



**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, 2018

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**Board of Education
Shelby County, Tennessee**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2018**

Prepared by:

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

Department of Finance



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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, 2017

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'.

John D. Musso, CAE
Executive Director



December 14, 2018

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, 2018.

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, 2018. 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 system 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 system in Tennessee. After the merger, Shelby County Schools became the largest school system 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 un-incorporated areas of Shelby County, TN. SCS educated 106,379 students in grades Kindergarten through-12, including charter schools, in more than 214 locations in fiscal year 2017-18.

During fiscal year 2017-18, the student demographic was 75.0 percent African American, 6.9 percent Caucasian, 14.1 percent Hispanic, 3.8 percent Asian/Pacific Islander, and 0.2 percent other races and nationalities. The District had a composite ACT score of 17.7 compared to the State’s average of 20.2. The SCS graduation rate was 79.1 percent in 2018 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 2018, 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 783 square miles and include seven incorporated municipalities: Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The County’s 2017 population was 936,961 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 2018, 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 2018, the annual growth of employment, building permits and housing prices was 2.2 percent, 21.9 percent, and 5.7 percent, respectively, in the Memphis Statistical Area (MSA) and 1.7 percent, negative 7.0 percent, and 6.6 percent, respectively, in the nation. At the same time, the annual growth of personal income was 2.1 percent in Tennessee and 4.4 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 2018. Due to the favorable job claims, the local unemployment rate increased marginally from 4.8 percent in the second quarter 2017 to 4.9 percent in the same period in 2018. The Memphis unemployment rate of 4.9 percent is 0.7 percent higher than the national rate.

Changes in Employment and Unemployment Rate

Measured against the previous year (June 2017), total non-farm employment only rose by a percent of 2.2 in the Memphis zone. In the Memphis Statistical Area, employment in the Trade, Transportation, and Utilities rose 1.4 percent. This sector represents approximately 27.18 percent of the labor force. The highest growth areas were Mining, Logging, and Construction (5.7 percent); Professional and Business Service (5.4 percent); and Leisure and Hospitality (3.2 percent) which account for 3.7 percent, 15.0 percent, and 11.3 percent of the labor force, respectively. The remaining growth areas were Manufacturing (2.8 percent), Financial Activities (2.8 percent), Government (1.7 percent), and Other Services (0.4 percent). The Information and Education and Health Services sectors demonstrated employment losses that partially offset the growth in the above-mentioned sectors. Overall, the employment picture improved by 2.2 percent from June 2017 to June 2018.

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 2017 and the second quarter of 2018, personal income grew 0.3 percent in Tennessee, compared with 1.4 percent in the nation.

Manufacturing Forecasts

On the manufacturing side, the Memphis area's manufacturing employment increased 2.8 percent in the second quarter, as compared to a 0.4 percent increase in the state of Tennessee and a 2.3 percent increase in the nation. The durable goods sector experienced moderate employment growth in the State by 0.9 percent and 2.6 percent in the nation, while it increased 3.2 percent in Memphis. The employment rate of non-durable goods sector improved 2.4 percent in Memphis and 0.6 percent in the U.S., while the state of Tennessee decreased 0.6 percent.

Building Permits

Relative to the same period last year, housing activity in Shelby County has been strong in 2018. The number of new residential building permits issued in Shelby County during 2018 was relatively the same as those in the same period in 2017. In comparison, national housing activity declined 7.0 percent. Home prices increased in the Memphis area by 5.7 percent from June 2017 to June 2018, while national home prices increased 6.6 percent year over year in the same period.

Projected Enrollment

The District's enrollment projections for fiscal year 2018-19 estimate that it will serve 104,933 students in grades kindergarten through grade 12. The estimate is a decrease of 336 students from the fiscal year 2017-18 20-day end-of-month membership count of 105,269. Of the 2018-19 estimated student population, 16,990 are expected to enroll in one of the District's 54 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 51 charter schools in fiscal year 2017-18. Metropolitan Nashville Public Schools had 28 charter schools, Chattanooga Public Schools had four, and Knox County Public Schools had one charter school in fiscal year 2017-18, 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, 2018, 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:

SCS earned “Advancing” status for overall student performance and performance in student subgroups, which is the second highest accountability rating given by the Tennessee Department of Education.

Thirty-seven (37) schools earned Reward status by the Tennessee Department of Education, which is the highest performance rating awarded by the State.

Eleven (11) schools earned their way off the State’s Priority list, including five (5) that achieved Reward status.

Eighty-four (84) SCS schools met or exceeded State benchmarks for student growth (TVAAS), which is 31 more than the previous year. Forty-six (46) schools earned a Level 5, which is the highest growth (TVAAS) rating – 16 more than the prior year, and 24 schools moved from a Level 1 to a Level 5.

Superintendent Dorsey Hopson was named West Tennessee’s Education Supervisor of the Year by the Tennessee Principal’s Association.

Germantown High School principal Barbara Harmon was one of nine finalists for Tennessee Principal of the Year.

Berclair Elementary ESL teacher Elisa Bennett was named the West Tennessee ESL Educator of the Year by the Tennessee Teachers of English to Speakers of Other Languages (TESOL) organization.

Shelby County Schools was honored as one of America’s Best Communities for Music Education by the NAMM Foundation for the eighth consecutive year.

Central High School senior Amal Altareb and History teacher Mary Olson McIntosh were one of only 12 student-teacher combos chosen for the national Bezos Scholars leadership program.

Melissa Collins of John P. Freeman Optional School, Tanya Hill of Kate Bond Elementary, Candace Hines of Peabody Elementary and Mark Wittman of Riverwood Elementary were selected as 2017-18 Hope Street Group Tennessee State Teacher Fellows.

Maxine Smith STEAM Academy, Hickory Ridge Elementary and Northwest Prep Academy were recognized among America’s Healthiest Schools by the national Alliance for a Healthier Generation.

SCS instructional advisor Alicia Nutall was one of 46 educators in the U.S. chosen for the ASCD's 2017 Emerging Leaders Program.

Dr. Melissa Collins, a teacher at John P. Freeman Optional School, was named a finalist for the 2018 Global Teacher Prize.

The T-STEM Academy at East High School became the first school in America to partner with Cummins Inc. to launch the TEC: Technical Education for Communities program for students.

Highland Oaks Middle School students won the 2018 National Junior High Chess Championship.

Danisha Stewart of Trezevant High School was named the Belz-Lipman Holocaust Educator of the Year for West Tennessee.

Four SCS teachers were selected by the State Collaborative on Reforming Education (SCORE) for the 2018-19 class of the Tennessee Educator Fellowship: Monica Brown, Oakshire ES; Dr. Sherwanda Y. Chism, Winridge ES; Colletta M. Daniels, Shrine School; and Neven Holland, Treadwell ES.

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 for 2018-19.

Twenty-one (21) SCS students earned Advanced Placement (AP) Capstone Diplomas, which is the more than any Tennessee school district.

The SCS Newsroom was honored with a National Award of Excellence by the National School Public Relations Association (NSPRA).

The Department of Broadcast Services (C19TV/88.5FM) won three 2018 National Hometown Media Awards from the Alliance of Community Media (ACM).

Fiscal year 2018 marks the fourth year of implementation for Shelby County Schools' Destination 2025 strategic plan. Now that the goals of this plan have been firmly established, the District has begun to focus on full implementation of strategies designed to support Destination 2025 and its five priority areas. Since SCS' previous annual report, significant progress has been made on two top-line goals of the plan: early literacy and relative market share of education system.

These outcomes are encouraging considering how critical educational attainment is to Shelby County families' quality of life and the overall health and economic well-being of our community.

Yet, the District and its partners have significant work left to do in sustaining these early successes and dramatically improving student outcomes when it comes to college- and career-readiness (CCR). Given the state-wide cancellation of TNReady assessments in grades 3-8 last year, CCR measures serve as baseline measure for SCS students this year. Despite these challenges, the District remains fully and urgently committed to reaching its Destination 2025 goals that by 2025:

- **80%** of high school seniors will graduate from SCS college- or career-ready
- **90%** of high school students will graduate from SCS on time
- **100%** of graduates who are college- or career-ready will enroll in a post-secondary opportunity

By achieving these goals, we have the opportunity to produce an additional 50,000 graduates who are college- or career-ready and able to meet the demands of a highly skilled workforce in 2025.

Annual Progress: 2018

After the 2017-18 school year, our progress against each of our five strategic priorities is as follows:

Priority 1: Strengthen Early Literacy	2017 Actual	2018 Target	2018 Actual	Change Since 2017	Target-to-Actual
By 2025, 90 percent of SCS third graders are proficient in English & Language Arts (ELA).	21.4%	30%	27.0%	+5.6 points	-3 points
Priority 2: Improve Post-Secondary Readiness	2017 Actual	2018 Target	2018 Actual	Change Since 2017	Target-to-Actual
By 2025, 90 percent of SCS students graduate on time.	79.6%	78.5%	79.1%	-0.5 points	+0.6 points
By 2025, 100 percent of college- or career-ready SCS graduates enroll in a post-secondary opportunity.	58%	68%	TBD ¹	TBD	TBD
Priority 3: Develop Teachers, Leaders & Central Office to Drive Student Success	2017 Actual	2018 Target	2018 Actual	Change Since 2017	Target-to-Actual
By 2025, 60 percent of students are proficient on TNReady assessments.	27.1% (3-8)	31.1% (3-8)	26.8% (3-8)	-0.3 points	-4.3 pts
	17.5% (HS)	30.0% (HS)	15.9% (HS)	-1.6 points	-14.1 pts
Priority 4: Expand High-Quality School Options	2017 Actual	2018 Target	2018 Actual	Change Since 2017	Target-to-Actual
By 2025, SCS student market share increases by 5 percent.	61.1%	62.8%	63.9%	+2.8 points	+1.1 points
Priority 5: Mobilize Family & Community Partners	2017 Actual	2018 Target	2018 Actual	Change Since 2017	Target-to-Actual
By 2025, community confidence in SCS increases to 90 percent.	81%	83%	80%	-1 point	-3 points

¹ Due to the timing of available data, the post-secondary enrollment rate reflects the percentage of 2017 graduates who enrolled in a post-secondary opportunity during the past year. The 2018 rate will be included in the 2019 annual report.

FINANCIAL INFORMATION

SCS experienced General Fund revenue increase in fiscal year 2018 due to a higher receipt of local tax revenues from Shelby County. 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 2018 with a total fund balance of \$198 million, an increase of approximately \$1.2 million from fiscal year 2017.

