must be state-certified. Tax dollars for education follow the student to the charter school. With the amendment of T.C.A. § 49-13-113 in January 2011 (effective FY 2011-12), any child may attend a charter school in Tennessee, regardless of family income or the academic standing, as determined by the state of the child's home school. There is no longer a limit on the number of charter schools permitted in a district.

### *Age of School Buildings*

As of June 30, 2019, the average age of the District's school buildings is 50 years. Shelby County Schools does not issue general obligation debt and relies upon the County of Shelby for financing its capital needs. The County of Shelby conducts its finances so that the amount of general obligation debt does not exceed 12 percent of the County's taxable assessed valuation or 5 percent of the appraised valuation.

## **EDUCATIONAL PROGRAMS**

The District provides the following programs: General education, special education, career and technical education, alternative education, J.R.O.T.C., charter school instruction, CLUE, Optional Schools programming, blended learning, and virtual learning instruction.

### Highlights:

22 schools were recognized by the TDOE as Reward schools for top performance in Tennessee.

17 high schools improved their graduation rate, including five schools with a graduation rate of 90 percent or higher.

29 schools earned a TVAAS Level 5 for student growth, including 10 that rose from a Level 1 to a 5.

Campus School and Maxine Smith STEAM Academy were named National Blue Ribbon Schools.

SCS was one of only eight TN districts to be awarded by the CMA Foundation with a State of the Arts Music Grant.

SCS was one of only four districts in America to receive a \$1 million Together for Schools Grant.

Four SCS schools were among the 16 statewide to be named to the Alliance for a Healthier Generation's list of "America's Healthiest Schools."

Erica Stephens, J.P. Freeman Optional School, won the prestigious \$25,000 Milken Educator of the Year award.

Elisa Bennett, Berclair ES, was named West TN's ESL Educator of the Year.

Barbara Harmon, Germantown HS, was a TN Principal of the Year finalist.

Dr. Melissa Collins of John P. Freeman Optional School was chosen by the National Board for Professional Teaching Standards as a member of the inaugural class of National Board Fellows.

School Board Member Michelle R. McKissack was selected to represent SCS in a leadership role within the Council of Urban Boards of Education (CUBE).

Grahamwood Elementary teachers Grace Henderson and Lindsey Rothenbach were recently awarded \$10,000 for the school through the Extra Yard for Teachers program.

The Greater Memphis Chamber partnered with SCS to support Ready Grad College, Career & Technical Education (CTEE) programs and connect students to career opportunities.

More than 2,000 Ready Grad CTE students combined to earn 8,000+ career certifications.

10 SCS students earned perfect ACT scores.

The District's School PRO (Public Relations Organizer) program earned the National School Public Relations Association's (NSPRA) Golden Achievement Award, the organization's top honor for school PR and marketing initiatives.

The 2018-19 school year marked the fifth year of Shelby County Schools' (SCS) Destination 2025 strategic plan as well as a momentous leadership change – the Board of Education's appointment of Dr. Joris Ray as the District's new superintendent in April 2019. Key SCS accomplishments include:

- Increasing the percentage of students who earned On Track or Mastered status in TNReady math subjects across all three grade bands from 2018 to 2019
- Improving English Learner proficiency in all three grade bands in both math and ELA from 2018 to 2019, which earned SCS an “Advancing” status with the State of Tennessee as well as the top student growth rating (Level 5 TVAAS) for this priority group
- Dramatically increasing the number of students who have earned industry certifications from 267 in 2018 to nearly 2,300 in 2019
- Reducing the number of schools on the State Priority list for being in the bottom five percent for student achievement from 27 in 2018 to 21 in 2019 and ensuring 100 percent of District-managed Priority schools receive iZone support for the first time

In terms of Destination 2025 priorities, our most significant progress has been in expanding high-quality school options by increasing student market share and decreasing the number of schools falling into the bottom five percent of student achievement across Tennessee. Yet, we still have much work ahead to advance early literacy outcomes in particular and make new gains in on-time graduation and overall student achievement.

At the halfway point of our ten-year strategic plan, and with new leadership and a heightened focus on student equity and ensuring our graduates are truly ready for post-secondary and career opportunities, we believe that our ambitious strategic goals are still possible. Going forward, strategies to accelerate progress include providing holistic interventions that address students' academic and non-academic needs, increasing school and District staff capacity to enact data-driven instruction and continuous improvement processes, and tailoring some supports specifically for African-American male students to close opportunity and achievement gaps. To make aggressive gains toward our goals, it will take deep commitment from every District leader, educator, and community partner and a laser focus on the most effective strategies that can make a difference for students.



## **Annual Progress: 2019**

After the 2018-19 school year, our progress against each of our five strategic priorities is as follows:

<b>Priority 1: Strengthen Early Literacy</b>	<b>2018 Actual</b>	<b>2019 Target</b>	<b>2019 Actual</b>	<b>Change Since 2018</b>	<b>Target-to-Actual</b>
By 2025, 90% of SCS third graders are proficient in English & Language Arts (ELA).	27.0%	38.6%	<b>23.5%</b>	-3.5 points	-15.1 points
<b>Priority 2: Improve Post-Secondary Readiness</b>	<b>2018 Actual</b>	<b>2019 Target</b>	<b>2019 Actual</b>	<b>Change Since 2018</b>	<b>Target-to-Actual</b>
By 2025, 90% of SCS students graduate on time.	79.1%	80.2%	<b>79.3%</b>	+0.2 points	-0.9 points
By 2025, 100% of college- or career-ready SCS graduates enroll in a post-secondary opportunity.	84.7% (CCR) 54.9% (All)	72.7%	<b>TBD<sup>[1]</sup></b>	TBD	TBD
<b>Priority 3: Develop Teachers, Leaders &amp; Central Office to Drive Student Success</b>	<b>2018 Actual</b>	<b>2019 Target</b>	<b>2019 Actual</b>	<b>Change Since 2018</b>	<b>Target-to-Actual</b>
By 2025, 60% of students are proficient on TNReady assessments.	26.8% (3-8)	37.8% (3-8)	<b>23.7% (3-8)</b>	-3.1 points (3-8)	-14.1 points (3-8)
	15.9% (HS)	31.5% (HS)	<b>15.6% (HS)</b>	-0.3 points (HS)	-15.9 points (HS)
<b>Priority 4: Expand High-Quality School Options</b>	<b>2018 Actual</b>	<b>2019 Target</b>	<b>2019 Actual</b>	<b>Change Since 2018</b>	<b>Target-to-Actual</b>
By 2025, SCS student market share increases by 5%.	63.2%	63.3%	<b>65.1%</b>	+1.9 points	+1.8 points
<b>Priority 5: Mobilize Family &amp; Community Partners</b>	<b>2018 Actual</b>	<b>2019 Target</b>	<b>2019 Actual</b>	<b>Change Since 2018</b>	<b>Target-to-Actual</b>
By 2025, community confidence in SCS increases to 90%.	80%	83%	<b>82%</b>	+2 points	-1 point

## **FINANCIAL INFORMATION**

SCS experienced General Fund revenue increase in fiscal year 2019 due to a higher receipt of local tax revenues from Shelby County and BEP revenues from State of Tennessee. Also, the District implemented cost saving initiatives and pursued grants aggressively to avoid additional cost burden to the General Fund. As a result, SCS ended fiscal year 2019 with a total fund balance of \$158 million, a decrease of approximately \$41 million from fiscal year 2018.

<sup>[1]</sup> Due to the timing of available data, the post-secondary enrollment rate reflects the percentage of all 2018 graduates who enrolled in a post-secondary opportunity during the past year and the percentage of college- and career-ready (CCR) 2018 graduates who enrolled as determined by Tennessee's Ready Graduates definition. The 2019 rate will be included in the 2020 annual report.

## **Budgetary Adoption and Controls**

According to Board policy, the Board shall adopt a budget and appropriate funds for each fiscal year prior to the beginning of the fiscal year. The approval of the annual operating budget by the Board provides authorization to the Superintendent and the administrative staff to expend any or all of the amounts appropriated to the limit of each separate fund for the specific budget year. In accordance with state law, regulations and Board policy, the Superintendent and Chairman of the Board of Education will submit a budget to the State.

According to state law and Board policy, the District is required to operate under an annual balanced budget approved by resolution of the Shelby County Board of Education (SCBE) and the Shelby County Commission. The Board defines a “balanced budget” as when the sum of estimated revenues and appropriated fund balance is equal to expenditure appropriations. Revenues and expenditures are defined in accordance with generally accepted accounting principles.

Budgets are developed to support District goals, priorities, and strategic objectives. Budgets are prepared annually on a basis consistent with generally accepted accounting principles for the General Fund, Capital Projects Fund, Categorically-Aided Funds and Food Service Fund. The adopted annual budget serves as the foundation for the District’s financial planning and control. The District begins its budgeting process in November each year by projecting enrollment for the upcoming school year. Enrollment projections drive staffing and expenditure allocations for schools. Enrollment projections are based on the second 20-day attendance count.

### *Expenditures*

Allocations for each school are based on per-pupil allocations, instructional and administrative staffing allocations and other required operating and maintenance (O&M) service levels. Per-pupil allocation helps determine how much O&M funding each school will receive. The allocations to each school are considered discretionary funds. The discretionary funds for each school are accounted for separately by way of Site-Based Budgets.

Each department is responsible for preparing supporting documentation. Before any budgets are submitted to Budget and Fiscal Planning, a line item justification must be completed, which aligns to District goals and priorities. The support documents enable Budget and Fiscal Planning to determine if all cost allocations are justifiable and accurate. These documents also help the District to determine where cost savings can be maximized.

### *Revenues*

The estimation of revenues begins in October and is, in part, based upon enrollment projections which are developed by school and grade level. The projections take into account mobility factors, such as birth rates and housing changes.

State revenue estimates are generated through sales tax collections and are calculated using the Basic Education Program (BEP) formula. BEP revenues are a funding plan and not a spending plan. However, certain requirements must be met when using the funds. BEP estimates are not finalized until the State calculates average daily membership (ADM) and finalizes its budget.

SCS must submit its budget for approval each year to the following:

- Shelby County Board of Commissioners
- State of Tennessee – Pursuant to Tennessee Code Annotated (TCA) §49-3-316 the District has 30 days after the beginning of each fiscal year to submit to the Commissioner of Education a complete and certified copy of its entire school budget for the current school year. On or before August 1 of each year, the District must submit to the Commissioner of Education a correct and accurate financial report of the receipts and expenditures for all public-school purposes of the District during the previous school year ending on June 30.

In the event that the local fiscal body has not adopted a budget for the operation of the public schools by July 1<sup>st</sup> of any year, the District budget for the year just ended shall continue in effect through August 31<sup>st</sup>. A resolution is not required unless a request to extend through September 30<sup>th</sup> due to extraordinary circumstances is approved by the Tennessee Office of State and Local Finance (OSLF).

Expenditures mandated by this part and implemented by rules, regulations and minimum standards of the State Board shall be incorporated into this continuing budget. The District can spend no more than the amount spent in the same month of the prior fiscal year while operating under a continuation budget. Any continuing budget shall not be valid beyond August 31<sup>st</sup> (September 30<sup>th</sup> if approved by OSLF) of the current fiscal year for purposes of the local fiscal body's eligibility to receive school funds from the State.

#### *Budget Administration and Management Process*

When unforeseen circumstances arise during the fiscal year, which require an amendment to the final adopted operating budget, adjustments can be accomplished in the following manner.

The Superintendent or his designee is authorized to transfer budget amounts between line items of the same state functional classification and within the same major object type, i.e. salaries and benefits or discretionary account. A budget transfer shall be effective when the Superintendent or his designee has approved the item by signature. Budget revisions that increase the balance of a fund are taken by resolution before the Board and the Shelby County Board of Commissioners.

The monitoring of expenditures and revenues is a crucial component of the management of the budget. In the event of an unexpected decline in revenue, certain non-essential expenses would be the first to be identified and frozen to ensure a balanced budget at year-end.

#### *Position Control*

An integral part of the District's adopted budget is Position Control, which defines the approved budgeted positions. The purpose of Position Control is to ensure the District's staffing does not exceed its authorized positions. The Position control budget is maintained by Budget and Fiscal Planning.

Any salary increase that is requested for an employee by a department administrator for purposes of reclassification, equity or other circumstances must be approved by the Office of Finance and Human Resources Division of Compensation, and the Superintendent makes the final approval. The department administrator must identify funding for the increase as the department or division's budget must remain budget neutral. Savings realized through vacancies cannot be used to fund salary increase requests.

### **Fund Accounting**

SCS reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. *(See note 1 of the Notes to the Basic Financial Statements for a summary of significant accounting policies and a description of fund types).*

### **Internal Control**

SCS has established a comprehensive internal control framework designed to protect the District's assets from loss, theft or misuse. In addition, the District manages its accounting system to provide reasonable assurance regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. "Reasonable assurance" recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management. Our external auditors annually test the District's compliance with its Internal Controls for each major program as required by the Uniform Guidance.

### **LONG-TERM FINANCIAL PLANNING**

The financial position of Shelby County Schools remains relatively stable, despite increased financial pressure from the growth of charter schools and the Achievement School District. The District's conservative budgeting methods and its ability to maintain disciplined spending practices have been the primary drivers behind the stable financial position. To ensure spending remains sound, SCS has implemented and continues to explore new opportunities for cost savings, cost avoidance and revenue generation.

The District has committed to developing and implementing a strategic budget and long-term financial plan to improve academic outcomes while achieving an equitable distribution of resources. To do this, the focus is on implementing student-based budgeting to allocate funding to schools based on the needs of students in the classroom. Academic outcomes will be improved by strengthening early literacy; improving post-secondary readiness; developing teachers, leaders, and central office to drive success; expanding high quality school options; and mobilizing family and community partners. These initiatives will be implemented by 2025 to achieve the District's 80/90/100% Strategic Goals. The goals were established to ensure, by 2025, that 80 percent of seniors will be college- or career-ready, 90 percent of seniors will graduate on time, and 100 percent of college- and career-ready graduates will enroll in a post-secondary opportunity. With the SCBE approval of the District's strategic goals focused around the mission of college- and career-readiness, SCS will make significant strides towards educational leadership. So, by 2025, when this year's sixth graders are graduating, Shelby County Schools expects 80 percent of them will earn diplomas and be immediately ready to succeed in college or in the 21<sup>st</sup> century workforce.

Currently, the District is collaborating with community partners and other stakeholders to create the infrastructure necessary to accomplish these goals.

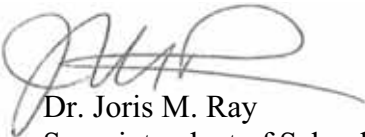
### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to Shelby County Schools for its comprehensive financial report for the fiscal year ended June 30, 2018. This was the fifth year the District received this prestigious award. In order to be awarded a Certificate of Achievement, a school district must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitted to GFOA to determine its eligibility for another certificate. Our GFOA certificate can be found on page 3 of the CAFR.

In addition, the District received its fifth Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting award for its fiscal year 2018 CAFR. This award, valid for one year, is granted only after an intensive review of the CAFR by an expert panel of certified public accountants and practicing school business officials. Shelby County Schools plans to submit the fiscal year 2018 CAFR to ASBO and believes the report continues to meet ASBO's certificate program requirements. The ASBO Certificate of Excellence in Financial Reporting can be found on page 4 of the CAFR.

The preparation of this report was accomplished through the commitment, dedication, and tireless efforts of the entire Office of Finance. We would also like to extend our thanks to other SCS and non-SCS personnel who assisted in the preparation of this report. Due credit is also given to all Board members for their interest in complete transparency and support in conducting the planning and operation of SCS.


Respectfully submitted,



Dr. Joris M. Ray  
Superintendent of Schools



Tutonial Williams  
Chief Financial Officer



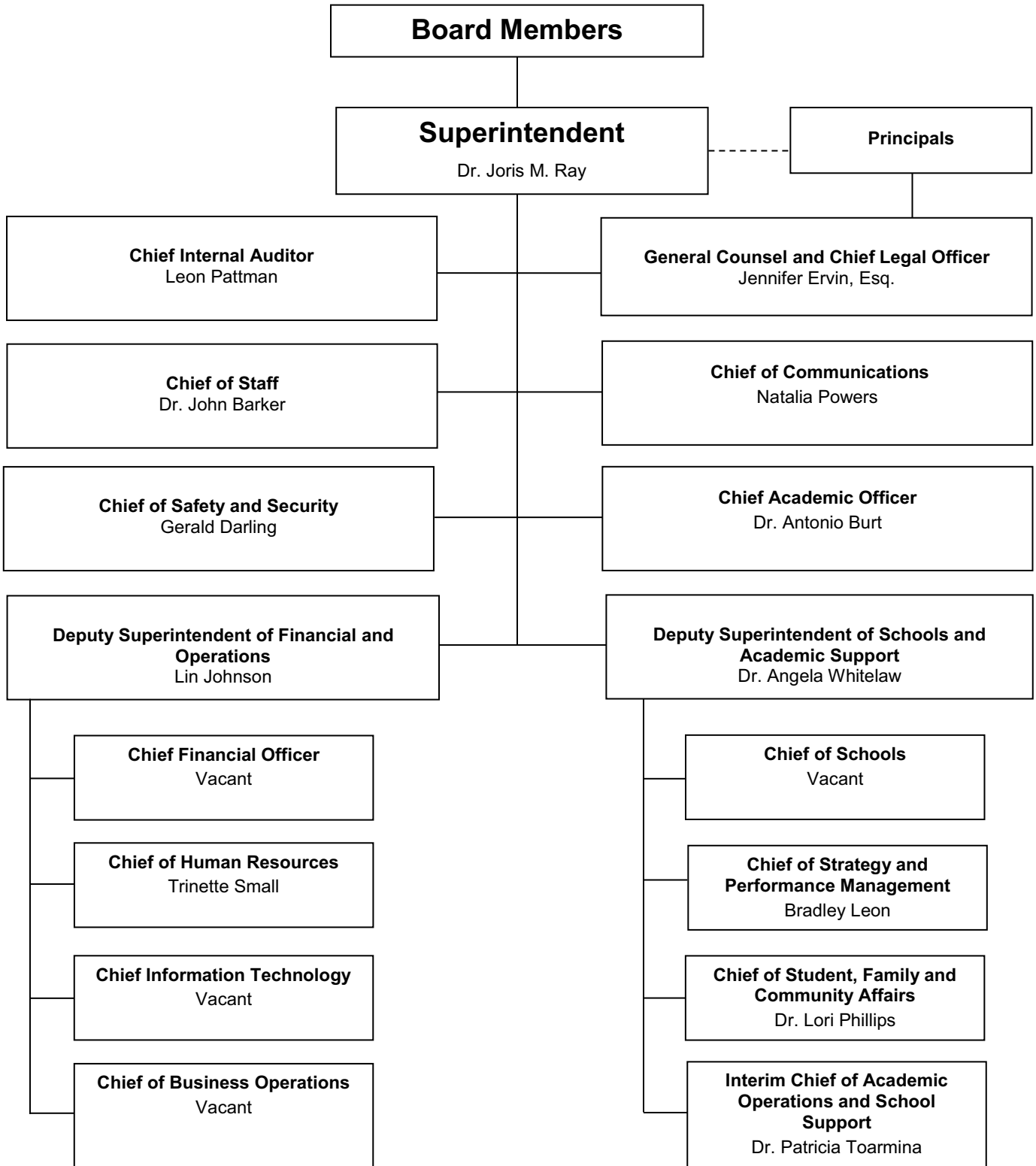
Tito Langston  
Deputy Financial  
Planning and Accounting

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**Board of Education  
June 30, 2019**

<b>COMMISSIONER</b>	<b>DISTRICT</b>	<b>TERM EXPIRATION</b>
Shante K. Avant, Board Chair	District 6 (Elected)	8/31/2022
Stephanie P. Love, Vice-Chairperson	District 3 (Elected)	8/31/2020
Michelle McKissack	District 1 (Elected)	8/31/2022
Althea Greene	District 2 (Appointed)	8/31/2020
Kevin D. Woods	District 4 (Elected)	8/31/2020
Scott McCormick	District 5 (Elected)	8/31/2020
Miska Clay-Bibbs	District 7 (Elected)	8/31/2020
William "Billy" Orgel	District 8 (Elected)	8/31/2022
Joyce Dorse-Coleman	District 9 (Elected)	8/31/2022

# SHELBY COUNTY BOARD OF EDUCATION ORGANIZATIONAL CHART June 30, 2019





# Financial Section

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## INDEPENDENT AUDITORS' REPORT

To the Chairperson and Members of the  
Shelby County Board of Education  
Memphis, Tennessee

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund, food service, and special revenue – categorically aided fund of the Board of Education of the Shelby County Schools (the Board) (a component unit of Shelby County, Tennessee) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Board'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 Board'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 opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund, food service fund, and special revenue – categorically aided fund of the Board of Education of the Shelby County Schools, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 25 through 41, and the other required supplementary information on pages 109 through 118 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal and state awards is presented for the purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*Watkins Mikusall, PLLC*      *Banks, Jolley, White & Co.*

Memphis, Tennessee  
December 13, 2019

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As management of Shelby County Board of Education (the Board), we offer readers of the school district's financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended June 30, 2019. Comparative financial information is reported for the fiscal year ended June 30, 2018.

The intent of this discussion and analysis is to look at the school district's financial performance as a whole, or as an entire operating entity. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our transmittal letter, which can be found within the "Introductory Section" at the front of this report, as well as the District's financial statements that follow this section.

### **Financial Highlights**

- Total assets and deferred outflows of the school district exceeded its liabilities and deferred inflows at June 30, 2019, by \$304.0 million (net position).
- Total net position increased by \$12.8 million or 4.41% over the prior fiscal year.
- The school district's unrestricted liabilities exceeded its unrestricted assets by \$855.9 million primarily due to the net OPEB liability and pension obligations.
- The school district's pension deferred outflows of resources (\$95.7 million) and net pension asset (\$88.8 million) exceeded its pension deferred inflows of resources (\$102.1 million) and net pension liability (\$0.2 million) by \$88.2 million.
- OPEB deferred inflows of resources (\$128.2 million) and net OPEB liability (\$941.1 million) exceeded OPEB deferred outflow of resources (\$50.9 million) by (\$1,018.4 million).
- At June 30, 2019, the school district's total general operating fund balance was \$158.3 million or 14.77% of total general fund expenditures.
- Unassigned fund balance for the General fund was \$83.6 million or 7.81 percent of total general fund expenditures, an increase of \$7.4 million from the previous year. The unassigned fund balance is available for unforeseen operational emergencies or investments in the future.
- The Food Services fund is categorized as a major fund. The fund balance for the Food Services fund was \$45.8 million or 58.90 percent of total expenditures.
- Fund balance in the Categorically Aided fund was \$10.2 million, or 6.37 percent of expenditures, an decrease of \$51,771 for the year.
- In fiscal year 2019, the Capital Projects fund was categorized as a non-major fund and thus reported separately. The fund balance for the non-major fund was \$2.2 million or 3.85 percent of total expenditures. Additional information for the Capital Projects fund is located in the Non-major fund section.

Overview of the Financial Statements

This discussion and analysis document serves as an introduction to the Board’s basic financial statements. The Board’s basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The following graphic summarizes the components of the report:



**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the school district’s finances, in a manner similar to a private-sector business. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net position* provides information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the whole school district. Net position is the difference between the school district’s total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, using the accrual basis of accounting used by most private sector companies. Over time, increases or decreases in net position may serve as a useful indicator of whether our financial position is improving or diminishing, respectively.

The *statement of activities* presents information showing how the school district’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**Fund Financial Statements.** A fund is a grouping of related accounts. Funds are used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board uses many funds to account for a multitude of financial transactions. All of the funds of the Board can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. These fund financial statements focus on the school district’s most significant funds.

**Governmental Funds.** Most of the Board’s activities are reported in governmental fund financial statements. These statements focus on how monies flow into and out of those funds and the balances left at year-end that are available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash



and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term decisions. Both the *governmental funds balance sheet* and the *governmental funds statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Food Services Fund and the Categorically Aided Fund. The Categorically Aided Fund is comprised of two categories – federal and non-federal. The school district has one non-major fund, which is the Capital Project Fund. The Board adopts an annual appropriated budget for all its funds. Budgetary comparison statements have been provided to demonstrate compliance with budget.

**Proprietary Funds.** The Board maintains one type of proprietary fund, the Internal Service Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the school district's functions for its central services (printing and supply chain management), government services, health self-insurance and unemployment benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Fiduciary Funds.** Fiduciary funds (or Trust and Agency Funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the school district's own programs. The Board holds the Other Post-Employment Benefits Trust (OPEB) and Local Pensioner's Retirement Trust investment accounts; and the Flexible Spending Account (FSA) and individual schools' Internal School funds in a fiduciary capacity as an agency fund.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Supplemental Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding pensions and funding progress for retirement and other post-retirement benefits.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Board’s assets, as a whole, exceeded liabilities at June 30, 2019 and June 30, 2018 by \$304,001,550 and \$291,155,153 , respectively.

Condensed Statement of Net Position

	2019	2018	Percentage Change 2019 - 2018
<b>Assets</b>			
Current and other assets	\$ 365,342,122	\$ 422,545,919	(13.54%)
Capital assets	979,807,598	984,643,180	(0.49%)
Net pension asset	88,803,984	52,187,531	70.16%
Total assets	<u>1,433,953,704</u>	<u>1,459,376,630</u>	(1.74%)
Deferred outflows related to pensions	95,661,742	94,266,611	1.48%
Deferred outflows related to OPEB	50,871,409	56,715,858	(10.30%)
Total deferred outflows	<u>146,533,151</u>	<u>150,982,469</u>	(2.95%)
<b>Liabilities</b>			
Long-term liabilities	11,996,879	10,006,192	19.89%
Net pension liability	196,584	241,058	(18.45%)
Net OPEB liability	941,087,000	991,397,000	(5.07%)
Other liabilities	92,902,088	96,508,606	(3.74%)
Total liabilities	<u>1,046,182,551</u>	<u>1,098,152,856</u>	(4.73%)
Deferred inflows related to pensions	102,132,754	136,929,090	(25.41%)
Deferred inflows related to OPEB	128,170,000	84,122,000	52.36%
Total deferred inflows	<u>230,302,754</u>	<u>221,051,090</u>	4.19%
<b>Net Position</b>			
Investment in capital assets	979,807,598	984,643,180	(0.49%)
Restricted	180,107,129	131,618,977	36.84%
Unrestricted	(855,913,177)	(825,107,004)	(3.73%)
Total net position	<u>\$ 304,001,550</u>	<u>\$ 291,155,153</u>	4.41%

Capital assets (e.g., land, buildings, machinery, equipment, intangibles and construction in progress) are the largest portion 68.33% of the total assets. These assets are not available for future spending. The value of the on-going construction of new schools or renovation of existing facilities accounts for \$36.0 million or 3.68% of the capital assets.

The net pension asset were less favorable at June 30, 2018, as reflected in the June 30, 2019 financial statements, due to positive investment earnings. The Non-teacher and Teacher Retirement plans combined net assets increased 7.05 percent. The Teacher Legacy Plan had an asset of \$3.6 million in fiscal year 2018 and an asset of \$36.8 million in fiscal year 2019. The Local Pension Plan liability decreased \$.04 million.

The net OPEB liability declined by 5.07 percent in fiscal year 2019 as compared to fiscal year 2018. The decline was due to recognition of an OPEB expense and changes to the Municipal Bond Index Rate.

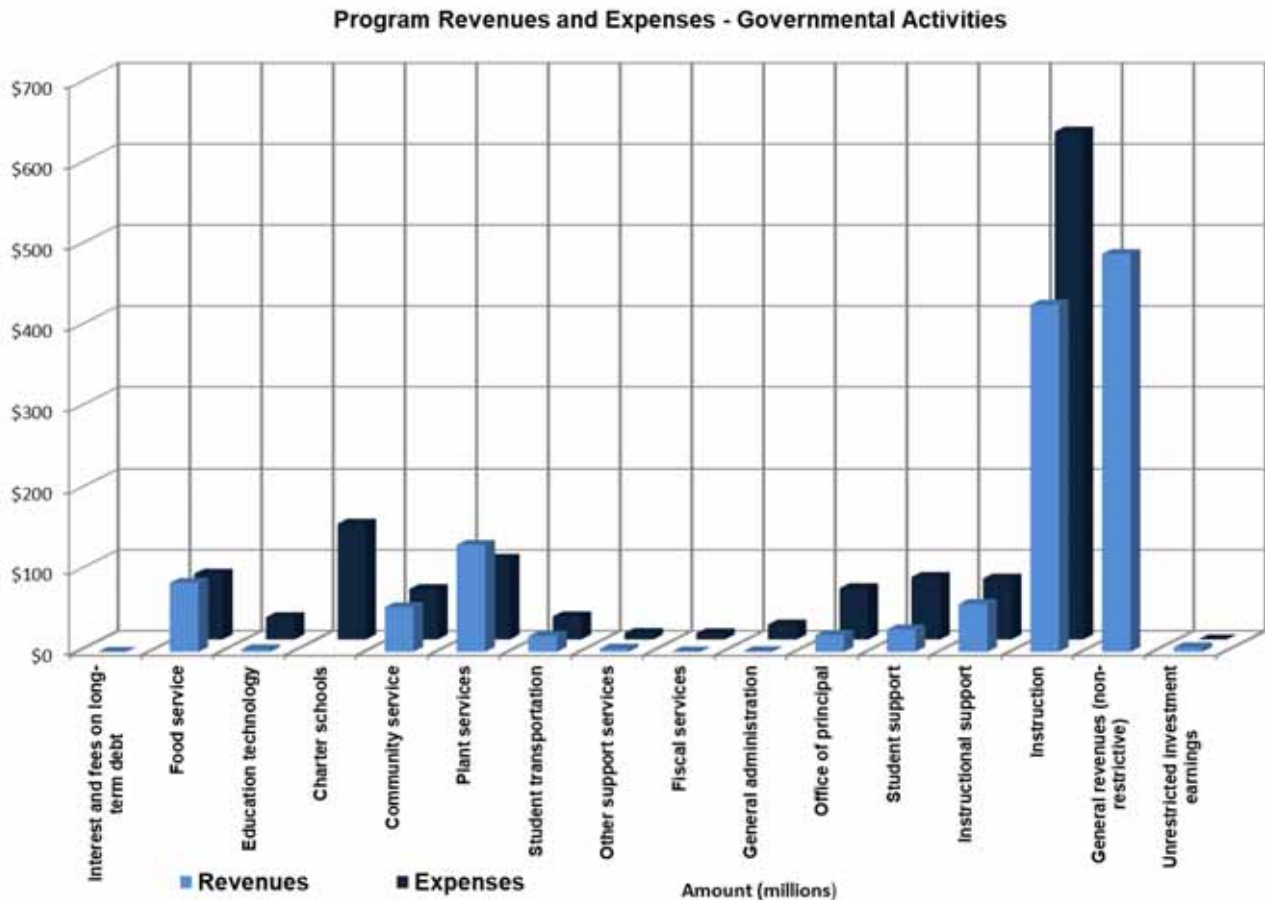
Total debt (including compensating absences) owed by the school district is 90.98% of total liabilities with 100.00% of the debt due after one year. The liabilities decreased 4.73 percent due to the decrease in the OPEB and Pension liabilities in fiscal year 2019 versus fiscal year 2018. Please see Note 6 for additional information.

**Governmental Activities.** Governmental activities during fiscal year 2019 increased the school district's net position by \$12,846,397 or 4.41% of total net position as compared to a increase of \$348,551,177 or 607.27 percent of total net position during fiscal year 2018.

Condensed Statement of Changes in Net Position

	2019	2018	Percentage Change 2019 - 2018
<b>Revenues</b>			
Program Revenues:			
Charges for services	\$ 3,840,278	\$ 2,967,194	29.42%
Operating grants and contributions	775,853,857	776,964,300	(0.14%)
Capital grants and contributions	55,710,328	51,799,033	7.55%
General Revenues:			
Shelby County	343,764,854	334,307,133	2.83%
Local option and state sales taxes	132,748,397	127,175,675	4.38%
Other local sources (uses)	13,701,710	(1,068,077)	(1382.84%)
Unrestricted investment earnings	5,615,053	3,296,913	70.31%
 Total revenues	 <u>1,331,234,477</u>	 <u>1,295,442,171</u>	 2.76%
<b>Expenses</b>			
Instruction	626,097,212	425,776,529	47.05%
Instructional support	75,248,386	45,093,843	66.87%
Student support	77,172,243	44,567,621	73.16%
Office of principal	63,408,399	39,718,248	59.65%
General administration	18,558,248	15,409,666	20.43%
Fiscal services	7,727,072	4,620,666	67.23%
Other support services	7,980,006	7,756,886	2.88%
Student transportation	28,512,265	26,031,457	9.53%
Plant services	99,572,136	72,202,281	37.91%
Community service	62,299,926	45,351,940	37.37%
Charter schools	143,041,477	128,231,865	11.55%
Education technology	27,569,052	22,739,141	21.24%
Food service	81,201,659	64,292,440	26.30%
Total expenses	<u>1,318,388,081</u>	<u>941,792,583</u>	39.99%
 Increase (decrease) in net position	 12,846,396	 353,649,588	 96.37%
Special items:			
Capital Asset Impairment	-	(5,098,411)	(100.00%)
Total changes in net position	<u>12,846,396</u>	<u>348,551,177</u>	96.31%
Net position - beginning	291,155,154	(57,396,024)	(607.27%)
Net position - ending	<u>\$ 304,001,550</u>	<u>\$ 291,155,153</u>	4.41%

The *statement of activities* reflects the cost of program services and the charges for those services in addition to grants and contributions offset by those services. The following chart of governmental activities shows the total cost of services with the revenues directly supporting the services.

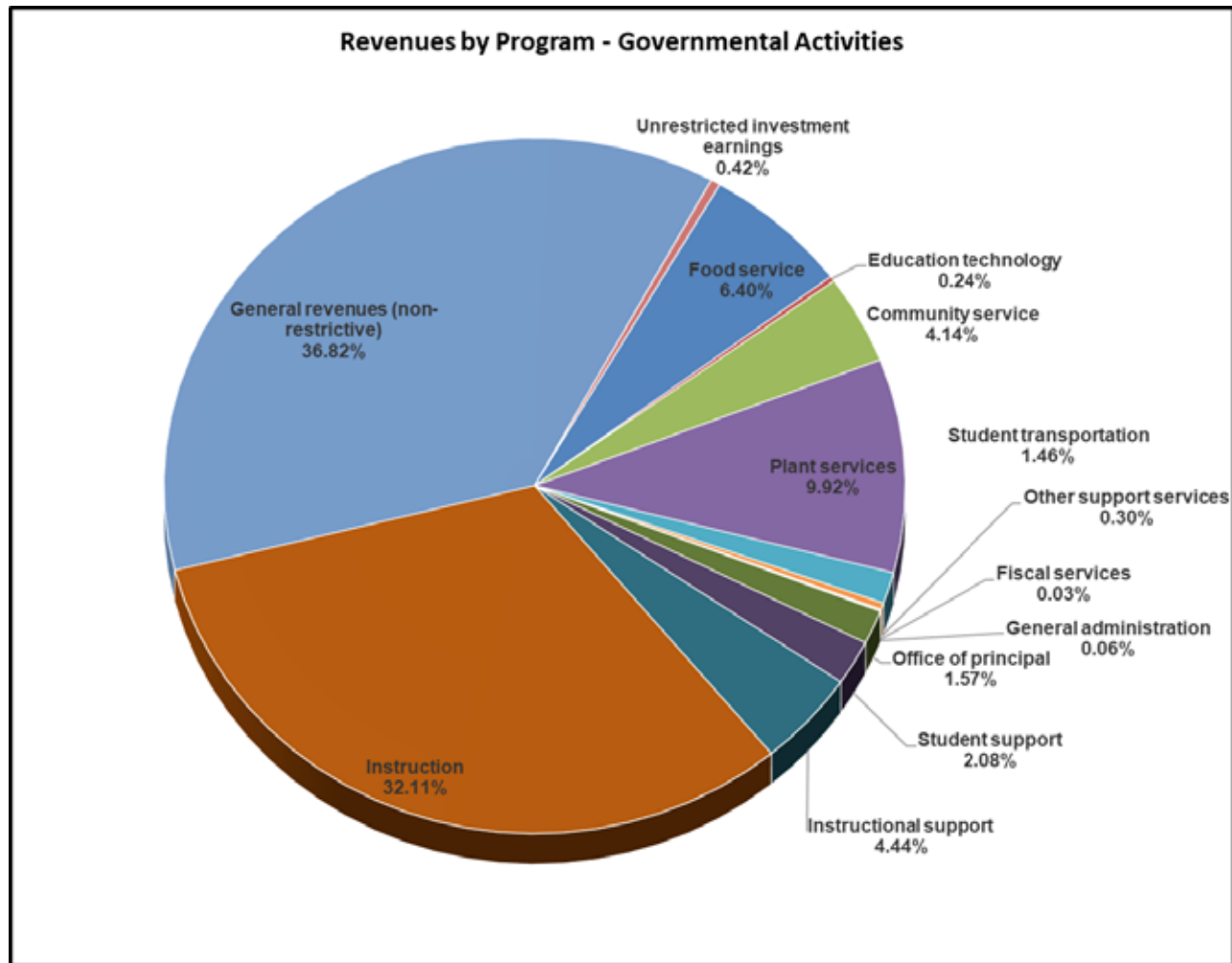


- Instructional expenses include activities directly linked to the teaching of pupils and the interaction between the teacher and pupil. The components include regular, exceptional children, alternative, and vocational instruction.
- Instructional support includes the activities involved in assisting instructional staff with the content and process of teaching to pupils. Support services provide administrative, supervisory support to facilitate and enhance instruction.
- Student support includes the activities assisting students in technical services (such as library, guidance, health, and alternative choices) and providing a safe school environment.
- Office of principal includes activities of directing and managing the operation of a particular school. Such activities include those performed by the principal and assistant principal

while they supervise all operations of the school, evaluate staff, assign duties to staff, maintain the records of the school, and coordinate school instructional activities within the total school system. These activities also include the work of secretarial and clerical staff in support of the teaching and administrative duties.

- General administration includes the Board of Education and Office of the Superintendent. Activities are centered on establishing and administering policy for operating the Local Education Agency (LEA). Other general services include commission fees assessed by the County Trustee for tax collection, external audit, legal services, communications, and administrative supervision of the Board.
- Fiscal services include: budgeting and financial reporting, financial and property accounting, payroll and tax reporting, managing of funds, purchasing, receipts and disbursements, and internal auditing.
- Other support services provide non-instructional services to students and staff by the Human Resources Division.
- Education Technology supports the district's information technology infrastructure for schools and departments.
- Student transportation includes activities involved with the conveyance of students for regular, vocational and special educational instruction to and from school, as well as school activities, as provided by state and federal law.
- Plant services supports maintaining the school grounds, buildings, and equipment in an effective working condition and state of repair.
- Community services include community development programs for Shelby County Schools, which promote the Board and its objectives. It also includes Early Childhood Development, Parental Involvement, Volunteer Services and Innovation and Planning.
- In accordance with T.C.A. §49-13-106, charter schools are transferred state and local revenues based on an average daily membership of the Board. Fifty-four charter schools were operational during fiscal year 2019.
- Food service includes the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities.

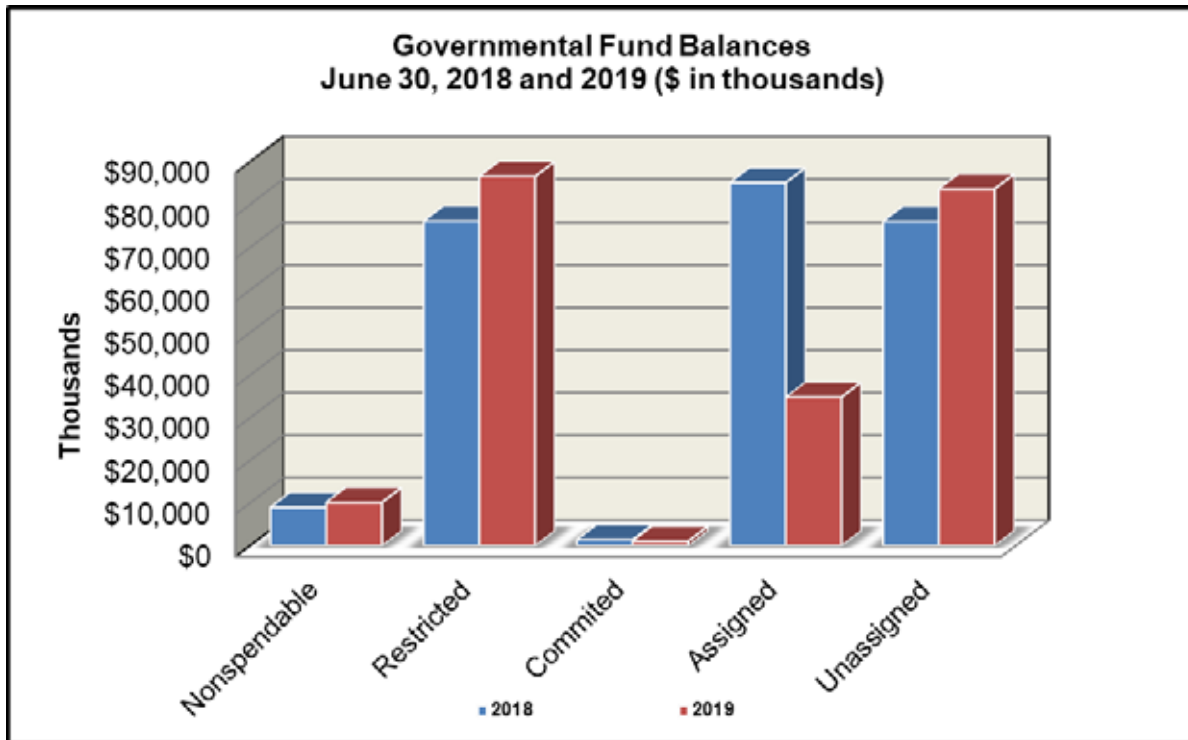
A major portion of the general revenues is not included above because the revenues are not directly identified as supporting a unique or specific activity. Instead, these revenues are general in their support for all activities. General revenues are primarily comprised of local tax revenues provided to support education as a whole. In contrast, State Basic Education Program and federal programs are directly supportive of specific activities. The dependence upon general tax revenues from the community for all governmental activities is clear. General tax revenues support 36.32% of the governmental activities. A breakdown of revenues by program is presented below.



**Financial Analysis of the Government’s Funds**

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Board’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the school district’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.



As of June 30, 2019 and 2018, the school district’s governmental funds reported combined ending fund balances of \$216,382,664 and \$247,917,491, respectively; an decrease of \$31,534,826 in 2019 when compared with 2018. Approximately 38.65% of the total amount (\$83,631,900) is comprised of unassigned fund balance, which is available for spending at the Board’s discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$10.2 million), 2) restricted for specific purposes (\$86.6 million), 3) committed for specific purposes (\$1.1 million), or 4) assigned for specific purposes (\$34.9 million). The components of the balances by funds are:

	June 30, 2019	June 30, 2018	Percentage Change 2019 - 2018
General Fund			
Nonspendable	\$ 5,467,117	\$ 5,812,919	(5.95%)
Restricted	34,250,522	31,697,246	8.06%
Assigned	34,907,258	85,111,866	(58.99%)
Unassigned	83,631,900	76,168,026	9.80%
Food Services Fund			
Nonspendable	4,718,867	3,210,175	47.00%
Restricted	41,038,318	33,985,564	20.75%
Categorically Aided Fund			
Restricted	9,141,396	8,873,176	3.02%
Committed	1,073,244	1,393,235	(22.97%)
Nonmajor Fund			
Restricted	2,154,042	1,665,284	29.35%
Total all government funds	<u>\$ 216,382,664</u>	<u>\$ 247,917,491</u>	(12.72%)



There was approximately a \$31.5 million decrease in total fund balance comprised of an decrease of \$40.5 million in the general fund, a \$8.6 million increase in the Food Service Fund, an decrease of \$0.1 million in the Categorically Aided Fund, and an \$.5 million increase in the Non-major Capital Projects Fund. The changes are discussed in the following fund sections.