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 1st of any year, the District budget for the year just ended shall continue in effect through August 31st. A resolution is not required unless a request to extend through September 30th 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 31st (September 30th 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 21st 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, 2017. This was the fourth 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 fourth Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting award for its fiscal year 2017 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,



Dorsey E. Hopson, II
Superintendent of Schools



Lin Johnson, III
Chief Financial Officer



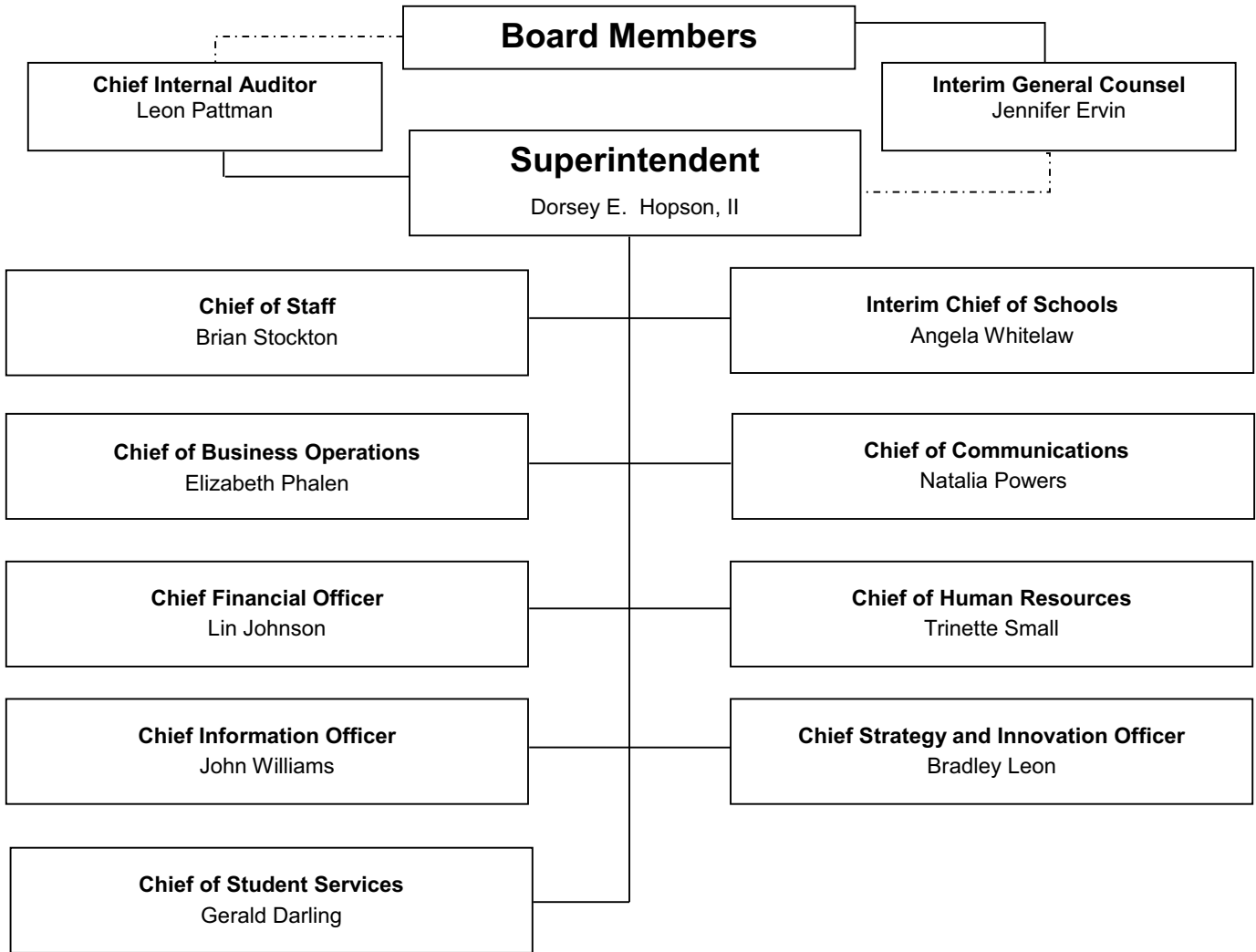
Angela R. Carr, CPA
Deputy Chief Financial
Officer

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**Board of Education
June 30, 2018**

COMMISSIONER	DISTRICT	TERM EXPIRATION
Shante K. Avant, Board Chair	District 6 (Elected)	8/31/2018
Stephanie P. Love, Vice-Chairperson	District 3 (Elected)	8/31/2020
Christopher Caldwell	District 1 (Elected)	8/31/2018
Teresa Jones	District 2 (Elected)	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)	8/31/2018
Mike Kernell	District 9 (Elected)	8/31/2018

**SHELBY COUNTY
BOARD OF EDUCATION
ORGANIZATIONAL CHART
June 30, 2018**



Financial Section



INDEPENDENT AUDITORS' REPORT

To the Chairwoman 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 comparison for the general 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, 2018, 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 comparison for the general fund and special revenue – categorically aided fund of the Board of Education of the Shelby County Schools, as of June 30, 2018, 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.

Change in Accounting Principle

The Board has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note 16 of the financial statements, which describes a restatement decreasing the beginning net position by \$820,784,999 on the Statement of Activities. This restatement was necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. Our opinion is not modified with respect to this matter.

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 43, and the other required supplementary information on pages 111 through 119 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 14, 2018, 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 14, 2018

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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, 2018. Comparative financial information is reported for the fiscal year ended June 30, 2017.

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, 2018, by \$291.2 million (net position).
- Total net position increased by \$348.6 million or 607.27% over the prior fiscal year. In fiscal year 2018, the district implemented Governmental Accounting Standard Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The objective of this Statement was to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pension and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. GASB 75 resulted in a restatement of fiscal year 2017 net position from \$763.4 million to a negative \$57.4 million. Additional disclosures are included in Note 14 and the RSI section following the notes to the financial statements.
- The school district's unrestricted liabilities exceeded its unrestricted assets by \$825.1 million primarily due to the net OPEB liability and pension obligations. GASB Statement No. 75 required recording the beginning net OPEB liability and the beginning deferred outflow/inflow of resources, for the OPEB plan.
- The school district's pension deferred outflows of resources (\$94.2 million) and net pension asset (\$52.2 million) exceeded its pension deferred inflows of resources (\$136.9 million) and net pension liability (\$0.2 million) by \$9.3 million.
- OPEB deferred inflows of resources (\$84.1 million) and net OPEB liability (\$991.4 million) exceeded OPEB deferred outflow of resources (\$56.7 million) by (\$1,018.8 million).
- At June 30, 2018, the school district's total general operating fund balance was \$198.8 million or 20.16% of total general fund expenditures.
- Unassigned fund balance for the General fund was \$76.2 million or 7.73% of total general fund expenditures, a decrease of \$12.0 million from the previous year. The unassigned

fund balance is available for unforeseen operational emergencies or investments in the future.

- Fund balance in the Categorically Aided fund was \$10.3 million, or 5.81% of expenditures, an increase of \$403,250 for the year.
- In fiscal year 2018, the Capital Projects fund was categorized as a major fund and thus reported separately. The fund balance for the Capital Projects fund was \$1.7 million or 2.96% of total expenditures.
- The Food Services fund is categorized as a nonmajor fund. The fund balance for the Food Services fund was \$37.2 million or 51.36%

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, Capital Project 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 Food Services 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 Healthcare Savings Account, Other Post-Employment Benefits Trust (OPEB) and Local Pensioner's Retirement Trust investment accounts; and the individual schools' Internal School funds in a fiduciary capacity.

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, 2018 by \$291,155,153 . Due to the restatement of net position, the Board's liabilities exceeded assets at June 30, 2017 by \$57,396,024 .

Condensed Statement of Net Position

	2018	2017 (as restated)	Percentage Change 2018 - 2017
Assets			
Current and Other Assets	\$ 422,545,919	\$ 393,345,023	7.42%
Capital Assets	984,643,180	984,150,782	0.05%
Net Pension Asset	52,187,531	30,842,717	69.21%
Total Assets	<u>1,459,376,630</u>	<u>1,408,338,522</u>	3.62%
Deferred outflows related to pensions	94,266,611	201,617,153	(53.24%)
Deferred outflows related to OPEB	56,715,858	47,252,000	100.00%
Total Deferred Outflows	<u>150,982,469</u>	<u>248,869,153</u>	(39.33%)
Liabilities			
Long-term Liabilities	10,006,192	9,885,455	1.22%
Net Pension Liability	241,058	71,180,937	(99.66%)
Net OPEB Liability	991,397,000	1,333,355,000	(25.65%)
Other Liabilities	96,508,606	84,650,775	14.01%
Total Liabilities	<u>1,098,152,856</u>	<u>1,499,072,167</u>	(26.74%)
Deferred inflows related to pensions	136,929,090	168,279,532	(18.63%)
Deferred inflows related to OPEB	84,122,000	-	100.00%
Total Deferred Inflows	<u>221,051,090</u>	<u>168,279,532</u>	31.36%
Net Position			
Investment in Capital Assets	984,643,180	984,006,250	0.06%
Restricted	131,618,977	69,857,720	88.41%
Unrestricted	(825,107,004)	(1,111,259,994)	25.75%
Total Net Position	<u>\$ 291,155,153</u>	<u>\$ (57,396,024)</u>	(607.27%)

Capital assets (e.g., land, buildings, machinery, equipment, intangibles and construction in progress) are the largest portion 67.47% 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 \$50.2 million or 5.10% of the capital assets.

The net pension asset and liability were more favorable at June 30, 2017, as reflected in the June 30, 2018 financial statements, due to positive investment earnings. The Non-teacher and Teacher Retirement plans combined net assets increased 57.38%. The Teacher Legacy Plan had a liability of \$70.8 million in fiscal year 2017 and an asset of \$3.6 million in fiscal year 2018. The Local Pension Plan liability decreased \$.1 million.

The net OPEB liability declined by 25.65% in fiscal year 2018 as compared to fiscal year 2017. The decline was due to the shift in retiree board contributions effective January 1, 2017 as reflected in the June 30, 2017 valuation.

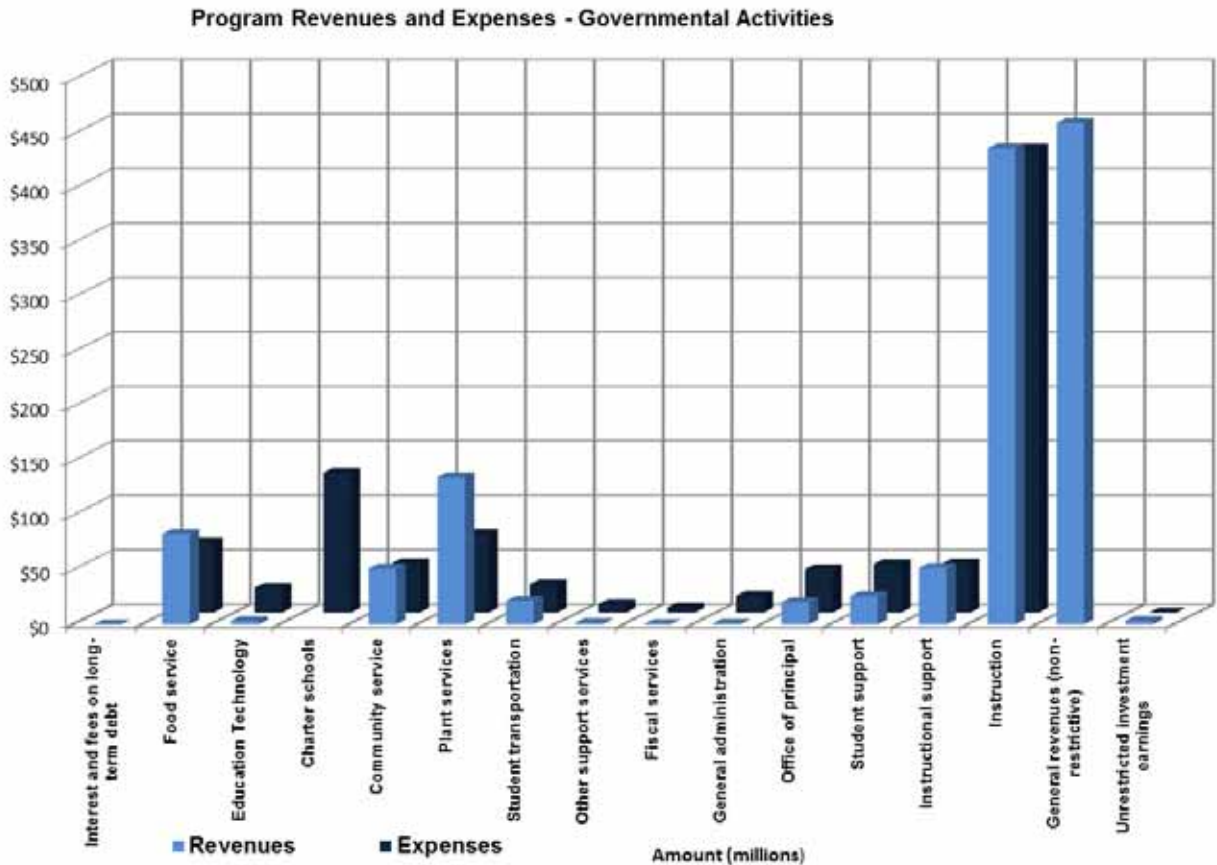
Total debt (including compensating absences) owed by the school district is 91.21% of total liabilities with 99.89% of the debt due after one year. The liabilities decreased 26.74% due to the decrease in the OPEB and Pension liabilities in fiscal year 2018 versus fiscal year 2017. Please see Note 6 for additional information.

Governmental Activities. Governmental activities during fiscal year 2018, coupled with a prior period adjustment of the beginning balance, increased the school district's net position by \$348,551,177 or 607.27% of total net position as compared to a decrease of \$11,262,500 or 1.45% of total net position during fiscal year 2017.

Condensed Statement of Changes in Net Position

	2018	2017	Percentage Change 2018 - 2017
Revenues			
Program Revenues:			
Charges for services	\$ 2,967,194	\$ 4,184,952	(29.10%)
Operating grants and contributions	776,964,300	769,464,200	0.97%
Capital grants and contributions	51,799,033	21,415,501	141.88%
General Revenues:			
Shelby County	334,307,133	334,346,944	(0.01%)
Local option and state sales taxes	127,175,675	120,757,018	5.32%
Other local sources (uses)	(1,068,077)	11,011,903	(109.70%)
Gain on sale of capital assets	-	710,668	(100.00%)
Unrestricted investment earnings	3,296,913	1,644,283	100.51%
 Total revenues	<u>1,295,442,171</u>	<u>1,263,535,469</u>	 2.53%
Expenses			
Instruction	425,776,529	611,919,773	(30.42%)
Instructional support	45,093,843	73,370,070	(38.54%)
Student support	44,567,621	69,102,286	(35.50%)
Office of principal	39,718,248	61,950,907	(35.89%)
General administration	15,409,666	68,931,316	(77.64%)
Fiscal services	4,620,666	6,173,518	(25.15%)
Other support services	7,756,886	50,438,867	(84.62%)
Student transportation	26,031,457	26,052,020	(0.08%)
Plant services	72,202,281	83,341,347	(13.37%)
Community service	45,351,940	54,979,073	(17.51%)
Charter schools	128,231,865	111,283,036	15.23%
Education Technology	22,739,141	-	100.00%
Food service	64,292,440	47,089,961	36.53%
Interest on long-term debt	-	347	(100.00%)
Total expenses	<u>941,792,583</u>	<u>1,264,632,521</u>	 (25.53%)
 Increase (decrease) in net position	 353,649,588	 (1,097,051)	 32,336.37%
Special items:			
Capital Asset Impairment	(5,098,411)	(10,165,449)	(49.85%)
Total changes in net position	<u>348,551,177</u>	<u>(11,262,500)</u>	3,194.79%
Net position - beginning	(57,396,024)	774,651,475	(107.41%)
Prior period adjustment	-	(820,784,999)	(100.00%)
Net position - beginning (restated)	-	(57,396,024)	(100.00%)
Net position - ending	<u>\$ 291,155,153</u>	<u>\$ (57,396,024)</u>	(607.27%)

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.

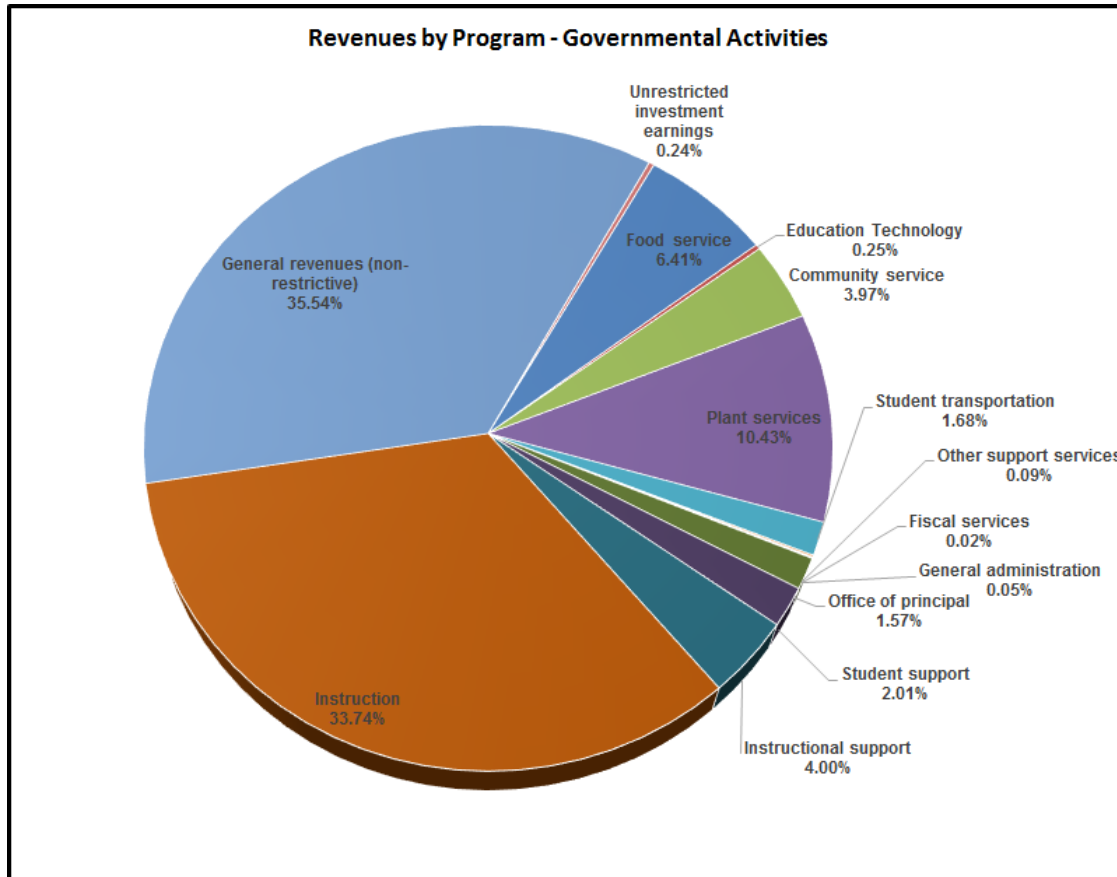


- Instructional expenses include activities directly linked to the teaching of pupils and the interaction between the teacher and pupil. The components include regular, exceptional children, alternative, and vocational instruction.
- Instructional support includes the activities involved in assisting 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-one charter schools were operational during fiscal year 2018.
- 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.
- Interest on long-term debt provides for the payment of interest and other related charges of debt with the school district.

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

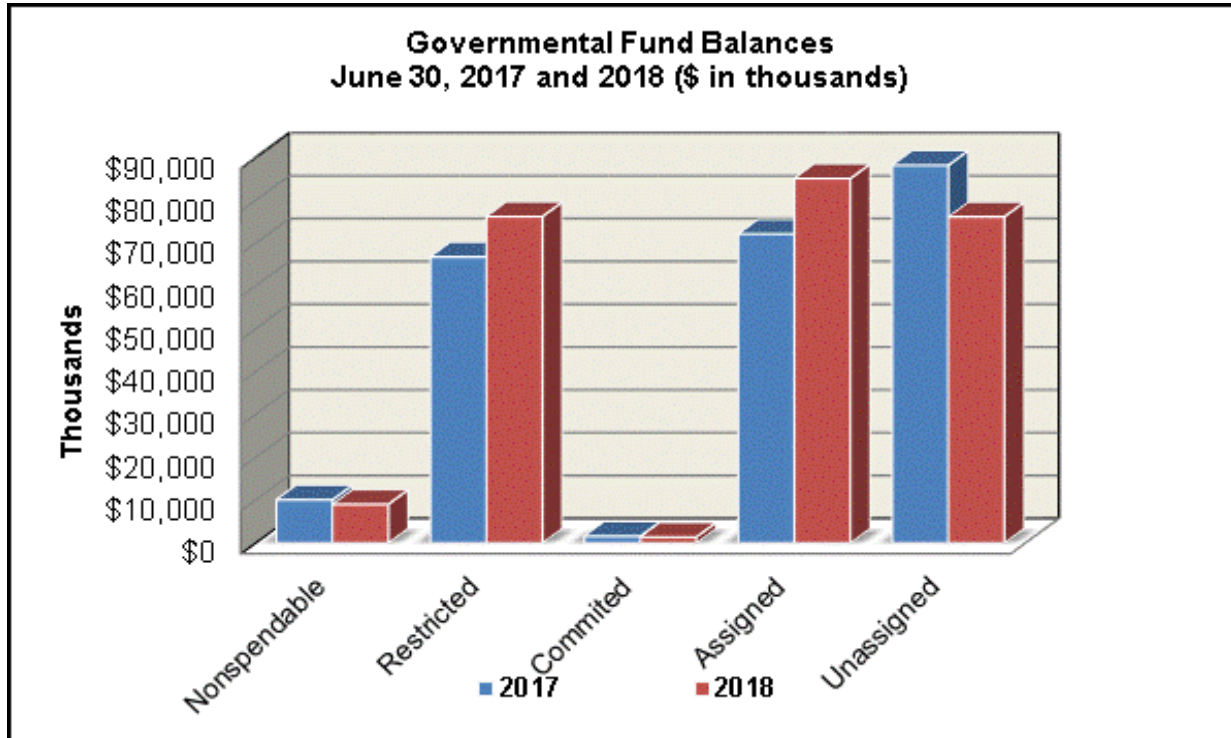
provided to support education as a whole. In contrast, State Basic Education Program and federal programs are directly supportive of specific activities. The dependence upon general tax revenues from the community for all governmental activities is clear. General tax revenues support 49.17% of the governmental 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, 2018 and 2017, the school district’s governmental funds reported combined ending fund balances of \$247,917,491 and \$238,860,179, respectively; an increase of \$9,057,312 in 2018 when compared with 2017. Approximately 30.72% of the total amount (\$76,168,026) 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 (\$9.0 million), 2) restricted for specific purposes (\$76.2 million), 3) committed for specific purposes (\$1.4 million), or 4) assigned for specific purposes (\$85.1 million). The components of the balances by funds are:

	June 30, 2018	June 30, 2017	Percentage Change 2018 - 2017
General Fund			
Nonspendable	\$ 5,812,919	\$ 6,781,775	(14.29%)
Restricted	31,697,246	29,603,105	7.07%
Assigned	85,111,866	72,154,767	17.96%
Unassigned	76,168,026	88,215,976	(13.66%)
Food Services Fund			
Nonspendable	3,210,175	3,053,418	5.13%
Restricted	33,985,564	22,969,761	47.96%
Categorically Aided Fund			
Nonspendable	-	247,153	(100.00%)
Restricted	8,873,176	8,013,220	10.73%
Committed	1,393,235	1,602,788	(13.07%)
Capital Projects Fund			
Restricted	1,665,284	6,218,216	(73.22%)
Total all government funds	<u>\$ 247,917,491</u>	<u>\$ 238,860,179</u>	3.79%

There was approximately a \$9.0 million increase in total fund balance comprised of an increase of \$2.0 million in the general fund, a \$4.6 million decrease in the Capital Projects Fund, an increase of \$0.4 million in the Categorizedly Aided Fund, and an \$11.2 million increase in the Nonmajor Food Service Fund. The changes are discussed in the following fund sections.

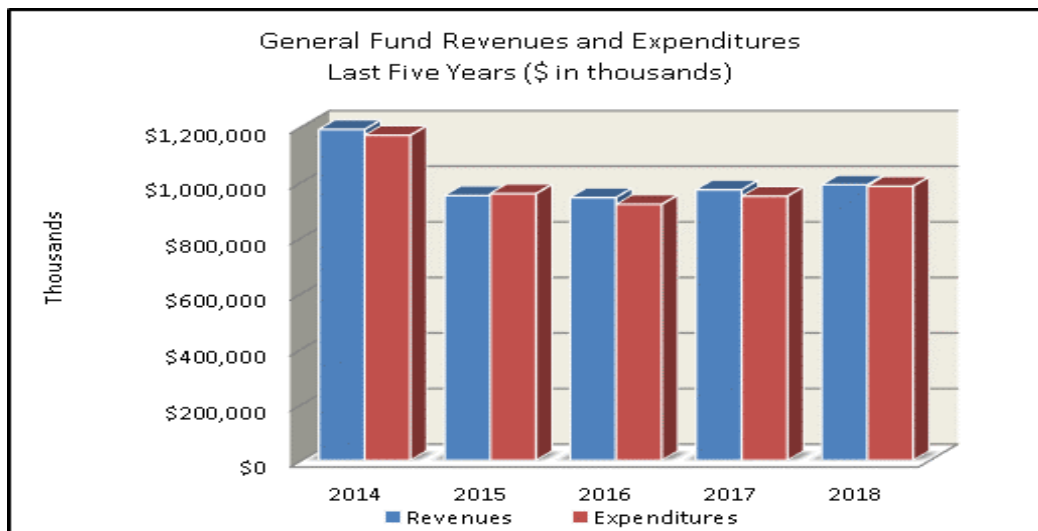
Major Funds

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 \$76.2 million or 7.73% of total fund expenditures, while total fund balance represents 20.16% of that same amount. The unassigned amount is available for contingencies for unforeseen operational emergencies or investments in the future. Revenues exceeded expenditures by \$5.0 million. Contributions to the OPEB Trust (\$3.0 million) and Pension Trust fund (\$96,202), offset by the sale of capital assets (\$151,684), resulted in the overall fund balance increase of \$2.0 million. General Fund revenues increased by \$17.9 million and expenditures increased by \$36.1 million from the previous year (GAAP basis). The expenditure increase was related to the District 2018 investments in school/classroom resources, instructional support, social and emotional support, academic interventions, and academic transformation. The primary focus of the academic transformation was the expansion of the Careers and Technical Education program.

In fiscal year 2018, 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. The revenue increases were offset by a decline in indirect cost revenues of \$7.4 million from the Food Service Fund due to the exhaustion of excess fund balance from prior year.

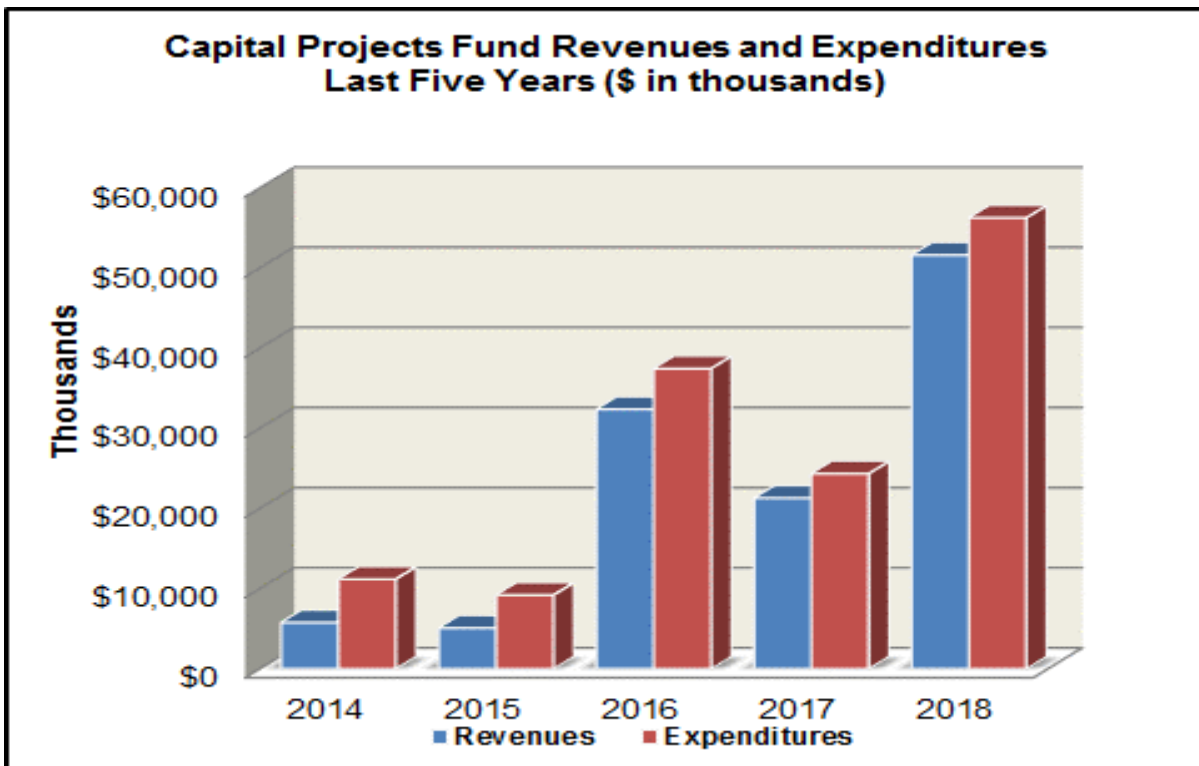


Capital Projects Fund

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 decreased by \$4.6 million compared to fiscal year 2017.

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.

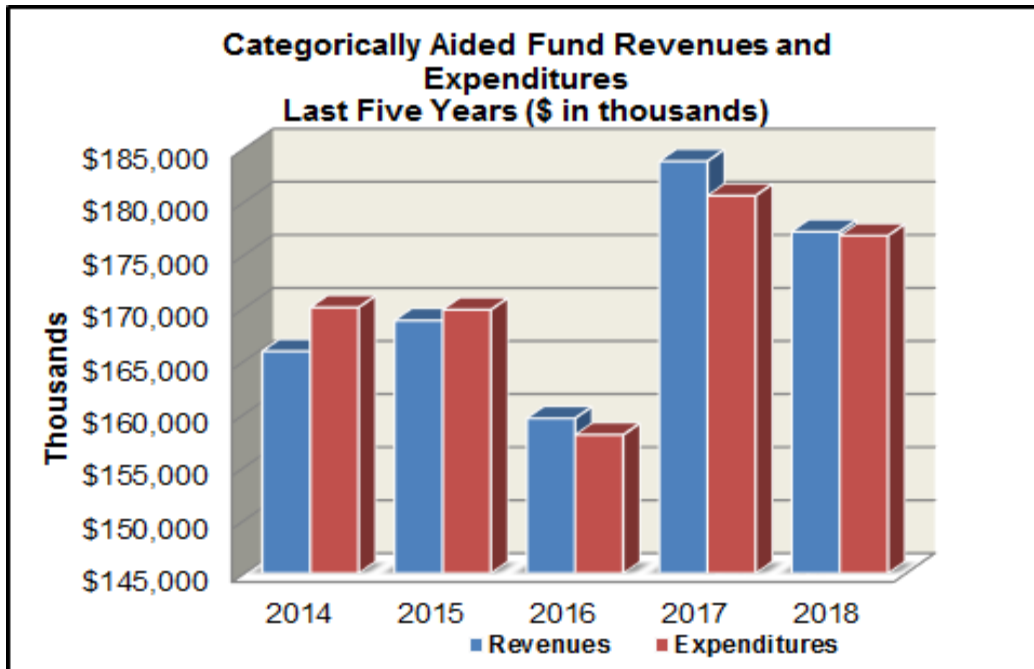
In fiscal year 2016, Shelby County Government provided the District an allocation of \$26.2 million to address capital needs. In fiscal years 2017 and 2018, Shelby County Government approved allocations of \$18.3 million and \$54.0 million, respectively, for critical capital needs. Local revenue sources included rental revenues, interest earnings, and proceeds from the sale of capital assets. Thirty-five projects were completed during the fiscal year.



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 \$6.6 million and expenditures decreased by \$3.8 million mainly due to Non-Federal Programs. A grant award from the Bill and Melinda Gates Foundation was received by the former Memphis City Schools during fiscal year 2010. The grant covered a time span of seven years; however, the District was granted a no cost extension thru December 2017. Due to the expiration of the grant, revenues declined \$6.6 million. The grant expiration also resulted in a decline in expenditures which was offset by increased classroom technology spending by the Title I program.