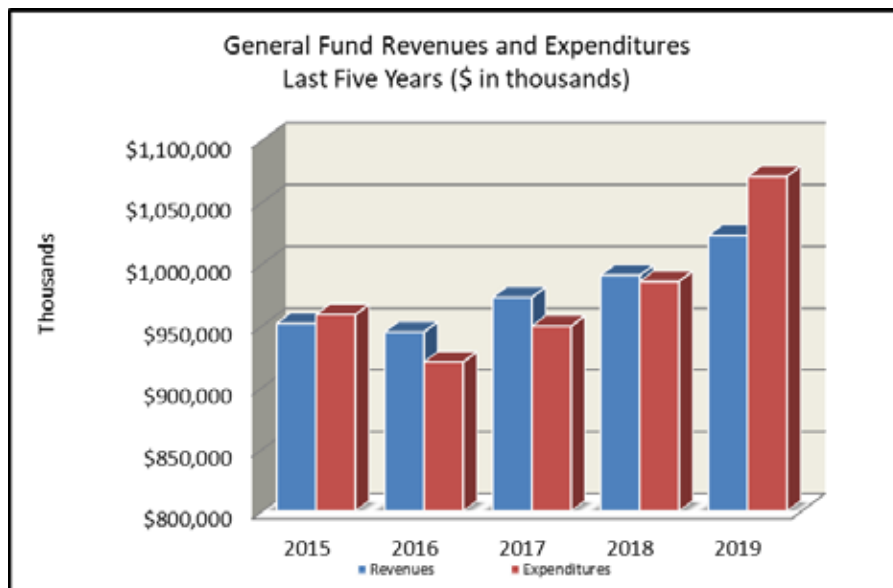
**Major Funds**

**General Fund**

The General Fund is the general purpose and chief operating fund of the school district used to account for the ordinary operations and financial resources not accounted for in any other fund. Taxes, state equalization funding, and other general revenues finance the operations.

As a measure of liquidity, the General Fund unassigned fund balance was approximately \$83.6 million or 7.81% of total fund expenditures, while total fund balance represents 14.77% of that same amount. The unassigned amount is available for contingencies for unforeseen operational emergencies or investments in the future. Expenditures exceeded revenues by \$47.9 million. Contributions to the OPEB Trust (\$3.0 million) and Pension Trust fund (\$57,592), offset by a transfer from insurance fund (\$10.0 million) and fiduciary fund (\$.5 million), resulted in the overall fund balance increase of \$40.5 million. General Fund revenues increased by \$32.3 million and expenditures increased by \$85.2 million from the previous year (GAAP basis). The expenditure increase was related to the District 2019 investments in early literacy, core instruction, school turnaround, social and emotional support, academic interventions, additional support for 504 students, expansion of AP courses, Careers and Technical Education redesign, and project graduation.

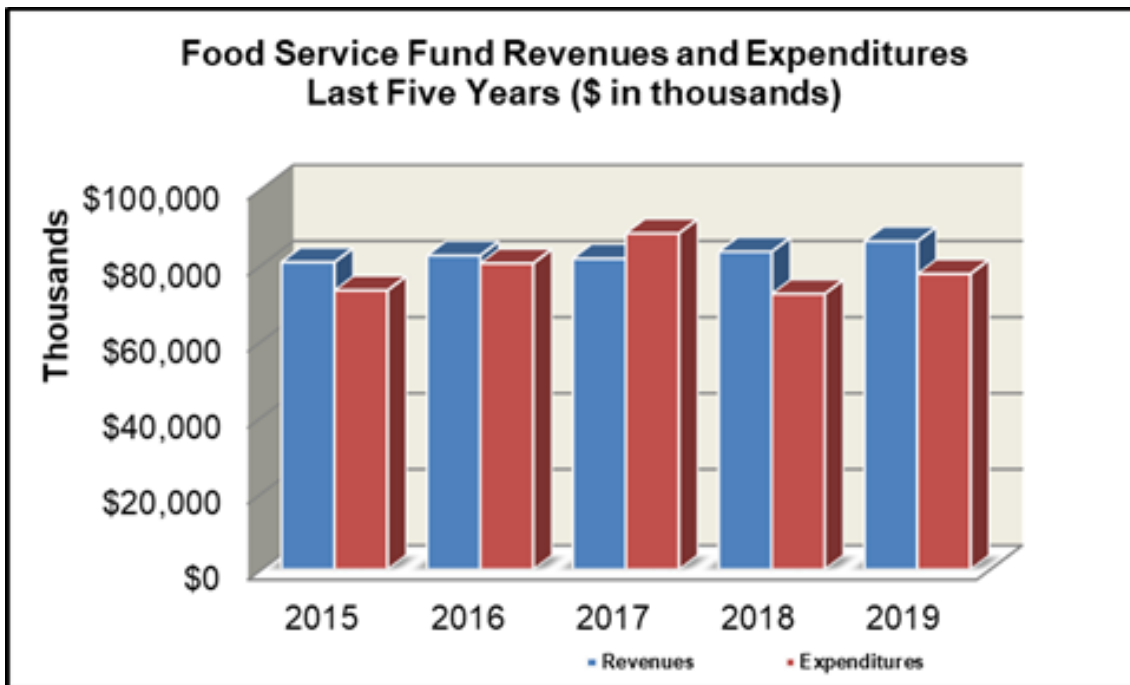
In fiscal year 2019, the local economy experienced an increase in consumer spending which resulted in \$6.3 million in additional sales tax revenues. The State of Tennessee increased its allocation for K-12 education, which resulted in approximately \$17.9 million additional State revenues.



**Food Service Fund**

The Food Service Fund is used to designate cafeteria transactions for preparing and serving school breakfasts and lunches; school day snacks; afterschool suppers and snacks; and summer meals. Revenue is provided from governmental agencies (primarily the U.S. Department of Agriculture), which is restricted for food services. These revenues are generally based on per meal rates and the number of meals served. The fund experienced an increase of \$8.6 million in fund balance primarily due to attrition and delayed expenditures for the Central Nutrition Center operational consolidation.

The District is operating under the Community Eligibility Provision, where all students, regardless of income, can receive breakfast and lunch daily at no charge. Under Community Eligibility, the USDA reimbursement rate per meal is based upon the percentage of students who would be eligible for free meals without submitting a meal application. This formula resulted in all eligible breakfasts and lunches being reimbursed at 100 percent of the free meal rate, which is the highest reimbursement rate. Most of the overall increase in revenues is due to the annual increase in the reimbursement rate of approximately 2 percent.

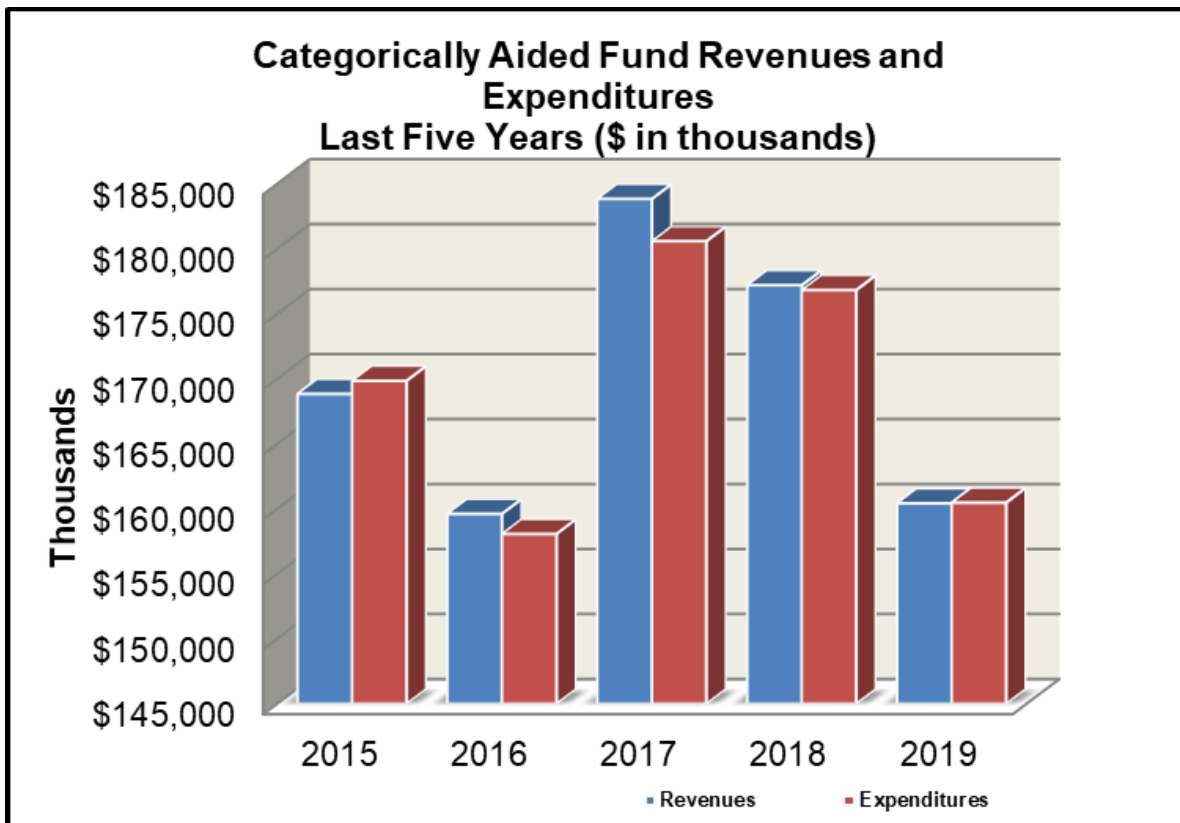


The USDA daily meal service included approximately 55,691 breakfasts via the National School Breakfast Program, most of which were served as breakfast in the classroom. The number of schools serving breakfast in the classrooms in fiscal year 2019 remained unchanged at 73 when compared to fiscal year 2018.

**Categorically Aided Fund**

The Categorically Aided Fund accounts for restricted funds received from various agencies, state and federal governments that are to be spent for specific purposes based on contractual agreements or grant applications. Revenues decreased by \$16.8 million and expenditures decreased by \$16.4 million mainly due to Federal Programs.

The Categorically Aided fund balances are mainly restricted or committed. The funds are either reserved for future program needs or encumbered commitments. The available fund balance decrease (\$0.1) million from the previous year due to Special Revenue grants (non-federal programs). This increase is due to the tuition based Extended Learning Opportunity Program (ELOP). The District is working on a comprehensive plan for ELOP to ensure skilled staff and a well-rounded program to meet the needs of parents and students. The ELOP increase was offset by fund balance declines in the athletics and SPED Medicaid reimbursement programs.



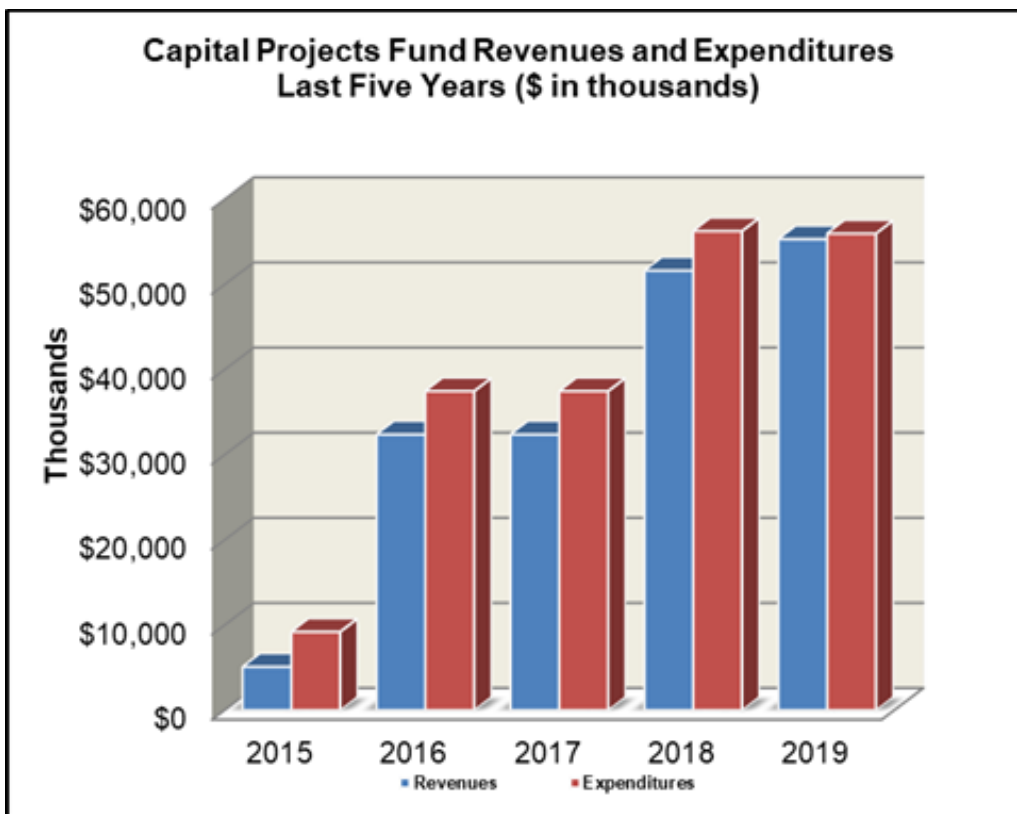
*Non-Major Fund*

**Capital Projects Fund**

As previously stated, the Capital Project Fund is the the District’s only nonmajor fund. The Capital Projects Fund accounts for assets and transactions related to resources obtained and used for the acquisition, construction or improvement of capital facilities financed primarily through the County of Shelby bond issues. The available fund balance increased by (\$0.5) million compared to fiscal year 2018.

The fund balance of the Capital Projects Fund is restricted for specific projects approved by funding bodies and may not be used for other purposes. The balance fluctuates year-to-year according to the type of funding agreements in place at the time. The current fund balance consists of residual funds from the former Memphis City Schools and proceeds from the sale of multiple properties.

In fiscal year 2017, Shelby County Government provided the District an allocation of \$18.3 million to address capital needs. In fiscal years 2018 and 2019, Shelby County Government approved allocations of \$54.0 million and \$90.2 million, respectively, for critical capital needs. Local revenue sources included insurance recovery, interest earnings, and proceeds from the sale of capital assets. Forty-nine projects were completed during the fiscal year.



***Proprietary Funds***

**Internal Service Funds**

The school district's internal service funds account for the Board's central services, government services, health self-insurance and unemployment benefits. They provide the same type of information found in the government-wide financial statements (full accrual accounting based on economic substance of transactions), but in more detail. The net position decreased by \$16.5 million primarily due to transfers to the general and OPEB funds, which is offset by an increase in charges for services, employee and board contributions, and a decrease in claims incurred.

**General Fund Budgetary Highlights**

The school district experienced a \$40.5 million decrease to the general fund balance. This was a result of higher than expected expenditures and revenues. Additional details on the change in fund balance are provided below.

Actual day student enrollment of 104,993, based on the 20-day end-of-month membership count, was down, 1,978 students from projected enrollment figures of 104,770. Actual membership decreased 2,254 students from the previous year (105,269).

General operating revenues exceeded budget estimates by \$14.7 million. Additional key factors contributing to the revenue variance include:

- Shelby County revenues increased to forecast by \$7.6 million primarily from higher than expected local sales tax collections.
- Revenues from the State of Tennessee increased by \$2.8 relative forecast due to a \$6.8 million increase for BEP increased, offset by \$4 million decrease in Career Ladder Program and the State Priority Grant.
- Higher than expected indirect cost revenues from the Federal Programs Fund account for \$2.3 million of the variance in the Federal Programs category.
- Investment income increased by \$2.0 million primarily due to the change in Shelby County Trustee investment strategy.

The District experienced cost savings of \$29.0 million in expenditures compared to the budget due to delayed and repurposed projects, attrition, and charter school enrollment. Key factors contributing to the expenditure variance include:

- Employee benefit expenditures were under budget by \$4.2 million. The overall budget variance was largely due to lower Board retiree contributions as a result of a shift in cost responsibility between the Board and retirees.
- The Board allocated \$46.0 million for capital projects, of which \$8.0 million savings was recognized for replacement of equipment due to postponing of several projects. Lastly, the

District experienced delayed spending of \$8.4 million for the ERP implementation and \$4.3 million for the new Parkway Village school, which will be utilized next fiscal year.

- At the end of the fiscal year, the District restricted spending for non-essential items. As a result, the District realized savings of \$4.1 million in contracted services, supplies, and furniture and equipment.

The fund balance policy requires a target unassigned general fund balance of 8.0 percent - 15.0 percent of general fund expenditures. The District unassigned fund balance is currently below this standard as the District has made a concerted effort to make investments. In fiscal year 2019, the District made fund balance assignments of \$4.8 million: \$4 million for an Enterprise Resource System implementation and \$.8 million for maintenance of facilities.

**Capital Asset and Debt Administration**

**Capital Assets**

The school district’s investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$979.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangibles, machinery and equipment. Overall capital assets decreased by .49 percent from fiscal year 2019 to fiscal year 2018. Accumulated depreciation increased by \$21.3 million or 2.3 percent.

**Condensed Statement of Capital Assets**

	<b>Governmental Activities</b>		<b>Percentage</b>
	<b>2019</b>	<b>2018</b>	<b>Change</b>
	<u>2019</u>	<u>2018</u>	<u>2019 - 2018</u>
Land	\$ 44,707,445	\$ 45,249,987	(1.2%)
Buildings and improvements	875,792,017	868,522,691	0.84%
Machinery and equipment	21,012,972	17,864,950	17.62%
Intangible assets	2,268,548	2,835,686	(20%)
Construction in progress	36,026,616	50,169,866	(28.19%)
<b>Total</b>	<b>\$ 979,807,598</b>	<b>\$ 984,643,180</b>	<b>(0.49%)</b>

Additional information on the school district’s capital assets can be found in Note 8.

**Economic Factors and Next Year’s Budgets**

In fiscal year 2019-20, Shelby County Schools continued to experience a shift in enrollment to charter schools. The State of Tennessee provides a share of Shelby County Schools’ local and state funds to ASD and the State Board of Education charter school as a direct allocation from the Basic Education Program (BEP). In school year 2019-20, ASD the ASD revenue allocation is projected to remain flat at \$102.8 million.

The number of SCS authorized charter schools grew to 57 in school year 2019-20 from 54 in school year 2018-19. SCS has experienced mounting financial pressures from the increase of charter schools. With a 17.76 percent increase in annual charter school enrollment, the charter school payment will climb by \$22.7 million in fiscal year 2019-20 based on seven new charter schools, additional classes and grades for existing charter schools, and two charter school closures. The charter schools will have an aggregate budget of \$161.2 million. Charter school payments will be the second largest expense behind instruction, therefore it is prudent to evaluate investments in SCS authorized charter schools.

The Shelby County Board of Education adopted the fiscal year 2019-20 General Fund budget in the amount of \$1,040,572,577 including transfers to charter schools. The fiscal year 2019-20 budget will decrease by \$49.2 million from the fiscal year 2018-19 budget. The General Fund budget includes \$10 million in planned use of fund balance. State statute requires the District to set aside three percent of next year’s General Fund Expenditure Budget of \$1,040,572,577, which equates to \$31,217,177.

The Shelby County Board of Commissioners voted to approve the Shelby County Schools’ fiscal year 2019-20 budget including \$472,918,230 in revenues from all County sources. The District’s share of the total County appropriation will be impacted by the weighted full-time equivalent average daily attendance (WFTEADA) figures that are allocated between Shelby County Schools and the six municipal school districts. Education’s share of the property tax levy is expected to decrease to \$1.94 of the reduced \$4.05 tax rate per \$100 of assessed property value.

Student enrollment is the primary driver of instruction and school expenditure budgets. Shelby County Schools’ combined 20th day end-of-month enrollment, excluding ASD, is expected to decrease from 104,933 to 104,770 students.

**Requests for Information**

This financial report is designed to provide a general overview of the school district’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Room 226, Shelby County Schools, 160 South Hollywood Street, Memphis, Tennessee 38112.

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# **Basic Financial Statements**

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**STATEMENT OF NET POSITION**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 148,268,577
Investments	73,256,748
Restricted investments	2,710,450
Due from County of Shelby	25,441,148
Due from other governments	27,259,084
Other receivables	78,220,131
Inventories	10,185,984
Capital assets, not being depreciated	80,734,061
Capital assets, being depreciated, net	899,073,537
Net pension asset	88,803,984
Total assets	1,433,953,704
<b>Deferred Outflows of Resources</b>	
Pension differences between expected and actual experience	19,164,780
Pension changes in proportion of net pension liability (asset)	18,925
Pension changes in assumptions	29,872,206
Pension employer contributions during fiscal year 2019	46,605,831
OPEB differences between expected and actual experience	10,997,000
OPEB employer contributions during fiscal year 2019	39,874,409
Total deferred outflows of resources	146,533,151
<b>Liabilities</b>	
Accounts payable and other accrued liabilities	83,693,536
Insurance claims payable	8,548,424
Unearned revenue	660,128
Long-term liabilities, due within one year: Non-capital related liabilities	1,446,053
Long-term liabilities, due beyond one year:	
Non-capital related liabilities	10,550,826
Net pension liability	196,584
Net OPEB liability	941,087,000
Total liabilities	1,046,182,551
<b>Deferred Inflows of Resources</b>	
Pension differences between expected and actual experience	62,250,486
Pension difference between investments projected and actual earnings, net	10,659,343
Pension changes in proportion of net pension liability (asset)	29,222,925
OPEB difference between expected and actual experience	52,827,000
OPEB changes of assumptions or other inputs	71,849,000
OPEB difference between investments projected and actual earnings, net	3,494,000
Total deferred inflows of resources	230,302,754
<b>Net Position</b>	
Investment in capital assets	979,807,598
Restricted for :	
Capital projects	2,154,042
Contracted grant programs	9,141,396
Food service	45,757,185
Pension benefits	91,514,434
Education	31,540,072
Unrestricted	(855,913,177)
Total net position	\$ 304,001,550

The notes to the basic financial statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2019**

Functions/Programs	Expenses	Charges for Services
Governmental activities:		
Instruction	\$ 626,097,212	\$ 953,861
Instructional support	75,248,386	-
Student support	77,172,243	-
Office of principal	63,408,399	-
General administration	18,558,248	-
Fiscal services	7,727,072	-
Other support services	7,980,006	-
Student transportation	28,512,265	-
Plant services	99,572,136	-
Community service	62,299,926	-
Charter schools	143,041,477	-
Education Technology	27,569,052	-
Food service	81,201,659	2,886,417
Total governmental activities	\$ 1,318,388,081	\$ 3,840,278

The notes to the basic financial statements are an integral part of this statement.

**SHELBY COUNTY  
BOARD OF EDUCATION**

Program Revenues	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Operating Grants and Contributions	Contributions	Total
\$ 426,537,530	\$ -	\$ (198,605,821)
59,064,639	-	(16,183,747)
27,696,885	-	(49,475,358)
20,955,365	-	(42,453,034)
840,760	-	(17,717,488)
411,760	-	(7,315,312)
4,056,707	-	(3,923,299)
19,373,651	-	(9,138,614)
76,298,053	55,710,328	32,436,245
55,098,518	-	(7,201,408)
-	-	(143,041,477)
3,207,220	-	(24,361,832)
82,312,769	-	3,997,527
\$ 775,853,857	\$ 55,710,328	(482,983,618)

General revenues:	
Shelby County	343,764,854
Local option and state sales taxes	132,748,397
Other local sources (uses)	13,701,710
Unrestricted investment earnings	5,615,053
Total general revenues and special item	495,830,014
<b>Changes in net position</b>	12,846,396
<b>Net position - beginning</b>	291,155,154
<b>Net position - ending</b>	\$ 304,001,550

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	General Fund	Food Service Fund	Special Revenue Categorically Aided Fund	Non-Major Governmental Fund Capital Projects	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 96,857,589	\$ 27,046,234	\$ 6,619,345	\$ -	\$ 130,523,168
Investments	47,691,779	13,214,257	3,234,082	-	64,140,118
Restricted investments	2,710,450	-	-	-	2,710,450
Due from County of Shelby	1,073,357	-	-	14,056,600	15,129,957
Due from other governments	13,150,183	-	-	113,133	13,263,316
Other receivables	45,611,255	2,237,214	29,541,990	-	77,390,459
Inventories	5,467,117	4,718,867	-	-	10,185,984
Due from other funds	29,582,182	-	-	-	29,582,182
<b>Total assets</b>	<b>\$ 242,143,912</b>	<b>\$ 47,216,572</b>	<b>\$ 39,395,417</b>	<b>\$ 14,169,733</b>	<b>\$ 342,925,634</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable and other accrued liabilities	70,736,932	1,357,266	6,678,286	4,866,080	83,638,564
Due to other funds	-	-	21,944,484	7,074,806	29,019,290
Unearned revenues	-	102,121	558,007	-	660,128
<b>Total liabilities</b>	<b>70,736,932</b>	<b>1,459,387</b>	<b>29,180,777</b>	<b>11,940,886</b>	<b>113,317,982</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - settlement	13,150,183	-	-	74,805	13,224,988
<b>Total deferred inflows of resources</b>	<b>13,150,183</b>	<b>-</b>	<b>-</b>	<b>74,805</b>	<b>13,224,988</b>
<b>Fund balances</b>					
Nonspendable	5,467,117	4,718,867	-	-	10,185,984
Restricted	34,250,522	41,038,318	9,141,396	2,154,042	86,584,278
Committed	-	-	1,073,244	-	1,073,244
Assigned	34,907,258	-	-	-	34,907,258
Unassigned	83,631,900	-	-	-	83,631,900
<b>Total fund balances</b>	<b>158,256,797</b>	<b>45,757,185</b>	<b>10,214,640</b>	<b>2,154,042</b>	<b>216,382,664</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 242,143,912</b>	<b>\$ 47,216,572</b>	<b>\$ 39,395,417</b>	<b>\$ 14,169,733</b>	<b>\$ 342,925,634</b>

The notes to the basic financial statements are an integral part of this statement.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balances - total governmental funds</b>		\$	216,382,664
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
Cost	\$	1,903,316,792	
Less accumulated depreciation		<u>(923,509,194)</u>	979,807,598
Net pension assets are not financial resources and therefore are not reported as assets in governmental funds			88,803,984
Internal service funds account for central and other government services, health insurance, life insurance, and unemployment services. The assets and liabilities of the internal service fund are included with governmental activities.			19,590,626
Short-term compensated absences (for active employees) not booked to governmental funds			(1,183,350)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.			
Long-term liabilities not included in governmental or proprietary funds at year-end consist of:			
Pension Liability	\$	(196,584)	
Net OPEB Liability		(941,087,000)	
Long-term compensated absences (for active employees) not booked to governmental funds		<u>(10,431,088)</u>	(951,714,672)
Liabilities for earned revenues considered deferred inflows of resources in fund statements			
City of Memphis Settlement			13,224,988
Accrued property taxes and other receivables in the Statement of Activities that do not provide current financial resources are not reported in the funds.			
County of Shelby	\$	10,311,191	
Municipality agreements		<u>12,548,124</u>	22,859,315
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds			
Pension Actuarial experience deferred outflow	\$	19,164,780	
Pension Actuarial experience deferred inflow		(62,250,486)	
Pension Net investment earnings deferred inflow		(10,659,343)	
Pension Changes in assumptions		29,872,206	
Pension Change in proportionate share of NPL deferred outflow		18,925	
Pension Change in proportionate share of NPL deferred inflow		(29,222,925)	
Pension Current fiscal year contributions deferred outflow		46,605,831	
OPEB Actuarial experience deferred outflow		10,997,000	
OPEB Current fiscal year contributions deferred outflow		39,874,409	
OPEB difference between expected and actual experience		(52,827,000)	
OPEB Changes in assumptions deferred inflow		(71,849,000)	
OPEB Net Investment earnings deferred inflow		<u>(3,494,000)</u>	<u>(83,769,603)</u>
<b>Total net position - governmental activities</b>		<u>\$</u>	<u>304,001,550</u>

The notes to the basic financial statements are an integral part of this statement.

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	General Fund	Food Service Fund	Special Revenue Categorically Aided Fund	Non-Major Governmental Fund Capital Projects	Total Governmental Funds
<b>Revenues</b>					
City of Memphis	\$ 1,415,209	\$ -	\$ -	\$ 113,862	\$ 1,529,071
Shelby County	478,876,282	-	-	54,932,413	533,808,695
State of Tennessee	522,449,938	635,501	13,412,272	-	536,497,711
Federal Government	10,672,473	81,596,399	136,500,605	-	228,769,477
Other local sources	9,777,517	4,013,397	10,507,615	286,313	24,584,842
<b>Total revenues</b>	<b>\$ 1,023,191,419</b>	<b>\$ 86,245,297</b>	<b>\$ 160,420,492</b>	<b>\$ 55,332,588</b>	<b>\$ 1,325,189,796</b>
<b>Expenditures</b>					
Current:					
Instruction	533,250,244	-	54,122,880	-	587,373,124
Instructional support	35,687,978	-	41,486,682	-	77,174,660
Student support	71,398,855	-	7,561,792	-	78,960,647
Office of principal	64,436,518	-	40,015	-	64,476,533
General administration	17,155,567	-	-	-	17,155,567
Fiscal services	7,943,606	-	-	-	7,943,606
Other support services	8,410,648	-	-	-	8,410,648
Student transportation	25,997,550	-	2,343,120	-	28,340,670
Plant services	99,627,637	-	595,301	-	100,222,938
Community service	8,662,286	-	54,321,455	-	62,983,741
Charter school	143,041,477	-	-	-	143,041,477
Education Technology	26,915,473	-	-	-	26,915,473
Retiree benefits	28,599,681	-	-	-	28,599,681
Food service	-	77,683,851	1,018	-	77,684,869
Capital outlay	-	-	-	55,987,845	55,987,845
<b>Total expenditures</b>	<b>1,071,127,520</b>	<b>77,683,851</b>	<b>160,472,263</b>	<b>55,987,845</b>	<b>1,365,271,479</b>
Excess (deficiency) of revenues over expenditures	(47,936,101)	8,561,446	(51,771)	(655,257)	(40,081,683)
<b>Other financing sources (uses)</b>					
Transfer to fiduciary fund	(57,592)	-	-	-	(57,592)
Transfer to OPEB fund	(3,000,000)	-	-	-	(3,000,000)
Transfer from insurance fund	10,000,000	-	-	-	10,000,000
Transfer from fiduciary fund - agency fund	460,433	-	-	-	460,433
Insurance recovery	-	-	-	546,785	546,785
Sale of capital assets	-	-	-	597,230	597,230
<b>Net change in fund balance</b>	<b>(40,533,260)</b>	<b>8,561,446</b>	<b>(51,771)</b>	<b>488,758</b>	<b>(31,534,827)</b>
Fund balance - July 1, 2018	198,790,057	37,195,739	10,266,411	1,665,284	247,917,491
Fund balance - June 30, 2019	<b>\$ 158,256,797</b>	<b>\$ 45,757,185</b>	<b>\$ 10,214,640</b>	<b>\$ 2,154,042</b>	<b>\$ 216,382,664</b>

The notes to the basic financial statements are an integral part of this statement.



**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

Amounts reported for governmental activities in the statement of activities are different because:

<b>Total net change in fund balances - total governmental funds</b>	\$	(31,534,827)
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. (Does not include cash proceeds)</p>		
Capital outlay	\$ 64,013,351	
Depreciation expense	<u>(60,345,699)</u>	3,667,652
<p>Capital assets used in governmental activities are not reported as assets. The gain or loss on the disposal of the assets are also not reported.</p>		
Disposal of capital assets	\$ (8,503,235)	(8,503,235)
<p>On the statement of activities the actual and projected long term expenditures for post employment benefits are reported, whereas on the governmental funds only the actual expenditures are recorded for post employment benefits.</p>		
		(39,456,000)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The change in compensated absences totaled:</p>		
		(1,922,711)
<p>An internal service fund is used by the Board's management to charge the costs of central services, government services, self-insurance health and unemployment claims to the individual funds. The net revenue of the internal service fund is reported with governmental activities.</p>		
		(16,505,223)
<p>Recognition of unavailable revenue from Shelby County, City of Memphis, and the Municipalities increased the Board's receivable from these entities. This amount is the net change during the period.</p>		
		(5,625,198)
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		72,852,387
<p>Governmental funds report district OPEB contributions as expenditures. However, in the Statement of Activities, the contributions made during the fiscal year are shown as contributions after the measurement date of June 30, 2018 and not reflected as expenses on the Statement of Activities.</p>		
		<u>39,873,551</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>12,846,396</u></b>

The notes to the basic financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
City of Memphis	\$ 1,333,334	\$ 1,333,334	\$ 1,415,209	\$ 81,875
Shelby County	471,266,753	471,266,753	478,876,282	7,609,529
State of Tennessee	519,795,285	519,647,270	522,449,938	2,802,668
Federal government	5,207,357	8,415,825	10,672,473	2,256,648
Other local sources	7,820,780	7,820,780	9,777,517	1,956,737
Total revenues	<u>1,005,423,509</u>	<u>1,008,483,962</u>	<u>1,023,191,419</u>	<u>14,707,457</u>
<b>Expenditures</b>				
Current:				
Instruction	515,329,546	538,930,188	527,285,036	11,645,152
Instructional support	36,370,007	38,844,259	35,591,791	3,252,468
Student support	75,907,861	77,446,978	72,693,000	4,753,978
Office of principal	63,496,255	64,330,125	64,491,098	(160,973)
General administration	17,963,121	20,664,212	17,122,133	3,542,079
Fiscal services	9,078,444	9,316,241	7,799,900	1,516,341
Other support services	7,806,040	8,014,192	9,367,804	(1,353,612)
Student transportation	25,068,879	25,172,231	25,964,424	(792,193)
Plant services	85,831,998	97,480,914	105,292,766	(7,811,852)
Community service	10,379,273	10,496,542	8,808,326	1,688,216
Charter schools	148,451,190	138,451,190	143,041,477	(4,590,287)
Education technology	25,851,804	34,701,637	21,654,731	13,046,906
Retiree benefits	32,889,091	32,889,091	28,599,681	4,289,410
Total expenditures	<u>1,054,423,509</u>	<u>1,096,737,800</u>	<u>1,067,712,167</u>	<u>29,025,633</u>
Excess (deficiency) of revenues over expenditures	<u>(49,000,000)</u>	<u>(88,253,838)</u>	<u>(44,520,748)</u>	<u>43,733,090</u>
<b>Other financing sources (uses)</b>				
Transfer to fiduciary fund	-	(57,592)	(57,592)	-
Transfer to OPEB fund	-	(3,000,000)	(3,000,000)	-
Transfer from insurance	-	10,000,000	10,000,000	-
Transfer from fiduciary fund - agency fund	-	-	460,433	460,433
Net change in fund balance	<u>\$ (49,000,000)</u>	<u>\$ (81,311,430)</u>	<u>(37,117,907)</u>	<u>\$ 44,193,523</u>
Change in reserve for encumbrances			<u>(3,415,353)</u>	
Net change in fund balances (GAAP basis)			<u>(40,533,260)</u>	
Fund balance - July 1, 2018			<u>198,790,057</u>	
Fund balance - June 30, 2019			<u>\$ 158,256,797</u>	

The notes to the basic financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
FOOD SERVICE FUND  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State of Tennessee	\$ 680,000	\$ 680,000	\$ 635,501	\$ (44,499)
Federal government	83,892,812	83,892,812	81,596,399	(2,296,413)
Other local sources	<u>3,749,951</u>	<u>3,749,951</u>	<u>4,013,397</u>	<u>263,446</u>
Total revenues	<u>88,322,763</u>	<u>88,322,763</u>	<u>86,245,297</u>	<u>(2,077,466)</u>
<b>Expenditures</b>				
Current				
Labor	35,990,205	35,992,079	30,428,314	5,563,765
Food	33,688,003	34,478,497	33,525,087	953,410
Supplies	2,450,037	2,439,661	1,966,956	472,705
Equipment	6,188,700	5,121,604	2,890,511	2,231,093
Other	<u>10,005,822</u>	<u>13,499,390</u>	<u>9,874,319</u>	<u>3,625,071</u>
Total expenditures	<u>88,322,767</u>	<u>91,531,231</u>	<u>78,685,187</u>	<u>12,846,044</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4)</u>	<u>\$ (3,208,468)</u>	<u>7,560,110</u>	<u>\$ 10,768,578</u>
Net change in fund balance	<u>\$ (4)</u>	<u>\$ (3,208,468)</u>	<u>7,560,110</u>	<u>\$ 10,768,578</u>
Change in reserve for encumbrances			<u>1,001,337</u>	
Net change in fund balances (GAAP basis)			<u>8,561,447</u>	
Fund balance - July 1, 2018			<u>37,195,738</u>	
Fund balance - June 30, 2019			<u>\$ 45,757,185</u>	

The notes to the basic financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE - CATEGORICALLY AIDED FUND  
For the Year Ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State of Tennessee	\$ 13,149,817	\$ 13,654,099	\$ 13,412,272	\$ (241,827)
Federal government	159,643,122	161,957,111	136,057,758	(25,899,353)
Other local sources	20,295,979	10,108,387	10,507,615	399,228
Total revenues	<u>193,088,918</u>	<u>185,719,597</u>	<u>159,977,645</u>	<u>(25,741,952)</u>
<b>Expenditures</b>				
Current:				
Instruction	72,909,293	65,762,911	53,549,087	12,213,824
Instructional support	42,029,595	50,986,729	41,994,006	8,992,723
Student support	12,007,117	10,636,601	7,431,245	3,205,356
Office of principal	40,539	40,380	40,015	365
Student transportation	3,840,510	2,661,112	2,294,764	366,348
Plant services	946,511	647,325	549,820	97,505
Community service	68,210,569	56,257,385	53,811,885	2,445,500
Food service	-	-	1,018	(1,018)
Total expenditures	<u>199,984,134</u>	<u>186,992,443</u>	<u>159,671,840</u>	<u>27,320,603</u>
Excess (deficiency) of revenues over expenditures	<u>(6,895,216)</u>	<u>(1,272,846)</u>	<u>305,805</u>	<u>1,578,651</u>
Net change in fund balances	<u>\$ (6,895,216)</u>	<u>\$ (1,272,846)</u>	<u>305,805</u>	<u>\$ 1,578,651</u>
Change in reserve for encumbrances			<u>(357,576)</u>	
Net change in fund balances (GAAP basis)			(51,771)	
Fund balance - July 1, 2018			<u>10,266,411</u>	
Fund balance - June 30, 2019			<u>\$ 10,214,640</u>	

The notes to the basic financial statements are an integral part of this statement.

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	<u>Governmental Activities - Internal Service Funds</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 17,745,409
Investments	9,116,630
Receivable from state	1,447,644
Other receivables	<u>266,780</u>
Total assets	<u>28,576,463</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	295,573
Insurance claims and premiums payable	8,548,424
Accrued vacation	22,102
Noncurrent liabilities:	
Accrued vacation	<u>119,738</u>
Total liabilities	<u>8,985,837</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$ 19,590,626</u></u>

The notes to the basic financial statements are an integral part of this statement.

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Governmental Activities - Internal Service Funds
<b>Operating revenues:</b>	
Charges for services	\$ 3,076,008
Employee contributions	37,200,323
Board contributions	62,132,304
Total operating revenues	<u>102,408,635</u>
<b>Operating expenses:</b>	
Personnel services	2,950,233
Material and supplies	302,867
Claims incurred	85,056,117
Life insurance premiums	2,027,845
Administrative expenses	3,950,216
Total operating expenses	<u>94,287,278</u>
Operating income	8,121,357
<b>Nonoperating revenues (expenses):</b>	
Interest income	373,420
Total nonoperating revenues (expenses)	<u>373,420</u>
Income (loss) before transfers	8,494,777
Transfers to general fund	(10,000,000)
Transfers to OPEB	(15,000,000)
Change in net position	(16,505,223)
Total net position - July 1, 2018	<u>36,095,849</u>
Total net position - June 30, 2019	<u>\$ 19,590,626</u>

The notes to the basic financial statements are an integral part of this statement.

**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
For the year ended June 30, 2019

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	Governmental Activities - Internal Service Funds
<b>Cash Flows From Operating Activities</b>	
Receipts from employer	\$ 65,472,178
Receipts from employees	37,200,323
Payments to suppliers	(4,253,083)
Payments to employees for salaries and benefits	(2,950,233)
Payments for life insurance premiums	(2,027,845)
Payments for insurance and unemployment claims	(86,486,995)
Net cash by operating activities	<u>6,954,345</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of investments	31,073,740
Interest received	373,420
Net cash provided (used) by investing activities	<u>31,447,160</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfer to General Fund	(10,000,000)
Transfers from other funds	<u>(15,000,000)</u>
Net cash provided (used) by capital and related financing activities	(25,000,000)
Net decrease in cash and cash equivalents	13,401,505
Cash and cash equivalents at beginning of year	<u>4,343,904</u>
Cash and cash equivalents at end of year	<u>\$ 17,745,409</u>
<b>Reconciliation of operating to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 8,121,357
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Receivables	263,866
Accrued liabilities	<u>(1,430,878)</u>
Net cash by operating activities	<u>\$ 6,954,345</u>

The notes to the basic financial statements are an integral part of this statement.

**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 335,896	\$ 10,753,136
Other receivables	624,476	272,689
Investments, at fair value:		
Short-term securities	12,189,711	56,670
Common stocks	22,746,626	127,225
Corporate bonds	46,766,407	-
Total Investments	<u>81,702,744</u>	<u>183,895</u>
Inventories	-	55,728
Total assets	<u><u>82,663,116</u></u>	<u><u>11,265,448</u></u>
<b>Liabilities</b>		
Accounts payable	520,326	206,402
Due to general fund	102,459	460,433
Insurance claims and premiums payable	2,300,000	-
Due to student general fund	-	6,267,371
Due to student groups	-	4,331,242
Total liabilities	<u>2,922,785</u>	<u>11,265,448</u>
<b>Net Position</b>		
Net position restricted for post employment benefits	78,818,030	-
Net position restricted for pension benefits	922,301	-
	<u><u>79,740,331</u></u>	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of this statement.



**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
For the year ended June 30, 2019

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	Trust Funds
	<u>                    </u>
<b>Additions</b>	
Contributions:	
State reimbursements for benefit payments and insurance premiums	\$ 63,045
State reimbursements for superior plan	2,129,138
Employer contributions	28,599,681
Retiree contributions	27,287,355
Transfer from general fund	3,057,592
Transfer from insurance	15,000,000
Drug subsidy	143,153
Investment Earnings:	
Interest income	3,072,285
Net appreciation (depreciation) in fair value of investments	<u>352,487</u>
Total investment earnings	3,424,772
Less investment expense	<u>278,208</u>
Net investment earnings	3,146,564
 Total additions	 79,426,528
 <b>Deductions</b>	
Benefit payments	64,127,161
Administrative expenses	<u>362,160</u>
 Total deductions	 <u>64,489,321</u>
 Net increase (decrease) in net position	 14,937,207
 <b>Net Position</b>	
July 1, 2018	64,803,124
 June 30, 2019	 <u><u>\$ 79,740,331</u></u>

The notes to the basic financial statements are an integral part of this statement.