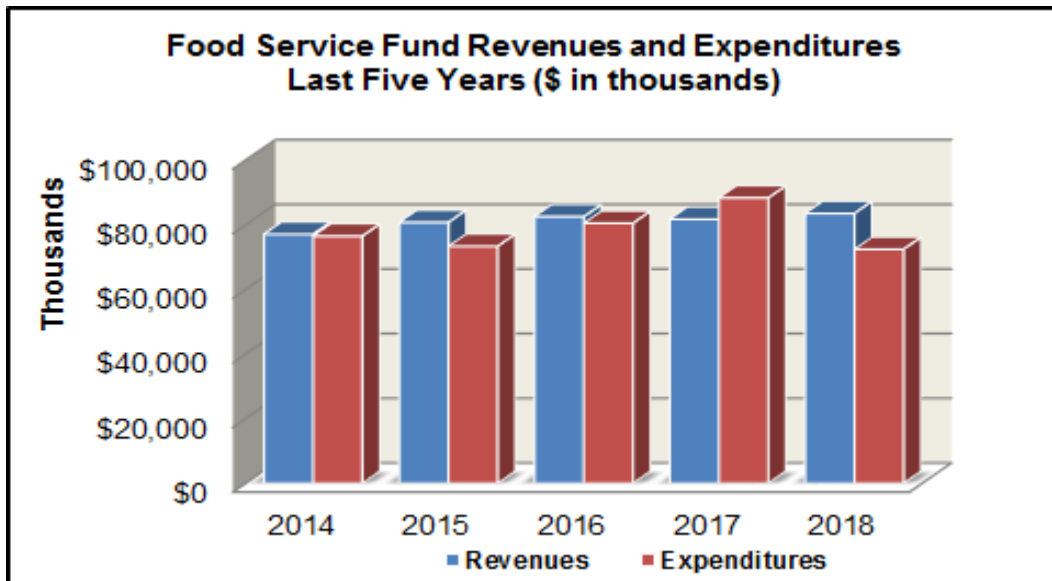
The Categorically Aided fund balances are mainly restricted or committed. The funds are either reserved for future program needs or encumbered commitments. The available fund balance increased \$0.4 million from the previous year due to Special Revenue grants (non-federal programs). This increase is due to the tuition based Extended Learning 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.



Food Service Fund

As previously stated, the Food Service Fund is the District’s only nonmajor 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 \$11.2 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% 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%.



The USDA daily meal service included approximately 56,077 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 decreased from 77 in fiscal year 2017 to 73 in fiscal year 2018. This decline was due to schools choosing the more traditional approach of serving breakfast to students in the cafeteria versus the classroom.

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 increased by \$16.6 million primarily due to an increase in active members for group insurance and a decline in active member claims. In addition, the District made a concerted effort to engage employees in wellness activities.

General Fund Budgetary Highlights

The school district experienced a \$2.0 million increase to the general fund balance. This was a result of lower than expected expenditures and additional revenues. Additional details on the change in fund balance are provided below.

Actual day student enrollment of 105,269, based on the 20-day end-of-month membership count, was up 1,377 students from projected enrollment figures of 103,892. Actual membership increased 1,200 students from the previous year (104,069).

General operating revenues exceeded budget estimates by \$5.7 million. Additional key factors contributing to the revenue variance include:

- Shelby County revenues increased to forecast by \$8.5 million primarily from higher than expected property and local sales tax collections.
- Revenues from the State of Tennessee for BEP, Career Ladder Program, and the State Priority Grant declined relative to forecast by \$5.8 million.
- Higher than expected indirect cost revenues from the Federal Programs Fund account for \$2.1 million of the variance in the Federal Programs category, offset by \$0.2 million shortfall in IDEA High Costs.
- Investment income increased by \$1.5 million primarily due to the change in Shelby County Trustee investment strategy. The District received \$0.1 million in delinquent property taxes from the City of Memphis. Other charges for services, tuition, and miscellaneous refund budgets fell short by \$0.5 million.

The District experienced cost savings of \$36.6 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:

- Salary and employee benefit expenditures were under budget by \$15.7 million. The overall budget variance was largely due to vacancy savings for hard to fill positions and

lower Board retiree contributions as a result of a shift in cost responsibility between the Board and retirees.

- The Board allocated \$22.0 million for capital projects, of which the CNC operational consolidation (\$4.0 million) was delayed and \$6.0 million was repurposed for other district-wide capital improvements. Lastly, the District experienced delayed spending of \$4.6 million for the ERP implementation, which will be utilized next fiscal year.
- The school district had a total of fifty-one charter schools with an aggregate budget of \$131.2 million. In accordance with state law, \$128.2 million was transferred to the charter schools based on actual revenue proceeds distributed on a per pupil basis. Charter schools' actual enrollment was slightly less than projected, resulting in a \$3.0 million variance.
- Plant Services utility savings of \$1.0 million were realized due to an increased focus on energy efficiency initiatives.
- At the end of the fiscal year, the District restricted spending for non-essential items. As a result, the District realized savings of \$1.8 million in furniture and equipment and \$0.5 million in travel.

In fiscal year 2017-18, the District continued on a path toward greater financial sustainability while investing in academic transformation. Due to the favorable revenue and expenditure results, discussed above, the overall fund balance increased by \$2.0 million. As a benchmark, the median unrestricted General Fund balance of Council of Greater City Schools participants is approximately 10% of expenditures for fiscal year 2017. The unassigned General Fund balance stood at \$76.2 million, or 7.7% of General Fund expenditures. As another comparison of financial health, Moody's Investor Service consider available General Fund balance between 10% and 25% of revenues to be strong for school districts. In fiscal year 2018, the Board approved a fund balance policy with a target unassigned general fund balance of 8.0% - 15.0% 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. The District made fund balance assignments of \$24.6 million: \$11 million for an Enterprise Resource System implementation, \$3 million for Capital Improvements, \$4 million for the Central Nutrition Center Operations consolidation, \$3.6 million for Safety and Security equipment and vehicles, and \$3 million for Other Post Employment Benefit.

Capital Asset and Debt Administration

Capital Assets

The school district's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$984.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangibles, machinery and equipment. Overall capital assets increased by .05 percent from fiscal year 2017 to fiscal year 2018. Accumulated depreciation increased by \$3.8 million or .42 percent.

Condensed Statement of Capital Assets

	Governmental Activities		Percentage
	2018	2017	Change 2018 - 2017
Land	\$ 45,249,987	\$ 45,603,360	(0.77%)
Buildings and improvements	868,522,691	905,288,033	(4.06%)
Machinery and equipment	17,864,950	20,901,923	(14.53%)
Intangible assets	2,835,686	3,402,824	(16.67%)
Construction in progress	50,169,866	8,954,642	460.27%
Total	\$ 984,643,180	\$ 984,150,782	0.05%

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

Long-term Debt

The fiscal year 2017 balance of \$144,532 was covered by the bond sinking fund, thus leaving a balance of \$0 in fiscal year 2018.

Condensed Statement of Outstanding Debt

	Governmental Activities		Percentage
	2018	2017	Change 2018 - 2017
Bonded Debt - Due to State of Tennessee	\$ -	\$ 144,532	(100%)

Additional information on the school district’s long-term obligations (debt) can be found in Note 6.

Economic Factors and Next Year’s Budgets

In fiscal year 2018-19, Shelby County Schools continued to experience a shift in enrollment to the ASD and 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 2018-19, ASD will close one school in Memphis and the ASD revenue allocation is projected to be \$100.8 million.

The number of SCS authorized charter schools grew to 54 in school year 2018-19 from 51 in school year 2017-18. SCS has experienced mounting financial pressures from the increase of charter schools. With a 14.85% increase in annual charter school enrollment, the charter school payment will climb by \$20.2 million in fiscal year 2018-19 based on six new charter schools, additional classes and grades for existing charter schools, and three charter school closures. The charter schools will have an aggregate budget of \$148.5 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 2018-19 General Fund budget in the amount of \$1,054,423,509 including transfers to charter schools. The fiscal year 2018-19 budget will increase by \$17.5 million from the fiscal year 2017-18 budget. The General Fund budget includes \$49.0 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 \$1,054,423,509, which equates to \$31,632,705.

The Shelby County Board of Commissioners voted to approve the Shelby County Schools' fiscal year 2018-19 budget including \$471,266,753 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 105,269 to 104,933 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



STATEMENT OF NET POSITION
June 30, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 27,252,244
Investments	237,532,465
Due from County of Shelby	37,839,950
Due from other governments	30,128,781
Other receivables	80,769,385
Inventories	9,023,094
Capital assets, not being depreciated	95,419,853
Capital assets, being depreciated, net	889,223,327
Net pension asset	52,187,531
Total assets	1,459,376,630
Deferred Outflows of Resources	
Pension differences between expected and actual experience	4,871,799
Pension difference between investments projected and actual earnings, net	426,862
Pension changes in proportion of Net Pension Liability (Asset)	20,818
Pension changes in assumptions	41,756,874
Pension employer contributions during fiscal year 2018	47,190,258
OPEB differences between expected and actual experience	14,035,000
OPEB employer contributions during fiscal year 2018	42,680,858
Total deferred outflows of resources	150,982,469
Liabilities	
Accounts payable and other accrued liabilities	85,033,281
Insurance claims payable	9,940,291
Unearned revenue	1,535,034
Long-term liabilities, due within one year:	
Non-capital related liabilities	1,096,515
Long-term liabilities, due beyond one year:	
Non-capital related liabilities	8,909,677
Net pension liability	241,058
Net OPEB liability	991,397,000
Total liabilities	1,098,152,856
Deferred Inflows of Resources	
Pension differences between expected and actual experience	97,309,505
Pension changes in proportion of Net Pension Liability (Asset)	39,619,585
OPEB changes of assumptions or other inputs	81,328,000
OPEB difference between investments projected and actual earnings, net	2,794,000
Total deferred inflows of resources	221,051,090
Net Position	
Investment in capital assets	984,643,180
Restricted for :	
Capital projects	1,665,284
Contracted grant programs	8,873,176
Food service	37,195,739
Pension Benefits	52,187,531
Education	31,697,247
Unrestricted	(825,107,004)
Total net position	\$ 291,155,153

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

STATEMENT OF ACTIVITIES
For the year ended June 30, 2018

Functions/Programs	Expenses	Charges for Services
Governmental activities:		
Instruction	\$ 425,776,529	\$ 53,402
Instructional support	45,093,843	-
Student support	44,567,621	-
Office of principal	39,718,248	-
General administration	15,409,666	-
Fiscal services	4,620,666	-
Other support services	7,756,886	-
Student transportation	26,031,457	-
Plant services	72,202,281	-
Community service	45,351,940	-
Charter schools	128,231,865	-
Education Technology	22,739,141	-
Food service	64,292,440	2,913,792
Total governmental activities	\$ 941,792,583	\$ 2,967,194

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

**SHELBY COUNTY
BOARD OF EDUCATION**

Program Revenues		Net (Expense) Revenue and Changes in Net Position
Operating Grants and Contributions	Capital Grants and Contributions	Total
\$ 437,006,021	\$ -	\$ 11,282,894
51,776,248	-	6,682,405
26,005,386	-	(18,562,235)
20,332,768	-	(19,385,480)
712,128	-	(14,697,538)
230,501	-	(4,390,165)
1,200,380	-	(6,556,506)
21,709,845	-	(4,321,612)
83,333,356	51,799,033	62,930,108
51,384,650	-	6,032,710
-	-	(128,231,865)
3,177,277	-	(19,561,864)
80,095,740	-	18,717,092
<u>\$ 776,964,300</u>	<u>\$ 51,799,033</u>	<u>(110,062,056)</u>

General revenues:

Shelby County	334,307,133
Local option and state sales taxes	127,175,675
Other local sources (uses)	(1,068,077)
Unrestricted investment earnings	3,296,913

Special Item:

Capital Asset Impairment	(5,098,411)
Total general revenues and special item	<u>458,613,233</u>

Changes in net position

348,551,177

Net position - beginning

763,388,975

Prior period adjustment

(820,784,999)

Net position - beginning (as restated)

(57,396,024)

Net position - ending

\$ 291,155,153

**GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	General Fund	Capital Projects	Special Revenue Categorically Aided Fund	Non-Major Governmental Fund Food Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 18,398,499	\$ -	\$ 1,117,390	\$ 3,392,451	\$ 22,908,340
Investments	158,603,307	-	9,598,193	29,140,598	197,342,098
Due from Shelby County	-	25,165,728	-	-	25,165,728
Due from other governments	14,207,134	3,800,000	-	-	18,007,134
Other receivables	34,680,689	-	30,652,641	2,340,612	67,673,942
Inventories	5,812,919	-	-	3,210,175	9,023,094
Due from other funds	43,181,910	-	-	-	43,181,910
Total assets	\$ 274,884,458	\$ 28,965,728	\$ 41,368,224	\$ 38,083,836	\$ 383,302,246
Liabilities and Fund Balances					
Liabilities					
Accounts payable and other accrued liabilities	61,887,267	16,849,670	5,469,307	787,503	84,993,747
Due to other funds	-	10,262,107	24,198,065	-	34,460,172
Deferred revenues	-	-	1,434,441	100,594	1,535,035
Total liabilities	61,887,267	27,111,777	31,101,813	888,097	120,988,954
Deferred Inflows of Resources					
Unavailable revenue-settlement	14,207,134	188,667	-	-	14,395,801
Total deferred inflows of resources	14,207,134	188,667	-	-	14,395,801
Fund balances					
Nonspendable	5,812,919	-	-	3,210,175	9,023,094
Restricted	31,697,246	1,665,284	8,873,176	33,985,564	76,221,270
Committed	-	-	1,393,235	-	1,393,235
Assigned	85,111,866	-	-	-	85,111,866
Unassigned	76,168,026	-	-	-	76,168,026
Total fund balances	198,790,057	1,665,284	10,266,411	37,195,739	247,917,491
Total liabilities, deferred inflows of resources, and fund balances	\$ 274,884,458	\$ 28,965,728	\$ 41,368,224	\$ 38,083,836	\$ 383,302,246

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, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

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

Total fund balances - total governmental funds	\$	247,917,491
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost	\$ 1,886,883,131	
Less accumulated depreciation	<u>(902,239,951)</u>	984,643,180
Net pension assets are not financial resources and therefore are not reported as assets in governmental funds		52,187,531
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.		36,095,849
Short-term compensated absences (for active employees) not booked to governmental funds		(906,551)
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	\$ (241,058)	
Net OPEB Liability	(991,397,000)	
Long-term compensated absences (for active employees) not booked to governmental funds	<u>(8,785,169)</u>	(1,000,423,227)
Liabilities for earned revenues considered deferred inflows of resources in fund statements		
City of Memphis Settlement		14,395,801
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	\$ 12,674,222	
Municipality agreements	<u>14,639,478</u>	27,313,700
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	\$ 4,871,799	
Pension Actuarial experience deferred inflow	(97,309,505)	
Pension Net investment earnings deferred outflow	426,862	
Pension Changes in assumptions	41,756,874	
Pension Change in proportionate share of NPL deferred outflow	20,818	
Pension Change in proportionate share of NPL deferred inflow	(39,619,585)	
Pension Current fiscal year contributions deferred outflow	47,190,258	
OPEB Actuarial experience deferred outflow	14,035,000	
OPEB Current fiscal year contributions deferred outflow	42,680,858	
OPEB Changes in assumptions deferred inflow	(81,328,000)	
OPEB Net Investment earnings deferred inflow	<u>(2,794,000)</u>	<u>(70,068,621)</u>
Total net position - governmental activities	\$	<u>291,155,153</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, 2018**

**BOARD OF EDUCATION OF THE
SHELBY COUNTY SCHOOLS**

	General Fund	Capital Projects	Special Revenue Categorically Aided Fund	Non-Major Governmental Fund Food Service Fund	Total Governmental Funds
Revenues					
City of Memphis	\$ 1,445,441	\$ 3,611,333	\$ -	\$ -	\$ 5,056,774
Shelby County	463,097,256	47,689,237	-	-	510,786,493
State of Tennessee	502,017,410	-	11,967,407	631,027	514,615,844
Federal Government	17,643,709	-	154,140,521	79,334,711	251,118,941
Other local sources	6,722,553	335,704	11,090,071	3,552,569	21,700,897
Total revenues	<u>\$ 990,926,369</u>	<u>\$ 51,636,274</u>	<u>\$ 177,197,999</u>	<u>\$ 83,518,307</u>	<u>\$ 1,303,278,949</u>
Expenditures					
Current:					
Instruction	510,377,557	-	78,112,553	-	588,490,110
Instructional support	31,320,793	-	35,654,952	-	66,975,745
Student support	58,103,579	-	9,295,673	-	67,399,252
Office of principal	62,689,323	-	41,196	-	62,730,519
General administration	15,525,436	-	220,670	-	15,746,106
Fiscal services	7,072,061	-	116,446	-	7,188,507
Other support services	10,797,870	-	-	-	10,797,870
Student transportation	23,086,279	-	3,112,972	-	26,199,251
Plant services	83,093,407	-	656,071	-	83,749,478
Community service	4,943,674	-	49,618,860	-	54,562,534
Charter school	128,231,865	-	-	-	128,231,865
Education Technology	21,920,730	-	-	-	21,920,730
Retiree benefits	28,784,843	-	-	-	28,784,843
Food service	-	-	-	72,418,197	72,418,197
Capital outlay	-	56,277,101	-	-	56,277,101
Total expenditures	<u>985,947,417</u>	<u>56,277,101</u>	<u>176,829,393</u>	<u>72,418,197</u>	<u>1,291,472,108</u>
Excess (deficiency) of revenues over expenditures	<u>4,978,952</u>	<u>(4,640,827)</u>	<u>368,606</u>	<u>11,100,110</u>	<u>11,806,841</u>
Other financing sources (uses)					
Transfer to fiduciary fund	(96,202)	-	-	-	(96,202)
Transfer to OPEB fund	(3,000,000)	-	-	-	(3,000,000)
Sale of capital assets	151,684	87,895	34,644	72,450	346,673
Net change in fund balance	2,034,434	(4,552,932)	403,250	11,172,560	9,057,312
Fund balance - July 1, 2017	196,755,623	6,218,216	9,863,161	26,023,179	238,860,179
Fund balance - June 30, 2018	<u>\$ 198,790,057</u>	<u>\$ 1,665,284</u>	<u>\$ 10,266,411</u>	<u>\$ 37,195,739</u>	<u>\$ 247,917,491</u>

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, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

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

Total net change in fund balances - total governmental funds	\$	9,057,312
<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	\$	59,300,422
Depreciation expense		<u>(49,031,096)</u>
		10,269,326
<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. This is the amount by which cost of the disposed assets exceeds the accumulated depreciation of the disposed assets in the period. Impairment expenses on the Statement of Activities are not recognized in the governmental funds.</p>		
Disposal of capital assets	\$	(4,678,517)
Impairment expense		<u>(5,098,411)</u>
		(9,776,928)
<p>The repayment of the principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The current and long-term debt principal payments were covered by the bond sinking fund.</p>		
		144,532
<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>		
		224,619,000
<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>		
		(248,644)
<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>		
		16,622,301
<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>		
		(8,353,173)
<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>		
		63,536,593
<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, 2017 and not reflected as expenses on the Statement of Activities.</p>		
		<u>42,680,858</u>
Change in net position of governmental activities	\$	<u>348,551,177</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
GENERAL FUND
For the year ended June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
City of Memphis	\$ 1,333,333	\$ 1,333,333	\$ 1,445,441	\$ 112,108
Shelby County	454,550,944	454,550,944	463,097,256	8,546,312
State of Tennessee	483,914,187	507,845,274	502,017,410	(5,827,864)
Federal Government	23,152,451	15,766,787	17,643,709	1,876,922
Other local sources	5,344,259	5,712,575	6,722,553	1,009,978
Total revenues	<u>968,295,174</u>	<u>985,208,913</u>	<u>990,926,369</u>	<u>5,717,456</u>
Expenditures				
Current:				
Instruction	513,585,032	514,468,575	518,652,883	(4,184,308)
Instructional support	33,561,172	35,365,300	30,551,850	4,813,450
Student support	57,532,476	57,086,553	58,496,700	(1,410,147)
Office of principal	58,421,902	63,105,707	62,679,281	426,426
General administration	15,631,349	21,207,158	15,241,121	5,966,037
Fiscal services	7,311,557	8,597,448	7,039,887	1,557,561
Other support services	17,081,907	12,684,131	7,148,099	5,536,032
Student transportation	22,852,783	23,136,924	22,763,879	373,045
Plant services	77,768,635	91,506,076	82,175,067	9,331,009
Community service	4,231,155	6,779,392	4,949,101	1,830,291
Charter schools	131,184,401	131,184,401	128,231,865	2,952,536
Education Technology	14,647,589	36,313,166	30,528,463	5,784,703
Retiree benefits	32,389,091	32,388,917	28,784,843	3,604,074
Debt Service:				
Principal	96,125	-	-	-
Total expenditures	<u>986,295,174</u>	<u>1,033,823,748</u>	<u>997,243,039</u>	<u>36,580,709</u>
Excess (deficiency) of revenues over expenditures	<u>(18,000,000)</u>	<u>(48,614,835)</u>	<u>(6,316,670)</u>	<u>42,298,165</u>
Other financing sources (uses)				
Transfer to fiduciary fund	-	(96,202)	(96,202)	-
Transfer to OPEB fund	-	(3,000,000)	(3,000,000)	-
Sale of capital assets	-	151,684	151,684	-
Net change in fund balance	<u>\$ (18,000,000)</u>	<u>\$ (51,559,353)</u>	<u>(9,261,188)</u>	<u>\$ 42,298,165</u>
Change in reserve for encumbrances			<u>11,295,622</u>	
Net change in fund balances (GAAP basis)			2,034,434	
Fund balance - July 1, 2017			<u>196,755,623</u>	
Fund balance - June 30, 2018			<u>\$ 198,790,057</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, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues				
State of Tennessee	\$ 13,547,322	\$ 13,180,816	\$ 11,967,407	\$ (1,213,409)
Federal Government	173,717,606	177,329,913	151,566,681	(25,763,232)
Other local sources	18,166,447	15,306,514	11,090,071	(4,216,443)
Total revenues	<u>205,431,375</u>	<u>205,817,243</u>	<u>174,624,159</u>	<u>(31,193,084)</u>
Expenditures				
Current:				
Instruction	90,510,309	93,887,099	75,336,502	18,550,597
Instructional support	41,972,099	41,861,973	36,176,857	5,685,116
Student support	10,584,855	11,487,589	8,830,734	2,656,855
Office of principal	-	-	41,196	(41,196)
General administration	3,135,000	239,296	197,007	42,289
Fiscal services	125,000	116,446	116,446	-
Student transportation	827,316	3,286,627	3,173,741	112,886
Plant services	849,160	759,160	703,857	55,303
Community service	58,703,378	55,640,610	50,025,399	5,615,211
Total expenditures	<u>206,707,117</u>	<u>207,278,800</u>	<u>174,601,739</u>	<u>32,677,061</u>
Excess (deficiency) of revenues over expenditures	<u>(1,275,742)</u>	<u>(1,461,557)</u>	<u>22,420</u>	<u>1,483,977</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	34,644	34,644
Net change in fund balances	<u>\$ (1,275,742)</u>	<u>\$ (1,461,557)</u>	57,064	<u>\$ 1,518,621</u>
Change in reserve for encumbrances			<u>346,186</u>	
Net change in fund balances (GAAP basis)			403,250	
Fund balance - July 1, 2017			<u>9,863,161</u>	
Fund balance - June 30, 2018			<u>\$ 10,266,411</u>	