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Determination of the Reporting Entity

The Shelby County Board of Education (the Board) is a component unit of Shelby County Government (the County), which is defined as the Primary Government when defining the Reporting Entity. In determining the reporting entity, the Board was determined to be a component unit based upon its financial accountability as a result of fiscal dependency on the County of Shelby and a financial benefit or burden relationship. The County levies taxes for the Board, approves its operating budget, is legally obligated to provide financial support, and issues debt for its capital projects. Therefore, the financial statements of the Board are included in the financial statements of the County of Shelby, TN, as a discretely presented governmental component unit.

Financial activities of the Board are recorded in the individual funds described below, each of which is deemed to be a separate accounting entity. The financial affairs and operations of each fund are accounted for in separate self-balancing entity accounts, which represent the funds' assets, liabilities, equity, revenue and expenditures.

### Governmental Accounting Standards

The financial statements of the Board have been prepared in accordance with generally accepted accounting principles (GAAP) followed in the United States of America. In the United States, the Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The GASB periodically issues new or revised standards that are implemented by the Board.

### Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. Activities are generally financed through a share of tax revenue collected by Shelby County, grants, and other non-exchange revenues. For the most part, the effect of internal activity has been removed from these statements in the process of consolidation, with the exception of interfund services provided and used.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. General revenues include internally dedicated resources, non-specific grants and contributions, and investment earnings.

### Fund Financial Statements

Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Board or meets the following criteria:

- a. The total of assets and deferred outflows of resources, the total of liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual fund are at least 10 percent of the corresponding total for all funds of that category or type; and

- b. The same element(s) that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

*General Fund*

The General Fund is the general purpose and Chief Operating Fund of the school district used to account for the ordinary operations and financial resources not accounted for in any other fund. Taxes, state equalization funding, and other general revenues finance the operations.

*Special Revenue Funds*

Transactions related to resources obtained and used under certain federal and state programs and from other sources, upon which legal restrictions are imposed, are accounted for in Special Revenue Funds. The Special Revenue Funds are:

**Categorically Aided Fund:** The Board receives funds from various agencies, state and federal governments that are to be spent for specified purposes based upon contractual agreements or grant applications. Thus, the funds are restricted, and the Categorically Aided Fund is used to keep these funds segregated from other funds.

**Food Service Fund:** This fund is used to account for the operations of the cafeterias in preparing and serving regular and incidental meals, breakfast, lunches, and snacks in connection with non-instructional services. Revenue is provided primarily from governmental agencies, which is to be spent specifically for the cafeterias. Thus, the funds are restricted, and the Food Service Fund is used to keep these funds segregated from other funds.

*Capital Projects Fund*

Transactions for intangibles and resources obtained and used for the acquisition, construction or improvement of capital facilities are accounted for in the Capital Projects Fund.

Proprietary Funds

*Internal Service Funds*

Internal Service Funds account for central and other government services, health insurance, life insurance, and unemployment services provided to other funds of the Board or the Achievement School District that are funded through charges for services, and employee and Board contributions.

**Achievement School District – Services** to support the Achievement School District including transportation, facilities, and special education services.

**Central Services – Central Service Operations** include printing and supply chain management services to the district.

**Insurance – Insurance Fund** accounts for the school district's self-insurance for health and premiums for life insurance benefits for school district employees, and their dependents.

Unemployment Compensation – Unemployment Compensation accounts for the school district’s self-insurance for unemployment benefits which may be due for employment benefits for school district employees.

Fiduciary Funds (Not included in government-wide statements)

Trust and Agency Funds consist of the following:

Pension Trust Fund – Retirement Fund: Transactions related to resources held in a fiduciary capacity as agent for participants in the Retirement System of the Shelby County Board of Education are accounted for in the Retirement Fund. See Note 7 for additional information regarding this retirement plan.

Agency Fund – Internal School Fund: Transactions related to resources held in a fiduciary capacity as agent for the general school population, or in some cases, for a specific segment of the school population, are recorded in the Internal School Fund. Agency funds are purely custodial and thus do not involve measurement of results of operations.

OPEB Trust Fund – Transactions related to resources held in a fiduciary capacity as agent for insurance benefits for retirees and their dependents.

Agency Fund – Flexible Spending Account – Transactions related to resources held in a fiduciary capacity as agent for participants in the flexible spending and dependent care programs are recorded in this fund. Agency funds are purely custodial and thus do not involve measurement of results of operations.

Major and Non-Major Funds

The General Fund, Food Service Fund, and Categorically Aided Fund, are classified as major funds. The Capital Project Fund is classified as a non-major fund. See above for descriptions.

Measurement Focus

Measurement Focus is a term used to describe which transactions are recorded within the various financial statements.

The government-wide financial statements are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “Current Financial Resources” measurement focus or the “Economic Resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “Current Financial Resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period.
- b. The proprietary and fiduciary funds utilize an “Economic Resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows (only for proprietary fund). All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and fiduciary fund equities are classified as net position.

- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

#### Budgeting and Budgetary Control

Revenue and expenditures accounted for in all funds, with the exception of the health insurance and unemployment funds, are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Board's operations. The budgetary basis of accounting differs from generally accepted accounting principles because encumbrances have been recorded as expenditures. The District's operating budget is subject to approval by the Board of Education and the Shelby County Board of Commissioners.

The District cannot exceed the total budgeted expenditures. The District can amend its operating budget between line items if the amendment does not increase the total budget. However, line item transfers from salaries and benefits to operations and maintenance accounts and from other restricted budgets/allocations as provided in policy are not permitted. The Superintendent or his designee is authorized to transfer budget amounts between line items of the same state functional classification and within the same major object type, i.e., salaries and benefits or discretionary accounts. Budget revisions that increase the balance of a fund are taken by resolution before the Board and the Shelby County Board of Commissioners for approval.

#### Basis of Accounting

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The fund financial statements, General, Special Revenue and Capital Projects Funds, are prepared on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, which is defined as being both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized on the modified accrual basis which is defined as measurable and when the related liability is incurred. When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed. Revenue susceptible to accrual under the modified accrual basis:

- a. In determining availability, the Board considers property taxes associated with the current fiscal year to be available if they are collected within 30 days of the current fiscal year and sales taxes to be available if collected within two months of the end of the current fiscal year. The Board considers wheel taxes from the County associated with the current fiscal year to be available within one year of the end of the current fiscal year.
- b. Grants and subsidies from other governments, to the extent measurable and available are recognized as revenue as soon as all the eligibility requirements by the provider have been met.
- c. Interest earned on investments as of year-end.

The proprietary funds, pension and OPEB trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenue is recorded as earned and expenses are recorded when the liability

is incurred, or economic asset used. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All other revenue is considered non-operating revenue. The agency funds utilize the accrual basis of accounting for reporting of assets and liabilities only. For budgetary reporting purposes, the encumbrance method of accounting for expenditures is used for the General, Special Revenue and Capital Projects Funds. Under this method, commitments represented by purchase orders, contracts and repair authorizations, except for those related to inventory purchases, are recorded as expenditures in addition to actual expenditures incurred.

Outstanding encumbrances are classified as "Fund Balance – Assigned or Restricted" in the various funds. These amounts have been excluded from expenditures in all accompanying financial statements except for the statement which shows comparisons between actual expenditures (including encumbrances) and related budgeted amounts.

#### Receivables

Receivables consist primarily of grant funds receivable from the Federal Government and the State of Tennessee, and property taxes receivable from the City of Memphis and Shelby County. Outstanding balances between funds are reported as "due to/from other funds." Transfers between funds are used to ensure current operations and programs are not interrupted.

#### Inventories

General Fund inventories consist of textbooks, maintenance and school supplies. Food Service Fund inventories consist of food and cafeteria supplies. Inventories are considered expenditures when issued from the central warehouse to the schools except food items, which are considered expenditures when issued (used) by the individual schools (Consumption Method). Inventories are reported in the balance sheet at average cost and are offset by a Fund Balance reserve of a like amount. Inventories in the Agency Fund are stated at cost determined by the first-in, first-out method.

#### Realty and Personal Property Taxes

The Board recognizes as revenue its net share of realty and personal property taxes collected by Shelby County (see Basis of Accounting above). The Board does not have any taxing authority. Consequently, it relies on a share of realty and personal property taxes collected by Shelby County. The Shelby County tax levy of \$4.05 per \$100 of assessed value included \$1.94 for county schools. Property taxes attach an enforceable lien on property on January 1 of each year. The levy is made July 1. Taxes are due October 1 and delinquent March 1 of the following year.

#### Cash Equivalents

Shelby County maintains a cash pool, of which the County Trustee is custodian. This pool is generally available for use by all Shelby County funds and related entities. At fiscal year-end, cash and cash equivalents include amounts in the pool and demand deposits at various financial institutions. The Board considers all highly liquid investments with maturities of three-months or less when purchased to be cash equivalents.

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### Investments

State statutes authorize the County Trustee to invest in obligations of the U.S. Treasury, obligations issued or guaranteed by the U.S. Government agency, certificates of deposits at Tennessee and federal chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as underlying securities, prime banker's acceptances and prime commercial paper. The maximum maturity is two-years. The District's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The District uses valuation technique(s) that best represents fair value in the circumstances using one of the three approaches: Market, Cost, or Income.

### Unearned Revenue

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental fund balance sheet. The Board reports unavailable revenue from a settlement with the City of Memphis. The amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis of accounting, deferred amounts related to pensions are reported only on the Statement of Net Position and represent benefits that apply to future periods and so will not be recognized until that time.

### Pensions

Net Pension Liability (Assets) are reported in the government-wide financial statement.

For purposes of measuring the Net Pension Liability (Assets) the following have been determined on the same basis as they are reported by the TCRS: deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of Teacher Legacy Pension Plan for teachers, Public Employee Retirement Plan for non-teachers and the Teacher Retirement Plan in the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from plan's fiduciary net position. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Legacy Pension Plan for teachers, the Public Employee Retirement Plan for non-teachers and the Teacher Retirement Plan of TCRS. Investments are reported at fair value.



### Capital Assets

Capital Assets, which include land, buildings and improvements, machinery and equipment, intangibles and construction in progress, are reported in the government-wide financial statements.

Capital Assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2001. Donated Capital Assets are reported at fair value and on a go-forward basis newly acquired donated Capital Assets will be reported at acquisition value. The District capitalizes assets with an initial cost of \$5,000 or more. As a result of the merger, the District is carrying some items that do not meet the criteria because the former Memphis City Schools also capitalized sensitive items regardless of cost.

Depreciation of all exhaustible Capital Assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

- Buildings and Improvements 10-50 years
- Intangibles 5-10 years
- Machinery and Equipment 5-20 years

### Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide financial statements. Long-term obligations consist primarily of accrued compensated absences, pension, and other post-employment benefits.

### Compensated Absences

The liability for accrued vacation is recorded as incurred in the government-wide and proprietary fund financial statements. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources and only the absences which have matured and are probable to be paid (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). In governmental funds no expenditure would be recognized for unpaid balances of compensated absences for an employee still in active service at the end of the reporting period.

### Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

Governmental Fund Balances are reported, in accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as either Non-spendable, Restricted, Committed, Assigned and/or Unassigned.

- Non-spendable Fund Balance includes amounts that are not in a spendable form such as inventory, prepaid amounts and the long-term amounts of loans and notes receivable, or are legally or contractually required to be maintained intact.
- Restricted Fund Balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling legislations. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed Fund Balance includes amounts that can be used only for the specific purposes determined by formal action (adoption of a resolution) of the Shelby County Schools Board members, the Board’s highest level of decision making authority. Commitments may be changed or lifted only by the Shelby County Schools Board members taking the same formal action (adoption of a resolution) that imposed the constraint.
- Assigned Fund Balance includes amounts that the Board intends to use for a specific purpose, but are not restricted or committed. The intent shall be expressed by resolution of the Shelby County Board of Education or official to which the Board has delegated the authority, such as the Superintendent or his designee (e.g. legal contingencies).
- Unassigned Fund Balance is the residual classification for the General Fund and General Purpose School Fund. It includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance that is not obligated or specifically designated and is available for any purpose. Any deficit balances in the other governmental fund types are reported as unassigned.

#### Minimum Fund Balance Policy

Shelby County Board of Education believes sound financial management principles require sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain a general fund balance sufficient to fund all cash flows of the District, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to provide funds for all existing encumbrances.

The total fund balance restricted for education in the General Fund will be maintained at a level not less than required by Tennessee Code Annotated (TCA) 49-3-352. Should the Restricted Fund Balance amount fall below the required level, the Board must approve and adopt a plan to restore this balance to the required level within 24 months. If restoration of the Restricted Fund Balance cannot be accomplished within such period without severe hardship to the District, the Board will establish a different time period.

To maintain and protect the long term financial capacity of SCS, the fund balance and reserves in the General Fund should be at a level that supports the attainment of District long-range goals. To that end,

the District will maintain a target unassigned general fund balance of approximately 8 percent -15 percent of General Fund expenditures.

- **Use of General Fund Balance in Excess of Minimum:** An unassigned general fund balance in excess of the target 15 percent may be retained in the unassigned general fund and/or utilized for (1) one-time expenditures without any reoccurring operating costs; and/or (2) planned small use of fund balance to avoid the requirement of a significant budget adjustment once fund balance is below target percentage.
- **Restoring General Fund Balance Level:** Should the actual amount of the unassigned general fund balance fall below the targeted range; the Board shall act to restore the balance to the appropriate levels within 24 months. Actions to restore such balance shall be based on a plan provided by the Superintendent for reductions in expenditures and/or increases in revenue.

#### Order of Expenditure of Funds

In accordance with Governmental Accounting Standards Board Statement No. 54, when multiple categories of fund balances are available, such as restricted and unrestricted resources in the General Fund, Capital Projects Fund, and Special Revenue Funds, the District will start spending from the most restricted category first. The District will spend unrestricted fund balance in the following order, committed funds first, followed by assigned fund balance, and then unassigned fund balance.

#### Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Board's OPEB Plan and additions to/deductions from the OPEB Plan fiduciary' net position have been determined on the same basis as they are reported by the Board's OPEB Plan. For this purpose, the Board recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost

#### Reclassifications

For comparability, certain prior year amounts have been reclassified where appropriate to conform to the presentation in the current year.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net position or fund balances. Estimates also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents (excluding fiduciary funds) totaled \$148,268,577 at June 30, 2019 and consist of demand deposits and deposits in the State Treasurer's investment pool.

Cash and Cash Equivalents include cash on hand, demand deposits, savings accounts and short-term investments with maturities of three months or less at the time of purchase. The County pools substantially all of its cash and cash equivalents. The Board owns a pro rata share in the pool. Investment earnings of the pool are allocated monthly to each fund based upon the average balance.

Deposits with the State Treasurer's Local Government Investment Pool (LGIP) may be withdrawn with a maximum of one day's notice, are classified as cash equivalents and are valued at cost. The LGIP is not registered with the SEC as an investment company. However, the LGIP has a policy that it will – and does – operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares.

At June 30, 2019, the deposits held were \$166,986,156. The cash of the Fiduciary funds are not included here because the amounts are held in a trust or an agency capacity.

	<b>Shelby County Trustee</b>	<b>Total Cash and Cash Equivalents</b>
LGIP	\$ 133,732,909	\$ 133,732,909
Liquid CDARs-Renasant	26,731,431	26,731,431
Liquid CDARs-Landmark	5,179,973	5,179,973
Cash-Regions	1,341,843	1,341,843
	<u>\$ 166,986,156</u>	<u>\$ 166,986,156</u>

**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT**

Investments as of June 30, 2019, are recorded at fair value and consist of the following:

Investment Type	General Fund	Categorically Aided Fund	Food Service Fund	Proprietary Funds	Fiduciary Funds	Internal School Fund	Total
CDARS	\$ 9,647,084	\$ 659,292	\$ 2,693,823	\$ 1,797,336	\$ 25,936	\$ -	\$ 14,823,471
CDs	13,817,197	944,281	3,858,275	2,874,264	37,147	-	21,531,164
Agencies	7,591,451	518,807	2,119,815	1,414,352	20,409	-	11,664,834
Commercial Paper	16,266,978	1,111,702	4,542,344	3,030,678	43,733	-	24,995,435
Common stocks	369,069	-	-	-	425,773	-	794,842
Corporate bonds	-	-	-	-	391,867	-	391,867
Mutual Funds	1,328,120	-	-	-	46,374,540	-	47,702,660
Exchange-traded and closed-end funds	-	-	-	-	22,320,853	-	22,320,853
Short term investments	27,105	-	-	-	12,189,711	56,669	12,273,485
Strategic Lending	542,090	-	-	-	-	-	542,090
Bond Funds	542,090	-	-	-	-	-	542,090
Real Estate	271,045	-	-	-	-	-	271,045
	<u>\$ 50,402,229</u>	<u>\$ 3,234,082</u>	<u>\$ 13,214,257</u>	<u>\$ 9,116,630</u>	<u>\$ 81,829,969</u>	<u>\$ 56,669</u>	<u>\$ 157,853,836</u>

Custodial Credit Risk:

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Board to pay retirement benefits for the teachers of Shelby County Board of Education.

Bank deposits and certificates of deposit (cash and investments) of the County, consistent with State statutes, are covered by federal depository insurance (FDIC) or are collateralized by a multiple financial institution collateral pool administered by the Treasurer of the State of Tennessee. On limited occasions the County may have deposits with financial institutions that do not participate in the State collateral pool; in these instances, separate collateral equal to at least 105 percent of the uninsured deposit is collateralized and held in the County's name by a third party.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Both State statutes and County's investment policy limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both State statutes and the County's investment policy limit investment permissible investments or impose collateral and custody provisions as specified above.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. The Board places no limit on the amount the county may invest in one issuer.

The County Trustee invests monies on behalf of the Board. Investments are stated at fair value. Fair value is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. State statutes authorize the County Trustee to invest in obligations of the U.S. Treasury, obligations issued or guaranteed by any U.S. Government agency, certificates of deposits at Tennessee and federal chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as underlying securities, prime banker's acceptances and prime commercial paper. The maximum maturity is two years.

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under GAAP are described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities the Shelby County Board of Education has the ability to access.
- Level 2 – Inputs (other than quoted prices within Level 1) such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that can be corroborated by observable market data.
- Level 3 – Inputs which are unobservable for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the Shelby County Board of Education utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019.

For the Shelby County Board of Education, Level 1 investments are valued using prices quoted in active markets for those investments. Level 2 investments are valued based on the investments relationship to benchmark quoted prices. Level 3 investments are valued using either a discounted cash flow or market comparable techniques.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Shelby County Board of Education believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

Shelby County Board of Education has the following recurring fair value measurements as of June 30, 2019:

Investments Measured at Fair Value (\$ in millions)	<u>Fair Value Measurements</u>			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total 6/30/2019
<b>Investments by Fair Value Level</b>				
CDARS	\$ 14.82	\$ -	\$ -	\$ 14.82
CDs	21.53	-	-	21.53
Commercial paper	-	-	25.00	25.00
Agencies	-	11.66	-	11.66
Corporate bonds	0.39	-	-	0.39
Mutual Funds	47.70	-	-	47.70
Exchange-traded and closed-end funds	22.32	-	-	22.32
Short term investments	12.27	-	-	12.27
Common stocks	0.79	-	-	0.79
Strategic Lending	-	-	0.54	0.54
Bond Funds	-	0.54	-	0.54
Real State	-	-	0.27	0.27
Total investments measured at fair value	\$ 119.84	\$ 12.21	\$ 25.81	\$ 157.85

The Board invests in various fixed income debt securities such as agency securities and corporate bonds. Credit quality distributions for investments in fixed income debt securities, with credit risk as a percentage of total investment for the Retirement Fund (Moody's) are as follows as of June 30, 2019:

		<u>Retirement Fund</u>
Aaa	57.39%	\$ 224,848
Aa3	6.36%	24,931
A1	6.38%	25,014
A2	10.26%	40,210
A3	5.25%	20,575
Baa1	9.15%	35,851
Baa2	5.19%	20,337
		<u>\$ 391,766</u>

The Board limits its exposure to Interest Rate Risk by diversifying its investments by security type and institution.

TCRS Stabilization Trust

*Legal Provisions.* The Shelby County Board of Education is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. Shelby County Board of Education has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the Board.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Board may not impose any restrictions on investments placed by the trust on their behalf.

*Investment Balances.* Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment

professionals to make these valuations. All assets held were valued individually and aggregated into classes so to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

US Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Board had the following investments held by the trust on its behalf.

Asset Class	Percentage Target Allocations	Stabilization Trust Allocation
U.S. Equity Developed Market	31%	\$ 840,239
International Equity Emerging Market	14%	379,463
International Equity Private Equity and Strategic Lending	4%	108,418
U.S. Fixed Income	20%	542,090
Real Estate	10%	271,045
Short-term Securities	1%	27,105
Total	100%	<u>\$ 2,710,450</u>



*Risks and Uncertainties.* The trust’s investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

For further information concerning the Board’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/aq18092.pdf>.

**NOTE 4 – DISCOUNTED ACCOUNTS RECEIVABLE**

The Board reached agreements with each of the municipal school districts whereby payments over a twelve-year period beginning November 2014 are to be submitted to the Board to reduce OPEB obligations incurred as of May 31, 2014. The \$13,720,284 discounted value of the payments, utilizing a 2.00 percent discount rate, is included in due from other governments in the government-wide statements.

The former Memphis City Schools obtained a judgment in the amount of \$57.4 million dollars from the City of Memphis in 2009. A settlement agreement was reached by both parties in January 2015. The Board has deferred inflows of \$13,224,988 remaining at the fund level, of which \$13,150,183 is discounted based on the settlement agreement utilizing a 2.00 percent discount rate. Please see Note 15 for additional information.

**NOTE 5 – ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES**

Payables as of year-end for the School Board’s individual major funds disaggregated are as follows:

	General Fund	Capital Projects Fund	Food Service Fund	Categorically Aided Fund	Total Governmental Funds
Accounts payable	\$ 21,320,883	\$ 4,866,080	\$ 1,199,197	\$ 3,825,393	\$ 31,211,553
Accrued payroll and payroll deductions	49,178,378	-	158,069	2,849,960	52,186,407
Accrued vacation	237,671	-	-	2,933	240,604
<b>Total</b>	<b>\$ 70,736,932</b>	<b>\$ 4,866,080</b>	<b>\$ 1,357,266</b>	<b>\$ 6,678,286</b>	<b>\$ 83,638,564</b>

**NOTE 6 – GENERAL LONG-TERM OBLIGATIONS**

The Board of Education is fiscally dependent on the County of Shelby for the issuance of debt for its capital projects.

The following is a summary of changes in general long-term obligations for the year June 30, 2019:

	Balance July 1, 2018	Additions	Payments and Retirements	Balance June 30, 2019	Due Within One Year
Net OPEB Liability	\$ 991,397,000	\$ -	\$ 50,310,000	\$ 941,087,000	\$ -
Pension Benefits	241,058	-	44,474	196,584	-
Compensated Absences	10,006,192	3,087,202	1,096,515	11,996,879	1,446,053
	<u>\$ 1,001,644,250</u>	<u>\$ 3,087,202</u>	<u>\$ 51,450,989</u>	<u>\$ 953,280,463</u>	<u>\$ 1,446,053</u>

Board employees are granted vacation and sick leave in varying amounts in accordance with administrative policy. A maximum of thirty-five vacation days may be accumulated for non-teacher employees. In the event of termination, an employee is reimbursed for accumulated vacation days. Employees are not reimbursed for accumulated unused sick leave upon retirement; however, such accumulated sick leave is credited to time in service in computing retirement benefits.

The Board accrues vacation benefits in the governmental funds only to the extent that there are pending payouts of unused leave owed to inactive employees as of the end of the reporting period.

For the governmental activities, the other obligations are generally liquidated from the following:

Net pension liability	Fund incurring the related employees' compensation, primarily the general fund
Other postemployment benefits obligation	Primarily the general fund and OPEB fund
Compensated absences	Fund incurring the related employees' compensation, primarily the general fund

## **NOTE 7 – RETIREMENT PLANS**

### **A. Local Plan**

#### **Plan Description**

*Plan Administration.* The Retirement Fund accounts for the activities of the Retirement System of the Board of Education of the Shelby County Schools (the Local Plan), a single-employer defined benefit plan. The District does not issue a stand-alone financial report for the plan. The accounting records are maintained, and pension benefits are processed by employees of the Board. Management of the plan assets is outsourced to Strategic Assets, an investment management company. The authority to amend benefit terms resides with the governing body of the Board of Education of Shelby County Schools.

*Plan Membership.* At June 30, 2019, local pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	-
	<u>11</u>

The Local Plan was closed to new members effective December 31, 1957, and all present participants are fully vested.

*Benefits Provided.* The Board paid net benefits of \$181,087 (\$244,132 net of \$63,045 reimbursements from the state) for employees covered by the Local Plan for the year ended June 30, 2019. As provided by State law, the State of Tennessee Consolidated Retirement System (TCRS) pays the Local Plan for distribution to its retired participants amounts necessary to equalize retiree benefits as if they had retired with TCRS benefits. Contributions to the Local Plan from the TCRS were \$63,045 during the year ended June 30, 2019. The on-behalf payments of fringe benefits and salaries provided by TCRS for the local retirees were recognized as revenues and expenses.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. These cost-of-living adjustments are correlated with the adjustments made by the TCRS.

*Contributions.* Employees were required to contribute five percent of their individual compensation for the first thirty-five (35) years of service. The Board's annual contribution could not be less than the aggregate employee contributions.

**Investments**

*Investment Policy.* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

*Concentrations.* As of June 30, 2019, the pension plan held five percent or more of the plan's fiduciary net position (other than issued or explicitly guaranteed by the U.S. government) in the following:

Ishares Russell 2000 ETF	6.41%
Ishares Russell Midcap ETF	6.37%

*Rate of return.* For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was a negative 27.46 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The pension plan reported no receivables from long-term contracts with the Board for contributions. The pension plan had no allocated insurance contracts that are excluded from pension plan assets. The pension plan had no reserves and no deferred retirement option program.

The target allocation and best estimates of geometric real rate of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10-Year Expected Geometric Real Rate of Return</b>
U.S. Equity - large cap	30.0%	14.30%
U.S. Equity - mid cap	20.0%	13.48%
Fixed Income	40.0%	(7.20%)
Cash	10.0%	0.00%
<b>Total Fund</b>	<b>100.0%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 9.21 percent.

**Net Pension Liability of the Board**

The components of the net pension liability of the Board at June 30, 2019 were as follows:

Total pension liability	\$ 1,118,885
Plan fiduciary net position	(922,301)
Board's net pension liability	<u>\$ 196,584</u>
Plan fiduciary net position as a percentage of the total pension liability	82.43%

The Board contributes the actuarial determined contribution to the plan, does not have a payable to the local plan, and does not receive support from a non-employer contributing entity through contributions made directly to the pension plan.

The changes in the net pension liability for the current fiscal year are included in the schedule below:

**Schedule of changes in the net pension liability**

	<u>2019</u>
<b>Total pension liability</b>	
Service Cost	
Interest	\$ 58,210
Changes in benefit terms	-
Differences between actual and expected experience	(11,869)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(181,087)</u>
<b>Net change in total pension liability</b>	<u>(134,746)</u>
<b>Total pension liability - beginning</b>	<u>1,253,631</u>
<b>Total pension liability - ending (a)</b>	<u>1,118,885</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 57,592
Contributions - employee	-
Net investment income	33,223
Benefit payments, including refunds of employee contributions	(181,087)
Administrative expense	-
Other	-
<b>Net change in plan fiduciary net position</b>	<u>(90,272)</u>
Plan fiduciary net position - beginning	<u>1,012,573</u>
Plan fiduciary net position - ending (b)	<u>922,301</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 196,584</u>

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 10,590
Contributions subsequent to the measurement date of June 30, 2018	57,592	-
<b>Total</b>	<b>\$ 57,592</b>	<b>\$ 10,590</b>

*Contributions:* For the year ended June 30, 2019, the employer contribution for the Local Plan were \$57,592. By policy, employer contribution are required to be paid at no less than one hundred percent. The employer's ADC are expected to finance the cost of benefits earned by members during the year.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	
2020	1,333
2021	(15,903)
2022	1,117
2023	2,863
Thereafter	-

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2019 (the measurement date), using the following actuarial assumptions applied to all periods included in the measurement:

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Investment rate of return	5.00 percent, net of pension plan investment expense, including inflation
Municipal bond index rate	3.50 percent
Single equivalent interest rate	5.00 percent

The Mortality Rates are the same as those used by TCRS. They are based on RP-2014 White Collar for Annuitants multiplied by 111 percent for males and 98 percent for females and include projections of future mortality improvements for 6 years beyond the valuation date from the 2006 base year using Scale MP-2018. Representative values of the assumed rates of deaths after service retirement are shown as follows:

<b>Age</b>	<b>Male</b>	<b>Female</b>
65	0.8816%	0.6732%
70	1.3996%	1.0205%
75	2.3425%	1.6751%
80	4.0912%	2.9765%
85	7.5628%	5.5404%
90	14.0902%	10.3072%
95	23.1429%	17.5095%
100	34.4527%	27.0981%

*Discount Rate.* The discount rate used to measure the total pension liability was 5.00 percent, which remained unchanged from the prior measurement date. The projection of cash flows, used to determine the discount rate, assume Employer contributions will be made equal to the actuarially determined contribution amounts. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, based on the GASB 67 provisions, the long-term expected rate of return on pension plan investments of 5.00 percent was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended June 30, 2019, Shelby County Unified School District recognized pension expense of \$196,584.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the System, calculated using the discount rate of 5.00 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.00 percent) or one-percentage-point higher (6.00 percent) than the current rate:

	<b>1%</b> <b>Decrease</b> <b>(4.00%)</b>	<b>Current</b> <b>Discount</b> <b>Rate</b> <b>(5.00%)</b>	<b>1%</b> <b>Increase</b> <b>(6.00%)</b>
Shelby County School's net pension liability	\$ 299,200	\$ 196,584	\$ 111,395

**B. Tennessee Consolidated Retirement System (TCRS)-Non-teachers**

**1. *Plan Description***

Employees of Shelby County Unified School District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government,

administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*2. Benefits Provided*

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees covered by benefit terms.* At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,968
Inactive employees entitled to but not yet receiving benefits	6,427
Active employees	3,546
	13,941

*3. Contributions*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary (alternatively-employees are non-contributory). Shelby County Unified School District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contributions for Shelby County Unified School District were \$9,197,272 based on a rate of 6.00 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Shelby County Unified School District’s state shared taxes if required employer contributions are not remitted. The employer’s ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

4. *Net Pension Liability (Asset)*

Shelby County Unified School District net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

5. *Actuarial Assumptions*

The total pension liability as of June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Target Allocation</b>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		100%



The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

*6. Discount Rate*

The Discount Rate used to measure the total pension liability was 7.25 percent which remains unchanged from prior year. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Shelby County Unified School District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*7. Changes in the Net Pension Liability (Asset)*

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Changes in the Net Pension Liability (Asset)			
Balance at 6/30/2017	\$ 635,088,226	\$ 680,769,005	\$ (45,680,779)
Changes for the year:			
Service Cost	12,914,509	-	12,914,509
Interest	45,068,694	-	45,068,694
Differences between expected and actual experience	11,886,044	-	11,886,044
Changes of assumptions	-	-	-
Contributions - employer	-	9,750,706	(9,750,706)
Contributions - employees	-	6,984,591	(6,984,591)
Net investment income	-	54,953,779	(54,953,779)
Benefit payments, including refunds of employee contributions	(37,214,909)	(37,214,909)	-
Administrative expense	-	(332,556)	332,556
Percentage change in allocation	(7,758,119)	(8,316,147)	558,028
Other changes	-	-	-
Net changes	\$ 24,896,219	\$ 25,825,464	\$ (929,245)
Balance at 6/30/2018	\$ 659,984,445	\$ 706,594,469	\$ (46,610,024)

8. *Sensitivity of the net pension liability (asset) to changes in the discount rate.*

The following presents the net pension liability (asset) of the Shelby County Unified School District calculated using the discount rate of 7.25 percent (which remains unchanged from prior year), as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.25 percent) or one-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Shelby County Unified School District's net pension liability (asset)	\$ 32,425,023	\$ (46,610,024)	\$ (112,627,044)

9. *Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

*Pension expense (negative pension expense):* For the year ended June 30, 2019, Shelby County Unified School District recognized pension expense (negative pension expense) of (\$4,360,836).

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2019, Shelby County Unified School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 11,414,563	\$ 12,333,882
Change of assumptions	7,860,380	-
Net difference between projected and actual earnings on pension plan investments	-	2,338,589
Contributions subsequent to the measurement date of June 30, 2018	9,197,272	(not applicable)
<b>Total</b>	<b>\$ 28,472,215</b>	<b>\$ 14,672,471</b>

10. *Contributions*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary (alternatively-Employees are non-contributory). Shelby County Board of Education makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contributions for Shelby County Board of Education were \$9,197,272 based on

a rate of 6.00 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Shelby County Board of Education’s state shared taxes if required employer contributions are not remitted. The employer’s ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	
2020	1,721,801
2021	2,343,250
2022	(448,711)
2023	986,132
2024	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

11. *Payable to the Pension Plan*

At June 30, 2019, Shelby County Unified School District reported a payable of \$976,464 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

C. Tennessee Consolidated Retirement System (TCRS)-Teachers

1. *Plan Description*

Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Shelby County Board of Education are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

2. *Benefits Provided*

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the members’ years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service

credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

### 3. *Contributions*

#### *Teacher Legacy Pension Plan*

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Shelby County Board of Education for the year ended June 30, 2019 to the Teacher Legacy Pension Plan was \$34,971,889 which is 10.46 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### *Teacher Retirement Plan of TCRS*

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Shelby County Board of Education Teachers for the year ended June 30, 2019 to the Teacher Retirement Plan were \$2,436,670 which is 1.95 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

*4. Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

*Teacher Legacy Pension Plan*

*Pension Liabilities (assets):* At June 30, 2019, the Shelby County Board of Education reported a liability (asset) of (\$36,842,504) for its proportionate share of net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial value as of that date. Shelby County Board of Education's proportion of the net pension liability was based on Shelby County Board of Education's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Shelby County Board of Education Teachers' proportion was 10.47 percent. The proportion measured as of June 30, 2017 was 11.15 percent.

*Pension Expense (negative pension expense):* For the year ended June 30, 2019, Shelby County Board of Education Teachers recognized pension expense (negative pension expense) of (\$23,635,101).

*Teacher Retirement Plan of TCRS*

*Pension Liabilities (Assets):* At June 30, 2019, Shelby County Board of Education reported a liability (asset) of (\$5,351,453) for its proportionate share of net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial value as of that date. Shelby County Board of Education's proportion of the net pension liability was based on Shelby County Board of Education Teachers' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Shelby County Board of Education Teachers' proportion was 11.80 percent. The proportion measured as of June 30, 2017 was 10.84 percent.

*Pension Expense (negative pension expense):* For the year ended June 30, 2019, Shelby County Board of Education Teachers recognized pension expense (negative pension expense) of \$1,793,853.

*5. Deferred outflows of resources and deferred inflows of resources*

For the year ended June 30, 2019, Shelby County Board of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources in the Teacher Legacy Pension Plan and Retirement Plan:

**Teacher Legacy Pension Plan**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,447,126	\$ 49,703,454
Changes in assumptions	21,759,360	-
Net difference between projected and actual earnings on pension plan investments	-	8,018,465
Changes in proportion of Net Pension Liability (Asset)	-	28,988,482
Contributions subsequent to the measurement date of June 30, 2018	34,971,889	(not applicable)
<b>Total</b>	<u>\$ 64,178,375</u>	<u>\$ 86,710,401</u>

**Teacher Retirement Pension Plan**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 303,091	\$ 213,151
Changes in assumptions	252,466	-
Net difference between projected and actual earnings on pension plan investments	-	302,289
Changes in proportion of Net Pension Liability (Asset)	18,925	234,443
Contributions subsequent to the measurement date of June 30, 2018	2,436,670	(not applicable)
<b>Total</b>	<u>\$ 3,011,152</u>	<u>\$ 749,883</u>

Shelby County Board of Education's employer contributions of \$37,408,559, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the Teacher Legacy Pension Plan and Teacher Retirement Plan of TCRS:

<b>Year Ended June 30:</b>	<b>Teacher Legacy Plan</b>	<b>Teacher Retirement Plan</b>
2020	(5,542,174)	(57,258)
2021	(24,902,781)	(66,851)
2022	(23,189,397)	(109,937)
2023	(3,869,564)	(30,948)
2024	-	9,324
Thereafter	-	80,270

*In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.*

**6. Actuarial assumptions**

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of Living Adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of

geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the table on the next page:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Target Allocation</b>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

*7. Discount Rate*

The Discount Rate used to measure the total pension liability remained unchanged at 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*8. Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate*

The following presents Shelby County Board of Education Teachers’ proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Shelby County Board of Education’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.25 percent) or one-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Shelby County Schools' proportionate share of the net pension liability (assets)			
Teacher Legacy Plan	\$ 284,005,226	\$ (36,842,504)	\$ (302,299,299)
Teacher Retirement Plan	827,339	(5,351,453)	(9,903,763)

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.



9. *Payable to the Pension Plan*

At June 30, 2019, Shelby County Board of Education reported a payable of \$5,253,246 for the outstanding amount of contributions to the Teacher Retirement and the Teacher Legacy Pension Plan required at the year ended June 30, 2019.

D. Hybrid Pension Plan (Defined Contribution Component)

1. *Plan Description*

Teachers and employees with membership in the TCRS after June 30, 2014 are provided with pensions through a hybrid plan which consists of a legally separate plan referred to as the Teacher Retirement Plan (the defined benefit component) and a 401(k) Defined Contribution Plan as a condition of employment. Teachers and employees are eligible to participate on an optional basis in the 401(k) Defined Contribution Plan. For information on the retirement plan, please visit the plan's website, which, as of July 1, 2014, is <http://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies> and see Note 7C.

2. *Contributions*

The Defined Contribution Plan is administered by Great-West Financial. The District is required to contribute five percent to an employee's account and the amount is not subject to any matching employee contributions. New employees are auto enrolled to contribute 2 percent of salary with the ability to opt out. The total amount contributed to the Defined Contribution Plan by the employee and employer is 100 percent vested immediately. Employer contribution for fiscal year 2019 was \$3,310,664.

3. *Payable to the Hybrid Pension Plan*

As of June 30, 2019, a payable of \$423,463 was reported for the Defined Contribution Pension Plan administered by Great-West Financial.

E. Net Pension Asset, Deferred Outflows of Resources, Net Pension Liability, Deferred Inflows of Resources, and Pension Expense Related to Pensions

The net pension assets, deferred outflows of resources, net pension liabilities, and deferred inflows of resources, and pension expense related to pensions reported on the statement of net position are summarized below.

	<u>Net Pension Asset</u>	<u>Deferred Outflows of Resources</u>	<u>Net Pension Liability</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Governmental Activities					
Local Pension Plan	\$ -	\$ -	\$ 196,584	\$ -	\$ 196,584
TCRS Non-Teachers Plan	46,610,027	28,472,215	-	14,672,471	(4,360,836)
TCRS Legacy Teachers Plan	36,842,504	64,178,375	-	86,710,401	(23,635,101)
TCRS Retirement Teachers Plan	5,351,453	3,011,152	-	749,883	1,793,853
	<u>\$ 88,803,984</u>	<u>\$ 95,661,742</u>	<u>\$ 196,584</u>	<u>\$ 102,132,755</u>	<u>\$ (26,005,500)</u>

**NOTE 8 – CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance July 1, 2018	Reclassifications	Additions	Impairment	Disposals and Adjustments	Balance June 30, 2019
Capital assets not being depreciated:						
Land	\$ 45,249,987	\$ 102,100	\$ -	\$ -	\$ (644,642)	\$ 44,707,445
Construction in progress	50,169,866	(69,512,147)	55,368,897	-	-	36,026,616
Total capital assets, not being depreciated	95,419,853	(69,410,047)	55,368,897	-	(644,642)	80,734,061
Capital assets being depreciated:						
Buildings and improvements	1,617,260,394	67,858,037	1,289,362	-	(39,971,269)	1,646,436,524
Machinery and equipment	168,531,508	1,552,010	7,355,093	-	(6,963,780)	170,474,831
Intangible assets	5,671,376	-	-	-	-	5,671,376
Total capital assets, being depreciated	1,791,463,278	69,410,047	8,644,455	-	(46,935,049)	1,822,582,731
Less accumulated depreciation:						
Buildings and improvements	(748,737,703)	999,183	(55,871,707)	-	32,965,720	(770,644,507)
Machinery and equipment	(150,666,558)	(999,183)	(3,906,854)	-	6,110,736	(149,461,859)
Intangible assets	(2,835,690)	-	(567,138)	-	-	(3,402,828)
Total accumulated depreciation	(902,239,951)	-	(60,345,699)	-	39,076,456	(923,509,194)
Capital assets being depreciated, net	889,223,327	69,410,047	(51,701,244)	-	(7,858,593)	899,073,537
Total capital assets, net	\$ 984,643,180	\$ -	\$ 3,667,653	\$ -	\$ (8,503,235)	\$ 979,807,598

Depreciation expense were charged to governmental functions as follow:

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 52,484,928
Instructional support	42,187
Student support	204,809
Office of principal	749,856
General administration	1,554,376
Fiscal services	2,941
Other support services	64,788
Student transportation	172,499
Plant services	277,621
Community service	160,541
Food service	3,977,574
Education technology	653,579
Total depreciation and impairment expenses	<u>\$ 60,345,699</u>

The estimated cost to complete construction in progress at June 30, 2019 is \$32,792,339.

*Asset Impairment*

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. The fair values of vacant buildings and unused land were based on estimates and appraisal, and the book values were adjusted if the fair values were lower than the net book values. Assets with a carrying value of approximately \$16.2 million are considered to be idle assets at year-end. No assets were impaired in fiscal year 2019.

*Assets Held for Sale*

The Board, as of June 30, 2019, is negotiating the sale of eight properties.

Capital assets held for sale consist of the following:

Land	\$	359,103
Building		2,826,203
	\$	<u>3,185,306</u>

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

The Board is a defendant in various lawsuits, arising in the normal course of operations seeking awards for property damage, personal injury and certain personnel actions. In the past, the budget for judgements has been sufficient to cover awards; therefore, the Board has not assigned any funds in the General Fund for any future legal claims. Although the monetary exposure, if any, related to the above lawsuits is not presently determinable, it is the Board’s opinion, after discussion with legal counsel, that ultimate settlement of these matters will not exceed the budget for legal expenditures and, therefore, will not materially affect the financial condition of the Board.

The Board has been exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Board carries commercial insurance. Amounts received or receivable from grantor agencies are subject to regulatory requirements, audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts previously recognized by the Board as revenue, would constitute a liability of the applicable funds.