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

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	<u>Governmental Activities - Internal Service Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,343,904
Investments	40,190,367
Receivable from state	1,093,502
Other receivables	380,009
Due from insurance fund	<u>504,780</u>
Total assets	<u>46,512,562</u>
Liabilities	
Current liabilities:	
Accounts payable	214,566
Insurance claims and premiums payable	9,940,291
Due to general fund	122,418
Accrued vacation	14,930
Noncurrent liabilities:	
Accrued vacation	<u>124,508</u>
Total liabilities	<u>10,416,713</u>
Net Position	
Unrestricted	<u><u>\$ 36,095,849</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, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	\$ 3,436,931
Employee contributions	39,427,299
Board contributions	57,430,415
Total operating revenues	<u>100,294,645</u>
Operating expenses:	
Personnel services	3,241,314
Material & supplies	643,943
Claims incurred	78,278,354
Life insurance premiums	2,471,405
Administrative expenses	2,219,347
Total operating expenses	<u>86,854,363</u>
Operating income	13,440,282
Nonoperating revenues (expenses):	
Interest income	182,019
Total nonoperating revenues (expenses)	<u>182,019</u>
Income (Loss) Before Transfers	13,622,301
Transfers from General Fund	<u>3,000,000</u>
Change in net position	16,622,301
Total net position - July 1, 2017	<u>19,473,548</u>
Total net position - June 30, 2018	<u>\$ 36,095,849</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, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities	
Receipts for interfund services provided	\$ 64,762,780
Receipts from employees	39,427,299
Payments to suppliers	(737,993)
Payments to employees for salaries and benefits	(3,241,314)
Payments to other division funds	(1,363,325)
Payments for life insurance premiums	(2,471,405)
Payments for insurance and unemployment claims	(79,806,915)
Net cash by operating activities	<u>16,569,127</u>
Cash Flows From Investing Activities	
Purchase of investments	(39,890,367)
Interest received	182,019
Net cash provided (used) by investing activities	<u>(39,708,348)</u>
Cash Flows From Noncapital Financing Activities	
Transfers from other funds	<u>(504,780)</u>
Net cash provided (used) by capital and related financing activities	(504,780)
Net decrease in cash and cash equivalents	(23,644,001)
Cash and cash equivalents at beginning of year	<u>27,987,905</u>
Cash and cash equivalents at end of year	<u>\$ 4,343,904</u>
Reconciliation of operating to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 16,440,282
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Receivables	895,434
Accrued liabilities	<u>(766,589)</u>
Net cash by operating activities	<u>\$ 16,569,127</u>

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

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	Trust Funds	Healthcare Savings Account Fund	Internal School Fund
Assets			
Cash and cash equivalents	\$ 3,522	\$ 32,490	\$ 10,615,289
Other receivables	343,688	227,042	184,518
Investments, at fair value:			
Short-term securities	1,664,527	279,084	85,344
Common stocks	25,871,143	-	-
Corporate bonds	46,029,168	-	-
Total Investments	<u>73,564,838</u>	<u>279,084</u>	<u>85,344</u>
Inventories	-	-	57,332
Total assets	<u><u>73,912,048</u></u>	<u><u>538,616</u></u>	<u><u>10,942,483</u></u>
Liabilities			
Accounts payable	4,824	44,942	125,490
Due to general fund	8,599,320	-	-
Due to other fund	504,780	-	-
Due to student general fund	-	-	6,420,151
Due to student groups	-	-	4,396,842
Total liabilities	<u>9,108,924</u>	<u>44,942</u>	<u>10,942,483</u>
Net Position			
Net position restricted for post employment benefits	63,790,550	-	-
Net position restricted for pension benefits	1,012,573	-	-
Net position restricted for flexible spending	-	493,674	-
	<u><u>64,803,123</u></u>	<u><u>\$ 493,674</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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	Trust Funds
Additions	
Contributions:	
State reimbursements for benefit payments and insurance premiums	\$ 65,492
State reimbursements for superior plan	2,312,905
Employer Contributions	30,876,197
Retiree Contributions	23,660,717
Transfer from General Fund	3,096,202
Investment Earnings:	
Interest income	2,504,320
Net appreciation (depreciation) in fair value of investments	<u>3,380,384</u>
Total investment earnings	5,884,704
Less investment expense	<u>258,664</u>
Net investment earnings	5,626,040
 Total additions	 65,637,553
Deductions	
Benefit payments	63,314,917
Administrative expenses	<u>505,434</u>
Total deductions	<u>63,820,351</u>
 Net increase (decrease) in net position	 1,817,202
Net Position	
July 1, 2017	62,985,922
June 30, 2018	<u><u>64,803,124</u></u>

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

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 (or oversight entity) 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.

Effective June 30, 2018, the Board implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements under GASB Statement No. 45. See Note 14, Other Post-Employment Benefits (OPEB), for more information.

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.

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 – Healthcare Savings 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, Capital Project Fund, and Categorically Aided Fund are classified as major funds. The Food Service 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 \$4.11 per \$100 of assessed value included \$1.99 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.

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 notes payable, accrued compensated absences, pension, and other post-employment benefits.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

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 and spend those funds first before moving down to the next category with available funds.

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 \$27,252,244 at June 30, 2018 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, 2018, the deposits held were \$45,151,429. The cash of the Fiduciary funds are not included here because the amounts are held in a trust or an agency capacity.

	Shelby County Trustee	Shelby County Board of Education	Total Cash and Cash Equivalents
LGIP	\$ 40,383,487	\$ -	\$ 40,383,487
PFDs-Regions	3,378,094	-	3,378,094
Liquid CDARs-Metropolitan	33,078	-	33,078
Liquid CDARs-Iberia	11,762	-	11,762
Cash-Regions	1,345,008	-	1,345,008
	<u>\$ 45,151,429</u>	<u>\$ -</u>	<u>\$ 45,151,429</u>

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments as of June 30, 2018, 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	Weighted Average Maturity in Years
CDARS	\$ 11,771,394	\$ 714,908	\$ 2,170,497	\$ 2,971,178	\$ 23,040	\$ -	\$ 17,651,017	-
CDs	18,580,977	1,128,472	3,426,098	4,989,962	36,369	-	28,161,878	-
Agencies	32,658,505	1,983,438	6,021,816	8,243,224	63,923	-	48,970,906	-
Commercial Paper	94,168,528	5,719,104	17,363,489	23,768,762	184,317	-	141,204,200	-
Pass Through Securities	860,679	52,271	158,698	217,241	1,685	-	1,290,574	-
Common stocks	563,224			-	573,190	-	1,136,414	-
Corporate bonds	-			-	338,073	-	338,073	0.59
Mutual Funds	-			-	35,651,424	-	35,651,424	-
Exchange-traded and closed-end funds	-			-	25,365,496	-	25,365,496	5.36
Short term investments	-			-	11,606,405	85,344	11,691,749	-
	<u>\$ 158,603,307</u>	<u>\$ 9,598,193</u>	<u>\$ 29,140,598</u>	<u>\$ 40,190,367</u>	<u>\$ 73,843,922</u>	<u>\$ 85,344</u>	<u>\$ 311,461,731</u>	

Custodial Credit Risk:

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.

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, 2018.

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, 2018:

Investments Measured at Fair Value (\$ in millions)	<u>Fair Value Measurements</u>			Total 6/30/2018
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Investments by Fair Value Level				
CDARS	\$ 17.65	\$ -	\$ -	\$ 17.65
CDs	28.16	-	-	28.16
Commercial paper	-	-	141.20	141.20
Pass through securities	-	1.29	-	1.29
Agencies	-	48.97	-	48.97
Corporate bonds	0.34	-	-	0.34
Mutual Funds	35.65	-	-	35.65
Exchange-traded and closed-end funds	25.37	-	-	25.37
Short term investments	11.69	-	-	11.69
Common stocks	1.14	-	-	1.14
Total investments measured at fair value	<u>\$ 120.00</u>	<u>\$ 50.26</u>	<u>\$ 141.20</u>	<u>\$ 311.46</u>

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, 2018:

		<u>Retirement Fund</u>
Aaa	5.04%	\$ 49,272
Aa3	2.73%	24,729
A1	12.74%	49,138
A2	9.93%	84,612
A3	9.51%	44,603
Baa1	1.65%	24,934
Baa2	4.98%	60,785
		<u>\$ 338,073</u>

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

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 \$14,639,478 discounted value of the payments, utilizing a 2 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 \$14,395,801 remaining at the fund level, of which \$14,207,134 is discounted based on the settlement agreement utilizing a 2 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 and non-major funds disaggregated are as follows:

	General Fund	Capital Projects Fund	Food Service Fund	Categorically Aided Fund	Total Governmental Funds
Accounts payable	\$ 11,030,994	\$ 16,849,670	\$ 639,751	\$ 2,518,433	\$ 31,038,848
Accrued payroll and payroll deductions	50,693,567	-	143,927	2,942,372	53,779,866
Accrued vacation	162,706	-	3,825	8,502	175,033
Total	<u>\$ 61,887,267</u>	<u>\$ 16,849,670</u>	<u>\$ 787,503</u>	<u>\$ 5,469,307</u>	<u>\$ 84,993,747</u>

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. Due to the merger with Memphis City Board of Education, the Shelby County Board of Education became responsible for debt in the amount of \$1,084,000 under the former specific agreements with the State of Tennessee.

The debt was Qualified Zone Academy Bonds (QZAB) with interest rates of 0 percent. Prior to 2018, the debt service requirements for principal and administrative fees were paid from the General Fund. In fiscal year 2018, the bond sinking fund was sufficient to cover the current year payment of \$72,267 and the \$72,265 remaining balance. At June 30, 2018, the Board has a \$0 outstanding obligation for QZAB.

The following is a summary of changes in general long-term obligations for the year June 30, 2018:

	Balance July 1, 2017	Additions	Payments and Retirements	Balance June 30, 2018	Due Within One Year
Due to State of Tennessee	\$ 144,532	\$ -	\$ 144,532	\$ -	\$ -
Net OPEB Liability*	1,333,355,000	-	341,958,000	991,397,000	-
Pension Benefits	71,180,937	-	70,939,879	241,058	-
Compensated Absences	9,740,923	1,549,692	1,284,423	10,006,192	1,096,515
	<u>\$ 1,414,421,392</u>	<u>\$ 1,549,692</u>	<u>\$ 414,326,834</u>	<u>\$ 1,001,644,250</u>	<u>\$ 1,096,515</u>

*The beginning balance shown for total OPEB liability is different than the ending balance reported in prior year due to the implementation of GASB Statement No. 75.