The Board entered into multi-year contracts for on-site clinic, telecommunication, student testing, and technology services as detailed by year in the following schedule:

<u>Fiscal Year</u>	<u>Total</u>
	<u>Commitments</u>
2020	\$ 29,806,329
2021	3,802,336
2022	809,709
2023	-
2024	-
Total Commitments	<u>\$ 34,418,374</u>

Subsequent to June 30, 2019, the Board has entered into school building improvement contracts totaling approximately \$23,544,884.

Encumbrances – Information regarding encumbrances is available to assist in the management of commitments against appropriations. Encumbrance accounting is utilized for budgetary control purposes. Encumbrances, however, are not treated as expenditures in the basic financial statements. Outstanding encumbrances for the governmental funds at June 30, 2019 were as follows:

	<b>Outstanding Encumbrances</b>
General Fund	\$ 17,704,885
Categorically Aided Funds	\$ 165,652
Capital Projects Fund	\$ 32,605,874
Food Service Fund	\$ 4,137,920

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At June 30, 2019, amounts to be received or paid with current available resources are reported as receivable and payable to other funds. The composition of interfund balances as of June 30, 2019, is as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General	Categorically Aided	\$ 21,944,484
	Capital Projects	7,074,806
	Internal Service	102,459
	Agency Fund	460,433
		<u>\$ 29,582,182</u>

Internal service fund interfund receivables and payables are not included in the government-wide statement of net position.

Interfund receivables and payables occur in the course of ordinary operations and reflect short-term transactions between funds; primarily transactions between the General Fund and the Categorically Aided Funds. The Categorically Aided Fund has grants that are funded on a reimbursable basis; therefore, expenditures are covered in the interim by the General Fund. The payable from the Internal Service fund is due to the General Fund covering expenditures until payments are received from the Achievement School District (ASD). The District receives capital funding from Shelby County Government on a reimbursable basis. The expenditures are covered by the General Fund pending receipt of the reimbursements. Lastly, the payable from the Agency Fund is due to unused funds from the flexible spending account.

Transfers are indicative of funding for federal programs, special education services for the ASD, capital projects, and OPEB. The following schedule briefly summarizes the District's reciprocal interfund transfer activity during the year:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Categorically Aided	\$ 80,172,289
	Internal Service	3,931,784
	Capital Projects	23,641,458
		<u>\$ 107,745,531</u>

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Categorically Aided	General Fund	\$ 82,425,870
Internal Service		3,951,742
Capital Projects		26,828,759
OPEB		8,599,320
		<u>\$ 121,805,691</u>

OPEB	Internal Service	504,780
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In the year ended June 30, 2019, the Board made the following non-reciprocal transfers:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	OPEB	\$ 3,000,000
	Pension	\$ 57,592
Insurance	OPEB Fund	\$ 15,000,000
	General Fund	\$ 10,000,000
Agency Fund	General Fund	\$ 460,433

Transfers of \$3,000,000 and \$57,592 from the general fund were made to the OPEB and Pension fiduciary funds for other post-employment benefits and pensions, respectively. Transfer of \$15,000,000 from the insurance fund was made to establish a reserve for other post-employment benefits and partially fund annual expenditures. Transfer of \$10,000,000 from the insurance fund to the general fund was based on projected insurance expenditures. \$460,433 are unused Agency funds from the flexible spending account and retained by the District to offset administrative costs.

**NOTE 11 – RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. General liability and auto liability losses are self-funded by the general fund. The government carries commercial insurance for catastrophic losses. There was no change in insurance coverage from coverage in prior year by major category of risk. There were no settlements in excess of the self-funded insurance coverage in any of the prior fiscal years.

The government established a limited risk management program for group health insurance and workers' compensation injury claims. Effective January 2018, the district purchased a policy to mitigate risks associated with individual health insurance claims. Premiums are paid into the health insurance fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, number of payouts and other economic and social factors.

Changes in the balances of claims liabilities during the past two years ended June 30 are as follows:

	2019	2018
Unpaid claims, beginning of fiscal year	\$ 9,444,403	\$ 9,215,163
Incurred claims (including IBNRs)	142,586,404	135,005,973
Claim payments	(141,674,911)	(134,776,733)
Unpaid claims, end of fiscal year	\$ 10,355,896	\$ 9,444,403

*Includes claims incurred but not reported (IBNR)*

The District holds a Medicare supplement insurance contract for claims liabilities for retirees that are Medicare eligible and enrolled in Medicare Parts A and B. This supplement also covers drug claims for these retirees. No annuity contracts have been purchased for claims liability.

**NOTE 12 – CHARTER SCHOOLS**

In 2002, the State of Tennessee passed the Tennessee Public Charter Schools Act. The Act permits the Board to authorize public charter schools with the primary purpose to improve learning for all students and close the achievement gap between high and low performing students. An agreement is entered between the sponsor of the charter school and the Board. The charter is approved for an initial period of ten years but can be revoked by the Board or the State if the school violates certain requirements of the Act. Each school must be operated by a not-for-profit organization with exemption from federal taxation under 501(c)(3) of the Internal Revenue Code and is responsible for establishing their own governing body separate from that of the Board. The charter schools are supported by the Board as a pass-through from various funding sources. In 2010, the State of Tennessee amended the Charter Schools Act requiring the State to distribute the BEP for capital outlay directly to the charter schools. For the year ended June 30, 2019, total funds remitted to the charter schools totaled \$143,041,477.

*T.C.A. § 49-13-128 and Tennessee State Board of Education Rule 0520-14-01-.05 allows for the LEA to receive annual authorizer fees of 3% of the charter school's per pupil state and local BEP funding or*

\$35,000. For year ending June 30, 2019, \$1,734,077 was collected in revenue. By December 1 of each year, each LEA that collects an annual authorizer fee shall report to the Department of Education the total amount of authorizer fees collected in the previous school year and the authorizing obligations fulfilled using the fee. Any excess funds collected by an LEA shall be distributed to its authorized public charter schools in the fiscal year immediately following the fiscal year in which the excess fees were collected by the LEA. As of June 30, 2019, \$821,753, which has been accrued, has been identified as excess funds and will be returned in proportion to each charter school's payment.

Upon dissolution, any unencumbered public funds, property and improvements, furnishings, and equipment purchased with public funds shall revert to full ownership of the Board. All debts are the responsibility of the charter school.

**NOTE 13 – FUND BALANCES BY PURPOSE**

Following is more detailed information on the governmental fund balances:

	General Fund	Categorically Aided Fund	Capital Projects Fund	Food Service Fund	Total Governmental Funds
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventories	\$ 5,467,117	\$ -	\$ -	\$ 4,452,223	\$ 9,919,340
School cafeteria inventory	-	-	-	266,644	266,644
<b>Restricted for:</b>					
Capital projects	-	-	2,154,042	-	2,154,042
Education	-	71,426	-	-	71,426
Education - MOE	31,217,177	-	-	-	31,217,177
Instruction - career ladder	322,895	-	-	-	322,895
Operation of non-instructional services	-	9,069,970	-	41,038,318	50,108,288
Stabilization Reserve Trust	2,710,450	-	-	-	2,710,450
<b>Committed For:</b>					
Operation of non-instructional services	-	1,073,244	-	-	1,073,244
<b>Assigned to:</b>					
Capital projects	4,773,400	-	-	-	4,773,400
Encumbrances from prior year	17,704,885	-	-	-	17,704,885
Inventory encumbrances	2,428,973	-	-	-	2,428,973
Other purposes - planned use (1)	10,000,000	-	-	-	10,000,000
<b>Unassigned:</b>					
General purpose	83,631,900	-	-	-	83,631,900
<b>Total fund balances</b>	<u>\$ 158,258,797</u>	<u>\$ 10,214,640</u>	<u>\$ 2,154,042</u>	<u>\$ 45,757,185</u>	<u>\$ 216,382,664</u>

(1) Assigned to "Other purposes – planned use" indicates the District plans to utilize the specified amount of fund balance for the next fiscal year's budget.

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS**

**Plan Description**

**Plan administration.** The Shelby County Schools (the Board) administers the Shelby County Schools Retiree Benefits Plan (SCSRBP) - a single-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB) for all permanent full-time employees of Shelby County Schools. The Plan provides for continuation of medical and life insurance benefits for certain retirees and their spouses.

Management of the SCSRBP is vested in the Board, which consists of nine members – elected by the citizens who reside in the geographical districts served by SCS.

The OPEB plan does not issue a stand-alone financial report.

**Plan membership.** At June 30, 2019, SCS RBP membership consisted of the following:

Inactive members currently receiving benefits	9,443
Inactive members entitled to but not yet receiving benefits	-
Active members	10,983
Total membership	20,426

**Plan membership.** At June 30, 2018 (the measurement date), SCS RBP membership consisted of the following:

Inactive Members or Beneficiaries Currently Receiving Benefits	9,500
Inactive Members Entitled To But Not Yet Receiving Benefits	-
Active Members	10,681
Total Membership	20,181

At the time of retirement, participating employees of Shelby County Schools qualify for retiree health care benefits (including their spouses and current dependents) and life insurance coverage under the Plan if they have at least 15 years of service (5 years for Memphis City Schools Legacy employees hired prior to January 1, 2007 and 10 years if hired on or after January 1, 2007). Eligible participants are required to be receiving a benefit from the Tennessee Consolidated Retirement System. The OPEB plan is not closed to new entrants.

**Benefits provided and Funding Policy.**

**Funding Policy.** The obligations of the plan members, employers and other entities are established by action of the School Board pursuant to employment agreements. The required contribution rates of the employer and the members vary depending on the retiree’s length of service and whether single or family coverage is elected. The School Board currently contributes enough money to the plan to satisfy current obligations on a cash basis as benefits are paid as well as contribute to an OPEB trust. The costs of administering the plan are paid by the School Board. Current assets of \$80.6 million have been segregated and are restricted to provide postretirement benefits.

**Eligibility and Benefits Provided.** SCSRBP provides healthcare and life insurance benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. Section 49-2-209 of the Tennessee code annotated grants authority to establish and amend the benefit terms to the Board. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments (automatic COLAs); including ad hoc cost-of-living adjustments; ad hoc post-employment benefit changes; and the sharing of benefit related costs with inactive plan members. Ad hoc benefit changes are made at the discretion of the Board.

Pension plan specific eligibility and benefits are as follows:

Tennessee Consolidated Retirement System

Retirement: Legacy Plan employees (hired prior to July 1, 2014) who retire at age 55 with 5 years of credited service or at any age with 25 years of service will receive health care and life insurance benefits for life. Hybrid Plan employees (hired on or after July 1, 2014) who retire at age 60 with 5 years of credited service or meet the Rule of 80 (where age plus years of service total 80) will receive health care



and life insurance benefits for life. Spouses of retirees may be covered at the retirees' option, provided the election is made on the date the employee leaves active service.

**Termination:** Current employees who terminate employment and are not eligible for a retirement or disability benefit are not eligible for health care or life insurance benefits at retirement. Some current deferred vested retirees were grandfathered and are receiving health care and life insurance benefits.

**Disability:** Employees who become disabled at any age with at least 5 years of service receive health care and life insurance benefits for life. Spouses of retirees may be covered at the retirees' option, provided the election is made on the date the employee leaves active service.

**Death:** Spouses of employees who die during active service and are not eligible for a retirement or disability benefit are not eligible for health care or life insurance benefits at retirement.

**Contributions.** Section 49-2-209 of the Tennessee code annotated grants the authority to establish and amend the contribution requirements of the Board and plan members to the SCS Board. The Board establishes rates based on an actuarially determined rate. The Board made \$39,873,551 in contributions to the OPEB Trust during fiscal year 2019, which was 6.93 percent of covered-employee payroll. Plan members are required to contribute to the plan. The required contribution rates of the employer and the members vary depending on the retiree's length of service and whether single or family coverage is elected.

Covered spouses and dependents qualify for health care benefits at the same contribution level as the member. Survivors qualify for health care benefits but must pay 100 percent of the premium.

Effective January 1, 2017, retiree contributions towards health care were increased to 50 percent of the full cost for all Pre-Medicare coverage options and the Medicare Surround coverage option.

Eligible retirees may continue life insurance coverage provided the retiree elected life insurance coverage as an active employee prior to retirement. Coverage amount is the lesser of 50 percent of the active coverage amount or \$50,000. Prior to September 1, 2013, the \$50,000 cap did not apply. Effective January 1, 2017, retirees are responsible for 25 percent of the costs if the coverage amount is greater than \$10,000, an increase from 0 percent; there is no cost to retirees if the coverage amount is \$10,000 or less. Retirees may voluntarily reduce their life insurance coverage to \$10,000.

For the year ended June 30, 2019, general fund costs were \$28,599,681 of \$39,873,551 Board contributions for the 10,814 retirees and dependents.

## Investments

**Accounting Policy.** The accrual basis of accounting is used. The fair market value of assets, if any, is determined by the market value of assets, if any, paid by a willing buyer to a willing seller.

**Investment policy.** SCSRBP assets are pooled assets with the assets of other school districts through the Tennessee School Boards Association (TSBA) Trust. The Shelby County School Board retains the authority to contribute and withdraw funds from the Trust at its discretion. The board of the TSBA sets the investment policy. The Trust's investment philosophy is that assets should be allocated with the goal of producing the highest total return consistent with prudent financial management unless otherwise specified by individual fund objectives, this philosophy should be adhered to within the constraints of the specified asset allocation ranges. There were no significant investment policy changes during the fiscal year. As shown on the next page, the TSBA's adopted asset allocation policy as of June 30, 2019:

<u>Asset Class</u>	<u>Maximum Allocation</u>	<u>Minimum Allocation</u>
Equity investments	65%	35%
Fixed income investments	65%	20%
Cash & equivalents	35%	0%

*Exception for individual funds.* In cases where individual fund objectives require an exception to the above asset allocation ranges, written statements detailing the policy for each specific fund will be provided as supplements to this investment policy.

*Asset Allocation targets.* From time to time the Finance Committee will determine specific asset allocation targets that it feels are best suited for accomplishing the above total return objective. These specific asset allocation targets will be communicated to individual investment managers in writing, and within a reasonable time frame, managers are expected to reallocate assets in order to comply with the target ranges established by the Committee. In the absence of specific asset allocation targets from the Trust, individual managers will have direct responsibility for settling and maintaining an asset mix that they feel will best accomplish the Trust's total return objective.

At all times, and in all cases, however, the above maximum and minimum limits, are to be adhered to.

**Concentrations.** The OPEB plan held investments (other than those issued or explicitly guaranteed by the U.S. government) in any one organization that represent five percent or more of the OPEB plan's fiduciary net position (FNP) in the following:

<u>Investment</u>	<u>Concentration</u>
American Europacific GRW F2	6.14%
Ishares Core S&P U.S. Value	6.02%
Ishares MSCI EAFE ETF	6.03%
Ishares S&P 500 Growth ETF	6.18%
John Hancock Displnd Val Inst	5.94%
Nuveen Strategic Income Inst	5.95%
Oakmark I	7.11%
Pioneer Bond Y	6.91%
Prudential Jennison Growth Z	6.28%
Prudential SHT TRM CORP BD Z	11.79%
Thornburg Intl Growth	5.36%

**Rate of return.** For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.77 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The OPEB plan reported no receivables from long-term contracts with the Board for contributions. The OPEB plan had no allocated insurance contracts that are excluded from the OPEB plan assets. The OPEB plan had no reserves and no deferred retirement option program.

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	3.71% - 8.97%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including inflation	5.83%
Municipal Bond Index Rate at Prior Measurement Date	3.56%
Municipal Bond Index Rate at Measurement Date	3.89%
Year FNP is projected to be depleted	2037
Single Equivalent Interest Rate at Prior Measurement Date	4.10%
Single Equivalent Interest Rate at Measurement Date	4.32%
Health Care Cost Trends	
Pre-Medicare	7.50% for 2018 decreasing to an ultimate rate of 5.00% by 2024
Medicare	5.50% for 2018 decreasing to an ultimate rate of 5.00% by 2021

The district participates in the Tennessee Consolidated Retirement System (TCRS) pension plan which is composed of a legacy plan and a hybrid plan. For members of the Tennessee Consolidated Retirement System (TCRS) Legacy Plan (date of hire prior to July 1, 2014), the mortality rates for non-disabled beneficiaries are the same as those used by TCRS Legacy Plan, but with an additional 6 years of mortality improvements using the Society of Actuaries' Scale AA. The mortality rates for disabled beneficiaries are the same as those used by TCRS and reflect the sex distinct table in IRS Revenue Ruling 96-7 for disabled lives, increased by 10 percent.

For members of the TCRS Hybrid Plan (date of hire on or after July 1, 2014), the mortality rates for non-disabled beneficiaries are the same as those used by TCRS Hybrid Plan with generational mortality improvements using the Society of Actuaries' Scale AA. The mortality rates for disabled beneficiaries are the same as those used by TCRS and reflect the set distinct table in IRS Revenue Ruling 96-7 for disabled lives, increased by 10 percent.

The rates of retirement, termination, and disability reflect an experience study conducted by the Tennessee Consolidated Retirement System (TCRS) for the period July 1, 2008 through June 30, 2012 for Legacy Plan members. For Hybrid Plan members, taken from the Tennessee Consolidated Retirement System's Hybrid Plan actuarial valuation report as of June 30, 2015.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment

expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans, which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	7-Year Strategic Return Estimate	7 to 20-Year Secular Return Estimate
US Large Growth	18.0%	3.2%	9.2%
US Large Value	16.0%	5.0%	9.2%
US Mid Growth	2.0%	3.0%	9.8%
US Mid Value	2.0%	5.2%	9.8%
US Small Growth	2.0%	4.3%	10.3%
US Small Value	2.0%	5.3%	10.3%
Europe	13.0%	5.7%	7.4%
Japan	2.0%	5.2%	7.4%
Asia Ex-Japan	3.0%	5.9%	9.7%
Emerging Markets	5.0%	6.4%	11.4%
Short term Fixed Income	7.0%	2.6%	3.6%
US Fixed Income	23.0%	3.3%	4.8%
International Fixed Income	1.0%	1.1%	4.5%
Inflation Protected Notes	3.0%	1.5%	5.7%
High Yield Fixed Income	0.0%	3.5%	6.9%
Emerging Market Fixed Income	1.0%	5.1%	7.1%
Total	100.0%	4.1%	7.5%

Expected Rate of Return  $50\% \times 4.1\% + 50\% \times 7.5\% = 5.83\%$

Note: In accepting the long-term expected rate for the Plan, the actuary performed a high-level review of the information provided by the Plan. Our review indicates the long-term expected rate of return assumptions of 5.83% is reasonable.

**Discount rate (SEIR).** The discount rate used to measure the TOL as of the Measurement Date was 4.32 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.50 percent.

- In all years, it is assumed benefits are paid directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods after the trust is depleted.
- In addition, future annual contributions of \$7,200,000 through the fiscal year ending June 30, 2026 and \$5,100,000 for fiscal years ending June 30, 2027 through June 30, 2031 were assumed. This assumption was provided by the Board.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's FNP was projected to be depleted in 2037 and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. Here, the long-term expected rate of return of 5.83 percent on Plan investments was applied to periods through 2037 and the Municipal Bond Index Rate at the Measurement Date (3.89 percent) was applied to periods on and after 2037, resulting in an SEIR at the Measurement Date (4.32 percent).

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 75. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

The TOL is based upon an actuarial valuation performed as of the Valuation Date, June 30, 2018. Actuarial gains and losses arising from the difference between estimates and actual experience (excluding amounts related to benefit changes and changes in assumptions or other inputs) are reconciled to the TOL as of the Measurement Date. Last, the changes of assumptions or other inputs include the change in the SEIR from 4.10 percent on the Prior Measurement Date to 4.32 percent on the Measurement Date. The procedure used to determine the TOL, as of June 30, 2018, is shown in the table (\$ in thousands) on the next page:

Changes in the Net OPEB Liability

	Total OPEB Liability (a)		Plan Fiduciary Net Position (b)		Net OPEB Liability (a) - (b)
<b>Balance as of June 30, 2017</b>	\$ 1,053,334	\$	61,937	\$	991,397
<b>Changes for the year:</b>					
Service Cost at the end of the year*	28,486		-		28,486
Interest on TOL and Cash Flows	42,426		-		42,426
Change in benefit terms	-		-		-
Differences between expected and actual experience	(63,719)		-		(63,719)
Changes of assumptions or other inputs	(9,799)		-		(9,799)
Contributions - employer	-		42,680		(42,680)
Contributions - non-employer	-		-		-
Net investment income	-		5,509		(5,509)
Benefit payments	(37,084)		(37,084)		-
Plan administrative expenses	-		(505)		505
Other changes	-		20		(20)
<b>Net changes</b>	\$ (39,690)	\$	10,620	\$	(50,310)
<b>Balance as of June 30, 2018</b>	\$ 1,013,644	\$	72,557	\$	941,087

\*The service cost includes interest for the year.

**Sensitivity of the net OPEB liability to changes in the Healthcare Cost Trend Rates.** The following exhibit presents the net OPEB liability of the Plan, calculated using current health care cost trend rates, as well as the Plan's NOL would be if it were calculated using health care trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate. (\$ in thousands):

Health Care Cost Trend Rates			
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 822,124	\$ 941,087	\$ 1,091,424

**Sensitivity of the net OPEB liability to changes in the discount rate.** The following exhibit presents the net OPEB liability of the Plan, calculated using the discount rate of 4.32 percent, as well as the Plan's NOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (\$ in thousands):

Interest Rates			
	1% Decrease (3.32%)	Current Discount Rate (4.32%)	1% Increase (5.32%)
Net OPEB Liability	\$ 1,106,478	\$ 941,087	\$ 808,040

***OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.*** At June 30, 2018 the Board reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (\$ in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,997	\$ 52,827
Changes in assumptions or other inputs	-	71,849
Net difference between projected and actual earnings on pension plan investments	-	3,494
Contributions subsequent to the measurement date of June 30, 2018	39,874	(not applicable)
<b>Total</b>	<b>\$ 50,871</b>	<b>\$ 128,170</b>

\$39,873,551 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as shown below (\$ in thousands):

Measurement Period Ended June 30:	
2019	\$ (28,181)
2020	\$ (28,181)
2021	\$ (28,181)
2022	\$ (28,179)
2023	\$ (21,949)
Thereafter	\$ (10,683)

***OPEB expense:*** For the year ending June 30, 2018, the Board recognized OPEB expense of \$39,456,000.

Additional disclosures on changes in the Board’s net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

***On-Behalf Payments.*** As required by GASB Statement No. 24, Accounting, and Financial Reporting for Certain Grants and Other Financial Assistance, the following on-behalf payments have been recorded.

**Medicare Supplement Plan.** The State of Tennessee made contributions (on-behalf payments) for eligible retired teachers who participated in the Board's health insurance plan. For fiscal year 2019, on-behalf payments made by the State of Tennessee totaled \$2,129,138 and have been recorded as revenue and expenditure in the OPEB Trust fund.

#### **NOTE 15 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

The former Memphis City Schools obtained a judgment in the amount of \$57.4 million from the City of Memphis in 2009. The judgment was affirmed by the Court of Appeals, but the Trial Court withheld enforcement of the judgment pending resolution of a claim that the former Memphis City Schools owed the City approximately \$160 million. The settlement agreement also included capital funding in an amount not to exceed \$3.8 million for qualifying capital expenditures in public educational facilities owned by the City or situated on property owned by the City. The Board has deferred inflows remaining at the fund level of \$13,224,988 based on the settlement agreement.

The Board also has deferred inflows and outflows related to pension & OPEB as detailed in Note 7 - Retirement Plans and Note 14, Other Post-Employment Benefits, respectively.



# **Required Supplementary Information**

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**Pension Schedule of Contributions**  
**Local Pension Plan**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

<b>Year Ending June 30</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially Determined Employer Contribution	\$ 57,592	\$ 96,202	\$ 77,819	\$ -	\$ -	\$ -
Contributions in relation to the Actuarially Determined Contribution	57,592	96,202	77,819	-	-	-
Annual contribution deficiency (excess)	-	-	-	-	-	-
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: The intent of this schedule is to fulfill the requirement to provide information for 10 years of historical data. However, until a full 10-year trend is compiled, the District is presenting information for the years available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Investment Returns**  
**Last 10 Fiscal Years**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	(27.46%)	(11.11%)	(11.86%)	(10.75%)	2.81%	13.47%

Note: The intent of this schedule is to fulfill the requirement to provide information for 10 years of historical data. However, until a full 10-year trend is compiled, the District is presenting information for the years available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Local Pension Plan**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>						
Interest	\$ 58,210	\$ 64,969	\$ 70,223	\$ 79,951	\$ 82,688	\$ 92,830
Difference between expected and actual experience	(11,869)	(20,277)	(33,919)	20,448	101,950	-
Changes if assumptions	-	6,601	(34,935)	44,004	(43,233)	-
Benefit payments, including refunds of employee contributions	(181,087)	(191,733)	(206,819)	(284,324)	(304,154)	(311,148)
<b>Net change in total pension liability</b>	<b>(134,746)</b>	<b>(140,440)</b>	<b>(205,450)</b>	<b>(139,921)</b>	<b>(162,749)</b>	<b>(218,318)</b>
<b>Total pension liability-beginning</b>	<b>1,253,631</b>	<b>1,394,071</b>	<b>1,599,521</b>	<b>1,739,442</b>	<b>1,902,191</b>	<b>2,120,509</b>
<b>Total pension liability-ending</b>	<b>\$ 1,118,885</b>	<b>\$ 1,253,631</b>	<b>\$ 1,394,071</b>	<b>\$ 1,599,521</b>	<b>\$ 1,739,442</b>	<b>\$ 1,902,191</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 57,592	\$ 96,202	\$ 77,819	\$ -	\$ -	\$ -
Net investment income	33,223	58,812	134,655	\$ (23,740)	\$ 59,719	\$ 235,749
Benefit payments	(181,087)	(191,733)	(206,819)	(284,324)	(304,154)	(311,148)
Administrative expense	-	-	(24,243)	(29,640)	(20,215)	(29,254)
<b>Net change in plan fiduciary net position</b>	<b>(90,272)</b>	<b>(36,719)</b>	<b>(18,588)</b>	<b>(337,704)</b>	<b>(264,650)</b>	<b>(104,653)</b>
Plan fiduciary net position - beginning	1,012,573	1,049,292	1,067,880	1,405,584	1,670,234	1,774,887
Plan fiduciary net position - ending	<u>922,301</u>	<u>1,012,573</u>	<u>1,049,292</u>	<u>\$ 1,067,880</u>	<u>\$ 1,405,584</u>	<u>\$ 1,670,234</u>
Net pension liability- ending	<u>\$ 196,584</u>	<u>\$ 241,058</u>	<u>\$ 344,779</u>	<u>\$ 531,641</u>	<u>\$ 333,858</u>	<u>\$ 231,957</u>
Plan fiduciary net position as a percentage of the total pension liability	82.43%	80.77%	75.27%	66.76%	80.81%	87.81%
Covered payroll	-	-	-	-	-	-
Net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The intent of this schedule is to fulfill the requirement to provide information for 10 years of historical data. However, until a full 10-year trend is compiled, the District is presenting information for the years available.

**Notes to Schedule:**

**Valuation Date**

June 30, 2019

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal Actuarial Funding Method
Inflation	2.5 percent
Salary increases	N/A
Investment rate of Return	5.00 percent, net of pension plan investment expense, including inflation
Municipal Bond Index Rate	3.50 percent
Single Equivalent Interest Rate	5.00 percent

Mortality rates were based on the same as those used by TCRS. They are based on RP-2014 White Collar for Annuitants multiplied by 111% for males and 98% for females and include projections of future mortality improvements for 6 years beyond the valuation date from the 2006 base year using Scale MP-2017.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Changes in Net Pension Liability (Asset) and Related**  
**Ratios Based on Participation in the Non-Teacher Pension Plan of TCRS**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	87.33%	88.41%	89.63%	90.75%
<b>Total pension liability</b>				
Service Cost	\$ 12,914,509	\$ 12,178,233	\$ 12,593,541	\$ 12,995,488
Interest	45,068,694	44,461,721	44,803,667	44,010,023
Differences between actual and expected experience	11,886,044	3,215,494	(16,171,778)	(933,606)
Change of assumptions	-	13,262,647	-	-
Benefit payments, including refunds of employee contributions	(37,214,909)	(37,349,165)	(36,849,231)	(38,251,547)
Net change in total pension liability	<u>\$ 32,654,338</u>	<u>\$ 35,768,930</u>	<u>\$ 4,376,199</u>	<u>\$ 17,820,358</u>
Total pension liability - beginning	635,088,226	607,589,508	610,750,951	613,707,665
Change in allocation percentage	(7,758,119)	(8,270,213)	(7,537,642)	(20,777,072)
Total pension liability - ending (a)	<u>\$ 659,984,445</u>	<u>\$ 635,088,225</u>	<u>\$ 607,589,508</u>	<u>\$ 610,750,951</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 9,750,706	\$ 12,646,930	\$ 12,110,593	\$ 11,999,510
Contributions - employee	6,984,591	6,829,756	6,535,391	6,473,390
Net investment income	54,953,779	70,210,667	16,705,628	19,630,955
Benefit payments, including refunds of employee contributions	(37,214,909)	(37,349,165)	(36,849,231)	(38,251,547)
Administrative expense	(332,556)	(289,689)	(256,604)	(175,295)
Other	-	89,843	862,717	325
Net change in plan fiduciary net position	<u>\$ 34,141,611</u>	<u>\$ 52,138,342</u>	<u>\$ (891,505)</u>	<u>\$ (322,662)</u>
Plan fiduciary net position - beginning	680,769,005	637,305,354	646,171,650	669,148,327
Change in allocation percentage	(8,316,147)	(8,674,691)	(7,974,791)	(22,654,015)
Plan fiduciary net position - ending (b)	<u>\$ 706,594,469</u>	<u>\$ 680,769,005</u>	<u>\$ 637,305,354</u>	<u>\$ 646,171,650</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (46,610,024)</u>	<u>\$ (45,680,780)</u>	<u>\$ (29,715,846)</u>	<u>\$ (35,420,699)</u>
Plan fiduciary net position as a percentage of total pension liability	107.06%	107.19%	104.89%	105.80%
Covered payroll	139,206,892	136,282,852	131,199,744	\$ 129,830,056
Net pension liability (asset) as a percentage covered payroll	33.48%	33.52%	22.66%	27.28%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Contributions**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

**Teacher Legacy Pension Plan of TCRS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required	\$ 34,971,889	\$ 33,337,377	\$ 35,629,009	\$ 36,988,344	\$ 42,650,593	\$ 57,458,551
Contribution in relation to the contractually required contribution	(34,971,889)	(33,337,377)	(35,629,009)	(36,988,344)	(42,650,593)	(57,458,551)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 334,392,956	\$ 367,156,274	\$ 395,310,240	\$ 409,160,280	\$ 471,925,786	\$ 647,055,750
Contributions as a percentage of covered payroll	10.46%	9.08%	9.01%	9.04%	9.04%	8.88%

**Teacher Retirement Plan of TCRS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required	\$ 2,436,670	\$ 4,108,963	\$ 2,844,773	\$ 1,905,144	\$ 617,052
Contribution in relation to the contractually required contribution	(2,436,670)	(4,108,963)	(2,844,773)	(1,905,144)	(987,290)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (370,238)
Covered payroll	\$ 124,932,888	\$ 102,724,018	\$ 69,940,799	\$ 47,624,002	\$ 24,682,091
Contributions as a percentage of covered payroll	1.95%	4.00%	4.07%	4.00%	4.00%

**NonTeacher Pension Plan of TCRS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required	\$ 9,197,272	\$ 9,743,917	\$ 12,631,852	\$ 12,162,217	\$ 12,031,030	\$ 14,238,116
Contribution in relation to the contractually required contribution	(9,197,272)	(9,743,917)	(12,631,852)	(12,162,217)	(12,031,030)	(14,238,116)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 153,302,174	\$ 142,192,782	\$ 136,265,933	\$ 131,199,744	\$ 129,830,056	\$ 158,448,724
Contributions as a percentage of covered payroll	6.00%	6.85%	9.27%	9.27%	9.27%	8.99%

**Notes to Non-Teacher Plan**

Valuation date: Actuarially determined contribution rates for 2019 were calculated based on the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25 percent

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Note: The amounts for prior years reflect updated contributions.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Proportionate Share of the Net Pension Liability (Asset)**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

**Teacher Legacy Pension Plan of TCRS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	10.47%	11.15%	11.33%	12.60%	16.49%
Proportion share of the net pension liability (asset)	(36,842,504)	(3,647,904)	70,836,158	5,162,674	(2,678,822)
Covered payroll	367,156,271	395,310,240	409,163,341	471,925,786	647,055,750
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	(10.03%)	(0.92)%	17.31%	1.09%	(0.41)%
Plan fiduciary net position as a percentage of the total pension liability	101.49%	100.14%	97.14%	99.81%	100.08%

**Teacher Retirement Plan of TCRS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	11.80%	10.84%	10.82%	11.88%
Proportion share of the net pension liability (asset)	(5,351,453)	(2,858,848)	(1,126,872)	(477,904)
Covered payroll	102,724,018	69,940,799	47,628,577	24,682,091
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	(5.21%)	(4.09)%	(2.37)%	(1.94)%
Plan fiduciary net position as a percentage of the total pension liability	126.97%	126.81%	127.88%	127.46%

\*The amounts presented were determined as of June 30 of the prior fiscal year.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.



**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Contributions Based on Participation in the Teacher**  
**Pension Plan of TCRS**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Determined Contribution	\$ 4,997,316	\$ 4,108,963	\$ 2,844,773	\$ 1,905,144	\$ 617,052
Less Contribution in Relation to the Contractually Determined Contribution	<u>(2,436,670)</u>	<u>(4,108,963)</u>	<u>(2,844,773)</u>	<u>(1,905,144)</u>	<u>(987,290)</u>
Contribution Deficiency (Excess)	<u>\$ 2,560,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (370,238)</u>
Covered Payroll	\$ 124,932,888	\$ 102,724,018	\$ 69,940,799	\$ 47,624,002	\$ 24,682,091
Contribution as a Percentage of Covered Payroll	1.95%	4.00%	4.07%	4.00%	4.00%

The intent of this schedule is to fulfill the requirement to provide information for 10 years of historical data. However, until a full 10-year trend is compiled, the District is presenting information for the years available.

Note: In FY 2019 Shelby County School Board of Education placed the actuarially determined contribution rate (1.95%) of covered payroll into the pension plan and placed 2.06 percent of covered payroll into the Pension Stabilization Reserve Trust.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**OPEB Schedule of Changes in the Net OPEB Liability**  
**and Related Ratios**  
**Last 10 Fiscal Years**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	(\$ in thousands)		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total OPEB Liability</b>			
Service Cost at end of year	\$ 28,486	\$ 39,550	
Interest	42,426	48,923	
Changes of benefit terms	-	(295,145)	
Difference between expected and actual experience	(63,719)	17,073	
Changes of assumptions or other inputs	(9,799)	(98,931)	
Benefit payments	(37,084)	(41,777)	
<b>Net change in total OPEB liability</b>	<u>(39,690)</u>	<u>(330,307)</u>	
<b>Total OPEB liability – beginning</b>	<u>1,053,334</u>	<u>1,383,641</u>	
<b>Total OPEB liability – ending (a)</b>	<u>\$ 1,013,644</u>	<u>\$ 1,053,334</u>	\$ 1,383,641
<b>Plan fiduciary net position</b>			
Contributions – employer	\$ 42,680	\$ 47,252	
Net investment income	5,509	6,660	
Benefit payments	(37,084)	(41,777)	
Administrative expense	(505)	(484)	
Other	20	-	
<b>Net change in plan fiduciary net position</b>	<u>10,620</u>	<u>11,651</u>	
<b>Plan fiduciary net position – beginning</b>	<u>61,937</u>	<u>50,286</u>	
<b>Plan fiduciary net position – ending (b)</b>	<u>\$ 72,557</u>	<u>\$ 61,937</u>	\$ 50,286
<b>Net OPEB liability – ending (a) – (b)</b>	<u>941,087</u>	<u>991,397</u>	<u>1,333,355</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	7.16%	5.88%	3.63%
<b>Covered-employee payroll</b>	\$ 567,464	\$ 547,632	\$ 501,212
<b>Net OPEB Liability as a percentage of covered-employee payroll</b>	165.84%	181.03%	266.03%

**Notes to schedule:** The intent of this schedule is to fulfill the requirement to provide information for 10 years of historical data. However, until a full 10-year trend is compiled, the District is presenting information for the years available.

**Changes to benefit terms:**

June 30, 2019 Valuation Date

- There were no changes in benefit terms since the Prior Measurement Date.

June 30, 2018 Valuation Date

- There were no changes in benefit terms since the Prior Measurement Date.

June 30, 2017 Valuation Date

- Effective January 1, 2017, retiree contributions towards health care were increased to 50% of the full cost for all Pre-Medicare coverage options and the Medicare Surround coverage option.
- Effective January 1, 2017, any retiree that has a life insurance coverage amount greater than \$10,000 is required to begin paying 25% of the premiums, increased from 0%. Any retiree with a life insurance coverage amount equal to or less than \$10,000 will continue to pay 0% of the premiums. Existing retirees as of January 1, 2017 were given the option to reduce voluntarily their life insurance coverage to \$10,000 if desired. Future retirees will have the option upon retirement of voluntarily reducing life insurance coverage to \$10,000 if desired.

**Changes to assumptions or other inputs:**

June 30, 2019 Valuation Date

- The SEIR was decreased from 4.32% to 4.13% to reflect the changes to the Municipal Bond Index Rate from 3.89% on the Prior Measurement Date to 3.50% on the
- Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and health care plan election rates based upon recent experience and current expectations.

June 30, 2018 Valuation Date

- The SEIR was increased from 4.10% to 4.32% to reflect the changes to the Municipal Bond Index Rate from 3.56% on the Prior Measurement Date to 3.89% on the
- Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and health care plan election rates based upon recent experience and current expectations.
- Recommended mortality rates and inflection assumption were incorporated into the valuation to account for the results of the actuarial experience study for the period July 1, 2012 - June 30, 2016, adopted by the Tennessee Consolidated Retirement System (TCRS).

June 30, 2017 Valuation Date

- The SEIR was increased from 3.59% to 4.10% to reflect the changes to the Municipal Bond Index Rate from 3.01% on the Prior Measurement Date to 3.56% on the
- Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and health care plan election rates based upon recent experience and current expectations.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**OPEB Schedule of Contributions**  
**Last 10 Fiscal Years**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

	(\$ in thousands)					
<b>Year Ending June 30</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially Determined Employer Contribution	\$ 95,600	\$ 93,938	\$ 111,028	\$ 120,919	\$ 124,454	\$124,454
Contributions in relation to the Actuarially Determined Contribution	39,874	42,681	47,252	51,326	64,717	63,973
Annual contribution deficiency (excess)	<u>\$ 55,726</u>	<u>\$ 51,257</u>	<u>\$ 63,776</u>	<u>\$ 69,593</u>	<u>\$ 59,737</u>	<u>\$ 60,481</u>
Covered-employee payroll	\$ 575,542	\$ 567,464	\$ 547,632	\$ 501,212	\$ 596,274	\$451,583
Actual contributions as a percentage of covered-employee payroll	6.93%	7.52%	8.63%	10.24%	10.85%	14.17%

Notes to Schedule

Valuation date: June 30, 2018

Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the prior valuation date. The following actuarial methods and assumptions (from the June 30, 2018 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Actuarial cost method	Entry Age Normal
Actuarial cost method	Level percentage of payroll
Amortization period	23 years, closed
Asset valuation method	Market value of assets
Price inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.5 percent
Salary increases, including wage inflation	3.71 percent to 8.97 percent
Initial health care cost trend rates	
CIGNA Plans	7.50 percent
Medicare Supplement Plans	5.50 percent
Ultimate health care cost trend rates	
CIGNA Plans	5.00 percent
Medicare Supplement Plans	5.00 percent
Year of ultimate trend rates	
CIGNA Plans	2024
Medicare Supplement Plans	2021
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.83 percent

Note: The intent of this schedule is to fulfill the requirement to provide information for 10 years of historical data. However, until a full 10-year trend is compiled, the District is presenting information for the years available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**OPEB Schedule of Investment Returns**  
**Last 10 Fiscal Years**  
**June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

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	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	5.77%	6.47%	13.19%

Note: The intent of this schedule is to fulfill the requirement to provide information for 10 years of historical data. However, until a full 10-year trend is compiled, the District is presenting information for the years available.

**COMBINING INFORMATION  
INTERNAL SERVICE FUNDS**

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**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Group Insurance Fund	Unemployment Fund	Printing Fund	Supply Chain Fund	Achievement School District Fund	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 15,913,955	\$ 1,120,108	\$ 346,501	\$ 286,311	\$ 78,534	\$ 17,745,409
Investments	8,221,819	547,263	169,293	139,886	38,369	9,116,630
Receivable from state	1,447,644	-	-	-	-	1,447,644
Receivable from other	84,846	-	-	-	181,934	266,780
Total assets	<u>25,668,264</u>	<u>1,667,371</u>	<u>515,794</u>	<u>426,197</u>	<u>298,837</u>	<u>28,576,463</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable and other accrued liabilities	244,166	25,668	25,739	-	-	295,573
Insurance claims and premiums payable	8,548,424	-	-	-	-	8,548,424
Accrued vacation	8,562	-	4,896	8,644	-	22,102
Noncurrent liabilities:						
Accrued vacation	41,802	1,207	27,747	48,982	-	119,738
Total liabilities	<u>8,842,954</u>	<u>26,875</u>	<u>58,382</u>	<u>57,626</u>	<u>-</u>	<u>8,985,837</u>
<b>Net Position</b>						
Unrestricted	<u>\$ 16,825,310</u>	<u>\$ 1,640,496</u>	<u>\$ 457,412</u>	<u>\$ 368,571</u>	<u>\$ 298,837</u>	<u>\$ 19,590,626</u>

See independent auditor's report

**COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
For the year ended June 30, 2019**

	Group Insurance Fund	Unemployment Fund
	<u>                    </u>	<u>                    </u>
<b>Operating revenues</b>		
Charges for services	\$ -	\$ -
Employee contributions	37,200,323	-
Board contributions	62,132,304	-
Total operating revenues	<u>99,332,627</u>	<u>-</u>
<b>Operating expenses</b>		
Personnel services	890,693	63,001
Material and supplies	-	-
Claims incurred	84,702,925	353,192
Life insurance premiums	2,027,845	-
Administrative expenses	3,129,711	-
Total operating expenses	<u>90,751,174</u>	<u>416,193</u>
Operating income (loss)	8,581,453	(416,193)
<b>Nonoperating revenues (expenses)</b>		
Interest income	286,042	58,015
Total nonoperating revenues (expenses)	<u>286,042</u>	<u>58,015</u>
Income (Loss) Before Transfers	8,867,495	(358,178)
Transfers to General Fund	(10,000,000)	-
Transfers to OPEB	(15,000,000)	-
Change in net position	<u>(16,132,505)</u>	<u>(358,178)</u>
<b>Net position</b>		
July 1, 2018	<u>32,957,815</u>	<u>1,998,674</u>
June 30, 2019	<u>\$ 16,825,310</u>	<u>\$ 1,640,496</u>

See independent auditor's report



**SHELBY COUNTY  
BOARD OF EDUCATION**

Printing Fund	Supply Chain Fund	Achievement District Fund	Total
\$ 782,372	\$ 1,188,701	\$ 1,104,935	\$ 3,076,008
-	-	-	37,200,323
-	-	-	62,132,304
<u>782,372</u>	<u>1,188,701</u>	<u>1,104,935</u>	<u>102,408,635</u>
457,673	966,243	572,623	2,950,233
259,231	674	42,962	302,867
-	-	-	85,056,117
-	-	-	2,027,845
40,103	351,367	429,035	3,950,216
<u>757,007</u>	<u>1,318,284</u>	<u>1,044,620</u>	<u>94,287,278</u>
25,365	(129,583)	60,315	8,121,357
13,204	16,159	-	373,420
<u>13,204</u>	<u>16,159</u>	<u>-</u>	<u>373,420</u>
13,204	16,159	-	373,420
38,569	(113,424)	60,315	8,494,777
-	-	-	(10,000,000)
-	-	-	(15,000,000)
<u>38,569</u>	<u>(113,424)</u>	<u>60,315</u>	<u>(16,505,223)</u>
418,843	481,995	238,522	36,095,849
<u>\$ 457,412</u>	<u>\$ 368,571</u>	<u>\$ 298,837</u>	<u>\$ 19,590,626</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the year ended June 30, 2019**

	Group Insurance Fund	Unemployment Fund
<b>Cash Flows From Operating Activities</b>		
Receipts from employer	\$ 62,217,164	\$ -
Receipts from employees	37,200,323	-
Payments to suppliers	(3,129,711)	-
Payments to employees for salaries and benefits	(890,693)	(63,001)
Payments for life insurance premiums	(2,027,845)	-
Payments for insurance and unemployment claims	(86,010,861)	(348,008)
Net cash provided (used) by operating activities	<u>7,358,377</u>	<u>(411,009)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	29,242,939	1,262,424
Interest received	286,042	58,015
Net cash provided (used) by investing activities	<u>29,528,981</u>	<u>1,320,439</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfer to general fund	(10,000,000)	-
Transfers from other funds	(15,000,000)	-
Net Increase (Decrease) in cash and cash equivalents	11,887,358	909,430
Cash and cash equivalents at beginning of year	4,026,597	210,678
Cash and cash equivalents at end of year	<u>\$ 15,913,955</u>	<u>\$ 1,120,108</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating gain (loss)	\$ 8,581,453	\$ (416,193)
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Receivables	84,860	-
Accrued liabilities	(1,307,936)	5,184
Net cash provided (used) by operating activities	<u>\$ 7,358,377</u>	<u>\$ (411,009)</u>

**SHELBY COUNTY  
BOARD OF EDUCATION**

Printing Fund	Supply Chain Fund	Achievement District Fund	Total
\$ 782,372	\$ 1,188,701	\$ 1,283,941	\$ 65,472,178
-	-	-	37,200,323
(299,334)	(352,041)	(471,997)	(4,253,083)
(457,673)	(966,243)	(572,623)	(2,950,233)
-	-	-	(2,027,845)
17,403	(23,111)	(122,418)	(86,486,995)
<u>42,768</u>	<u>(152,694)</u>	<u>116,903</u>	<u>6,954,345</u>
242,580	364,166	(38,369)	31,073,740
13,204	16,159	-	373,420
<u>255,784</u>	<u>380,325</u>	<u>(38,369)</u>	<u>31,447,160</u>
-	-	-	(10,000,000)
-	-	-	(15,000,000)
298,552	227,631	78,534	13,401,505
47,949	58,680	-	4,343,904
<u>\$ 346,501</u>	<u>\$ 286,311</u>	<u>\$ 78,534</u>	<u>\$ 17,745,409</u>
\$ 25,365	\$ (129,583)	\$ 60,315	\$ 8,121,357
-	-	179,006	263,866
17,403	(23,111)	(122,418)	(1,430,878)
<u>\$ 42,768</u>	<u>\$ (152,694)</u>	<u>\$ 116,903</u>	<u>\$ 6,954,345</u>

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**COMBINING INFORMATION  
FIDUCIARY TRUST FUNDS**

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**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY TRUST FUNDS  
June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	OPEB Trust Fund	Pension Trust Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 335,896	\$ -	\$ 335,896
Other receivables	619,698	4,778	624,476
Investments, at fair value:			
Short-term securities	11,983,192	206,519	12,189,711
Common stocks	22,320,853	425,773	22,746,626
Corporate bonds	46,374,540	391,867	46,766,407
Total investments	<u>80,678,585</u>	<u>1,024,159</u>	<u>81,702,744</u>
Total assets	<u><u>81,634,179</u></u>	<u><u>1,028,937</u></u>	<u><u>82,663,116</u></u>
<b>Liabilities</b>			
Accounts payable	516,148	4,177	520,325
Due to general fund	-	102,459	102,459
Insurance claims and premiums payable	2,300,000	-	2,300,000
Total liabilities	<u>2,816,148</u>	<u>106,636</u>	<u>2,922,784</u>
<b>Net Position</b>			
Net position restricted for post employment benefits	78,818,031	-	78,818,031
Net position restricted for pension benefits	-	922,301	922,301
	<u><u>\$ 78,818,031</u></u>	<u><u>\$ 922,301</u></u>	<u><u>\$ 79,740,332</u></u>

See independent auditor's report.

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY TRUST FUNDS  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	OPEB Trust Fund	Pension Trust Fund	Total
<b>Additions</b>			
Contributions:			
State reimbursements for benefit payments and insurance premiums	\$ -	\$ 63,045	\$ 63,045
State reimbursements for superior plan	2,129,138	-	2,129,138
Employer contributions	28,599,681	-	28,599,681
Retiree contributions	27,287,355	-	27,287,355
Transfer from general fund	3,000,000	57,592	3,057,592
Transfer from insurance	15,000,000	-	15,000,000
Drug subsidy	143,153	-	143,153
Investment earnings:			
Interest income	3,049,022	23,263	3,072,285
Net appreciation (depreciation) in fair value of investments	314,608	37,879	352,487
Total investment earnings	3,363,630	61,142	3,424,772
Less investment expense	250,289	27,919	278,208
Net investment	3,113,341	33,223	3,146,564
<b>Total additions</b>	<b>79,272,668</b>	<b>153,860</b>	<b>79,426,528</b>
<b>Deductions</b>			
Benefit payments	63,883,029	244,132	64,127,161
Administrative expenses	362,160	-	362,160
<b>Total deductions</b>	<b>64,245,189</b>	<b>244,132</b>	<b>64,489,321</b>
<b>Net increase (decrease) in net position</b>	<b>15,027,479</b>	<b>(90,272)</b>	<b>14,937,207</b>
July 1, 2018	63,790,551	1,012,573	64,803,124
June 30, 2019	<u>\$ 78,818,030</u>	<u>\$ 922,301</u>	<u>\$ 79,740,331</u>

See independent auditor's report.



## **Other Supplementary Statements and Schedules**



**FIDUCIARY FUNDS - AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
<i>Internal School Fund</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 10,615,289	\$ 14,048,823	\$ 14,171,374	\$ 10,492,738
Investments	85,344	56,670	85,344	56,670
Other receivables	184,518	131,621	184,517	131,622
Due from general fund	-	-	-	-
Inventories	57,332	55,728	57,332	55,728
Total assets	<u>10,942,483</u>	<u>14,292,842</u>	<u>14,498,567</u>	<u>10,736,758</u>
<b>Liabilities</b>				
Accounts payable	125,490	138,145	125,490	138,145
Due to student general fund	6,420,151	2,746,824	2,899,604	6,267,371
Due to student groups	4,396,842	11,220,428	11,286,028	4,331,242
Total liabilities	<u>\$ 10,942,483</u>	<u>\$ 14,105,397</u>	<u>\$ 14,311,122</u>	<u>\$ 10,736,758</u>
<i>Flexible Spending Account Fund</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 311,574	\$ 1,144,141	\$ 1,195,317	\$ 260,398
Other receivables	227,042	141,067	227,042	141,067
Investments, at fair value:				
Common stocks	-	127,225	-	127,225
Due from general fund	-	33,240	33,240	-
Total assets	<u>538,616</u>	<u>1,445,673</u>	<u>1,455,599</u>	<u>528,690</u>
<b>Liabilities</b>				
Accounts payable	44,942	180,048	156,733	68,257
Due to general fund	493,673	-	33,240	460,433
Total liabilities	<u>\$ 538,615</u>	<u>\$ 180,048</u>	<u>\$ 189,973</u>	<u>\$ 528,690</u>
<b>Total Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 10,926,863	\$ 15,192,964	\$ 15,366,691	\$ 10,753,136
Investments	85,344	56,670	85,344	56,670
Other receivables	411,560	272,688	411,559	272,689
Investments, at fair value:				
Common stocks	-	127,225	-	127,225
Due from general fund	-	33,240	33,240	-
Inventories	57,332	55,728	57,332	55,728
Total assets	<u>11,481,099</u>	<u>15,738,515</u>	<u>15,954,166</u>	<u>11,265,448</u>
<b>Liabilities</b>				
Accounts payable	170,432	318,193	282,223	206,402
Due to student general fund	6,420,151	2,746,824	2,899,604	6,267,371
Due to student groups	4,396,842	11,220,428	11,286,028	4,331,242
Due to general fund	493,673	-	33,240	460,433
Total liabilities	<u>\$ 11,481,098</u>	<u>\$ 14,285,445</u>	<u>\$ 14,501,095</u>	<u>\$ 11,265,448</u>

See independent auditor's report

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
For the Year Ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
City of Memphis	\$ 1,081,653	\$ 153,151	\$ 113,862	\$ (39,289)
Shelby County	107,252,531	59,398,180	54,932,413	\$ (4,465,767)
Other local sources	-	100,853	286,313	185,460
Total revenues	<u>108,334,184</u>	<u>59,652,184</u>	<u>55,332,588</u>	<u>(4,319,596)</u>
<b>Expenditures</b>				
Capital outlay	<u>108,416,828</u>	<u>62,233,976</u>	<u>75,560,959</u>	<u>(13,326,983)</u>
Total expenditures	<u>108,416,828</u>	<u>62,233,976</u>	<u>75,560,959</u>	<u>(13,326,983)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (82,644)</u>	<u>\$ (2,581,792)</u>	<u>\$ (20,228,371)</u>	<u>\$ (17,646,579)</u>
<b>Other Financing Sources (Uses)</b>				
Insurance recovery	-	546,785	546,785	-
Sale of capital assets	-	597,230	597,230	-
Net change in fund balance	<u>\$ (82,644)</u>	<u>\$ (1,437,777)</u>	(19,084,356)	<u>\$ (17,646,579)</u>
Change in reserve for encumbrances			<u>19,573,114</u>	
Net change in fund balances (GAAP basis)			488,758	
Fund balance - July 1, 2018			<u>1,665,284</u>	
Fund balance - June 30, 2019			<u>\$ 2,154,042</u>	

See independent auditor's report

**SCHEDULE OF GENERAL CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY  
June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

	Land	Construction in Progress	Intangible Assets	Buildings and Improvements	Machinery and Equipment	Totals
<b>Cost:</b>						
Unallocated	\$ 336,895	\$ 36,026,616	\$ -	\$ -	\$ -	\$ 36,363,511
Instruction	40,437,874	-	-	1,469,606,346	98,538,709	1,608,582,929
Instructional support	-	-	-	11,081,996	7,522,533	18,604,529
Student support	760	-	-	4,928,639	1,304,336	6,233,735
Office of principal	17,395	-	-	21,607,717	4,151,050	25,776,162
General administration	3,231,143	-	-	32,174,076	24,260,036	59,665,255
Fiscal services	-	-	-	-	226,792	226,792
Other support services	-	-	-	-	1,821,433	1,821,433
Student transportation	-	-	-	(8,612)	14,842	6,230
Plant services	63,112	-	-	4,722,088	11,837,974	16,623,174
Community service	559,804	-	-	3,175,659	1,471,609	5,207,072
Food service	35,218	-	-	97,237,442	14,717,852	111,990,512
Education Technology	25,244	-	5,671,376	1,911,172	4,607,665	12,215,457
<b>Totals</b>	<b>\$ 44,707,445</b>	<b>\$ 36,026,616</b>	<b>\$ 5,671,376</b>	<b>\$ 1,646,436,523</b>	<b>\$ 170,474,831</b>	<b>\$ 1,903,316,791</b>
<b>Accumulated depreciation:</b>						
Unallocated	-	-	-	-	-	-
Instruction	-	-	-	678,340,906	92,781,765	771,122,671
Instructional support	-	-	-	10,529,339	6,268,147	16,797,486
Student support	-	-	-	2,323,557	1,052,471	3,376,028
Office of principal	-	-	-	10,000,838	4,073,529	14,074,367
General administration	-	-	-	21,575,369	22,102,867	43,678,236
Fiscal services	-	-	-	-	210,054	210,054
Other support services	-	-	-	-	1,392,237	1,392,237
Student transportation	-	-	-	74,218	7,596	81,814
Plant services	-	-	-	3,598,385	9,817,813	13,416,198
Community service	-	-	-	386,718	855,647	1,242,365
Food service	-	-	-	43,758,543	10,799,873	54,558,416
Education Technology	-	-	3,402,828	56,634	99,860	3,559,322
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,402,828</b>	<b>\$ 770,644,507</b>	<b>\$ 149,461,859</b>	<b>\$ 923,509,194</b>
<b>Net book value:</b>						
Unallocated	336,895	36,026,616	-	-	-	36,363,511
Instruction	40,437,874	-	-	791,265,440	5,756,944	837,460,258
Instructional support	-	-	-	552,657	1,254,386	1,807,043
Student support	760	-	-	2,605,082	251,865	2,857,707
Office of principal	17,395	-	-	11,606,879	77,521	11,701,795
General administration	3,231,143	-	-	10,598,707	2,157,169	15,987,019
Fiscal services	-	-	-	-	16,738	16,738
Other support services	-	-	-	-	429,196	429,196
Student transportation	-	-	-	(82,830)	7,246	(75,584)
Plant services	63,112	-	-	1,123,703	2,020,161	3,206,976
Community service	559,804	-	-	2,788,941	615,962	3,964,707
Food service	35,218	-	-	53,478,899	3,917,979	57,432,096
Education Technology	25,244	-	2,268,548	1,854,538	4,507,805	8,656,135
<b>Totals</b>	<b>\$ 44,707,445</b>	<b>\$ 36,026,616</b>	<b>\$ 2,268,548</b>	<b>\$ 875,792,015</b>	<b>\$ 21,012,972</b>	<b>\$ 979,807,597</b>

See independent auditor's report

**SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY  
For the year ended June 30, 2019**

Function	Balance July 1, 2018	Reclassifications	Additions	Impairment	Disposals and Adjustments	Balance June 30, 2019
Unallocated						
Land	\$ 336,895	\$ -	\$ -	\$ -	\$ -	\$ 336,895
Construction in Progress	50,169,866	(69,512,147)	55,368,897	-	-	36,026,616
Buildings and Improvements	-	-	-	-	-	-
Equipment and Furniture	-	-	-	-	-	-
Totals	50,506,761	(69,512,147)	55,368,897	-	-	36,363,511
Instruction						
Land	40,980,416	102,100	-	-	(644,642)	40,437,874
Buildings and Improvements	1,442,695,911	62,829,482	1,173,243	-	(37,092,290)	1,469,606,346
Machinery and Equipment	99,390,392	(695,118)	4,637,090	-	(4,793,655)	98,538,709
Totals	1,583,066,719	62,236,464	5,810,333	-	(42,530,587)	1,608,582,929
Instructional support						
Land	-	-	-	-	-	-
Buildings and Improvements	11,081,996	-	-	-	-	11,081,996
Machinery and Equipment	8,451,445	-	6,332	-	(935,244)	7,522,533
Totals	19,533,441	-	6,332	-	(935,244)	18,604,529
Student support						
Land	760	-	-	-	-	760
Buildings and Improvements	4,734,521	194,118	-	-	-	4,928,639
Machinery and Equipment	1,410,624	-	-	-	(106,288)	1,304,336
Totals	6,145,905	194,118	-	-	(106,288)	6,233,735
Office of principal						
Land	17,395	-	-	-	-	17,395
Buildings and Improvements	21,119,807	1,002,006	16,082	-	(530,178)	21,607,717
Machinery and Equipment	4,303,043	-	-	-	(151,993)	4,151,050
Totals	25,440,245	1,002,006	16,082	-	(682,171)	25,776,162
General administration						
Land	3,243,765	(12,622)	-	-	-	3,231,143
Buildings and Improvements	33,114,914	(955,586)	14,748	-	-	32,174,076
Machinery and Equipment	23,253,411	-	1,174,995	-	(168,370)	24,260,036
Intangible Assets	-	-	-	-	-	-
Totals	59,612,090	(968,208)	1,189,743	-	(168,369)	59,665,255
Fiscal services						
Land	-	-	-	-	-	-
Buildings and Improvements	-	-	-	-	-	-
Machinery and Equipment	239,759	-	-	-	(12,967)	226,792
Totals	239,759	-	-	-	(12,967)	226,792
Other support services						
Land	-	-	-	-	-	-
Buildings and Improvements	-	-	-	-	-	-
Machinery and Equipment	1,839,603	-	-	-	(18,170)	1,821,433
Totals	1,839,603	-	-	-	(18,170)	1,821,433
Student transportation						
Land	-	-	-	-	-	-
Buildings and Improvements	106,186	-	4,705	-	(119,503)	(8,612)
Machinery and Equipment	14,842	-	-	-	-	14,842
Totals	121,028	-	4,705	-	(119,503)	6,230
Plant services						
Land	63,112	-	-	-	-	63,112
Buildings and Improvements	4,722,088	-	80,584	-	-	4,722,088
Machinery and Equipment	11,227,905	-	736,678	-	(126,609)	11,837,974
Totals	16,013,105	-	736,678	-	(126,609)	16,623,174
Community service						
Land	559,804	-	-	-	-	559,804
Buildings and Improvements	3,175,659	-	-	-	-	3,175,659
Machinery and Equipment	1,607,459	-	32,235	-	(168,085)	1,471,609
Totals	5,342,922	-	32,235	-	(168,085)	5,207,072
Food service						
Land	35,218	-	-	-	-	35,218
Buildings and Improvements	95,553,726	3,832,430	80,584	-	(2,229,298)	97,237,442
Machinery and Equipment	14,585,005	-	583,594	-	(450,747)	14,717,852
Totals	110,173,949	3,832,430	664,178	-	(2,680,045)	111,990,512
Education Technology						
Land	12,622	12,622	-	-	-	25,244
Buildings and Improvements	955,586	955,586	-	-	-	1,911,172
Machinery and Equipment	2,208,020	2,247,128	184,169	-	(31,652)	4,607,665
Intangible Assets	5,671,376	-	-	-	-	5,671,376
Totals	8,847,604	3,215,336	184,169	-	(31,652)	12,215,457
Grand Totals						
Land	45,249,987	102,100	-	-	(644,642)	44,707,445
Construction in progress	50,169,866	(69,512,147)	55,368,897	-	-	36,026,616
Buildings and Improvements	1,617,260,394	67,858,037	1,289,362	-	(39,971,269)	1,646,436,524
Machinery and Equipment	168,531,508	1,552,010	7,355,093	-	(6,963,780)	170,474,831
Intangible Assets	5,671,376	-	-	-	-	5,671,376
Totals	1,886,883,131	-	64,013,352	-	(47,579,691)	1,903,316,792

See independent auditor's report

**SHELBY COUNTY  
BOARD OF EDUCATION**

Balance July 1, 2018	Reclassifications	Additions	Impairment	Disposals and Adjustments	Balance June 30, 2019	Net book value June 30, 2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,895
-	-	-	-	-	-	36,026,616
-	-	-	-	-	-	-
-	-	-	-	-	-	36,363,511
-	-	-	-	-	-	40,437,874
659,486,931	(999,183)	50,456,264	-	(30,603,106)	678,340,906	791,265,440
93,847,388	999,183	2,028,664	-	(4,093,470)	92,781,765	5,756,944
753,334,319	-	52,484,927	-	(34,696,577)	771,122,671	837,460,258
-	-	-	-	-	-	-
10,529,339	-	-	-	-	10,529,339	552,657
7,159,193	-	42,187	-	(933,233)	6,268,147	1,254,386
17,688,532	-	42,187	-	(933,233)	16,797,486	1,807,043
-	-	-	-	-	-	760
2,255,415	-	68,142	-	-	2,323,557	2,605,082
1,014,975	-	136,667	-	(99,171)	1,052,471	251,865
3,270,390	-	204,809	-	(99,171)	3,376,028	2,857,707
-	-	-	-	-	-	17,395
9,697,258	-	735,549	-	(431,969)	10,000,838	11,606,879
4,208,796	-	14,307	-	(149,574)	4,073,529	77,521
13,906,054	-	749,856	-	(581,543)	14,074,367	11,701,795
-	-	-	-	-	-	3,231,143
20,466,342	-	1,109,027	-	-	21,575,369	10,598,707
21,821,083	-	445,349	-	(163,565)	22,102,867	2,157,169
42,287,425	-	1,554,376	-	(163,565)	43,678,236	15,987,019
-	-	-	-	-	-	-
220,080	-	2,941	-	(12,967)	210,054	16,738
220,080	-	2,941	-	(12,967)	210,054	16,738
-	-	-	-	-	-	-
1,345,619	-	64,788	-	(18,170)	1,392,237	429,196
1,345,619	-	64,788	-	(18,170)	1,392,237	429,196
-	-	-	-	-	-	-
1,857	-	171,030	-	(98,669)	74,218	(82,830)
6,127	-	1,469	-	-	7,596	7,246
7,984	-	172,499	-	(98,669)	81,814	(75,584)
-	-	-	-	-	-	63,112
3,598,385	-	-	-	-	3,598,385	1,123,703
9,664,466	-	277,621	-	(124,274)	9,817,813	2,020,161
13,262,851	-	277,621	-	(124,274)	13,416,198	3,206,976
-	-	-	-	-	-	559,804
257,812	-	128,906	-	-	386,718	2,788,941
990,901	-	31,635	-	(166,889)	855,647	615,962
1,248,713	-	160,541	-	(166,889)	1,242,365	3,964,707
-	-	-	-	-	-	35,218
42,404,766	-	3,185,753	-	(1,831,976)	43,758,543	53,478,899
10,326,407	-	791,821	-	(318,355)	10,799,873	3,917,979
52,731,173	-	3,977,574	-	(2,150,330)	54,558,416	57,432,096
-	-	-	-	-	-	25,244
39,598	-	17,036	-	-	56,634	1,854,538
61,523	-	69,405	-	(31,068)	99,860	4,507,805
2,835,690	-	567,138	-	-	3,402,828	2,268,548
2,936,811	-	653,579	-	(31,067)	3,559,322	8,656,135
-	-	-	-	-	-	44,707,445
-	-	-	-	-	-	36,026,616
748,737,703	(999,183)	55,871,707	-	(32,965,720)	770,644,507	875,792,017
150,666,558	999,183	3,906,854	-	(6,110,736)	149,461,859	21,012,972
2,835,690	-	567,138	-	-	3,402,828	2,268,548
902,239,951	-	60,345,699	-	(39,076,456)	923,509,194	979,807,598

**DEBT INFORMATION**  
**SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS**  
**For the year ended June 30, 2019**

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<u>Description/ Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2018</u>
Compensated Absences		-	10,006,192
Net OPEB Liability*		-	991,397,000
Pension Benefits		-	241,058
Total Long-term Obligations		<u>\$ 6,651,638</u>	<u>\$ 1,001,644,250</u>

See Independent Auditor's Report



**SHELBY COUNTY  
BOARD OF EDUCATION**

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<u>Issued</u>	<u>Payments and Retirements</u>	<u>Outstanding June 30, 2019</u>	<u>Current Portion</u>
3,087,202	(1,096,515)	11,996,879	1,446,053
-	(50,310,000)	941,087,000	-
-	(44,474)	196,584	-
<u>\$ 3,087,202</u>	<u>\$ (51,450,989)</u>	<u>\$ 953,280,463</u>	<u>\$ 1,446,053</u>

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## **Statistical Section (unaudited)**

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This part of the Shelby County Schools Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

The merger with Memphis City Schools was effective at the beginning of the 2013-2014 school year. Thus, the assets and obligations of the former Memphis City Schools were transferred to Shelby County Board of Education and are included in the amounts reported for 2014. The amounts reported for 2013 and prior years are only those of Shelby County Board of Education.

## **Contents**

### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance has changed over time. Due to the merger in 2014, there is a disparity in year over year comparisons.

### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the School District's ability to generate revenues through property taxes levied by other governmental agencies.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

The School District does not have taxing authority and does not have a legal debt margin. Accordingly, schedules regarding legal debt margin and overlapping debt are not applicable. In addition, the School District does not have any pledged revenue.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place and to help make comparisons over time and with other governments.

### **Operating Information**

These schedules contain information about the School District's operations and resources to help the reader understand how the School District's financial information relates to the services the School District provides and the activities it performs.

## **Sources**

Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

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## **Financial Trends**

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**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**FINANCIAL TRENDS**  
**Net Position by Component**  
**As of June 30, 2019**

<b>Net Position</b>	<b>2019</b>	<b>2018</b>	<b>2017 (3)</b>	<b>2016 (2)</b>
Net investment in capital assets	\$ 979,807,598	\$ 984,643,180	\$ 984,006,250	\$ 1,017,872,572
Restricted for:				
Capital projects	2,154,042	1,665,284	6,218,216	8,417,957
Insurance Claims	-	-	-	-
Student Activities	-	-	-	-
Contracted grant programs	9,141,396	8,873,176	8,013,220	6,578,574
Food service	45,757,185	37,195,739	26,023,179	32,516,981
Pension Benefits	91,514,434	52,187,531	-	-
Education	31,540,072	31,697,247	29,603,105	29,360,894
Unrestricted	(855,913,177)	(825,107,004)	(1,111,259,994)	(320,095,503)
	<u>\$ 304,001,550</u>	<u>\$ 291,155,153</u>	<u>\$ (57,396,024)</u>	<u>\$ 774,651,475</u>

**Note:**

- (1) Prior year amounts have been restated for the implementation of GASB Statement 68.
- (2) 2016 changed due to aggregating net OPEB liability which is reflected in Unrestricted.
- (3) Prior year amounts have been restated for the implementation of GASB Statement 75.



**SHELBY COUNTY  
BOARD OF EDUCATION**

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<b>2015</b>	<b>2014 (1)</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 1,035,129,637	\$ 1,095,398,461	\$ 395,800,108	\$ 401,963,845	\$ 391,964,327	\$ 375,685,630
12,488,134	11,998,630	105,723	710,469	2,987,803	-
-	-	2,254,559	3,976,350	9,886,051	12,296,837
-	-	-	6,344,750	5,954,246	5,505,780
3,770,961	3,075,832	-	-	-	-
30,467,986	23,056,506	3,888,773	3,710,791	3,117,887	-
-	-	-	-	-	-
34,442,225	28,469,654	11,072,259	10,793,684	11,018,457	-
(348,614,268)	(33,468,688)	(225,599,235)	(187,003,125)	(145,756,475)	(72,619,489)
<u>\$ 767,684,675</u>	<u>\$ 1,128,530,395</u>	<u>\$ 187,522,187</u>	<u>\$ 240,496,764</u>	<u>\$ 279,172,296</u>	<u>\$ 320,868,758</u>

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**FINANCIAL TRENDS**  
**Statement of Activities**  
**Period ended June 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 626,097,212	\$ 425,776,529	\$ 611,919,773	\$ 597,472,639
Instructional support	75,248,386	45,093,843	73,370,070	68,332,710
Student support	77,172,243	44,567,621	69,102,286	67,948,438
Office of principal	63,408,399	39,718,248	61,950,907	63,512,954
General administration	18,558,248	15,409,666	68,931,316	22,290,624
Fiscal Services	7,727,072	4,620,666	6,173,518	6,061,221
Other support services	7,980,006	7,756,886	50,438,867	43,518,961
Student transportation	28,512,265	26,031,457	26,052,020	27,981,073
Plant services	99,572,136	72,202,281	83,341,347	82,263,525
Community service	62,299,926	45,351,940	54,979,073	50,728,987
Charter schools	143,041,477	128,231,865	111,283,036	94,408,523
Education Technology	27,569,052	22,739,141	-	-
Food service	81,201,659	64,292,440	47,089,961	85,229,311
Interest on long-term debt	-	-	347	2,628
Total government expenses	<u>1,318,388,081</u>	<u>941,792,583</u>	<u>1,264,632,521</u>	<u>1,209,751,594</u>
<b>Revenues</b>				
Governmental activities:				
Charges for services				
Instruction	953,861	53,402	630,816	589,588
Food service	2,886,417	2,913,792	3,554,136	3,514,739
Total charges for services	<u>3,840,278</u>	<u>2,967,194</u>	<u>4,184,952</u>	<u>4,104,327</u>
Operating grants and contributions:				
Instruction	426,537,530	437,006,021	422,376,211	405,523,486
Instructional support	59,064,639	51,776,248	51,162,763	47,587,032
Student support	27,696,885	26,005,386	27,506,201	27,527,860
Office of principal	20,955,365	20,332,768	11,421,167	19,830,653
General administration	840,760	712,128	8,105,488	8,275,807
Fiscal Services	411,760	230,501	530,232	472,225
Other support services	4,056,707	1,200,380	4,391,798	2,588,669
Student transportation	19,373,651	21,709,845	23,274,875	18,421,013
Plant services	76,298,053	83,333,356	88,119,707	75,671,383
Community service	55,098,518	51,384,650	54,422,633	50,454,463
Education Technology	3,207,220	3,177,277	-	-
Food service	82,312,769	80,095,740	78,153,125	78,798,457
Total operating grants and contributions	<u>775,853,857</u>	<u>776,964,300</u>	<u>769,464,200</u>	<u>735,151,048</u>
Capital grants and contributions				
Plant Services	55,710,328	51,799,033	21,415,501	33,321,219
Total capital grants and contributions	<u>55,710,328</u>	<u>51,799,033</u>	<u>21,415,501</u>	<u>33,321,219</u>
<b>General Revenues and Special Items</b>				
Shelby County	343,764,854	334,307,133	334,346,944	316,067,610
Local option and state sales taxes	132,748,397	127,175,675	120,757,018	121,423,104
Other local sources (uses)	13,701,710	(1,068,077)	11,011,903	5,755,594
Gain on Sale of capital assets	-	-	710,668	-
Unrestricted investment earnings	5,615,053	3,296,913	1,644,283	895,492
Special items	-	(5,098,411)	(10,165,449)	-
Total general revenues and special items	<u>495,830,014</u>	<u>458,613,233</u>	<u>458,305,367</u>	<u>444,141,800</u>
Total government revenues	<u>1,331,234,477</u>	<u>1,290,343,760</u>	<u>1,253,370,020</u>	<u>1,216,718,394</u>
<b>Change in Net Position</b>	<u>\$ 12,846,396</u>	<u>\$ 348,551,177</u>	<u>\$ (11,262,500)</u>	<u>\$ 6,966,800</u>

Notes:

Detailed revenue information is not available prior to fiscal year 2014.

Source: Shelby County Schools Financial Statements

**SHELBY COUNTY  
BOARD OF EDUCATION**

2015	2014	2013	2012	2011	2010
\$ 648,328,804	\$ 1,096,495,154	\$ 278,662,284	\$ 285,400,355	\$ 285,666,544	\$ 281,573,590
87,621,804	60,741,347	-	-	-	-
65,093,403	113,550,075	793,703	14,703,893	14,418,064	13,167,287
67,794,495	94,262,960	-	-	-	-
24,830,863	25,945,874	49,521,741	44,088,193	40,652,337	37,749,659
5,938,485	8,428,601	-	-	-	-
41,594,932	35,303,585	58,631,337	66,474,643	61,614,184	57,387,741
36,004,590	37,650,956	17,406,176	18,492,591	17,436,714	14,511,725
92,771,794	110,525,399	29,540,909	29,503,650	29,702,578	28,574,903
43,152,157	23,778,501	-	-	-	-
81,234,455	66,987,992	-	-	-	-
-	-	-	-	-	-
78,916,667	96,956,709	20,414,717	19,788,229	20,417,615	18,655,802
2,628	111,556	-	-	-	-
<u>1,273,285,077</u>	<u>1,770,738,709</u>	<u>454,970,867</u>	<u>478,451,554</u>	<u>469,908,036</u>	<u>451,620,707</u>
520,359	832,927	19,386,822	58,876,008	28,378,425	24,044,448
835,426	18,810,070	10,349,814	8,710,711	8,837,432	9,360,007
<u>1,355,785</u>	<u>19,642,997</u>	<u>29,736,636</u>	<u>67,586,719</u>	<u>37,215,857</u>	<u>33,404,455</u>
419,364,465	530,446,090	211,372,876	191,168,644	211,130,943	204,441,495
51,822,650	64,860,058	-	-	-	-
27,235,359	33,792,538	-	-	-	-
20,242,173	24,734,319	-	-	-	-
11,169,211	2,040,439	-	-	-	-
482,907	412,071	-	-	-	-
1,537,805	1,367,383	-	-	-	-
17,922,763	20,541,742	-	-	-	-
81,586,484	97,960,601	-	-	-	-
41,493,458	20,932,425	-	-	-	-
-	-	-	-	-	-
79,875,631	58,280,508	-	-	-	-
<u>752,732,906</u>	<u>855,368,174</u>	<u>211,372,876</u>	<u>191,168,644</u>	<u>211,130,943</u>	<u>204,441,495</u>
5,066,684	5,753,509	8,728,662	7,992,816	8,815,568	7,725,811
<u>5,066,684</u>	<u>5,753,509</u>	<u>8,728,662</u>	<u>7,992,816</u>	<u>8,815,568</u>	<u>7,725,811</u>
306,525,759	422,599,533	120,421,197	113,303,620	123,693,489	115,749,031
118,473,827	159,752,215	36,228,227	42,445,709	41,681,158	40,354,509
5,830,798	5,410,727	1,977,774	19,278,514	5,674,559	6,686,244
3,570,476	-	-	-	-	-
411,950	20,122	-	-	-	-
(29,806,789)	-	-	-	-	-
<u>405,006,021</u>	<u>587,782,597</u>	<u>158,627,198</u>	<u>175,027,843</u>	<u>171,049,206</u>	<u>162,789,784</u>
<u>1,164,161,396</u>	<u>1,468,757,277</u>	<u>408,465,372</u>	<u>439,776,022</u>	<u>428,211,574</u>	<u>408,361,545</u>
<u>\$ (109,123,681)</u>	<u>\$ (301,981,432)</u>	<u>\$ (46,505,495)</u>	<u>\$ (38,675,532)</u>	<u>\$ (41,696,462)</u>	<u>\$ (43,259,162)</u>

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**FINANCIAL TRENDS**  
**General Revenues and Total Changes in Net Position**  
**Period ended June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (expense)/revenue:			
Total primary government net expense	\$ (482,983,618)	\$ (110,062,056)	\$ (469,567,868)
General revenues and other changes in net position:			
Governmental activities:			
Shelby County	343,764,854	334,307,133	334,346,944
Local option and state sales taxes	132,748,397	127,175,675	120,757,018
Other local sources (uses)	13,701,710	(1,068,077)	11,011,903
Gain on sale of capital assets	-	-	710,668
Unrestricted investment earnings	5,615,053	3,296,913	1,644,283
Special items	-	(5,098,411)	(10,165,449)
Total primary government	<u>495,830,014</u>	<u>458,613,233</u>	<u>458,305,367</u>
Changes in net position:			
Total primary government	<u>\$ 12,846,396</u>	<u>\$ 348,551,177</u>	<u>\$ (11,262,500)</u>

Source: Shelby County Schools Financial Statements

**SHELBY COUNTY  
BOARD OF EDUCATION**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	(437,175,000)	\$ (514,489,702)	\$ (889,974,029)	\$ (205,132,693)	\$ (213,703,375)	\$ (212,745,668)	\$ (206,048,946)
	316,067,610	306,525,759	422,599,533	120,421,197	113,303,620	123,693,489	115,749,031
	121,423,104	118,473,827	159,752,215	36,228,227	42,445,709	41,681,158	40,354,509
	5,755,594	5,830,798	5,410,727	1,977,774	19,278,514	5,674,559	6,686,244
	-	3,570,476	-	-	-	-	-
	895,492	411,950	230,122	-	-	-	-
	-	(29,806,789)	-	-	-	-	-
	<u>444,141,800</u>	<u>405,006,021</u>	<u>587,992,597</u>	<u>158,627,198</u>	<u>175,027,843</u>	<u>171,049,206</u>	<u>162,789,784</u>
\$	<u>6,966,800</u>	<u>\$ (109,483,681)</u>	<u>\$ (301,981,432)</u>	<u>\$ (46,505,495)</u>	<u>\$ (38,675,532)</u>	<u>\$ (41,696,462)</u>	<u>\$ (43,259,162)</u>

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**FINANCIAL TRENDS**  
**Fund Balances, Governmental Funds**  
**Last ten fiscal years as of June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	5,467,117	5,812,919	6,781,775	5,804,694
Restricted	34,250,522	31,697,247	29,603,105	29,360,894
Assigned	34,907,258	85,111,866	72,154,767	30,631,209
Unassigned	83,631,900	76,168,026	88,215,976	110,630,318
Total general fund	<u>158,256,797</u>	<u>198,790,057</u>	<u>196,755,623</u>	<u>176,427,115</u>
All other governmental funds:				
Reserved	-	-	-	-
Nonspendable	4,718,867	3,210,175	3,300,571	3,575,342
Restricted	52,333,756	44,524,024	37,201,197	42,294,389
Committed	1,073,244	1,393,235	1,602,788	1,643,781
Total all other governmental funds	<u>58,125,867</u>	<u>49,127,434</u>	<u>42,104,556</u>	<u>47,513,512</u>
Total fund balance	<u>\$ 216,382,664</u>	<u>\$ 247,917,491</u>	<u>\$ 238,860,179</u>	<u>\$ 223,940,627</u>

**Note:**

(1) Prior year amounts have not been restated for the implementation of GASB Statement 54.

**SHELBY COUNTY  
BOARD OF EDUCATION**

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010 (1)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,597,932
-	-	-	-	-	40,578,285
6,799,292	7,636,851	2,811,900	4,792,583	3,405,416	-
34,442,225	28,469,654	11,072,259	10,793,684	11,018,457	-
54,883,849	34,547,426	-	6,491,029	5,000,000	-
59,927,330	108,369,481	4,359,928	6,581,657	20,839,274	-
156,052,696	179,023,412	18,244,087	28,658,953	40,263,147	59,176,217
-	-	-	-	-	17,927,077
5,693,585	6,330,708	688,959	676,195	787,743	-
39,332,405	31,800,260	3,994,496	10,766,010	12,059,936	-
1,701,091	-	-	-	-	-
46,727,081	38,130,968	4,683,455	11,442,205	12,847,679	17,927,077
\$ 202,779,777	\$ 217,154,380	\$ 22,927,542	\$ 40,101,158	\$ 53,110,826	\$ 77,103,294

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**FINANCIAL TRENDS**  
**Governmental Funds Revenues and Expenditures**  
**Last ten fiscal years ending June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>				
City of Memphis	\$ 1,529,071	\$ 5,056,774	\$ 1,487,282	\$ 2,057,999
Shelby County	533,808,695	510,786,493	476,996,206	470,850,728
State of Tennessee	536,497,711	514,615,844	496,575,673	496,372,684
Federal Government	228,769,477	251,118,941	254,104,828	212,776,689
Other local sources	24,584,842	21,700,897	30,777,524	37,578,871
<b>Other Financing Sources</b>				
Insurance recovery	546,785	-	-	-
Sale of capital assets	597,230	346,673	1,213,304	1,162,517
Transfer	10,460,433	-	-	2,476,301
Total revenues and other financing sources	<u>1,336,794,244</u>	<u>1,303,625,622</u>	<u>1,261,154,817</u>	<u>1,223,275,789</u>
<b>Expenditures</b>				
Current:				
Instruction	587,373,124	588,490,110	554,770,157	534,066,290
Instructional support	77,174,660	66,975,745	69,431,550	63,228,036
Student support	78,960,647	67,399,252	66,686,395	65,442,003
Office of principal	64,476,533	62,730,519	58,135,852	59,716,869
General administration	17,155,567	15,746,106	18,443,429	20,041,160
Fiscal services	7,943,606	7,188,507	5,970,264	5,830,201
Other support services	8,410,648	10,797,870	49,513,465	42,585,209
Student transportation	28,340,670	26,199,251	25,833,584	27,805,235
Plant services	100,222,938	83,749,478	81,827,632	80,500,375
Community service	62,983,741	54,562,534	53,906,719	49,889,659
Charter school	143,041,477	128,231,865	111,283,036	94,408,523
Education Technology	26,915,473	21,920,730	-	-
Retiree benefits	28,599,681	28,784,843	34,595,674	34,700,842
Food service	77,684,869	72,418,197	88,329,561	80,474,957
Debt Service:				
Principal	-	-	72,267	547,385
Interest	-	-	347	2,628
Capital outlay	55,987,845	56,277,101	24,357,514	37,466,921
<b>Other Financing Uses</b>				
Transfer	3,057,592	3,096,202	3,077,819	5,408,646
Total expenditures and other financing uses	<u>1,368,329,071</u>	<u>1,294,568,310</u>	<u>1,246,235,265</u>	<u>1,202,114,939</u>
Net change in fund balances	<u>\$ (31,534,827)</u>	<u>\$ 9,057,312</u>	<u>\$ 14,919,552</u>	<u>\$ 21,160,850</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.01%	0.05%

Source: Shelby County Schools Financial Statements



**SHELBY COUNTY  
BOARD OF EDUCATION**

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 8,225,000	\$ 193,746	\$ -	\$ -	\$ -	\$ -
436,419,011	557,773,447	121,482,108	128,191,254	124,721,112	114,999,020
506,266,991	634,426,006	188,985,681	185,490,183	181,536,876	177,946,262
217,151,945	201,163,016	31,115,853	40,212,975	36,918,593	33,548,078
38,658,960	45,249,153	49,953,953	68,922,213	71,111,264	68,756,853
-	-	-	-	-	-
9,876,840	-	-	-	-	-
-	-	-	-	-	-
<u>1,216,598,747</u>	<u>1,438,805,368</u>	<u>391,537,595</u>	<u>422,816,625</u>	<u>414,287,845</u>	<u>395,250,213</u>
579,675,810	768,659,704	241,436,952	245,510,326	241,646,844	242,803,311
80,727,562	52,124,810	-	-	-	-
61,607,873	106,787,831	26,072,011	13,298,824	13,737,572	12,609,467
62,360,125	82,887,768	9,907,762	25,531,111	25,622,652	24,870,680
22,072,062	26,488,469	5,471,541	9,411,529	10,551,602	11,001,290
5,566,517	7,855,712	51,488,014	4,810,908	4,506,823	4,181,690
40,666,176	33,621,393	13,599,321	55,757,634	53,469,473	51,626,205
30,278,585	34,924,072	26,523,343	13,821,831	16,473,843	13,547,018
90,225,740	105,716,725	1,156,041	27,587,135	27,345,262	26,383,747
41,943,284	22,176,468	-	1,232,331	1,191,489	-
81,234,455	66,987,992	-	-	-	-
-	-	-	-	-	-
31,961,282	30,164,526	-	-	-	-
73,398,313	76,549,491	17,668,835	16,145,023	17,174,955	15,796,977
547,383	547,383	-	-	-	-
2,628	111,556	-	-	-	-
9,205,555	11,195,512	9,038,510	23,510,909	27,234,560	14,426,192
19,500,000	-	-	-	-	-
<u>1,230,973,350</u>	<u>1,426,799,412</u>	<u>402,362,330</u>	<u>436,617,561</u>	<u>438,955,075</u>	<u>417,246,577</u>
<u>\$ (14,374,603)</u>	<u>\$ 12,005,956</u>	<u>\$ (10,824,735)</u>	<u>\$ (13,800,936)</u>	<u>\$ (24,667,230)</u>	<u>\$ (21,996,364)</u>

0.05%                      0.05%                      0.00%                      0.00%                      0.00%                      0.00%

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)  
FINANCIAL TRENDS**

**Comparison of General Fund Balance  
to Expenditures and Other Uses  
Last ten fiscal years ending June 30**

**SHELBY COUNTY  
BOARD OF EDUCATION**

<b>Fiscal Year</b>	<b>Unreserved General Fund Balance (1)</b>	<b>Unassigned General Fund Balance</b>	<b>Expenditures and other uses</b>	<b>Unreserved General Fund Balance as percentage of expenditures and other uses</b>	<b>Unassigned General Fund Balance as a percentage of expenditures and other uses</b>
2010	40,578,285	-	356,569,488	11.38%	
2011	-	20,839,274	361,832,220		5.76%
2012	-	6,581,657	357,903,038		1.84%
2013	-	4,359,928	353,614,591		1.23%
2014	-	108,369,481	1,169,051,189		9.27%
2015	-	59,927,330	980,279,789		6.11%
2016	-	110,630,318	927,370,840		11.93%
2017	-	88,215,976	952,963,495		9.26%
2018	-	76,168,026	989,043,619		7.70%
2019	-	83,631,900	1,074,185,112		7.79%

**Note:**

(1) GASB 54 not retroactively applied to prior years.

# Revenue Capacity

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**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**REVENUE CAPACITY**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last ten fiscal years ending June 30**

Fiscal Year	Tax Year	Real Property		Personal Property
		Farm and Residential (25%)	Commercial and Industrial (40%)	Commercial and Industrial (30%)
		Assessed Value	Assessed Value	Assessed Value
2010	(d) 2009	10,954,449,590	6,285,548,950	1,468,617,700
2011	2010	10,794,438,245	6,116,755,995	1,388,887,495
2012	2011	10,721,303,794	5,828,574,575	1,380,179,795
2013	2012	10,649,905,970	5,660,543,555	1,438,945,120
2014	(d) 2013	9,588,110,655	5,919,308,700	1,533,153,805
2015	2014	9,553,959,920	5,650,045,415	1,473,774,000
2016	2015	9,595,800,610	5,701,519,115	1,426,582,015
2017	2016	9,658,521,795	5,751,939,895	1,461,401,325
2018	2017	10,670,453,067	6,762,678,035	1,518,565,427
2019	2018	10,746,690,380	6,775,006,250	1,569,997,235

**Percentage of Total**

2010	55.73%	31.98%	7.47%
2011	55.89%	31.67%	7.19%
2012	56.43%	30.68%	7.26%
2013	56.50%	30.03%	7.63%
2014	52.78%	32.58%	8.44%
2015	53.18%	31.45%	8.20%
2016	53.49%	31.78%	7.95%
2017	53.35%	31.77%	8.07%
2018	52.70%	33.40%	7.50%
2019	52.75%	33.26%	7.71%

- (a) Public Utilities information is based on information received from the State of Tennessee Comptroller of the Treasury assessments.
- (b) Assessed value is the most current tax value prepared by the County Assessor of Property as of each year-end.
- (c) The State of Tennessee tax statutes classify property as follows for computing assessed valuations:
- |   |                     |
|---|---------------------|
| Real Estate-Residential and Farms           | 25% of actual value |
| Real Estate-Commercial and Industrial       | 40% of actual value |
| Personal Property-Commercial and Industrial | 30% of actual value |
| Public Utilities                            | 55% of actual value |
- (d) The effect of property reappraisals are reflected in FY 2010, 2014.

**SHELBY COUNTY  
BOARD OF EDUCATION**

**Utilities and Carriers (55%)  
(Real and Personal) (a)**

<b>Public Utilities</b>		<b>Total</b>		
<b>Assessed Value (a)</b>	<b>Assessed Value (b)</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a % of Actual Value</b>	<b>Total Direct Tax Rate</b>
948,762,385	19,657,378,625	66,374,654,928	29.62%	4.02
1,012,006,455	19,312,088,190	65,216,500,736	29.61%	4.02
1,069,425,931	18,999,484,095	64,287,973,983	29.55%	4.02
1,098,465,902	18,847,860,547	63,834,911,731	29.53%	4.02
1,125,314,171	18,165,887,331	60,586,935,365	29.98%	4.38
1,289,100,925	17,966,880,260	59,884,233,964	30.00%	4.37
1,215,978,130	17,939,879,870	59,897,289,027	29.95%	4.37
1,230,992,434	18,102,855,449	60,418,966,162	29.96%	4.37
1,295,842,498	20,247,539,027	67,338,526,740	30.07%	4.11
1,279,368,476	20,371,062,341	67,794,202,302	30.05%	4.05
4.82%	100.00%	100.00%		
5.25%	100.00%	100.00%		
5.63%	100.00%	100.00%		
5.84%	100.00%	100.00%		
6.20%	100.00%	100.00%		
7.17%	100.00%	100.00%		
6.78%	100.00%	100.00%		
6.81%	100.00%	100.00%		
6.40%	100.00%	100.00%		
6.28%	100.00%	100.00%		

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**REVENUE CAPACITY**  
**Property Tax Rates and Levies**  
**Last ten fiscal years ending June 30**

<u>Tax Rates Per \$100 Assessed Value</u>				<u>Tax Levies</u>		<u>Original Taxes Levied for the Fiscal Year</u>
<u>Fiscal Year</u>	<u>Tax Year</u>	<u>County</u>	<u>County Allocation to Schools</u>	<u>Shelby County Schools Percent of County Allocation</u>	<u>County</u>	
2009	2008	4.04	2.02	Percent of Total	730,298,757	736,461,361
2010	2009	4.02	1.98	31.34%	753,879,297	791,055,910
2011	2010	4.02	1.90	30.94%	743,569,016	776,865,051
2012	2011	4.02	1.91	30.76%	741,218,670	764,302,988
2013	2012	4.02	1.91	31.06%	740,774,367	760,525,341
2014	2013	4.38	2.14	100.00%	766,423,567	798,327,814
2015	2014	4.37	2.14	79.25%	770,212,188	783,507,158
2016	2015	4.37	2.14	78.62%	772,764,250	784,554,974
2017	2016	4.37	2.14	77.92%	777,999,491	791,094,783
2018	2017	4.11	1.99	77.92%	797,712,672	832,173,142
2019	2018	4.05	1.94	77.65%	797,867,575	821,656,618

Taxes are assessed as of January 1 and are due on October 1 for the County for Shelby County.

NOTE: Shelby County Schools does not have taxing authority and is not responsible for the collection or the monitoring of the collection of taxes.

**SHELBY COUNTY  
BOARD OF EDUCATION**

<u>Collected within the Fiscal Year of the Levy</u>				<u>Total Collections to Date</u>		
<u>Amount</u>	<u>Percentage of Original Levy</u>	<u>Collections in Subsequent Years</u>	<u>Adjusted Tax Levy</u>	<u>Amount</u>	<u>Percentage of Adjusted Levy</u>	<u>Percentage of Original Levy</u>
684,698,542	92.97%	45,600,215	730,825,997	730,298,757	99.93%	99.16%
719,276,815	90.93%	34,602,482	755,375,587	753,879,297	99.80%	95.30%
713,667,892	91.87%	29,901,124	746,458,748	743,569,016	99.61%	95.71%
710,934,070	93.02%	30,284,600	745,929,752	741,218,670	99.37%	96.98%
713,245,234	93.78%	27,529,133	745,211,280	740,774,367	99.40%	97.40%
741,958,610	92.94%	24,464,957	770,506,815	766,423,567	99.47%	96.00%
750,097,124	95.74%	20,115,064	775,147,167	770,212,188	99.36%	98.30%
754,081,040	96.12%	18,683,210	779,210,554	772,764,250	99.17%	98.50%
761,608,732	96.27%	16,390,759	787,771,708	777,999,491	98.76%	98.34%
797,712,672	95.86%	N/A	823,187,542	797,712,672	96.91%	95.86%
797,867,575	97.10%	N/A	821,656,618	797,867,575	97.10%	97.10%

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**REVENUE CAPACITY**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

<u>Name of Taxpayer</u>	<u>2019</u>		<u>Percentage of Total</u>
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>
FedEx Express Corporation	\$ 765,612,812	1	3.76%
AT & T Mobility LLC	78,004,720	2	0.38%
Lightman Michael A (and affiliated LPS)	76,025,610	3	0.37%
G&I VII Retail Carriage LLC (and related divs)	71,885,120	4	0.35%
Kroger Companies	71,710,615	5	0.35%
Exter Property Group	65,229,640	6	0.32%
AMISUB (SFH) Inc.	65,138,115	7	0.32%
Galleria at Wolfchase, LLC	64,520,470	8	0.32%
Boyle Investment Co	50,422,765	9	0.25%
Baptist Memorial Hospital	49,680,675	10	0.24%
Cargill Inc.			
Smith & Nephew Inc.			
Carriage Avenue LLC			
Kellogg USA Inc.			
Shopping Center Associates			
IPC Crescent Center LLC			
Total Assessed Valuation of Top Ten Taxpayers	1,358,230,542		6.67%
Balance of Assessed Valuation	19,012,831,799		93.33%
Total Assessed Valuation	<u>\$ 20,371,062,341</u>		<u>100.00%</u>

Source: Shelby County Assessor and Trustee Offices



**SHELBY COUNTY  
BOARD OF EDUCATION**

<b>2010</b>			
<b>Name of Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
FedEx Express Corporation	\$ 292,055,300	1	1.61%
AMISUB (SFH) Inc.	143,247,400	4	0.79%
Galleria at Wolfchase, LLC	155,656,600	2	
Baptist Memorial Hospital	153,278,600	3	
Cargill Inc.	101,103,700	5	0.56%
Smith & Nephew Inc.	93,120,000	6	0.51%
Carriage Avenue LLC	89,135,100	7	0.49%
Kellogg USA Inc.	75,379,400	8	0.42%
Shopping Center Associates	65,146,900	9	0.36%
IPC Crescent Center LLC	60,441,100	10	0.33%
Total Assessed Valuation of Top Ten Taxpayers	1,228,564,100		5.08%
Balance of Assessed Valuation	16,860,740,029		94.92%
Total Assessed Valuation	<u>\$ 18,089,304,129</u>		<u>100.00%</u>

Source: Shelby County Assessor and Trustee Offices

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# **Debt Capacity**

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**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**DEBT CAPACITY**  
**Outstanding Debt by Type**  
**Last ten fiscal years ending June 30**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

Fiscal year	Governmental activities			Total primary government	Percentage of personal income	Per capita
	ENA Claims	State of Tennessee QZAB (Bonds)	Capital leases			
2014	\$ 6,870,022	\$ 1,311,568	-	\$ 8,181,590	N/A	N/A
2015	-	764,184	-	764,184	N/A	N/A
2016	-	216,799	-	216,799	N/A	N/A
2017	-	144,532	-	144,532	N/A	N/A
2018	-	-	-	-	N/A	N/A
2019	-	-	-	-	N/A	N/A

Notes: N/A = not available

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**DEBT CAPACITY**

**Comparison of Bonded Debt to**

**Assessed Value, Estimated Actual Value and Population**

**Last ten fiscal years ending June 30**

**SHELBY COUNTY  
BOARD OF EDUCATION**

<b>Fiscal year</b>	<b>Bonded debt</b>	<b>Assessed Value</b>	<b>Percent of bonded debt to assessed value</b>	<b>Estimated Actual Value</b>	<b>Percent of bonded debt to estimated actual value</b>	<b>Population</b>	<b>Per capita bonded debt</b>
2010	-	19,657,378,625	—	66,374,654,928	—	928,618	—
2011	-	19,312,088,190	—	65,216,500,736	—	933,529	—
2012	-	18,999,484,095	—	64,287,973,983	—	939,672	—
2013	-	18,847,860,547	—	63,834,911,731	—	939,074	—
2014	1,311,568	18,165,887,331	0.01	60,586,935,365	0.00	938,405	N/A
2015	764,184	17,966,880,260	0.00	59,884,233,964	0.00	938,069	N/A
2016	216,799	17,939,879,870	0.00	59,897,289,027	0.00	934,603	N/A
2017	144,532	18,102,855,449	0.00	60,418,966,162	0.00	936,961	N/A
2018	-	20,247,539,027	—	67,338,526,740	—	935,764	N/A
2019	-	20,371,062,341	—	67,794,202,302	—	N/A	N/A

Notes: N/A = not available

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)  
DEBT CAPACITY**

**Percentage of Debt Service to  
Non-Capital Expenditures  
Last ten fiscal years ending June 30**

**SHELBY COUNTY  
BOARD OF EDUCATION**

<u>Fiscal Year</u>	<u>Debt Service Expenditures</u>	<u>Non-Capital Expenditures</u>	<u>Percentage of Debt Service to Non-Capital Expenditures</u>
2010	\$ -	\$ 368,898,224	0.00%
2011	-	405,372,539	0.00%
2012	-	388,062,941	0.00%
2013	-	370,786,207	0.00%
2014	658,939	1,418,058,610	0.05%
2015	550,011	1,221,331,140	0.05%
2016	550,013	1,164,192,833	0.05%
2017	72,614	1,217,388,292	0.01%
2018	-	1,235,267,888	0.00%
2019	-	1,304,315,719	0.00%

Source: Shelby County Schools Financial Statements

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# **Demographic and Economic Information**

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**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
Demographic and Economic Statistics  
Last ten fiscal years ending June 30

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2010	928,618	36,711,896	39,534	10.1%
2011	933,529	38,439,044	41,176	9.9%
2012	939,672	40,257,876	42,842	9.1%
2013	939,074	39,873,746	42,461	9.7%
2014	938,405	41,016,892	43,709	7.9%
2015	938,069	42,356,302	45,153	6.6%
2016	934,603	43,210,184	46,234	5.5%
2017	936,961	44,650,627	47,655	4.3%
2018	935,764	N/A	N/A	4.1%
2019	N/A	N/A	N/A	3.6%

Notes: N/A = not available

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Name of Employer	2019		
	Employees	Rank	Percentage of Total City Employment
FedEx Corp	30,000	1	4.7%
Shelby County School (a)	15,500	2	2.4%
Tennessee State Government	15,400	3	2.4%
United State Government	13,400	4	2.1%
Methodist Le Bonheur Healthcare	13,183	5	2.1%
City of Memphis	8,200	6	1.3%
Baptist Memorial Health Care Corp	7,313	7	1.2%
Naval Support Activity Mid-South	6,500	8	1.0%
Wal-Mart Stores Inc.	6,280	9	99.0%
The Kroger Company	6,198	10	98.0%
Memphis City Schools (a)			
Shelby County Government			
Shelby County Schools			
Total	<u>121,974</u>		<u>214.25%</u>

Notes:

(a) In 2013, Memphis City Schools and Shelby County Schools merged, and Memphis City Schools ceased existence.

**SHELBY COUNTY  
BOARD OF EDUCATION**

<b>2010</b>			
<b>Name of Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
FedEx Corp	32,000	1	5.81%
Tennessee State Government	9,000	4	1.63%
United States Government	14,600	3	2.65%
Methodist Le Bonheur Healthcare	8,442	5	1.53%
City of Memphis	7,080	6	1.29%
Baptist Memorial Healthcare Corp	6,470	7	1.17%
Wal-Mart Stores, Inc.	6,000	9	1.09%
Memphis City Schools (a)	16,184	2	2.94%
Shelby County Government	6,100	8	1.11%
Shelby County Schools	5,200	10	0.94%
<b>Total</b>	<b>111,076</b>		<b>20.16%</b>

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## **Operating Information**

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**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Operating Statistics**  
**Last ten fiscal years ending June 30**

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<b>Fiscal Year</b>	<b>Weighted Full-time Equivalent Average Daily Attendance</b>	<b>Operating Expenditures</b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>
2010	56,905	402,820,385	7,079	0.04
2011	56,162	411,720,515	7,331	0.04
2012	54,823	413,106,652	7,535	0.03
2013	54,887	393,323,820	7,166	(0.05)
2014	195,359	1,347,956,969	6,900	(0.04)
2015	141,916	1,139,983,329	6,366	(0.08)
2016	139,755	1,069,689,482	6,018	(0.05)
2017	134,203	1,110,522,101	8,275	0.38
2018	135,366	1,110,059,344	8,200	(0.01)
2019	134,753	1,169,299,749	8,677	0.06

Notes: N/A = not available  
Operating expenditures are total expenditures less debt service, capital outlays and charter schools.

Source: Nonfinancial information from District records and Letter of Notification, State of Tennessee  
Financial information from District annual statements



**SHELBY COUNTY  
BOARD OF EDUCATION**

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<u>Expenses</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>
451,620,707	7,936	(0.09)	3,066	18.56
469,908,036	8,367	0.05	3,036	18.50
478,451,554	8,727	0.04	3,040	18.03
454,970,867	8,289	(0.05)	2,930	18.73
1,770,738,709	9,064	0.09	6,808	28.70
1,273,645,077	8,975	(0.01)	7,355	19.30
1,209,751,594	8,656	(0.04)	6,380	21.91
1,264,632,521	9,423	0.09	6,423	20.89
941,792,583	6,957	(0.26)	6,173	21.93
1,318,388,081	9,784	0.41	6,423	20.98

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**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Weighted Full-time Average Daily Attendance**  
**Last ten fiscal years ending June 30**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

<b>Fiscal Year</b>	<b>Shelby County Schools</b>		<b>Memphis City / Municipal Schools</b>	
	<b>Weighted Full-time Equivalent Average Daily Attendance</b>	<b>Percent of Total</b>	<b>Weighted Full-time Average Daily Attendance</b>	<b>Percent of Total</b>
2010	56,905	31.34%	124,691	68.66%
2011	56,162	30.94%	125,369	69.06%
2012	54,823	30.76%	123,400	69.24%
2013	54,887	31.06%	121,806	68.94%
2014	195,359	100.00%	N/A	N/A
2015	141,916	79.25%	37,164	20.75%
2016	139,755	78.62%	37,997	21.38%
2017	134,203	77.92%	38,026	22.08%
2018	135,366	77.65%	38,966	22.35%
2019	134,753	77.09%	40,037	22.91%

Notes:

- (a) In 2013, Memphis City Schools (a special school district) and Shelby County Schools merged and Memphis City Schools ceased. There were no municipal schools in 2014. In 2015, there were 6 municipal school districts created by cities that were formerly a part of Shelby County Schools.
- (b) Local funding is based on Weighted Full-time Equivalent Average Daily Attendance.

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Staff by Type**  
**Last ten fiscal years ending June 30**

	2019	2018	2017	2016	2015
Full Time Staff					
Officials/Administration/Management	156	198	166	156	187
Principals	168	157	159	168	191
Assistant Principals, Non-Teachers	199	201	173	183	208
Elementary Classroom Teachers	2,183	2,268	2,355	2,380	2,732
Secondary Classroom Teachers	1,799	1,845	1,859	1,912	2,259
Other Classroom Teachers	1,961	2,060	2,209	2,087	2,364
Guidance	302	302	243	263	262
Psychological	42	48	44	47	77
Librarian/Audiovisual	146	149	158	174	185
Consultants/Supervisors	75	94	75	70	94
Other Professional	475	537	384	343	446
Teachers Aides	787	860	739	626	1,601
Technicians	114	128	111	118	140
Clerical/Secretarial	592	626	693	689	802
Service Workers	91	128	100	99	1,108
Skilled Crafts	95	113	118	130	151
Laborers Unskilled	178	165	172	184	284
Totals	9,363	9,879	9,758	9,630	13,091
Part-Time Staff					
Totals	155	108	86	68	270
New Hires					
Totals	N/A	N/A	N/A	N/A	726

N/A - Not available

Source: (EEO-5) Report-2014; State of TN Annual Statistical Report Prior Years

**SHELBY COUNTY  
BOARD OF EDUCATION**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
154	29	28	23	161
179	51	51	51	52
193	119	121	120	123
2,542	2,063	2,145	2,141	2,199
2,056	836	868	867	835
2,210	31	28	28	32
250	125	123	122	122
72	9	9	9	9
176	55	58	59	60
83	35	36	30	27
375	186	186	152	153
1,566	574	606	614	624
120	-	-	-	-
689	320	384	354	360
1,088	759	679	594	659
141	156	158	147	151
268	-	-	-	-
<u>12,162</u>	<u>5,348</u>	<u>5,480</u>	<u>5,311</u>	<u>5,567</u>
1,772	57	56	65	92
1,281	488	N/A	N/A	N/A

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
<b>A. B. Hill ES (2002)</b>			
Square Feet	79,293	79,293	79,293
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	290	215	231
<b>A. Maceo Walker MS (2002)</b>			
Square Feet	136,253	136,253	136,253
Classrooms	47	47	47
Design Capacity	1116	1116	1116
Enrollment	725	655	661
<b>Administration Building (1962)</b>			
Square Feet	172,942	172,942	172,942
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
<b>Airways MS (1968)</b>			
Square Feet	139,338	139,338	139,338
Classrooms	33	33	33
Design Capacity	Functions as Alternative School	Functions as Alternative School	Functions as Alternative School
Enrollment	Functions as Alternative School	Functions as Alternative School	Functions as Alternative School
<b>Alyc ES (1965)</b>			
Square Feet	Demolished	60,313	60,313
Classrooms	Demolished	30	30
Design Capacity	Demolished	600	600
Enrollment	Demolished	222	235
<b>Alton ES (1969)</b>			
Square Feet	55,934	55,934	55,934
Classrooms	30	30	30
Design Capacity	600	600	600
Enrollment	305	268	251
<b>Alturia ES (1976)</b>			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
<b>American Way MS (2003)</b>			
Square Feet	140,970	140,970	140,970
Classrooms	46	46	46
Design Capacity	1093	1093	1093
Enrollment	732	688	691
<b>Appling MS (1995)</b>			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
<b>Arlington ES (1972)</b>			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
<b>Arlington HS (2004)</b>			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
<b>Arlington MS (2000)</b>			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
<b>Avon-Lennox ES (1956)</b>			
Square Feet	33,242	33,242	33,242
Classrooms	23	23	23
Design Capacity	Not Available	Not Available	Not Available
Enrollment	0	0	0
<b>B.T. Washington HS (1949)</b>			
Square Feet	202,918	202,918	202,918
Classrooms	37	37	37

Sources: Enrollment - District School Choice and Student Accounting Office  
Other Data - District Facilities Office

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
79,293	79,293	79,293				
43	43	43				
860	860	860				
296	229	243				
136,253	136,253	136,253				
47	47	47				
1116	1116	1116				
665	631	419				
172,942	172,942	172,942				
N/A	N/A	N/A				
Not Available	Not Available	Not Available				
Administration	Administration	Administration				
139,338	139,338	139,338				
33	33	33				
Functions as Alternative	823	823				
School						
Functions as Alternative	289	260				
School						
60,313	60,313	60,313				
30	30	30				
600	600	600				
226	284	293				
55,934	55,934	55,934				
30	30	30				
600	600	600				
278	311	301				
Municipal School	Municipal School	88,321	88,321	88,321	88,321	88,321
Municipal School	Municipal School	55	55	55	55	55
Municipal School	Municipal School	1,100	1,100	1,100	1,100	1,100
Municipal School	Municipal School	799	787	750	759	753
140,970	140,970	140,970				
46	46	46				
1093	1093	1093				
671	683	672				
Municipal School	Municipal School	96,000	96,000	96,000	96,000	96,000
Municipal School	Municipal School	50	50	50	50	50
Municipal School	Municipal School	1,250	1,250	1,250	1,250	1,250
Municipal School	Municipal School	590	652	706	744	745
Municipal School	Municipal School	87,949	87,949	87,949	87,949	87,949
Municipal School	Municipal School	58	58	58	58	58
Municipal School	Municipal School	1,160	1,160	1,160	1,160	1,160
Municipal School	Municipal School	936	920	935	920	890
Municipal School	Municipal School	327,069	327,069	327,069	327,069	327,069
Municipal School	Municipal School	116	116	116	116	116
Municipal School	Municipal School	2,320	2,320	2,320	2,320	2,320
Municipal School	Municipal School	2,168	2,314	2,356	2,408	2,200
Municipal School	Municipal School	91,097	91,097	91,097	91,097	91,097
Municipal School	Municipal School	56	56	56	56	56
Municipal School	Municipal School	1,400	1,400	1,400	1,400	1,400
Municipal School	Municipal School	1,247	1,201	1,139	1,115	1,098
33,242	33,242	33,242				
23	23	23				
Not Available	Not Available	Not Available				
0	0	0				
202,918	202,918	202,918				
37	37	37				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Design Capacity	834	834	834
Enrollment	468	472	573
Bailey Station ES (2005)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Barret's ES (1960)			
Square Feet	81,021	81,021	81,021
Classrooms	33	33	33
Design Capacity	860	860	860
Enrollment	512	603	630
Bartlett ES (1990)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Bartlett HS (1962)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Bellevue MS (1928)			
Square Feet	93,972	93,972	93,972
Classrooms	29	29	29
Design Capacity	724	724	724
Enrollment	570	563	524
Belle Forest Community School (2013)			
Square Feet	106,000	106,000	106,000
Classrooms	56	56	56
Design Capacity	1180	1180	1180
Enrollment	1208	1195	1122
Berclair ES (1952)			
Square Feet	76,722	46,139	46,139
Classrooms	47	27	27
Design Capacity	975	940	940
Enrollment	681	609	589
Bethel Grove ES (1932)			
Square Feet	54,324	54,324	54,324
Classrooms	31	31	31
Design Capacity	620	620	620
Enrollment	280	205	234
Bolton HS (1960)			
Square Feet	293,200	293,200	293,200
Classrooms	106	106	106
Design Capacity	2,450	2,450	2,450
Enrollment	940	1010	1318
Bond Building (1984)			
Square Feet	57,600	57,600	57,600
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Bon Lin ES (2005)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Bon Lin MS (2008)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Brookmeade ES (1960)			
Square Feet	52,991	52,991	52,991
Classrooms	27	27	27
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Brownsville Rd ES (1964)			
Square Feet	66,545	66,545	66,545
Classrooms	44	44	44

Continued from Prior Page



**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010	
834	834	964					
551	570	385					
Municipal School	Municipal School	113,691	113,691	113,691	113,691	113,691	
Municipal School	Municipal School	64	64	64	64	64	
Municipal School	Municipal School	1,280	1,280	1,280	1,280	1,280	
Municipal School	Municipal School	847	909	907	955	901	
81,021	81,021	81,021	81,021	81,021	81,021	81,021	
33	33	33	33	33	33	33	
860	860	740	660	660	660	660	
638	651	304	302	293	274	264	
Municipal School	Municipal School	104,630	104,630	104,630	104,630	104,630	
Municipal School	Municipal School	65	65	65	65	65	
Municipal School	Municipal School	1,300	1,300	1,300	1,300	1,300	
Municipal School	Municipal School	872	877	841	776	811	
Municipal School	Municipal School	220,160	220,160	220,160	220,160	220,160	
Municipal School	Municipal School	109	109	109	109	109	
Municipal School	Municipal School	2,180	2,180	2,180	2,180	2,180	
Municipal School	Municipal School	2,009	1,840	1,660	1,538	1,478	
93,972	93,972	93,972					
29	29	29					
724	724	724					
478	466	481					
106,000	106,000	106,000	106,000				
56	56	56	56				
1180	1142	1142	1142				
1113	1079	866	884				
46,139	46,139	46,139					
27	27	27					
540	540	540					
560	580	596					
54,324	54,324	54,324					
31	31	31					
620	620	620					
233	261	265					
293,200	293,200	293,200	293,200	293,200	293,200	293,200	
106	106	106	103	103	103	103	
2,450	2,450	2,597	2,060	2,060	2,060	2,060	
1497	1860	1,943	1,942	1,940	1,956	1,847	
57,600	57,600	57,600					
N/A	N/A	N/A					
Not Available	Not Available	Not Available					
Administration	Administration	Administration					
Municipal School	Municipal School	110,658	110,658	110,658	110,658	110,658	
Municipal School	Municipal School	63	63	63	63	63	
Municipal School	Municipal School	1,260	1,260	1,260	1,260	1,260	
Municipal School	Municipal School	837	830	808	874	833	
Municipal School	Municipal School	111,442	111,442	111,442	111,442	111,442	
Municipal School	Municipal School	52	52	52	52	52	
Municipal School	Municipal School	1,300	1,300	1,300	1,300	1,300	
Municipal School	Municipal School	614	613	654	673	669	
52,991	52,991	52,991					
27	27	27					
ASD School	540	540					
ASD School	294	281					
66,545	66,545	66,545					
44	44	44					

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Design Capacity	880	880	880
Enrollment	608	627	579
<b>Bruce ES (1999)</b>			
Square Feet	68,491	68,491	68,491
Classrooms	37	37	37
Design Capacity	740	740	740
Enrollment	482	438	355
<b>Caldwell ES (1956)</b>			
Square Feet	Closed. Leased to Charter School 104656	Closed. Leased to Charter School 104656	Closed. Leased to Charter School 104656
Classrooms	66	66	66
Design Capacity	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Enrollment	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
<b>Caldwell-Guthrie ES (2000)</b>			
Square Feet	Caldwell ES combined with Guthrie ES in 2011. 78,829	Caldwell ES combined with Guthrie ES in 2011. 78,829	Caldwell ES combined with Guthrie ES in 2011. 78,829
Classrooms	42	42	42
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
<b>Carnes ES (1951)</b>			
Square Feet	74,000	74,000	74,000
Classrooms	38	38	38
Design Capacity	Closed 2017-2018	Closed 2017-2018	760
Enrollment	Closed 2017-2018	Closed 2017-2018	223
<b>Carver HS (1958)</b>			
Square Feet	Converted to Alternative 167,088	Converted to Alternative 167,088	Converted to Alternative 167,088
Classrooms	43	43	43
Design Capacity	Functions as Alternative School	Functions as Alternative School	Functions as Alternative School
Enrollment	Functions as Alternative School	Functions as Alternative School	Functions as Alternative School
<b>Central HS (1911)</b>			
Square Feet	283,230	283,230	283,230
Classrooms	71	71	71
Design Capacity	1740	1740	1740
Enrollment	1506	1519	1578
<b>Central Office East (1965)</b>			
Square Feet	13,642	13,642	13,642
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
<b>Central Office Grays Creek (2012)</b>			
Square Feet	225,586	225,586	225,586
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
<b>Central Office West (1968)</b>			
Square Feet	27,364	27,364	27,364
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
<b>Charjean ES (1950)</b>			
Square Feet	39,352	39,352	39,352
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	335	355	404
<b>Cherokee ES (1951)</b>			
Square Feet	61,286	61,286	61,286
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	477	521	473
<b>Chickasaw MS (1971)</b>			
Square Feet	138,044	138,044	138,044
Classrooms	32	32	32
Design Capacity	798	798	798
Enrollment	351	289	292
<b>Chimneyrock ES</b>			
Square Feet	90,611	90,611	90,611

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
880	880	880				
544	587	607				
68,491	68,491	68,491				
37	37	37				
740	740	740				
320	314	337				
Closed. Leased to Charter School	Closed. Leased to Charter School	Closed Leased to Charter School				
104656	104656	104,656				
66	66	66				
Closed. Leased to Charter School	Closed. Leased to Charter School	Closed Leased to Charter School				
Closed. Leased to Charter School	Closed. Leased to Charter School	Closed Leased to Charter School				
Caldwell ES combined with Guthrie ES in 2011.	Caldwell ES combined with Guthrie ES in 2011.	Caldwell ES combined with Guthrie ES in 2011.	Caldwell ES combined with Guthrie ES in 2011.			
78,829	78,829	78,829				
42	42	42				
840	840	840				
432	460	287				
74,000	74,000	74,000				
38	38	38				
760	760	760				
240	242	250				
167,088	167,088	167,088				
43	43	43				
1068	1068	1120				
189	237	326				
283,230	283,230	283,230				
71	71	71				
1740	1740	1740				
1585	1637	1595				
13,642	13,642	13,642	13,642	13,642	13,642	13,642
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration
225,586	225,586	225,586	225,586	225,586	225,586	225,586
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration
27,364	27,364	27,364	27,364	27,364	27,364	27,364
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration	Not Available Administration
39,352	39,352	39,352				
24	24	24				
480	480	480				
344	386	415				
61,286	61,286	61,286				
43	43	43				
860	860	860				
513	477	431				
138,044	138,044	138,044				
32	32	32				
798	798	798				
396	434	472				
90,611	90,611	90,611				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Classrooms	50	50	50
Design Capacity	1,240	1,240	1,240
Enrollment	971	958	844
Coleman ES (1910)			
Square Feet	118,617	118,617	118,617
Classrooms	32	32	32
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Collierville ES (1968)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Collierville HS (1975)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Collierville MS (2011)			
Square Feet	New building constructed in 2011.	New building constructed in 2011.	New building constructed in 2011.
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Colonial MS (2009)			
Square Feet	153,438	153,438	153,438
Classrooms	52	52	52
Design Capacity	1,235	1,235	1,235
Enrollment	1133	1088	1062
Cordova ES (2002)			
Square Feet	104,994	88,164	88,164
Classrooms	56	46	46
Design Capacity	1170	1120	1120
Enrollment	844	810	813
Cordova HS			
Square Feet	278,000	278,000	278,000
Classrooms	107	107	107
Design Capacity	2,548	2,548	2,548
Enrollment	2306	2299	2285
Cordova MS (1993)			
Square Feet	147,873	147,873	147,873
Classrooms	62	62	62
Design Capacity	1,473	1,473	1,473
Enrollment	803	718	686
Corning ES (1968)			
Square Feet	47,149	ASD School	ASD School
Classrooms	22	22	22
Design Capacity	Closed	ASD School	ASD School
Enrollment	Closed	ASD School	ASD School
Corry MS (1959)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	101,247	101,247	101,247
Design Capacity	34	34	34
Enrollment	ASD School	ASD School	ASD School
Craigmont HS (1973)			
Square Feet	324,517	324,517	324,517
Classrooms	63	63	63
Design Capacity	1,589	1,589	1,589
Enrollment	584	878	918
Craigmont MS (2001)			
Square Feet	148,352	148,352	148,352
Classrooms	48	48	48
Design Capacity	1140	1140	1140
Enrollment	584	598	592
Cromwell ES (1963)			
Square Feet	45,580	45,580	45,580

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
50	50	50				
1,000	1,000	1,000				
739	797	809				
118,617	118,617	118,617				
32	32	32				
ASD School	ASD School	653				
ASD School	ASD School	449				
Municipal School	114,081	114,081	114,081	114,081	114,081	114,081
Municipal School	66	66	66	66	66	66
Municipal School	Municipal School	1,320	1,320	1,320	1,320	1,320
Municipal School	Municipal School	759	754	762	775	756
Municipal School	Municipal School	281,172	281,172	281,172	281,172	281,172
Municipal School	Municipal School	107	107	107	107	107
Municipal School	Municipal School	2,140	2,140	2,140	2,140	2,140
Municipal School	Municipal School	1,922	1,973	1,939	1,884	1,953
New building constructed in 2011.	New building constructed in 2011.	New building constructed in 2011.				
Municipal School	Municipal School	114,865	114,865	114,865	114,865	114,865
Municipal School	Municipal School	54	54	54	54	54
Municipal School	Municipal School	1,350	1,350	1,350	1,350	1,350
Municipal School	Municipal School	843	890	878	901	915
153,438	153,438	153,438				
52	52	52				
1,235	1,235	1,235				
1045	1078	1,043				
		Includes Middle School enrollment in early years				
88,164	88,164	88,164				
46	46	46				
920	920	920				
637	673	628				
		Annexed by the City of Memphis in 2005.				
278,000	278,000	278,000				
107	107	107				
2,548	2,548	2,622				
2035	2011	1,694				
		Was K-8 until elementary school built in 2002-03				
147,873	147,873	147,873				
62	62	62				
1,473	1,473	1,473				
692	763	784				
ASD School	ASD School	ASD School				
47,149	47,149	47,149				
22	22	22				
ASD School	ASD School	ASD School				
ASD School	ASD School	ASD School				
ASD School	ASD School	101,247				
101,247	101,247	34				
34	34	813				
ASD School	ASD School	268				
ASD School	ASD School					
324,517	324,517	324,517				
63	63	63				
1,589	1,589	1,641				
914	1025	984				
148,352	148,352	148,352				
48	48	48				
1140	1140	1140				
601	654	663				
45,580	45,580	45,580				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Classrooms	39	39	39
Design Capacity	780	780	780
Enrollment	492	557	512
Crosswind ES (1993)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Crump ES (1978)			
Square Feet	60,483	60,483	60,483
Classrooms	49	49	49
Design Capacity	980	980	980
Enrollment	609	656	635
Cummings ES (1961)			
Square Feet	120,729	120,729	120,729
Classrooms	38	38	38
Design Capacity	760	760	760
Enrollment	572	534	418
Cypress MS (1966)			
Square Feet	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Classrooms	216,171	216,171	216,171
Design Capacity	56	56	56
Enrollment	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Delano ES (1957)			
Square Feet	42,768	34,000	34,000
Classrooms	29	16	16
Design Capacity	600	320	320
Enrollment	265	240	269
Denver ES (1957)			
Square Feet	47,093	47,093	47,093
Classrooms	46	46	46
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Dexter ES (2002)			
Square Feet	119,082	119,082	119,082
Classrooms	62	62	62
Design Capacity	1,240	1,240	1,240
Enrollment	931	820	900
Dexter MS (2002)			
Square Feet	112,072	112,072	112,072
Classrooms	50	50	50
Design Capacity	1,248	1,248	1,248
Enrollment	385	398	387
Dogwood ES (1976)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Donelson ES (2009)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Double Tree ES (1977)			
Square Feet	51,144	51,144	51,144
Classrooms	Open Classroom	Open Classroom	Open Classroom
Design Capacity	560	560	560
Enrollment	424	333	327
Douglass ES (1965)			
Square Feet	93,447	93,447	93,447
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	475	418	344
Douglass HS (2008)			
Square Feet	146,568	146,568	146,568
Classrooms	35	35	35
Design Capacity	912	912	912
Enrollment	562	537	506

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
39	39	39				
780	780	780				
542	492	589				
Municipal School	Municipal School	90,629	90,629	90,629	90,629	90,629
Municipal School	Municipal School	52	52	52	52	52
Municipal School	Municipal School	1,040	1,040	1,040	1,040	1,040
Municipal School	Municipal School	722	711	733	770	770
60,483	60,483	60,483				
49	49	49				
980	980	980				
693	756	818				
120,729	120,729	120,729				
38	38	38				
760	760	760				
494	540	556				
Closed. Leased to Charter School	Closed. Leased to Charter School					
216,171	216,171	216,171				
56	56	56				
Closed. Leased to Charter School	Closed. Leased to Charter School	1,338				
Closed. Leased to Charter School	Closed. Leased to Charter School	232				
34,000	34,000	34,000				
16	16	16				
320	320	320				
222	242	215				
47,093	47,093	47,093				
46	46	46				
ASD School	920	920				
ASD School	561	567				
119,082	119,082	119,082	119,082	119,082	119,082	119,082
62	62	65	65	65	65	65
1,240	1,240	1,240	1,300	1,300	1,300	1,300
729	659	574	568	552	594	936
112,072	112,072	112,072	112,072	112,072	112,072	112,072
50	50	50	53	53	53	53
1,248	1,248	1,248	1,325	1,325	1,325	1,325
478	516	386	411	452	618	668
Municipal School	Municipal School	88,000	88,000	88,000	88,000	88,000
Municipal School	Municipal School	50	50	50	50	50
Municipal School	Municipal School	1,000	1,000	1,000	1,000	1,000
Municipal School	Municipal School	623	597	586	620	634
Municipal School	Municipal School	113,202	113,202	113,202	113,202	113,202
Municipal School	Municipal School	65	65	65	65	65
Municipal School	Municipal School	1,300	1,300	1,300	1,300	1,300
Municipal School	Municipal School	601	613	592	591	533
51,144	51,144	51,144				
Open Classroom	Open Classroom	Open Classroom				
560	560	640				
304	340	413				
93,447	93,447	93,447				
42	42	44				
840	840	929				
398	458	353				
146,568	146,568	146,568				
35	35	35				
912	912	912				
454	515	560				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Downtown ES (2003)			
Square Feet	84,070	84,070	84,070
Classrooms	45	45	45
Design Capacity	900	900	900
Enrollment	663	606	646
Driver Ed Building (2006)			
Square Feet	3,200	3,200	3,200
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Dunbar ES (1956)			
Square Feet	55,155	55,155	55,155
Classrooms	30	30	30
Design Capacity	600	600	600
Enrollment	278	242	291
Dunn ES (1952)			
Square Feet	Facility Sold	Facility Sold	Facility Sold
Classrooms	Facility Sold	Facility Sold	Facility Sold
Design Capacity	Facility Sold	Facility Sold	Facility Sold
Enrollment	Facility Sold	Facility Sold	Facility Sold
East HS (1948)			
Square Feet	189,493	189,493	189,493
Classrooms	61	61	61
Design Capacity	1,589	1,589	1,589
Enrollment	375	379	517
East Career & Technology			
Square Feet	53,200	53,200	53,200
Classrooms	22	22	22
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Not Available	Not Available	Not Available
Egypt ES (1964)			
Square Feet	57,636	57,636	57,636
Classrooms	41	41	41
Design Capacity	820	820	820
Enrollment	567	524	520
Ellendale ES (1976)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Elmore Park MS (1957)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Evans ES (1966)			
Square Feet	67,246	67,246	67,246
Classrooms	36	36	36
Design Capacity	720	720	720
Enrollment	512	493	449
Fairley ES (1960)			
Square Feet	Demolished	Demolished	69,501
Classrooms	Demolished	Demolished	39
Design Capacity	Demolished	Demolished	Closed 2015-16
Enrollment	Demolished	Demolished	Closed 2015-16
Fairley HS (1968)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	189,299	189,299	189,299
Design Capacity	52	52	52
Enrollment	ASD School	ASD School	ASD School
Fairview MS (1930)			
Square Feet	Now Maxine Smith ;	Now Maxine Smith ;	Now Maxine Smith ;
Classrooms	Now Maxine Smith ;	Now Maxine Smith ;	Now Maxine Smith ;
Design Capacity	Now Maxine Smith ;	Now Maxine Smith ;	Now Maxine Smith ;
Enrollment	Now Maxine Smith ;	Now Maxine Smith ;	Now Maxine Smith ;
Farmington ES (1973)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School

Continued from Prior Page



**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
84,070	84,070	84,070				
45	45	45				
900	900	900				
541	528	567				
3,200	3,200	3,200				
N/A	N/A	N/A				
Not Available	Not Available	Not Available				
Administration	Administration	Administration				
55,155	55,155	55,155				
30	30	30				
600	600	600				
295	286	329				
Facility Sold	Facility Sold					
Facility Sold	Facility Sold	41,233				
Facility Sold	Facility Sold	22				
Facility Sold	Facility Sold	Not Available				
Facility Sold	Facility Sold	Vacant				
189,493	189,493	189,493				
61	61	61				
1,589	1,589	1,589				
553	581	763				
53,200	53,200	53,200				
22	22	22				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				
57,636	57,636	57,636				
41	41	41				
820	820	820				
536	610	623				
Municipal School	Municipal School	84,693	84,693	84,693	84,693	84,693
Municipal School	Municipal School	53	53	53	53	53
Municipal School	Municipal School	1,060	1,060	1,060	1,060	1,060
Municipal School	Municipal School	554	539	555	558	567
Municipal School	Municipal School	109,746	69,943	69,943	69,943	69,943
Municipal School	Municipal School	52	52	52	52	52
Municipal School	Municipal School	1,300	1,300	1,300	1,300	1,300
Municipal School	Municipal School	714	645	639	657	663
67,246	67,246	67,246				
36	36	36				
720	720	720				
441	426	591				
69,501	69,501	69,501				
39	39	39				
780	780	780				
499	509	349				
ASD School	ASD School					
189,299	189,299	189,299				
52	52	52				
ASD School	ASD School	1,253				
ASD School	ASD School	684				
Now Maxine Smith & Middle College		95,345				
Now Maxine Smith & Middle College		35				
Now Maxine Smith & Middle College		837				
Now Maxine Smith & Middle College		280				
Municipal School	Municipal School	73,908	73,908	73,908	73,908	73,908
Municipal School	Municipal School	48	48	48	48	48
Municipal School	Municipal School	960	960	960	960	960
Municipal School	Municipal School	753	752	740	736	708

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Florida ES (1924)			
Square Feet	Facility Demolished	Facility Demolished	Facility Demolished
Classrooms	Facility Demolished	Facility Demolished	Facility Demolished
Design Capacity	Facility Demolished	Facility Demolished	Facility Demolished
Enrollment	Facility Demolished	Facility Demolished	Facility Demolished
Florida-Kansas ES (1999)			
Square Feet	80,610	80,610	80,610
Classrooms	47	47	47
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Ford Road ES (1952)			
Square Feet	78,213	78,213	78,213
Classrooms	45	45	45
Design Capacity	900	900	900
Enrollment	581	594	555
Fox Meadows ES (1965)			
Square Feet	93,872	93,872	93,872
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	648	564	566
Frayser ES (1954)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	42,797	42,797	42,797
Design Capacity	26	26	26
Enrollment	ASD School	ASD School	ASD School
Frayser HS (1938)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	189,648	189,648	189,648
Design Capacity	59	59	59
Enrollment	ASD School	ASD School	ASD School
Gardenview ES (1967)			
Square Feet	55,570	55,570	55,570
Classrooms	35	35	35
Design Capacity	700	700	700
Enrollment	306	243	291
Geeter MS (1961)			
Square Feet	K-8 configuration		
Classrooms	105,957	105,957	105,957
Design Capacity	36	36	36
Enrollment	898	898	898
Georgia Avenue ES (1960)			
Square Feet	143,577	143,577	143,577
Classrooms	72	72	72
Design Capacity	Closed 2011-2012	Closed 2011-2012	Closed 2011-2012
Enrollment	Closed 2011-2012	Closed 2011-2012	Closed 2011-2012
Georgian Hills ES (1951)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	44,786	44,786	44,786
Design Capacity	24	24	24
Enrollment	ASD School	ASD School	ASD School
Georgian Hills MS (1959)			
Square Feet	87,069	87,069	87,069
Classrooms	26	26	26
Design Capacity	649	649	649
Enrollment	312	288	295
Germanshire ES (2001)			
Square Feet	89,228	89,228	89,228
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	828	801	814
Germantown ES (1975)			
Square Feet	84,584	84,584	84,584
Classrooms	42	42	42
Design Capacity	900	900	900
Enrollment	643	618	632
Germantown HS (1964)			
Square Feet	231,717	231,717	231,717
Classrooms	104	104	104
Design Capacity	2,548	2,548	2,548

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
Facility Demolished Facility Demolished Facility Demolished Facility Demolished	Facility Demolished Facility Demolished Facility Demolished Facility Demolished	Facility Demolished Facility Demolished Facility Demolished Facility Demolished				
80,610 47 ASD School ASD School	80,610 47 940 245	80,610 47 940 303				
78,213 45 900 555	78,213 45 900 581	78,213 45 900 476				
93,872 46 920 591	93,872 46 920 662	93,872 46 920 650				
ASD School 42,797 26 ASD School ASD School	ASD School 42,797 26 ASD School ASD School	ASD School 42,797 26 ASD School ASD School				
ASD School 189,648 59 ASD School ASD School	ASD School 189,648 59 ASD School ASD School	189,648 59 1,421 548				
55,570 35 700 323	55,570 35 700 333	55,570 35 714 306				
105,957 36 898 396	105,957 36 898 421	105,957 36 898 376				
Closed 2011-2012 143,577 72 Not Available A Portion Leased to Charter School	Closed 2011-2012 143,577 72 Not Available A Portion Leased to Charter School	143,577 72 Not Available Closed School				
ASD School 44,786 24 ASD School ASD School	ASD School 44,786 24 ASD School ASD School	ASD School 44,786 24 ASD School ASD School				
87,069 26 649 287	87,069 26 649 296	87,069 26 649 323				
89,228 46 920 775	89,228 46 920 741	89,228 46 920 694				
84,584 42 900 635	84,584 42 900 621	84,584 42 920 755	84,584 42 840 759	84,584 42 840 749	84,584 42 840 791	84,584 42 840 709
231,717 104 2,548	231,717 104 2,548	231,717 104 2,548	231,717 101 2,020	231,717 101 2,020	231,717 101 2,020	231,717 101 2,020

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Summary of Buildings and Sites**  
**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Enrollment	1978	1997	2048
Germantown MS (1979)			
Square Feet	81,834	81,834	81,834
Classrooms	41	41	41
Design Capacity	974	974	974
Enrollment	725	720	656
Getwell ES (2001)			
Square Feet	87,025	87,025	87,025
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	439	308	327
Goodlett ES (1964)			
Square Feet	51,813	51,813	51,813
Classrooms	25	25	25
Design Capacity	500	500	500
Enrollment	442	449	451
Gordon ES (1992)			
Square Feet	86,387	86,387	86,387
Classrooms	45	45	45
Design Capacity	Functions as Alternative School	Functions as Alternative School	Functions as Alternative School
Enrollment	Functions as Alternative School	Functions as Alternative School	Functions as Alternative School
Graceland ES (1958)			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
Gragg/North Area Office			
Square Feet	85,642	85,642	85,642
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Grahamwood ES (1953)			
Square Feet	107,806	87,612	87,612
Classrooms	65	55	55
Design Capacity	1,100	1,100	1,100
Enrollment	984	973	988
Grandview Hts. ES (1953)	Middle School	Middle School	Middle School
Square Feet	87,612	87,612	87,612
Classrooms	55	55	55
Design Capacity	923	923	923
Enrollment	488	447	494
Graves ES (1953)	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Square Feet	52,321	52,321	52,321
Classrooms	29	29	29
Design Capacity	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Enrollment	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
E. A. Harrold ES (1961)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Hamilton ES (1964)			
Square Feet	81,740	81,740	81,740
Classrooms	43	43	43
Design Capacity	720	720	720
Enrollment	356	281	325
Hamilton HS (1972)			
Square Feet	136,797	136,797	136,797
Classrooms	64	64	64
Design Capacity	1,876	1,876	1,876
Enrollment	675	618	758
Hamilton MS (1942)			
Square Feet	136,797	136,797	136,797
Classrooms	64	64	64
Design Capacity	1,597	1,597	1,597
Enrollment	228	263	267
Hanley ES (1960)	ASD School	ASD School	ASD School
Square Feet	104,224	104,224	104,224

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
2074	1979	2,009	2,029	2,046	2,000	1,731
81,834	81,834	81,834	81,834	81,834	81,834	81,834
41	41	41	44	44	44	44
974	974	974	1,100	1,100	1,100	1,100
650	615	654	672	708	697	621
87,025	87,025	87,025				
46	46	46				
920	920	920				
361	374	379				
51,813	51,813	51,813				
25	25	25				
500	500	500				
459	460	423				
86,387	86,387	86,387				
45	45	45				
Functions as Alternative School	Functions as Alternative School	918				
Functions as Alternative School	Functions as Alternative School	255				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
85,642	85,642	85,642				
N/A	N/A	N/A				
Not Available Administration	Not Available Administration	Not Available Administration				
87,612	87,612	87,612				
55	55	55				
1,100	1,100	1,100				
1019	1007	984				
87,612	87,612	85,810				
55	55	39				
923	1,100	879				
592	688	533				
Closed 2013-2014	Closed 2013-2014					
52,321	52,321	52,321				
29	29	29				
Closed 2013-2014	Closed 2013-2014	592				
Closed 2013-2014	Closed 2013-2014	237				
Municipal School	Municipal School	50,200	50,200	50,200	50,200	50,200
Municipal School	Municipal School	22	22	22	22	22
Municipal School	Municipal School	440	440	440	440	440
Municipal School	Municipal School	360	399	391	392	419
81,740	81,740	81,740				
43	43	43				
720	720	860				
474	543	525				
136,797	136,797	336,151				
64	64	74				
1,876	1,597	1,928				
636	711	808				
136,797	136,797	136,797				
64	64	64				
1,597	1,597	413				
407	409	252				
ASD School	ASD School	ASD School				
104,224	104,224	104,224				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Classrooms	57	57	57
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Havenview MS (1960)			
Square Feet	104,745	104,745	104,745
Classrooms	44	44	44
Design Capacity	1,045	1,045	1,045
Enrollment	731	769	712
Hawkins Mill ES (1965)			
Square Feet	67,350	67,350	67,350
Classrooms	36	36	36
Design Capacity	720	720	720
Enrollment	345	318	314
Hickory Ridge ES (2001)			
Square Feet	83,060	83,060	83,060
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	692	769	826
Hickory Ridge MS (2001)			
Square Feet	139,685	139,685	139,685
Classrooms	47	47	47
Design Capacity	1,116	1,116	1,116
Enrollment	888	828	867
Highland Oaks ES (1993)			
Square Feet	107,971	107,971	107,971
Classrooms	66	66	66
Design Capacity	1,260	1,260	1,260
Enrollment	843	848	835
Highland Oaks MS (2009)			
Square Feet	118,130	118,130	118,130
Classrooms	55	55	55
Design Capacity	1,306	1,306	1,306
Enrollment	748	683	781
Hillcrest HS (1962)	ASD School	ASD School	ASD School
Square Feet	169,973	169,973	169,973
Classrooms	59	59	59
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Hollywood ES (1933)	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Square Feet	67,804	67,804	67,804
Classrooms	34	34	34
Design Capacity	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Enrollment	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Holmes Road ES (2001)			
Square Feet	84,633	84,633	84,633
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	670	676	712
Houston HS (1989)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Houston MS (1992)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Humes MS (1925)	ASD School	ASD School	ASD School
Square Feet	131,301	131,301	131,301
Classrooms	61	61	61
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Ida B. Wells (1963)			
Square Feet	Alternative School	Alternative School	Alternative School
Classrooms	Alternative School	Alternative School	Alternative School
Design Capacity	Alternative School	Alternative School	Alternative School
Enrollment	Alternative School	Alternative School	Alternative School

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
57 ASD School ASD School	57 ASD School ASD School	57 ASD School ASD School				
104,745 44 1,045 714	104,745 44 1,045 717	104,745 44 1,045 792				
67,350 36 720 314	67,350 36 720 315	67,350 36 720 326				
83,060 46 920 841	83,060 46 920 853	83,060 46 920 799				
139,685 47 1,116 866	139,685 47 1,116 883	139,685 47 1,116 814				
107,971 66 1,260 872	107,971 66 1,260 963	107,971 66 1,260 941	107,971 66 1,320 984	107,971 66 1,320 960	107,971 66 1,320 1,046	107,971 66 1,320 1,034
118,130 55 1,306 726	118,130 55 1,306 769	118,130 55 1,306 835	118,130 57 1,425 895	118,130 57 1,425 947	118,130 57 1,425 952	118,130 57 1,425 953
169,973 59 1,485 505	169,973 59 1,485 506	169,973 59 1,537 561				
Closed. Leased to Charter School 67,804 34	Closed. Leased to Charter School 67,804 34	67,804 34				
Closed. Leased to Charter School Closed. Leased to Charter School	Closed. Leased to Charter School Closed. Leased to Charter School	Not Available  Charter School				
84,633 46 920 550	84,633 46 920 512	84,633 46 920 521				
Municipal School Municipal School Municipal School Municipal School	Municipal School Municipal School Municipal School Municipal School	263,689 111 2,220 1,865	263,689 111 2,220 1,787	263,689 111 2,220 1,678	263,689 111 2,220 1,681	263,689 111 2,220 1,761
Municipal School Municipal School Municipal School Municipal School	Municipal School Municipal School Municipal School Municipal School	92,750 50 1,250 848	92,750 50 1,250 859	92,750 50 1,250 890	92,750 50 1,250 858	92,750 50 1,250 848
ASD School 131,301 61 ASD School ASD School	ASD School 131,301 61 ASD School ASD School	ASD School 131,301 61 ASD School ASD School				
Alternative School Alternative School Alternative School Alternative School	Alternative School Alternative School Alternative School Alternative School	71,059 17 Not Available Not Available				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Idlewild ES (1903)			
Square Feet	65,025	65,025	65,025
Classrooms	33	33	33
Design Capacity	660	660	660
Enrollment	490	491	458
E.E. Jeter ES (1949)			
Square Feet	70,058	70,058	70,058
Classrooms	27	27	27
Design Capacity	540	540	540
Enrollment	405	380	379
Jackson ES (1957)			
Square Feet	44,568	44,568	44,568
Classrooms	24	24	24
Design Capacity	312	480	480
Enrollment	315	333	340
John P. Freeman MS (1973)			
Square Feet	98,000	98,000	98,000
Classrooms	38	38	38
Design Capacity	760	760	760
Enrollment	632	588	544
Kansas Career & Technology (1976)			
Square Feet	49,000	49,000	49,000
Classrooms	18	18	18
Design Capacity	Closed 2015-16	Closed 2015-16	Closed 2015-16
Enrollment	Closed 2015-16	Closed 2015-16	Closed 2015-16
Kate Bond ES (1993)			
Square Feet	107,748	107,748	107,748
Classrooms	58	58	58
Design Capacity	1,160	1,160	1,160
Enrollment	868	831	975
Kate Bond MS (2011)			
Square Feet	165,749	165,749	165,749
Classrooms	64	64	64
Design Capacity	1,520	1,520	1,520
Enrollment	1191	1142	1130
Keystone ES (1991)			
Square Feet	84,641	84,641	84,641
Classrooms	39	39	39
Design Capacity	780	780	780
Enrollment	520	484	495
King Cultural Center (1953)			
Square Feet	102,207	102,207	102,207
Classrooms	N/A	N/A	N/A
Design Capacity	Closed 2015-16	Closed 2015-16	Closed 2015-16
Enrollment	Closed 2015-16	Closed 2015-16	Closed 2015-16
Kingsbury ES (1959)			
Square Feet	65,250	65,250	65,250
Classrooms	36	36	36
Design Capacity	720	720	720
Enrollment	544	552	543
Kingsbury MS			
Square Feet	See Kingsbury HS	See Kingsbury HS	See Kingsbury HS
Classrooms	29	29	29
Design Capacity	736	736	736
Enrollment	641	597	612
Kingsbury HS (1950)			
Square Feet	219,201	219,201	219,201
Classrooms	63	63	63
Design Capacity	1,563	1,563	1,563
Enrollment	1305	1373	1277
Kingsbury Career Technology Center (1976)			
Square Feet	Students counted in HS.	Students counted in HS.	Students counted in HS.
Classrooms	51,000	51,000	51,000
Design Capacity	21	21	21
Enrollment	Not Available	Not Available	Not Available
Kirby HS (1980)			
Square Feet	206,224	206,224	206,224
Classrooms	70	70	70
Design Capacity	1,693	1,693	1,693
Enrollment	865	893	1073

Continued from Prior Page



**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
65,025	65,025	65,025				
33	33	33				
660	660	660				
480	471	456				
70,058	70,058	70,058	70,058	70,058	70,058	70,058
27	27	27	28	28	28	28
540	540	540	560	560	560	560
349	330	186	180	175	188	212
44,568	44,568	44,568				
24	24	24				
480	480	480				
346	380	348				
98,000	98,000	98,000				
38	38	38				
760	760	760				
550	537	592				
49,000	49,000	49,000				
18	18	18				
Not Available	Not Available	Not Available				
107,748	107,748	107,748				
58	58	58				
1,160	11,160	1160				
1097	1061	1,091				
165,749	165,749	165,749				
64	64	64				
1,520	1,520	1,520				
1146	1194	1,213				
84,641	84,641	84,641				
39	39	39				
780	780	780				
362	399	362				
102,207	102,207	102,207				
N/A	N/A	N/A				
Alternative School	Not Available	Not Available				
Alternative School	Not Available	Not Available				
65,250	65,250	65,250				
36	36	36				
720	720	720				
562	555	552				
See Kingsbury HS	See Kingsbury HS	See Kingsbury HS				
29	29	29				
736	736	689				
597	646	623				
219,201	219,201	219,201				
63	63	63				
1,563	1,593	1,641				
1173	1132	1,129				
Students counted in HS.	Students counted in HS.	Students counted in HS.				
51,000	51,000	51,000				
21	21	21				
Not Available	Not Available	Not Available				
206,224	206,224	206,224				
70	70	70				
1,693	1,693	1,824				
991	1114	1,284				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Kirby MS (1987)			
Square Feet	85,050	85,050	85,050
Classrooms	51	51	51
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Klondike ES (1939)			
Square Feet	85,050	85,050	85,050
Classrooms	51	51	51
Design Capacity	ASD Closed 2015-16	ASD Closed 2015-16	ASD Closed 2015-16
Enrollment	ASD Closed 2015-16	ASD Closed 2015-16	ASD Closed 2015-16
Knight Road ES (1959)			
Square Feet	53,093	53,093	53,093
Classrooms	35	35	35
Design Capacity	700	700	700
Enrollment	546	497	516
Lakeland ES (2001)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Lakeview ES (1959)			
Square Feet	Facility Sold	Closed. Leased to Charter School	Closed. Leased to Charter School
Classrooms	Facility Sold	38,793	38,793
Design Capacity	Facility Sold	21	21
Enrollment		Closed. Leased to Charter School	Closed. Leased to Charter School
Lanier MS (1970)			
Square Feet	Facility Sold	Facility Sold	Facility Sold
Classrooms	Facility Sold	Facility Sold	Facility Sold
Design Capacity	Facility Sold	Facility Sold	Facility Sold
Enrollment	Facility Sold	Facility Sold	Facility Sold
Larose ES (1963)			
Square Feet	94,426	94,426	94,426
Classrooms	34	34	34
Design Capacity	680	680	680
Enrollment	295	288	367
Lester ES (1955)			
Square Feet	107,896	107,896	107,896
Classrooms	45	45	45
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Levi ES (1992)			
Square Feet	71,179	71,179	71,179
Classrooms	31	31	31
Design Capacity	620	620	620
Enrollment	463	430	486
Lincoln ES (1923)			
Square Feet	80,080	80,080	80,080
Classrooms	39	39	39
Design Capacity	Closed 2014-2015	Closed 2014-2015	Closed 2014-2015
Enrollment	Closed 2014-2015	Closed 2014-2015	Closed 2014-2015
Lincoln MS (1922)			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
Locke Elementary (1953)			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
Longview MS (1954)			
Square Feet	Demolished	Closed 2006-2007	Closed 2006-2007
Classrooms	Demolished	76,211	76,211
Design Capacity	Demolished	33	33
Enrollment	Demolished	Closed 2006-2007	Closed 2006-2007
	Demolished	Closed 2006-2007	Closed 2006-2007

Continued from Prior Page

SHELBY COUNTY  
BOARD OF EDUCATION

2016	2015	2014	2013	2012	2011	2010
85,050	85,050	85,050				
51	51	51				
1,272	1,272	1,272				
538	584	604				
ASD School	ASD School					
85,050	90,835	90,835				
51	46	46				
ASD School	ASD School	938				
ASD School	ASD School	94				
53,093	53,093	53,093				
35	35	35				
700	700	700				
470	476	469				
Municipal School	Municipal School	115,780	115,780	115,780	115,780	115,780
Municipal School	Municipal School	65	65	65	65	65
Municipal School	Municipal School	1,300	1,300	1,300	1,300	1,300
Municipal School	Municipal School	836	805	832	845	864
Closed. Leased to Charter School	Closed. Leased to Charter School					
38,793	38,793	38,793				
21	21	21				
Closed. Leased to Charter School	Closed. Leased to Charter School	420				
Closed. Leased to Charter School	Closed. Leased to Charter School					
		Charter School				
Facility Sold	Facility Sold					
Facility Sold	Facility Sold	135,959				
Facility Sold	Facility Sold	29				
Facility Sold	Facility Sold	693				
Facility Sold	Facility Sold	389				
94,426	94,426	94,426				
34	34	34				
680	680	680				
396	387	392				
107,896	107,896	107,896				
45	45	45				
ASD School	1130	1130				
ASD School	156	257				
71,179	71,179	71,179				
31	31	31				
620	620	620				
491	434	340				
80,080	80,080	80,080				
39	39	39				
Closed 2014-2015	Closed 2014-2015	620				
Closed 2014-2015	Closed 2014-2015	255				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Closed 2006-2007	Closed 2006-2007					
76,211	76,211	76,211				
33	33	33				
Closed 2006-2007	Closed 2006-2007	Not Available				
Closed 2006-2007	Closed 2006-2007	Closed				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Summary of Buildings and Sites**  
**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Lowrance ES (1995)			
Square Feet	112,374	112,374	112,374
Classrooms	62	62	62
Design Capacity	1,240	1,240	1,240
Enrollment	889	827	811
Lucie E. Campbell ES (2003)			
Square Feet	84,740	84,740	84,740
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	607	472	480
Lucy ES (1921)			
Square Feet	102,446	102,446	102,446
Classrooms	49	49	49
Design Capacity	980	980	980
Enrollment	406	393	394
Macon ES (1955)	Alternative School	Alternative School	Alternative School
Square Feet	33,051	33,051	33,051
Classrooms	17	17	17
Design Capacity	Alternative School	Alternative School	Alternative School
Enrollment	Alternative School	Alternative School	Alternative School
Macon Hall ES (1997)			
Square Feet	110,481	110,481	110,481
Classrooms	63	63	63
Design Capacity	1,260	1,260	1,260
Enrollment	1177	1160	1129
Magnolia ES (1950)			
Square Feet	76,804	76,804	76,804
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	381	263	224
Maintenance (1945)			
Square Feet	389,988	389,988	389,988
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Mallory Warehouse (1945)			
Square Feet	See Maintenance	See Maintenance	See Maintenance
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Manassas HS-Old (1936)			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
Manassas HS-New (2008)			
Square Feet	151,754	151,754	151,754
Classrooms	38	38	38
Design Capacity	990	990	990
Enrollment	470	506	509
Manor Lake ES (1971)			
Square Feet	Closed	65,640	65,640
Classrooms	Closed	35	35
Design Capacity	Closed	700	700
Enrollment	Closed	322	301
Maxine Smith STEAM Academy/MCHS	Merged with Middle Collg	Merged with Middle Collg	Merged with Middle Collg
Square Feet	95345	95345	95345
Classrooms	54	54	54
Design Capacity	875	875	875
Enrollment	721	631	625
Melrose HS (1970)			
Square Feet	280,000	280,000	280,000
Classrooms	59	59	59
Design Capacity	1,407	1,407	1,407
Enrollment	582	580	595
Messick Career & Technology (1930)			
Square Feet	104,118	104,118	104,118

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
		School name changed from Southwind MS to Lowrance ES in 2010.				
112,374	112,374	112,374	112,374	112,374	112,374	112,374
62	62	62	65	65	65	65
1,240	1,240	1,240	1,300	1,300	1,300	1,300
800	833	912	897	896	896	895
84,740	84,740	84,740				
46	46	46				
920	920	920				
503	305	352				
102,446	102,446	102,446	102,446	102,446	102,446	102,446
49	49	49	48	48	48	48
980	980	980	960	960	960	960
458	504	686	687	630	558	554
Alternative School 33,051	Alternative School 33,051	33,051				
17	17	17				
Alternative School	Alternative School	Not Available				
Alternative School	Alternative School	Closed				
110,481	110,481	10,481	93,481	93,481	93,481	93,481
63	63	63	66	66	66	66
1,260	1,260	1,260	1,320	1,320	1,320	1,320
1146	1136	1,208	1,151	1,148	1,188	1,110
76,804	76,804	76,804				
43	43	43				
860	860	860				
234	267	298				
389,988	389,988	389,988				
N/A	N/A	N/A				
Not Available	Not Available	Not Available				
Administration	Administration	Administration				
See Maintenance	See Maintenance	See Maintenance				
N/A	N/A	N/A				
Not Available	Not Available	Not Available				
Administration	Administration	Administration				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				
151,754	151,754	151,754				
38	38	38				
990	990	1042				
340	439	492				
65,640	65,640	65,640				
35	35	35				
700	700	700				
280	308	354				
Merged with Middle Collge (Previously Fairview Middle School)						
95345						
54						
875						
252	138					
280,000	280,000	280,000				
59	59	53				
1,407	1,407	1,537				
642	738	859				
104,118	104,118	104,118				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Classrooms	44	44	44
Design Capacity	Administration	Closed 2015-16	Closed 2015-16
Enrollment	Closed 2015-16	Closed 2015-16	Closed 2015-16
Millington ES (1997)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Millington HS (1971)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Millington MS (1971)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Mitchell HS (1957,2002)			
Square Feet	117,630	117,630	117,630
Classrooms	45	45	45
Design Capacity	1,146	1,146	1,146
Enrollment	470	472	527
Mt. Pisgah MS (2007)			
Square Feet	125,900	125,900	125,900
Classrooms	59	59	59
Design Capacity	1,472	1,472	1,472
Enrollment	493	483	499
Newberry ES (1970)			
Square Feet	45,170	45,170	45,170
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	488	440	442
Norris ES (1960)			
Square Feet	Closed. Leased to Charter	Closed. Leased to Charter	Closed. Leased to Charter
Classrooms	52,000	52,000	52,000
Design Capacity	25	25	25
Enrollment	Closed. Leased to Charter	Closed. Leased to Charter	Closed. Leased to Charter
North Area Office (1958)			
Square Feet	85,642	85,642	85,642
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Northaven ES (1978)			
Square Feet	84,468	84,468	84,468
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	341	289	299
North Side HS (1967)			
Square Feet	293,868	293,868	293,868
Classrooms	77	77	77
Design Capacity	Closed 2015-16	Closed 2015-16	Closed 2015-16
Enrollment	Closed 2015-16	Closed 2015-16	Closed 2015-16
Nutrition Services (2003)			
Square Feet	300,000	300,000	300,000
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Oak ES (1986)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Oak Forest ES (1993)			
Square Feet	87,550	87,550	87,550
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	475	377	472
Oakhaven ES (1956)			

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
44 Not Available Adult	44 Not Available Adult	44 Not Available Not Available				
Municipal School	Municipal School	115,104	115,104	115,104	115,104	115,104
Municipal School	Municipal School	63	63	63	63	63
Municipal School	Municipal School	1,260	1,260	1,260	1,260	1,260
Municipal School	Municipal School	565	581	598	577	625
Municipal School	Municipal School	309,026	309,026	309,026	309,026	309,026
Municipal School	Municipal School	103	103	103	103	103
Municipal School	Municipal School	2,060	2,060	2,060	2,060	2,060
Municipal School	Municipal School	1,270	1,347	1,324	1,386	1,456
Municipal School	Municipal School	80,784	80,784	80,784	80,784	80,784
Municipal School	Municipal School	30	30	30	30	30
Municipal School	Municipal School	750	750	750	750	750
Municipal School	Municipal School	486	480	469	440	510
117,630	117,630	117,630				
45	45	45				
1,146	1,172	1,172				
516	540	524				
		New building constructed in 2007				
125,900	125,900	125,900	125,900	125,900	125,900	125,900
59	59	59	65	65	65	65
1,472	1,472	1,472	1,625	1,625	1,625	1,625
488	509	533	541	600	1,146	1,288
45,170	45,170	45,170				
24	24	24				
480	480	480				
390	414	416				
Closed. Leased to Charter	Closed. Leased to Charter					
52,000	52,000	52,000				
25	25	25				
Closed. Leased to Charter	Closed. Leased to Charter	Closed				
Closed. Leased to Charter	Closed. Leased to Charter	Closed				
85,642	85,642	85,642				
N/A	N/A	N/A				
Not Available Administration	Not Available Administration	Not Available Administration				
84,468	84,468	84,468	84,468	84,468	84,468	84,468
43	43	44	44	44	44	44
860	860	860	880	880	880	880
291	472	371	368	326	409	424
293,868	293,868	293,868				
77	77	77				
1,980	1,980	2,006				
268	284	289				
300,000	300,000	300,000				
N/A	N/A	N/A				
Not Available Administration	Not Available Administration	Not Available Administration				
Municipal School	Municipal School	106,420				
Municipal School	Municipal School	69				
Municipal School	Municipal School	1,380				
Municipal School	Municipal School	585				
87,550	87,550	87,550				
43	43	43				
860	860	860				
499	482	499				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Square Feet	74,500	74,500	74,500
Classrooms	41	41	41
Design Capacity	820	820	820
Enrollment	584	632	622
<b>Oakhaven HS (1956)</b>			
Square Feet	152,940	152,940	152,940
Classrooms	28	28	28
Design Capacity	703	703	703
Enrollment	367	376	362
<b>Oakhaven MS</b>			
Square Feet	See Oakhaven HS	See Oakhaven HS	See Oakhaven HS
Classrooms	18	18	18
Design Capacity	449	449	449
Enrollment	296	343	319
<b>Oakshire ES (1966)</b>			
Square Feet	51,892	51,892	51,892
Classrooms	31	31	31
Design Capacity	620	620	620
Enrollment	386	384	421
<b>Oakville Mental Health Ctr (1922)</b>			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
<b>Orleans ES (1966)</b>			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
<b>Overton HS (1959)</b>			
Square Feet	177,940	177,940	177,940
Classrooms	65	65	65
Design Capacity	1,544	1,544	1,544
Enrollment	1132	1181	1197
<b>Peabody ES (1909)</b>			
Square Feet	53,997	53,997	53,997
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	387	352	371
<b>Pyramid Academy (1928)</b>			
Square Feet	165,486	165,486	165,486
Classrooms	N/A	N/A	N/A
Design Capacity	Functions as an Alternative School	Functions as an Alternative School	Functions as an Alternative School
Enrollment	Functions as an Alternative School	Functions as an Alternative School	Functions as an Alternative School
<b>Raineshaven ES (1959)</b>			
Square Feet	Demolished	66,892	66,892
Classrooms	Demolished	35	35
Design Capacity	Demolished	Closed 2015-16	Closed 2015-16
Enrollment	Demolished	Closed 2015-16	Closed 2015-16
<b>Raleigh-Bartlett ES (1971)</b>			
Square Feet	51,891	51,891	51,891
Classrooms	Open Classroom	Open Classroom	Open Classroom
Design Capacity	600	600	600
Enrollment	501	471	452
<b>Raleigh-Egypt HS (1969)</b>			
Square Feet	Converted to 6-12	Converted to 6-12	Converted to 6-12
Classrooms	145,850	145,850	145,850
Design Capacity	62	62	62
Enrollment	1,511	1,511	1,511
	1028	637	911
<b>Raleigh-Egypt MS (1979)</b>			
Square Feet	Combined with REHS		
Classrooms	133,750	133,750	133,750
Design Capacity	38	40	40
Enrollment	950	ASD School	ASD School
		422	ASD School
<b>Residential Training Center (1965)</b>			
Square Feet			
Classrooms			
Design Capacity			
Enrollment			

Continued from Prior Page



SHELBY COUNTY  
BOARD OF EDUCATION

2016	2015	2014	2013	2012	2011	2010
74,500	74,500	74,500				
41	41	41				
820	820	820				
622	592	489				
152,940	152,940	152,940				
28	28	28				
703	703	729				
382	416	436				
See Oakhaven HS	See Oakhaven HS	See Oakhaven HS				
18	18	18				
449	449	449				
327	305	263				
51,892	51,892	51,892				
31	31	31				
620	620	620				
437	486	447				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
Demolished	Demolished	Demolished				
63,888	63,888	63,888				
29	29	29				
Closed 2011-2012	Closed 2011-2012	Closed				
Closed 2011-2012	Closed 2011-2012	Closed				
177,940	177,940	177,940				
65	65	65				
1,544	1,544	1,593				
1215	1254	1,292				
53,997	53,997	53,997				
24	24	24				
480	480	480				
375	388	389				
165,486	165,486	165,486				
N/A	N/A	N/A				
Functions as an Alternative School	Functions as an Alternative School	Not Available				
Functions as an Alternative School	Functions as an Alternative School	Closed				
66,892	66,892	66,892				
35	35	35				
700	700	700				
398	404	258				
51,891	51,891	51,891				
Open Classroom	Open Classroom	Open Classroom				
600	600	600				
438	427	449				
145,850	145,850	145,850				
62	62	62				
1,511	1,511	1,615				
735	701	742				
133,750	133,750	133,750				
40	40	40				
998	998	998				
484	578	580				
		40,270				
		Open Classroom				
		Not Available				
		N/A				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Richland ES (1957)			
Square Feet	81,598	59,833	59,833
Classrooms	50	36	36
Design Capacity	1055	720	720
Enrollment	841	799	801
Ridgeway/Balmoral ES (1970)			
Square Feet	38,940	38,940	38,940
Classrooms	20	20	20
Design Capacity	400	400	400
Enrollment	330	313	289
Ridgeway ES (1969)	Merged with Balmoral	Merged with Balmoral	Merged with Balmoral
Square Feet	Merged with Balmoral	Merged with Balmoral	Merged with Balmoral
Classrooms	Merged with Balmoral	Merged with Balmoral	Merged with Balmoral
Design Capacity	Merged with Balmoral	Merged with Balmoral	Merged with Balmoral
Enrollment	Merged with Balmoral	Merged with Balmoral	Merged with Balmoral
Ridgeway HS (1970)			
Square Feet	247,000	247,000	247,000
Classrooms	60	60	60
Design Capacity	1,511	1,511	1,511
Enrollment	1180	1315	1246
Ridgeway MS (2001)			
Square Feet	143,000	143,000	143,000
Classrooms	47	47	47
Design Capacity	1,116	1,116	1,116
Enrollment	754	697	669
River City High			
Square Feet	Charter School Closed 2010-2011	Charter School Closed 2010-2011	Charter School Closed 2010-2011
Classrooms	Charter School Closed 2010-2011	Charter School Closed 2010-2011	Charter School Closed 2010-2011
Design Capacity	Charter School Closed 2010-2011	Charter School Closed 2010-2011	Charter School Closed 2010-2011
Enrollment	Charter School Closed 2010-2011	Charter School Closed 2010-2011	Charter School Closed 2010-2011
Rivercrest ES (1998)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Riverdale ES (1968)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Riverview ES (1952)			
Square Feet	Closed. Leased by Charter School 69,422	Closed. Leased by Charter School 69,422	Closed. Leased by Charter School 69,422
Classrooms	41	41	41
Design Capacity	Closed. Leased by Charter School	Closed. Leased by Charter School	Closed. Leased by Charter School
Enrollment	Closed. Leased by Charter School	Closed. Leased by Charter School	Closed. Leased by Charter School
Riverview MS (1967)			
Square Feet	K-8 Grade Config 150,850	K-8 Grade Config 150,850	K-8 Grade Config 150,850
Classrooms	35	35	35
Design Capacity	780	780	780
Enrollment	425	408	500
Riverwood ES (2010)			
Square Feet	107,565	107,565	107,565
Classrooms	56	56	56
Design Capacity	1,120	1,120	1,120
Enrollment	969	939	977
Robert R. Church ES (2001)			
Square Feet	81,500	81,500	81,500
Classrooms	45	45	45
Design Capacity	900	900	900
Enrollment	715	751	657
Ross ES (1976)			
Square Feet	126,662	126,662	126,662
Classrooms	71	71	71

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
59,833	59,833	59,833				
36	36	36				
720	720	720				
788	798	783				
38,940	38,940	38,940				
20	20	20				
400	400	400				
317	329	319				
Merged with Balmoral	Merged with Balmoral	Merged with Balmoral				
Merged with Balmoral	Merged with Balmoral	Merged with Balmoral				
Merged with Balmoral	Merged with Balmoral	Merged with Balmoral				
Merged with Balmoral	Merged with Balmoral	Merged with Balmoral				
Merged with Balmoral	Merged with Balmoral	Merged with Balmoral				
247,000	247,000	247,000				
60	60	60				
1,511	1,511	1,563				
1181	1191	1,072				
143,000	143,000	143,000				
47	47	47				
1,116	1,116	1,116				
655	673	700				
Charter School Closed 2010-2011	Charter School Closed 2010-2011	Closed				
Charter School Closed 2010-2011	Charter School Closed 2010-2011	Closed				
Charter School Closed 2010-2011	Charter School Closed 2010-2011	Closed				
Charter School Closed 2010-2011	Charter School Closed 2010-2011	Closed				
Municipal School	Municipal School	109,536	109,536	109,536	109,536	109,536
Municipal School	Municipal School	64	64	64	64	64
Municipal School	Municipal School	1,280	1,280	1,280	1,280	1,280
Municipal School	Municipal School	615	654	695	912	978
Municipal School	Municipal School	88,199	88,199	88,199	88,199	88,199
Municipal School	Municipal School	45	45	45	45	45
Municipal School	Municipal School	900	900	900	900	900
Municipal School	Municipal School	1,178	1,185	1,174	1,147	1,085
Closed. Leased by Charter School	Closed. Leased by Charter School	69,422				
69,422	69,422	69,422				
41	41	45				
Closed. Leased by Charter School	Closed. Leased by Charter School	900				
Closed. Leased by Charter School	Closed. Leased by Charter School	291				
K-8 Grade Config						
150,850	150,850	150,850				
35	35	35				
780	780	780				
531	348	159				
107,565	107,565	107,565				
56	56	56				
1,120	1,120	1,120				
1009	1072	1,022				
81,500	81,500	81,500				
45	45	45				
900	900	900				
631	711	688				
126,662	126,662	126,662				
71	71	71				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Design Capacity	1,420	1,420	1,420
Enrollment	727	694	768
Rozelle ES (1914)			
Square Feet	58,750	58,750	58,750
Classrooms	27	27	27
Design Capacity	540	540	540
Enrollment	259	232	247
Sea Isle ES (1955)			
Square Feet	79,703	79,703	79,703
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	488	420	439
Scenic Hills ES (1957)			
Square Feet	48,338	48,338	48,338
Classrooms	27	27	27
Design Capacity	540	540	540
Enrollment	350	319	284
Schilling Farms MS (1999)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Shadowlawn MS (1967)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Shady Grove ES (1963)			
Square Feet	48,401	48,401	48,401
Classrooms	25	25	25
Design Capacity	500	500	500
Enrollment	378	384	383
Shannon ES (1959)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	54,522	54,522	54,522
Design Capacity	34	34	34
Enrollment	ASD School	ASD School	ASD School
Sharpe ES (1955)			
Square Feet	47,130	47,130	47,130
Classrooms	26	26	26
Design Capacity	520	520	520
Enrollment	365	312	352
Sheffield ES (1970)			
Square Feet	46,320	46,320	46,320
Classrooms	31	31	31
Design Capacity	620	620	620
Enrollment	606	621	592
Sheffield HS (1966)			
Square Feet	193,236	193,236	193,236
Classrooms	55	55	55
Design Capacity	1,329	1,329	1,329
Enrollment	661	733	757
Sheffield Career & Technology (1976)			
Square Feet	47,000	47,000	47,000
Classrooms	21	21	21
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Not Available	Not Available	Not Available
Shelby Oaks ES (1996)			
Square Feet	74,069	74,069	74,069
Classrooms	44	44	44
Design Capacity	880	880	880
Enrollment	864	940	869
Sherwood ES (1950)			
Square Feet	94,516	94,516	94,516
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	610	675	651
Sherwood MS (1957)			
Square Feet	141,952	141,952	141,952
Classrooms	52	52	52

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
1,420	1,420	1,420				
842	932	961				
58,750	58,750	58,750				
27	27	27				
540	540	540				
275	280	263				
79,703	79,703	79,703				
42	42	42				
840	840	840				
445	441	444				
48,338	48,338	48,338				
27	27	27				
540	540	540				
312	312	382				
Municipal School	Municipal School	97,250	97,250	97,250	97,250	97,250
Municipal School	Municipal School	48	48	48	48	48
Municipal School	Municipal School	1,200	1,200	1,200	1,200	1,200
Municipal School	Municipal School	990	1,004	1,044	1,077	1,034
Municipal School	Municipal School	119,881	108,936	108,936	108,936	108,936
Municipal School	Municipal School	57	57	57	57	57
Municipal School	Municipal School	1,425	1,425	1,425	1,425	1,425
Municipal School	Municipal School	Not Available	855	904	909	880
48,401	48,401	48,401				
25	25	25				
500	500	500				
415	444	448				
ASD School	ASD School	54,522				
54,522	54,522	54,522				
34	34	34				
ASD School	ASD School	694				
ASD School	ASD School	179				
47,130	47,130	47,130				
26	26	26				
520	520	520				
440	469	496				
46,320	46,320	46,320				
31	31	31				
620	620	620				
623	565	555				
193,236	193,236	193,236				
55	55	55				
1,329	1,329	1,407				
745	781	828				
47,000	47,000	47,000				
21	21	21				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				
74,069	74,069	74,069				
44	44	44				
880	880	880				
822	867	826				
94,516	94,516	94,516				
42	42	42				
840	840	840				
668	663	678				
141,952	141,952	141,952				
52	52	52				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Summary of Buildings and Sites**  
**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Design Capacity	1,330	1,330	1,330
Enrollment	812	773	821
Shrine School (1976)			
Square Feet	74,512	74,512	74,512
Classrooms	Open Classroom	Open Classroom	Open Classroom
Design Capacity	Not Available	Not Available	Not Available
Enrollment			
Snowden ES (1909)			
Square Feet	199,849	199,849	199,849
Classrooms	65	65	65
Design Capacity	1,300	1,300	1,300
Enrollment	1323	1380	1382
South Area Office (1959)			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
South Park ES (2000)			
Square Feet	77,075	77,075	77,075
Classrooms	40	40	40
Design Capacity	800	800	800
Enrollment	562	612	540
South Side MS (1962)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	254,967	254,967	254,967
Design Capacity	71	71	71
Enrollment	Closed 2014-15	Closed 2014-15	Closed 2014-15
Southwest Career & Technology(1976)			
Square Feet	64,201	64,201	64,201
Classrooms	23	23	23
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Not Available	Not Available	Not Available
Southwind ES (1990)			
Square Feet	108,303	108,303	108,303
Classrooms	65	65	65
Design Capacity	1300	1300	1300
Enrollment	827	726	734
Southwind MS	School name changed to Lowrance ES in 2010.	School name changed to Lowrance ES in 2010.	School name changed to Lowrance ES in 2010.
Square Feet			
Classrooms			
Design Capacity			
Enrollment			
Southwind HS (2007)			
Square Feet	326,926	326,926	326,926
Classrooms	104	104	104
Design Capacity	2,475	2,475	2,475
Enrollment	1678	1502	1487
Spring Hill ES (1956)			
Square Feet	65,698	65,698	65,698
Classrooms	35	35	35
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Springdale ES (1940)			
Square Feet	58,986	58,986	58,986
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	283	256	258
Sycamore ES (2000)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Stafford ES (1965)			
Square Feet	56,216	56,216	56,216
Classrooms	30	30	30
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Not Available	Not Available	Not Available

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
1,330	1,330	1,235				
880	675	509				
74,512	74,512	74,512				
Open Classroom Not Available	Open Classroom Not Available Not Available	Open Classroom Not Available Not Available				
199,849	199,849	199,849				
65	65	65				
1,300	1,300	1,300				
1482	1503	1,480				
Closed 2005-2006 N/A	Closed 2005-2006 N/A	38,663 N/A				
Closed 2005-2006	Closed 2005-2006	Not Available Administration				
Closed 2005-2006	Closed 2005-2006					
77,075	77,075	77,075				
40	40	40				
800	800	800				
521	562	532				
ASD School	ASD School					
254,967	254,967	254,967				
71	71	71				
Closed 2014-15	1,771	1,771				
Closed 2014-15	263	276				
64,201	64,201	64,201				
23	23	23				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				
108,303	108,303	108,303	108,303	108,303	108,303	108,303
65	65	65	68	68	68	68
1300	1300	1,300	1,360	1,360	1,360	1,360
756	819	873	861	842	842	819
School name changed to Lowrance ES in 2010.	School name changed to Lowrance ES in 2010.	School name changed to Lowrance ES in 2010.				
326,926	326,926	326,926	326,926	326,926	326,926	326,926
104	104	104	116	116	116	116
2,475	2,475	2,548	2,320	2,320	2,320	2,320
1508	1660	1,777	1,698	1,690	1,931	1,884
ASD School K-2. SCS has Grades 3-5	ASD School K-2. SCS has Grades 3-5					
65,698	65,698	65,698				
35	35	35				
700	700	700				
165	261	370				
58,986	58,986	58,986				
24	24	24				
480	480	480				
278	277	284				
Municipal School	Municipal School	127,627	127,627	127,627	127,627	127,627
Municipal School	Municipal School	64	64	64	64	64
Municipal School	Municipal School	1,280	1,280	1,280	1,280	1,280
Municipal School	Municipal School	796	823	794	791	834
56,216	56,216	56,216				
30	30	30				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Tara Oaks ES (1995)			
Square Feet	Municipal School	Municipal School	Municipal School
Classrooms	Municipal School	Municipal School	Municipal School
Design Capacity	Municipal School	Municipal School	Municipal School
Enrollment	Municipal School	Municipal School	Municipal School
Teaching & Learning Academy (1958)			
Square Feet	57,803	57,803	57,803
Classrooms	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration
Treadwell ES (1985)			
Square Feet	55,512	55,512	55,512
Classrooms	45	45	45
Design Capacity	900	900	900
Enrollment	747	699	644
Treadwell MS (HS Prior to 2010) (1948)			
Square Feet	145,870	145,870	145,870
Classrooms	40	40	40
Design Capacity	998	998	998
Enrollment	484	463	382
Trezevant HS (1960)			
Square Feet	296,765	296,765	296,765
Classrooms	67	67	67
Design Capacity	1,667	1,667	1,667
Enrollment	545	536	625
Trezevant Career & Technology (1976)			
Square Feet	62,546	62,546	62,546
Classrooms	27	27	27
Design Capacity	Not Available	Not Available	Not Available
Enrollment	Not Available	Not Available	Not Available
Vance MS (1971)			
Square Feet	150,300	150,300	150,300
Classrooms	36	36	36
Design Capacity	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Enrollment	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Vollentine ES (1930)			
Square Feet	75,100	75,100	75,100
Classrooms	37	37	37
Design Capacity	740	740	740
Enrollment	359	292	232
Walker Elementary (1963)			
Square Feet	43,558	43,558	43,558
Classrooms	N/A	N/A	N/A
Design Capacity			
Enrollment	Admin closed	Admin closed	Admin closed
Wells Station ES (1954)			
Square Feet	69,001	69,001	69,001
Classrooms	35	35	35
Design Capacity	1100	1100	1100
Enrollment	786	725	714
Westhaven ES (1956)--OLD			
Square Feet	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Classrooms	67,082	67,082	67,082
Design Capacity	44	44	44
Enrollment	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Westhaven ES Rebuilt 2017			
Square Feet	107,000	107,000	107,000
Classrooms	51	51	51
Design Capacity	840	840	840
Enrollment	854	738	698
Westside ES (1952)			
Square Feet	67,028	67,028	67,028
Classrooms	29	29	29
Design Capacity	580	580	580
Enrollment	335	305	310
Westside MS (1960)	ASD School	ASD School	ASD School

Continued from Prior Page



**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
Municipal School	Municipal School	109,405	109,405	109,405	109,405	109,405
Municipal School	Municipal School	69	69	69	69	69
Municipal School	Municipal School	1,380	1,380	1,380	1,380	1,380
Municipal School	Municipal School	659	682	729	745	780
57,803	57,803	57,803				
N/A	N/A	N/A				
Not Available	Not Available	Not Available				
Administration	Administration	Administration				
55,512	55,512	55,512				
45	45	45				
900	900	900				
650	689	677				
145,870	145,870	145,870				
40	40	40				
998	998	998				
392	407	372				
296,765	296,765	296,765				
67	67	67				
1,667	1,667	1,745				
667	559	615				
62,546	62,546	62,546				
27	27	27				
Not Available	Not Available	Not Available				
Not Available	Not Available	Not Available				
150,300	150,300	150,300				
36	36	36				
Closed 2013-2014	Closed 2013-2014	860				
Closed 2013-2014	Closed 2013-2014	159				
75,100	75,100	75,100				
37	37	37				
740	740	740				
223	265	270				
43,558	43,558	43,558				
N/A	N/A	N/A				
Admin closed	Not Available	Not Available				
	Administration	Administration				
69,001	69,001	69,001				
35	35	35				
700	700	700				
739	750	683				
Closed 2013-2014	Closed 2013-2014					
67,082	67,082	67,082				
44	44	44				
Closed 2013-2014	Closed 2013-2014	898				
Closed 2013-2014	Closed 2013-2014	410				
67,028	67,028	67,028				
29	29	29				
580	580	580				
323	302	342				
ASD School	ASD School	Westside MS became an Achievement School District (ASD) school in 2013.				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Square Feet	133,852	133,852	133,852
Classrooms	35	35	35
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Westwood ES (1962)	ASD School	ASD School	ASD School
Square Feet	77,428	77,428	77,428
Classrooms	47	47	47
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
Westwood HS (1958)			
Square Feet	181,342	181,342	181,342
Classrooms	51	51	51
Design Capacity	1,329	1,329	1,329
Enrollment	382	344	332
White Station ES (1933)			
Square Feet	76,420	76,420	76,420
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	646	617	637
White Station HS (1952)			
Square Feet	247,624	247,624	247,624
Classrooms	98	98	98
Design Capacity	2,401	2,401	2,401
Enrollment	2141	2205	2175
White Station MS (1960,2007)			
Square Feet	144,411	144,411	144,411
Classrooms	53	53	53
Design Capacity	1,259	1,259	1,259
Enrollment	1282	1265	1289
Whitehaven ES (1949)			
Square Feet	49,885	49,885	49,885
Classrooms	30	30	30
Design Capacity	600	600	600
Enrollment	511	412	460
Whitehaven HS (1931)			
Square Feet	232,776	232,776	232,776
Classrooms	68	68	68
Design Capacity	1,666	1,666	1,666
Enrollment	1707	1706	1763
White's Chapel ES (1951)			
Square Feet	Closed	ASD School	ASD School
Classrooms	Closed	ASD School	ASD School
Design Capacity	Closed	ASD School	ASD School
Enrollment	Closed	ASD School	ASD School
Whitney ES (1962)	ASD School	ASD School	ASD School
Square Feet	63,979	63,979	63,979
Classrooms	30	30	30
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
William H. Brewster (2006)			
Square Feet	95,220	95,220	95,220
Classrooms	41	41	41
Design Capacity	820	820	820
Enrollment	515	410	409
Willow Oaks ES (1951)			
Square Feet	71,759	71,759	71,759
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	762	689	662
Winchester ES (1960)			
Square Feet	82,664	82,664	82,664
Classrooms	40	40	40
Design Capacity	800	800	800
Enrollment	624	567	660
Windridge ES (2001)			
Square Feet	84,214	84,214	84,214
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	509	481	514
Wooddale HS (1967)			

Continued from Prior Page

SHELBY COUNTY  
BOARD OF EDUCATION

2016	2015	2014	2013	2012	2011	2010
133,852	133,852	133,852				
35	35	35				
ASD School	ASD School	875				
ASD School	ASD School	ASD School				
ASD School	ASD School					
77,428	77,428	77,428				
47	47	47				
ASD School	940	940				
ASD School	225	332				
181,342	181,342	181,342				
51	51	51				
1,329	1,329	1,329				
381	404	462				
76,420	76,420	76,420				
42	42	42				
840	840	840				
599	615	627				
247,624	247,624	247,624				
98	98	98				
2,401	2,401	2,401				
2189	2313	2,293				
144,411	144,411	144,411				
53	53	53				
1,259	1,259	1,259				
1254	1303	1,247				
49,885	49,885	49,885				
30	30	30				
600	600	600				
463	491	459				
232,776	232,776	232,776				
68	68	68				
1,666	1,666	1,666				
1777	1848	1,906				
ASD School	ASD School	Closed				
ASD School	ASD School	Closed				
ASD School	ASD School	Closed				
ASD School	ASD School	Closed				
ASD School	ASD School					
63,979	63,979	63,979				
30	30	30				
ASD School	ASD School	640				
ASD School	ASD School	ASD School				
95,220	95,220	95,220				
41	41	41				
820	820	820				
366	429	438				
71,759	71,759	71,759				
42	42	42				
840	840	840				
674	671	685				
82,664	82,664	82,664				
40	40	40				
800	800	800				
580	494	365				
84,214	84,214	84,214				
46	46	46				
920	920	920				
545	527	621				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Square Feet	263,513	263,513	263,513
Classrooms	80	80	80
Design Capacity	1928	1928	1928
Enrollment	605	776	872
<b>Wooddale MS (1970)</b>			
Square Feet	184,760	184,760	184,760
Classrooms	62	62	62
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School
<b>Woodstock MS (1956)</b>			
Square Feet	84,850	84,850	84,850
Classrooms	62	62	62
Design Capacity	973	973	973
Enrollment	317	268	275
<b>Total SCS Buildings</b>			
Square Feet	22,082,834	22,292,543	22,362,044
Classrooms	8,373	8,462	8,501
Design Capacity	141,354	141,172	141,932
Enrollment	91,367	89,050	90,220
<b>SCS schools on non-SCS property (enrollment)</b>			
Campus Elementary	344	333	333
Hollis F. Price Middle College	109	120	112
MCS Prep School - Southeast	Closed	Closed	Closed
Memphis Virtual School	141	92	145
Memphis Health Careers Academy	Closed 2015-16	Closed 2015-16	Closed 2015-16
Middle College High (Relocated to Fairview in 2011)	Included with Maxine	Included with Maxine	Included with Maxine
Martin Luther King Transition Center	Closed 2015-16	Closed 2015-16	Closed 2015-16
Highland Oaks Primary			
<b>Total non-SCS property (enrollment)</b>	594	545	607
<b>Charter Schools (enrollment)</b>			
Arrow Academy of Excellence	73	83	81
Aspire East Academy	282	190	103
Aurora Collegiate Academy	338	338	275
Circles of Success	235	178	235
City University	266	275	290
City University School Of Independence	16	17	19
City University Boys Prep	88	66	66
City University Girls Prep	99	97	101
DuBois Elementary School of Arts Technology	201	233	284
DuBois Elementary School of Entrepreneurship	218	295	298
DuBois High School of Arts Technology	Closed	192	221
DuBois Middle of Leadership Public Policy	129	184	156
DuBois High of Leadership Public Policy	Closed	151	91
DuBois Middle School of Arts Technology	125	158	180
Freedom Prep Academy	78		
Freedom Prep Elementary	323	102	59
Freedom Prep	537	650	601
Gateway University (started 2017-18 school year)	152	1	
Goodwill Excel	199	279	343
Granville T. Woods Academy of Innovation	407	350	427
KIPP Diamond (Became a charter school 2009-renamed/restructured-see Caldwell)	0	0	943
KIPP Memphis Collegiate Elementary (Caldwell)	417	482	
KIPP Memphis Collegiate Middle (Caldwell)	333	324	
KIPP Academy at Cypress (renamed/restructured-see Cypress)	492	0	737
KIPP Memphis Academy Middle (Cypress)	342	390	
KIPP Memphis Collegiate High (Cypress)		473	
Kaleidoscope School of Memphis (first school year: 2017-18)	71	40	
Leadership Preparatory Charter School	263	168	129
Legacy Leadership Academy (Open one school year: 2017-18; Closed prior to 2018-19)	3	18	
Memphis Academy of Health Sciences	311	275	316
Memphis Academy of Health Science High	426	431	429
Memphis Academy of Science & Engineering	616	512	450
Memphis Business Academy	483	456	378
Memphis Business Academy Elementary	341	370	343
Memphis Business Academy Hickory Hill Elementary; new 2018-19	90		
Memphis Business Academy Hickory Hill Middle; new 2018-19	28		
Memphis Business Academy High	469	463	417
Memphis College Prep	249	270	265
Memphis Delta Prep	304	224	256

Continued from Prior Page

**SHELBY COUNTY  
BOARD OF EDUCATION**

2016	2015	2014	2013	2012	2011	2010
263,513	263,513	263,513				
80	80	80				
1928	1928	1960				
1067	1163	1311				
184,760	184,760	184,760				
62	62	62				
ASD School	1,473	1,473				
ASD School	699	762				
84,850	84,850	84,850	84,850	84,850	84,850	84,850
62	62	62	43	43	43	43
973	973	973	1,075	1,075	1,075	1,075
320	330	434	468	485	516	520
22,318,932	22,343,453	26,956,417	6,760,805	6,654,805	6,429,219	6,429,219
8,479	8,486	10,616	3,189	3,133	3,133	3,133
149,675	167,253	217,154	67,357	66,215	66,215	66,215
92,799	98,342	131,782	46,175	45,141	46,616	46,420
329	329	329				
108	117					
		197				
103		93				
74	90	105				
283	236	198				
		316				
		Students transferred to Highland Oaks ES in 2010.				
897	772	1,237	0	0	0	0
81	58	29				
199	175	113				
246	247	244				
301	294	314				
23						
56	73	115				
82	60	37				
279	319	203				
266	238	179				
159	115	74				
136	124	104				
17	23					
208	215	140				
601	475	367				
adult						
291						
1162	1013	846				
396	298	199				
78						
265	323	311				
385	401	389				
407	389	360				
320	571	428				
334						
381	383	323				
316	289	212				

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**

**OPERATING INFORMATION**

**Summary of Buildings and Sites**

**Last ten fiscal years ending June 30**

School/Building	2019	2018	2017
Memphis Rise Academy	557	435	328
Memphis Grizzlies Prep	346	332	261
Memphis School of Excellence ES/MS (Mendenhall Campus: restructured as ES/MS only starting with 2017-18 SY)		561	475
Memphis School of Excellence High School (Grades 9-12 relocated to new Winchester Campus starting with 2017-18 SY)		1	
Moving Ahead School of Scholars	Closed 2015-16	Closed 2015-16	Closed 2015-16
New Consortium of Law and Business	Closed 2015-16	Closed 2015-16	Closed 2015-16
Omni Prep - North Pointe Lower	Closed 2015-16	Closed 2015-16	Closed 2015-16
Omni Prep - North Pointe Middle	Closed 2015-16	Closed 2015-16	Closed 2015-16
Memphis STEM Academy	187	127	75
Nexus STEM Academy (aka Power Center Academy Southeast Middle - started 2016-17)		79	95
Nexus STEM Academy Elementary (aka Power Center Academy Southeast Elementary - started 2017-18)		69	
Power Center (restructured - see Power Center Academy below)	1,071		
Power Center Academy Elementary (6120 Winchester) (aka PCA Hickory Hill Elementary)	124	535	
Power Center Academy High (5390 Mendenhall Sq. Mall) (aka PCA Hickory Hill High)	582	652	
Power Center Academy (5449 Winchester) (aka PCA Hickory Hill Middle)	227	459	1478
Promise Academy	363	399	391
Soulsville Academy	647	645	636
Southern Avenue	368	439	425
Southern Avenue Middle	Closed 2015-16	Closed 2015-16	Closed 2015-16
Southwest Early College High (started 2017-18 SY)	178	103	
Star Academy	279	244	230
Thurgood Marshall High School	Closed	Closed	
Thurgood Marshall Middle School	Closed	Closed	
Veritas College Preparatory	149	138	131
Vision Prep	405	293	224
<b>Total Charter School Enrollments</b>	<b>15,312</b>	<b>14,246</b>	<b>13,242</b>
<b>District Total Enrollment</b>	<b>107,273</b>	<b>103,841</b>	<b>104,069</b>

Note: Enrollment based on the 20th Day.

SHELBY COUNTY  
BOARD OF EDUCATION

2016	2015	2014	2013	2012	2011	2010
211	95					
252	238	157				
453	453	389				
58						
225	155	163				
186	201	193				
148	127	125				
1301	960	605				
424	482	460				
641	632	588				
436	372	364				
161	249	265				
235	232	236				
		59				
	188	12				
136	100	192				
155						
12,011	10,567	8,795	0	0	0	0
105,707	109,681	141,814	46,175	45,141	46,616	46,420

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Insurance Coverage and Surety Bonds**  
**Fiscal year ending June 30**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

Type	Policy Term	Company	Policy Number	Costs
Student Athletic Accident	7/1/18 - 7/1/19	Mutual of Omaha Insurance	SR2014TN-P-053841	\$219,966
Insurance Consultant	By Contract	Willis Tower Associates	NA	\$72,500
Property Insurance	7/1/18 - 7/1/19	Travelers Indemnity	KTKCMB4J28807617	\$810,109
Property & Boiler/Machinery Insurance	7/1/18 - 7/1/19	Travelers Indemnity	KTKCMB1C6033914	Included with the Property Insurance
Flood Insurance - A. Maceo Walker 100 year flood plan site	9/10/17 - 9/10/18 9/10/18 - 9/10/19	American Bankers Ins. Co. American Bankers Ins. Co.	990544652522017 99054465212018	\$1,913.00 \$3,223.00
Flood Insurance - American Way Middle 100 year flood plan site	8/20/17 - 8/20/18 8/20/18 - 8/20/19	American Bankers Ins. Co. American Bankers Ins. Co.	990544652522017 990544652522018	\$1,913.00 \$1,934.00
Flood Insurance - North Area Office	10/30/17 - 10/30/18 10/30/18 - 10/30/19	American Bankers Ins. Co. American Bankers Ins. Co.	99055147112017 99055147112018	\$3,804.00 \$3,804.00
Flood Insurance - IT Bldg & Training Ctr.	10/30/17 - 10/30/18 10/30/18 - 10/30/19	American Bankers Ins. Co. American Bankers Ins. Co.	990551471422017 990551471422018	\$3,323.00 \$3,323.00
Vehicle Insurance Out of State	7/1/18 - 7/1/19	National Continental Ins.	CTN00056153208	\$12,640.00
JROTC	7/1/18 - 6/30/19	Self-insured	None	Self-insured
Voluntary Student Insurance Participation voluntary	7/1/18 - 7/1/19	K&K Insurance	JXS0000027528700	Individual Student Coverage
Surety/Criminal Bond General Employees	7/1/18 - 7/1/19	Liberty Mutual Surety	LSF002039	\$3,944.00
Surety Bond Commissioners	Althea Greene 2/26/19 - 8/2/20 Kevin Woods 8/2/16 - 8/2/20 Shante Avant 9/1/19 - 9/1/20 William Orgel 8/2/18 - 8/2/22 Michelle Robinson McKissack 9/1/18 - 9/1/22 Stephanie Love 9/1/18 - 9/1/22 Scott McCormick 9/1/18 - 9/1/22 Miska Clay-Bibbs 9/1/18 - 9/1/22 Joyce Dorse Coleman 9/1/18 - 9/1/22	Fidelity and Deposit of Maryland Fidelity and Deposit of Maryland Fidelity and Deposit of Maryland Fidelity and Deposit of Maryland Fidelity and Deposit of Maryland Hartford Fire Insurance Co. Hartford Fire Insurance Co. Hartford Fire Insurance Co. Hartford Fire Insurance Co.	20BSB187984 9038809 9038865 9038806 9038805 20BSBGW1801 20BSBGX0029 20BSBGW1843 20BSBGW1807	\$100 \$100 \$100 \$100 \$100 \$90 \$100 \$170 \$170
Student Field Trip	7/1/18 - 7/1/19	Hartford Insurance	5R2014TNP053841	Coverage Included with Student Incident (Athletic) Ins.
Medicare Section 111	7/1/18 - 7/1/19	Self -Insured (Self Reporting to Medicare)	NA	NA
Law Enforcement Liability Insurance	7/1/18 - 7/1/19	Crum & Forster Specialty	GLO-551054	\$87,803.00
Germantown Athletic Field Liability Insurance	7/30/17 - 7/30/18 7/30/18 - 7/30/19	Cincinnati Insurance Cincinnati Insurance	ENP 026 76 50 ENP 026 76 50	\$6,126.00 \$6,126.00



**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Graduation Information**  
**Last ten fiscal years ending June 30**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

<u>Fiscal Year</u>	<u>Regular Diploma</u>	<u>Special Education Certificate</u>	<u>Occupational Diploma</u>	<u>Total</u>
2010	2,891	51		2,942
2011	3,172	34		3,206
2012	3,510	95		3,605
2013	3,142	53		3,195
2014	8,925	166		9,091
2015	7,300	165		7,465
2016	7,298	183		7,481
2017	6,941	178		7,119
2018	6,662	168	1	6,831
2019	6,489	138	12	6,639

Note: Shelby County Schools graduation information unavailable prior to 2009.

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**School Lunch Program**  
**Last ten fiscal years ending June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Charge per lunch to students:					
Paid Elementary	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Paid Secondary	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Paid High School	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reduced	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Charge per lunch to adults	\$3.75	\$3.75	\$2.00	\$2.00	\$3.50
Number of days served	180	175	179	179	174
Number of free lunches served	14,435,594	13,962,433	14,504,635	15,067,418	15,124,383
Percent of total lunches served	100.00%	100.00%	100.00%	100.00%	100.00%
Average number of free lunches served daily	80,198	79,785	81,031	84,176	86,922
Number of paid lunches served at reduced price	0	0	0	0	0
Percent of total lunches served	0.00%	0.00%	0.00%	0.00%	0.00%
Number of paid lunches served at regular price	0	0	0	0	0
Percent of total lunches served	0.00%	0.00%	0.00%	0.00%	0.00%
Average number of paid lunches served daily:					
At reduced price	0	0	0	0	0
At regular price	0	0	0	0	0
Total number of lunches served	14,435,594	13,962,433	14,504,316	15,067,418	15,124,383
Average number of lunches served daily	80,198	79,785	81,030	84,176	86,922
Weighted FTE Average Daily Attendance	134,753	135,366	134,203	139,755	141,916

Source: Tennessee Department of Education School Nutrition Program Year-to-Date Meal Counts/Participation

**SHELBY COUNTY  
BOARD OF EDUCATION**

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$2.25	\$2.25	\$2.00	\$2.00	\$1.75
\$2.25	\$2.25	\$2.00	\$2.00	\$2.00
\$2.25	\$2.25	\$2.00	\$2.00	\$2.00
\$0.30	\$0.40	\$0.40	\$0.40	\$0.40
\$3.50	\$3.25	\$3.00	\$3.00	\$3.00
175	178	177	176	175
12,502,586	1,878,650	1,849,565	1,918,868	1,765,495
85.68%	52.62%	46.28%	45.02%	40.34%
71,443	10,554	10,450	10,903	10,089
620,289	266,969	10,450	10,903	10,089
4.25%	7.48%	0.26%	0.26%	0.23%
1,468,796	1,424,529	1,858,175	2,066,310	2,299,477
10.07%	39.90%	46.49%	48.48%	52.54%
3,545	1,500	59	62	58
8,393	8,003	10,498	11,740	13,140
14,591,671	3,570,148	3,996,777	4,262,168	4,376,275
83,381	20,057	22,581	24,217	25,007
195,359	54,887	54,823	56,162	56,905

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)**  
**OPERATING INFORMATION**  
**Pupil Transportation**  
**Last ten fiscal years ending June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School Buses				
Type I	423	429	387	472
Type II	-	-	-	-
Total	<u>423</u>	<u>429</u>	<u>387</u>	<u>472</u>
Daily one-way miles traveled for all buses				
From residence to first pick-up	4,259	3,270	3,040	3,453
From first pick-up to last school served	12,395	14,554	13,826	11,870
Total	<u>16,654</u>	<u>17,824</u>	<u>16,866</u>	<u>15,323</u>
Pupils Transported				
Enrolled				
Regular	26,108	22,081	21,554	23,708
Special Education	1,721	1,765	1,771	1,975
ADT 1 1/2 miles +				
Regular	15,803	15,371	15,968	15,686
Special Education	1,478	1,765	1,771	1,975
Injuries				
Treated and released	6	9	12	7
Confined overnight	-	-	-	-
Type Accident				
Property damage	68	69	91	98
Personal injury	6	8	8	5

Source: Annual Pupil Transportation Report

**SHELBY COUNTY  
BOARD OF EDUCATION**

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
451	642	312	311	316	309
-	-	-	-	-	-
<u>451</u>	<u>642</u>	<u>312</u>	<u>311</u>	<u>316</u>	<u>309</u>
8,282	27,366	1,857	2,010	1,879	1,960
11,976	26,964	12,416	8,470	8,691	8,719
<u>20,258</u>	<u>54,330</u>	<u>14,273</u>	<u>10,480</u>	<u>10,570</u>	<u>10,679</u>
37,116	54,409	23,331	23,153	22,777	26,236
2,117	2,689	667	440	370	337
28,179	43,721	22,320	22,496	22,188	23,833
1,691	2,232	623	396	343	307
30	4	3	2	3	-
2	-	-	-	-	-
9	67	55	48	52	66
17	8	7	8	2	7

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# **Statutory Reporting Section**

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

To the Chairperson and Members of the  
Shelby County Board of Education  
Memphis, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund, food service fund, and special revenue – categorically aided fund of the Board of Education of the Shelby County Schools (the Board) (a component unit of Shelby County, Tennessee) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 13, 2019.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of 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 Board'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 and 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, but other matters that are required to be reported under the State of Tennessee Department of Audit, *Audit Manual* which are described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003. A schedule of cash shortages and thefts has been filed with the State of Tennessee Division of County Audit. The schedule includes all cash shortages and thefts, and any investigative audits being performed. These matters were detected by the Shelby County Board of Education.

## The Board's Responses to Findings

The Board's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The Board'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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Watkins Mikusall, PLLC*      *Banks, Jolley, White & Co.*

Memphis, Tennessee  
December 13, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Chairperson and Members of the  
Shelby County Board of Education  
Memphis, Tennessee

**Report on Compliance for Each Major Federal Program**

We have audited the Board of Education of the Shelby County Schools' (the Board) (a component unit of Shelby County, Tennessee) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2019. The Board's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Board's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Watkins Universal, PLLC      Banks, Jolley, White & Co.

Memphis, Tennessee  
December 13, 2019

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the year ended June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Expenditures	Passed Through to Sub recipients
<b>Federal Awards</b>				
<b>U.S. Department of Labor</b>				
<b>Passed Through City of Memphis</b>				
Workforce Investment Act - Employment and Training Activities for Out of School Youth	17.259	2019-0167	124,456	
Workforce Investment Act - Employment and Training Activities for In School Youth	17.259	2019-0168	<u>52,609</u>	
<b>Total 17.259</b>			<u>177,065</u>	
<b>U.S. Department of Justice</b>				
<b>Passed Through State</b>				
Comprehensive School Safety Initiative	16.560	2016-CK-BX-0011	<u>616,858</u>	
<b>Total 16.560</b>			616,858	
<b>National Science Foundation</b>				
Memphis Virtual STEM Academy	47.076	DRL-1311876	<u>185,413</u>	
<b>Total 47.076</b>			185,413	
<b>U.S. Department of Agriculture</b>				
<b>Passed Through State of Tennessee</b>				
<i>Child Nutrition Program Cluster</i>				
National School Breakfast Program	10.553	N/A	<u>21,215,657</u>	
<b>Total 10.553</b>			21,215,657	
National School Lunch Program	10.555	N/A	48,936,664	
National School Lunch Program-Non Cash Assistance	10.555	N/A	<u>4,975,076</u>	
<b>Total 10.555</b>			53,911,740	
Summer Food Service Program	10.559	N/A	<u>2,769,996</u>	
<b>Total 10.559</b>			2,769,996	
<b>Total Child Nutrition Program Cluster</b>			<u>77,897,393</u>	
Child Care Food Program	10.558	N/A	18,612	
At Risk Supper Program	10.558	N/A	<u>1,994,432</u>	
<b>Total 10.558</b>			2,013,044	
Fresh Fruit and Vegetable Program	10.582	N/A	<u>1,285,704</u>	
<b>Total 10.582</b>			1,285,704	
<b>Total U.S. Department of Agriculture</b>			<u>81,196,141</u>	
<b>U.S. Department of Education Direct Funding</b>				
Project STAND	84.051A	V051A160030	<u>550,678</u>	
<b>Total 84.051A</b>			550,678	
Transition School to Work Program	84.126	50018 (34570-50019)	<u>135,824</u>	
<b>Total 84.126</b>			135,824	
Project Prevent	84.184M	S184M140089-16	<u>987,826</u>	
<b>Total 84.184M</b>			987,826	
STEM in the Library	84.215G	S215G180121	<u>443,286</u>	
<b>Total 84.215G</b>			443,286	
<b>Subtotal U.S. Department of Education Direct Funding</b>			<u>2,117,613</u>	

See independent auditor's report and accompanying notes to the schedule.

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the year ended June 30, 2019**

**SHELBY COUNTY**  
**BOARD OF EDUCATION**

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Expenditures	Passed Through to Sub recipients
<b>U.S. Department of Education</b>				
<b>Passed Through State Department of Education</b>				
Title I, Improving Basic Programs-Operated by LEA's	84.010A	S010A180042	52,793,095	
Title I, Neglected	84.010A	S010A180042	422,763	
Title I, Part A School Improvement	84.010A	S010A170042	1,911,361	
Title I, School Improvement 1003(a) iZone Grant	84.010A	S010A160042	627,040	
Title I, D	84.010A	S010A180042	141,539	
ESEA Consolidated Administration	N/A	N/A	2,147,990	
<b>Total 84.010</b>			58,043,787	
<b>Special Education Cluster</b>				
IDEA Part B-High Cost	84.027A	2018	38,857	
IDEA Part B-Discretionary-Supplement	84.027A	H027A180052	38,714	
Comprehensive Plan for Providing Special Education Services - IDEA Part B	84.027A	H027A180052	27,050,623	
<b>Total 84.027A</b>			27,128,194	
IDEA Part B - Preschool - Special Education Services - Preschool Grants	84.173A	H173A180095	304,149	
IDEA Part B - Preschool - Discretionary	84.173A	H173A180095	58,330	
<b>Total 84.173</b>			362,479	
<b>Total Special Education Cluster</b>				
			27,490,672	
GEAR-UP	84.334S	NV41607	285,458	
GEAR-UP	84.334S	P334A170004	122,064	
GEAR-UP	84.334S	P334A170004	10,241	
<b>Total 84.334S</b>			417,763	
Vocational Education - Basic Grants to States ( Perkins Basic Grant )	84.048A	V048A180042	2,520,070	
Perkins Reserve Consolidated Grant	84.048A	V048A180042	98,138	
<b>Total 84.048A</b>			2,618,208	
New Skills for Youth Mini Grant	84.048B	33145-02118	5,576	
<b>Total 84.048B</b>			5,576	
Title IX, A - Homeless Education and Youth	84.196A	S196A180044	103,636	
<b>Total 84.196A</b>			103,636	
Twenty First Cent. Community Learning-Cohort 2014	84.287	S287C180043	463,456	
Twenty First Cent. Community Learning-Cohort 2017	84.287	S287C180043	150,458	
Twenty First Cent. Community Learning-Cohort 2018	84.287	S287C180043	551,713	
<b>Total 84.287</b>			1,165,627	
<b>School Improvement Grants Cluster</b>				
School Improvement	84.377A	S377A160043	2,177,337	
<b>Total 84.388A and 84.377A</b>			2,177,337	
<b>Total School Improvement Grants Cluster</b>				
			2,177,337	

See independent auditor's report and accompanying notes to the schedule.

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the year ended June 30, 2019**

**SHELBY COUNTY  
BOARD OF EDUCATION**

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Expenditures	Passed Through to Sub recipients
Title III-Language Instruction for English Learners and Immigrant Students	84.365A	S365A180042	1,009,081	
Title III-Immigrant Grant	84.365A	S365A180042	<u>20,951</u>	
<b>Total 84.365A</b>			1,030,032	
Title II-A Teacher and Principal Training & Recruiting	84.367A	S367A180040	4,650,873	
Title II-A Improving Teacher and Leader Quality ( Principal Pipeline Partnership )	84.367A	S367A180040	<u>184,536</u>	
<b>Total 84.367A</b>			4,835,409	
SCS SEED Grant	84.367D	U367D150007	<u>351,313</u>	
<b>Total 84.367D</b>			351,313	
Race to the Top - Preschool Expansion Grant	84.419B	S4198150026	<u>6,843,237</u>	
<b>Total 84.419B</b>			6,843,237	
Title IV-A Student Support and Academic Enrichment	84.424A	S424A180044	3,261,400	
Title IV-A Student Support and Academic Enrichment Competitive Grant	84.424A	S424A180044	<u>3,568</u>	
<b>Total 84.424A</b>			3,264,968	
Emergency Impact Aid	84.938C	N/A	<u>187,250</u>	
<b>Total 84.938C</b>			187,250	
<b>Subtotal U.S. Department of Education Passed Through</b>			<b>108,514,814</b>	
<b>Total U.S. Department of Education</b>			<b>110,632,428</b>	
<b>U.S. Department of Health and Human Services Center for Mental Health Services</b>				
Read to Be Ready Summer Literacy Grant	93.575	G1801TNCCDF	117,593	
Read to Be Ready Summer Literacy Grant	93.575	G1701TNCCDF	<u>21,638</u>	
<b>Total 93.575</b>			139,231	
Head Start	93.600	04CH4727-06-01	11,442,959	
Head Start	93.600	04CH4727-05-04	<u>13,175,091</u>	
Head Start Reimbursable Meals			<u>400,259</u>	
<b>Total 93.600</b>			25,018,308	
Substance Abuse Prevention and Treatment	93.959	DGA58045_2018-2019_017	<u>56,317</u>	
<b>Total 93.959</b>			56,317	
<b>U.S. Department of Health and Human Services Passed Through Center For Disease Control</b>				
CDCP HIV/STD Prevention	93.079	5U87PS004371-01-00	<u>291,367</u>	
<b>Total 93.079</b>			291,367	
<b>Total U.S. Department of Health and Human Services</b>			<b>25,505,224</b>	
<b>Total Federal Awards</b>			<b>218,313,128</b>	
<b>State Awards</b>				
<b>State Department of Education</b>				
Family Resource Center	N/A	N/A	84,705	
Safe Schools	N/A	N/A	1,759,178	
Coordinated School Health	N/A	N/A	420,538	
Priority School State Grant	N/A	N/A	3,089,705	
Teacher Leader Network	N/A	N/A	4,291	
Voluntary Pre-K	N/A	N/A	11,033,941	
Lottery for Education: Afterschool Programs	N/A	N/A	299,746	
Principal Residency Grant	N/A	N/A	30,735	
Read To Be Ready Coaching Network	N/A	N/A	<u>9,984</u>	
<b>State Department of Health</b>			16,732,823	
<b>Total State Awards</b>			<b>16,732,823</b>	
<b>Total Federal and State Awards</b>			<b>\$ 235,045,951</b>	

See independent auditor's report and accompanying notes to the schedule.

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**NOTE 1 – BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal and State Awards (the Schedule) is based on the modified accrual basis of accounting, consistent with accounting for governmental type funds. It includes the transactions related to the receipt of federal funds by the Shelby County Board of Education (the "District") under programs of the federal and state government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Individual awards within each category of federal awards are identified by CFDA number and program name. The awards are also presented in total by funding agency.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in either OMB circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Federally negotiated indirect cost rates are used.

There were no federal awards passed through to subrecipients.

**FOOD DONATION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2019, the Shelby County Board of Education had food commodities totaling \$1,163,532 in inventory.

**NOTE 3 – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS TO THE FINANCIAL STATEMENTS**

The following is a reconciliation of expenditures per the schedule of expenditures of federal and state awards to the expenditure balances in the Categorically Aided Fund, per the District's financial statements.

Totals per schedule of expenditures	\$ 235,045,951
Add: Expenditures not shown on the schedule	12,602,945
Subtract: Food service expenditures not reported in categorically aided fund	(81,596,400)
Other expenditures not reported in categorically aided fund	(5,580,233)
Total categorically aided fund expenditures	<u>\$ 160,472,263</u>

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the Year Ended June 30, 2019

**SHELBY COUNTY  
 BOARD OF EDUCATION**

**SECTION I – SUMMARY OF INDEPENDENT AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued on whether financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America Unmodified

Internal control over financial reporting:  
 Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified not considered to be material weakness(es)?  X  Yes \_\_\_\_\_ None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

**Federal Awards**

Internal control over major programs:  
 Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes  X  None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_\_\_\_\_ Yes  X  No

Identification of major programs:

*CFDA Number: 84.424 – Title IV Student Support and Academic Enrichment Program*  
*CFDA Number: 10.553, 10.555, 10.559 – Child Nutrition Cluster*  
*CFDA Number: 84.419 – Preschool Development Grants*

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Did auditee qualify as a low-risk auditee?  X  Yes \_\_\_\_\_ No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Significant Deficiency**

**2019-001 Schedule of Expenditures of Federal Awards (SEFA) Not Accurately Reported**

**Criteria:** Federal expenditures reported on the SEFA should include all federal programs (CFDA numbers) and the amount of federal expenditures (which can be different depending on if the grant is on a cost reimbursement basis or a fee for service) relating to each of those programs as required by the Uniform Guidance.

**Condition:** Federal funding was not accurately reported on the Schedule of Expenditures of Federal Awards (SEFA). The amount of misstatement on the SEFA was approximately \$3.1 million that related to three federal programs (CFDA numbers).

**Cause:** Lack of adequate Internal controls over the preparation and review process of the SEFA, along with the lack of knowledge, skills, and experience of the employees involved.

**Effect:** The SEFA was under reported by approximately \$3.1 million.

**Recommendation:** We recommend that the Board review their policies and procedures for SEFA preparation ensuring sufficient controls are implemented going forward over preparation of the SEFA. This includes having an individual with the necessary skills, knowledge, and experience reviewing the SEFA in its entirety.

**Views of Responsible Officials:** See corrective action plan.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

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**SECTION IV – STATE AUDIT MANUAL FINDINGS AND QUESTIONED COSTS**

**COMPLIANCE AND OTHER MATTERS**

**2019-002 Closing the Accounting Records within Required Period**

**Criteria:** According to TCA 9-2-102, all county governments must close their accounting records no later than two months after fiscal year end.

**Condition:** The Board’s accounting records were not closed by August 30th and several significant post-close entries were made during October and November.

**Effect:** The Board is out of compliance with state laws and regulations.

**Questioned Costs:** None Reported.

**Recommendation:** We recommend that management implement policies and procedures that include thorough review of the accounting records prior to the two months after year end, ensuring the records are complete and accurate at that time.

**Views of Responsible Officials:** See corrective action plan.

**2019-003 Expenditures in Excess of Budget**

**Criteria:** Expenditures should be kept within amounts appropriated in the budget ordinance/resolution and any amendments thereto.

**Condition:** In the General Fund, expenditures for several functions exceeded budget by approximately \$14,500,000.

**Effect:** Expenditures were in excess of approved amounts.

**Recommendation:** Expenditures should not be incurred in amounts that exceed the budget. We recommend that the Board either delay expenditures or appropriately amend the budget.

**Views of Responsible Officials:** See corrective action plan.



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## MANAGEMENT'S CORRECTIVE ACTION PLAN

The Shelby County Board of Education respectfully submits the following corrective action plan for the year ended June 30, 2019.

**Corrective Action Plan Prepared by:** Tutonial Williams, 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, 2019

The findings from the June 30, 2019, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **2019-001 Schedule of Expenditures of Federal Awards Not Accurately Reported**

Person Responsible for Implementing the Corrective Action:

Derrick Morris, Deputy of School Fiscal and Operations

Anticipated Completion Date for Corrective Action: May 31, 2020

Planned Corrective Action:

The Finance and Nutrition Services' Planning and Analysis staff will have targeted training for the preparation and review of the Schedule of Expenditures of Federal Awards (SEFA), which will be implemented by April 30, 2020. Nutrition Services Planning and Analysis team will complete the following in partnership with Finance:

- Develop Standard Operating Procedures to include procedures on reconciliations, completion of monthly revenue register logs, and documentation of all federal CDFA numbers and state grants by January 31, 2020.
- Enhance the nutrition monthly reconciliation to include all revenues and expenditures by project and establish objects so that all revenue items are easily identified by programs.
- Nutrition Services will submit monthly reconciliations to Finance for final review and approval.
- At year end, reconciliations will be completed to ensure the final SEFA schedule balances to the general ledger.

**2019-002 Closing the Accounting Records within Required Period**

Person Responsible for Implementing the Corrective Action:

Tito Langston, Deputy Financial Planning and Accounting

Anticipated Completion Date for Corrective Action: March 31, 2020

Planned Corrective Action:

- Finance will develop a plan that will encompass key activities and due dates that will be monitored daily and throughout the year-end close period. The plan will be communicated to key staff in January 2020.
- Review and approve monthly reconciliations. Discuss any reconciling items and resolve them by next accounting cycle. We will also hold monthly departmental meetings to ensure that all team members are on the same page with financials.
- Finance will perform a soft close in May 2020 to ensure all transactions are accurately reflected in the general ledger.
- Finance will hire additional staff to properly perform all necessary functions to close the books in a timely manner.

**2019-003 Expenditures in Excess of Budget**

Person Responsible for Implementing the Corrective Action:

Tito Langston, Deputy Financial Planning and Accounting

Anticipated Completion Date for Corrective Action: March 31, 2020

Planned Corrective Action:

- Finance will develop monthly reports that compares budget to actuals.
- Finance will hold monthly meetings with Chiefs in each department to review their financials and discuss budget to actual variances.
- Finance will conduct a quarterly or mid-year budget review. This tool will be used to prepare budget amendments to bring actual expenditures in line with the budget.
- The fourth quarter forecast will be used as a tool to prepare the final budget amendment.

Signature: \_\_\_\_\_



Title: \_\_\_\_\_

Chief Financial Officer

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For the Year Ended June 30, 2019

**SHELBY COUNTY  
BOARD OF EDUCATION**

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**SECTION V – PRIOR YEAR AUDIT FINDINGS**

**A. PRIOR YEAR FINDINGS - FINANCIAL STATEMENT AUDIT**

NONE

**B. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**C. PRIOR YEAR FINDINGS – STATE AUDIT MANUAL FINDINGS AND QUESTIONED COSTS**

NONE

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