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:

State of Tennessee QZAB Construction Bonds	General Fund
Net pension liability	Fund incurring the related employees' compensation, primarily the General Fund
Other postemployment benefits obligation	Primarily the General 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, 2018, local pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	13
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	-
	<u>13</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 \$191,733 (\$257,225 net of \$65,492 reimbursements from the state) for employees covered by the Local Plan for the year ended June 30, 2018. 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 \$65,492 during the year ended June 30, 2018. 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, 2018, 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	9.33%
Ishares Russell Midcap ETF	8.85%

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was a negative 11.11 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:

Asset Class	Target Allocation	10-Year Expected Geometric Real Rate of Return
U.S. Equity - large cap	30.0%	10.17%
U.S. Equity - mid cap	20.0%	10.60%
Fixed Income	40.0%	1.19%
Cash	10.0%	0.00%
Total Fund	100.0%	

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 7.44 percent.

Net Pension Liability of the Board

The components of the net pension liability of the Board at June 30, 2018 were as follows:

Total pension liability	\$ 1,253,631
Plan fiduciary net position	<u>(1,012,573)</u>
Board's net pension liability	<u>\$ 241,058</u>

Plan fiduciary net position as a percentage of the total pension liability 80.77%

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:

	<u>2018</u>
Total pension liability	
Interest	\$ 64,969
Differences between actual and expected experience	(20,277)
Change of assumptions	6,601
Benefit payments, including refunds of employee contributions	<u>(191,733)</u>
Net change in total pension liability	<u>(140,440)</u>
Total pension liability - beginning	<u>1,394,071</u>
Total pension liability - ending (a)	<u><u>1,253,631</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 96,202
Net investment income	58,812
Benefit payments, including refunds of employee contributions	<u>(191,733)</u>
Net change in plan fiduciary net position	<u>(36,719)</u>
Plan fiduciary net position - beginning	<u>1,049,292</u>
Plan fiduciary net position - ending (b)	<u><u>1,012,573</u></u>
Net pension liability (asset) - ending (a) - (b)	<u><u>\$ 241,058</u></u>

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2018 (the measurement date), 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	3.89 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-2017. Representative values of the assumed rates of deaths after service retirement are as follows:

Age	Male	Female
65	0.8653%	0.6623%
70	1.3817%	1.0143%
75	2.3278%	1.6742%
80	4.0923%	2.9806%
85	7.5915%	5.5475%
90	14.1354%	10.3382%
95	23.1025%	17.5851%
100	34.4140%	27.1960%

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.

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:

	<u>1% Decrease (4.00%)</u>	<u>Current Discount Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Shelby County School's net pension liability	\$ 352,748	\$ 241,058	\$ 148,265

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 publically available financial report that can be obtained at <http://www.treasury.state.tn.us/tcrs/>.

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’s years of 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. 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 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, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,936
Inactive employees entitled to but not yet receiving benefits	6,325
Active employees	<u>3,467</u>
	<u>13,728</u>

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, 2018, the employer contributions for Shelby County Unified School District were \$9,743,918 based on a rate of 6.85 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, 2017, 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, 2017 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 8.75 to 3.45 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, 2017 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.

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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 is a decrease of .25 percent over 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)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Changes in the Net Pension Liability (Asset)			
Balance at 6/30/2016	\$ 607,589,509	\$ 637,305,354	\$ (29,715,845)
Changes for the year:			
Service Cost	12,178,233	-	12,178,233
Interest	44,461,721	-	44,461,721
Differences between expected and actual experience	3,215,494	-	3,215,494
Changes of assumptions	13,262,647	-	13,262,647
Contributions - employer	-	12,646,930	(12,646,930)
Contributions - employees	-	6,829,756	(6,829,756)
Net investment income	-	70,210,667	(70,210,667)
Benefit payments, including refunds of employee contributions	(37,349,165)	(37,349,165)	-
Administrative expense	-	(289,689)	289,689
Percentage change in allocation	(8,270,213)	(8,674,691)	404,478
Other changes	-	89,843	(89,843)
Net changes	\$ 27,498,717	\$ 43,463,651	\$ (15,964,934)
Balance at 6/30/2017	\$ 635,088,226	\$ 680,769,005	\$ (45,680,779)

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 is a decrease of .25 percent over 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Shelby County Unified School District's net pension liability (asset)	\$ 30,028,259	\$ (45,680,779)	\$ (108,912,481)

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

Negative pension expense: For the year ended June 30, 2018, Shelby County Unified School District recognized negative pension expense of \$5,454,839.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2018, Shelby County Unified School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,572,395	\$ 21,782,499
Change of assumptions	10,610,118	-
Net difference between projected and actual earnings on pension plan investments	26,951	-
Contributions subsequent to the measurement date of June 30, 2017	9,743,918	(not applicable)
Total	\$ 22,953,382	\$ 21,782,499

Shelby County Board of Education's employer contributions of \$9,743,918 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability (asset) in the year ended June 30, 2019. 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 Non-Teacher Pension Plan of TCRS.

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

Year Ended June 30:	
2019	(9,239,121)
2020	744,766
2021	1,373,901
2022	(1,452,588)
2023	-
Thereafter	-

10. *Payable to the Pension Plan*

At June 30, 2018, Shelby County Unified School District reported a payable of \$2,946,381 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2018.

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 publically available financial report that can be obtained at <http://www.treasury.state.tn.us/tcrs/>.

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 Legacy Pension 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, 2018 to the Teacher Legacy Pension Plan was \$33,337,377 which is 9.08 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, 2018 to the Teacher Retirement Plan were \$4,108,963 which is 4.00 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

Teacher Legacy Pension Plan

Pension Liabilities (Assets): At June 30, 2018, the Shelby County Board of Education reported a liability (asset) of (\$3,647,904) for its proportionate share of net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, 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, 2017, Shelby County Board of Education Teachers' proportion was 11.15 percent. The proportion measured as of June 30, 2016 was 11.33 percent.

Pension Expense (negative pension expense): For the year ended June 30, 2018, Shelby County Board of Education Teachers recognized pension expense (negative pension expense) of (\$12,037,814).

Teacher Retirement Plan of TCRS

Pension Liabilities (Assets): At June 30, 2018, Shelby County Board of Education reported a liability (asset) of (\$2,858,848) for its proportionate share of net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, 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, 2017, Shelby County Board of Education Teachers' proportion was 10.84 percent. The proportion measured as of June 30, 2016 was 10.82 percent.

Pension Expense (negative pension expense): For the year ended June 30, 2018, Shelby County Board of Education Teachers recognized pension expense (negative pension expense) of \$1,250,037.

5. Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2018, 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	\$ 2,199,212	\$ 75,311,998
Changes in assumptions	30,895,593	-
Net difference between projected and actual earnings on pension plan investments	553,742	-
Changes in proportion of Net Pension Liability (Asset)	-	39,618,345
Contributions subsequent to the measurement	33,337,377	(not applicable)
Total	<u>\$ 66,985,924</u>	<u>\$ 114,930,343</u>

Teacher Retirement Pension Plan

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 100,192	\$ 215,008
Changes in assumptions	251,163	-
Net difference between projected and actual earnings on pension plan investments	-	153,831
Changes in proportion of Net Pension Liability (Asset)	20,818	1,240
Contributions subsequent to the measurement	4,108,963	(not applicable)
Total	<u>\$ 4,481,136</u>	<u>\$ 370,079</u>

Shelby County Board of Education's employer contributions of \$37,446,340 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability (asset) in the year ended June 30, 2019. 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:

Year Ended June 30:	Teacher Legacy Plan	Teacher Retirement Plan
2019	(38,289,618)	(13,202)
2020	(970,905)	(13,202)
2021	(21,588,151)	(22,012)
2022	(20,433,121)	(61,578)
2023	-	10,959
Thereafter	-	101,135

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, 2017 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 8.75 to 3.45 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, 2017 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.

Changes of assumptions. In 2017, the following assumptions were changed; decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary

growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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 was 7.25 percent which is a decrease of .25 percent over 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 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Shelby County Schools' proportionate share of the net pension liability (assets)			
Teacher Legacy Plan	\$ 327,320,641	\$ (3,647,904)	\$ (277,215,211)
Teacher Retirement Plan	570,376	(2,858,848)	(5,374,245)

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, 2018, Shelby County Board of Education reported a payable of \$6,683,474 for the outstanding amount of contributions to the Teacher Retirement and the Teacher Legacy Pension Plan required at the year ended June 30, 2018.

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/tcrs/> 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 2018 was \$2,330,358.

3. *Payable to the Hybrid Pension Plan*

As of June 30, 2018, a payable of \$356,139 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 on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Governmental Activities					
Local Pension Plan	\$ -	\$ -	\$ 241,058	\$ -	\$ 191,733
TCRS Non-Teachers Plan	45,680,779	22,953,382	-	21,782,499	(5,454,839)
TCRS Legacy Teachers Plan	3,647,904	66,985,924	-	114,930,343	(12,037,814)
TCRS Retirement Teachers Plan	2,858,848	4,481,136	-	370,079	1,250,037
	<u>\$ 52,187,531</u>	<u>\$ 94,420,442</u>	<u>\$ 241,058</u>	<u>\$ 137,082,921</u>	<u>\$ (16,050,883)</u>

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance July 1, 2017	Reclassifications	Additions	Impairment	Disposals and Adjustments	Balance June 30, 2018
Capital assets not being depreciated:						
Land	\$ 45,603,360	\$ -	\$ 41,350	\$ (205,762)	\$ (188,961)	\$ 45,249,987
Construction in progress	8,954,642	(13,905,391)	55,120,615	-	-	50,169,866
Total capital assets, not being depreciated	54,558,002	(13,905,391)	55,161,965	(205,762)	(188,961)	95,419,853
Capital assets being depreciated:						
Buildings and improvements	1,625,369,592	13,905,391	2,005,018	(9,367,082)	(14,652,525)	1,617,260,394
Machinery and equipment	196,994,615	-	2,133,439	-	(30,596,546)	168,531,508
Intangible assets	5,671,376	-	-	-	-	5,671,376
Total capital assets, being depreciated	1,828,035,583	13,905,391	4,138,457	(9,367,082)	(45,249,071)	1,791,463,278
Less accumulated depreciation:						
Buildings and improvements	(720,081,559)	-	(43,936,392)	4,474,433	10,805,815	(748,737,703)
Machinery and equipment	(176,092,692)	-	(4,527,566)	-	29,953,700	(150,666,558)
Intangible assets	(2,268,552)	-	(567,138)	-	-	(2,835,690)
Total accumulated depreciation	(898,442,803)	-	(49,031,096)	4,474,433	40,759,515	(902,239,951)
Capital assets being depreciated, net	929,592,780	13,905,391	(44,892,639)	(4,892,649)	(4,489,556)	889,223,327
Total capital assets, net	<u>\$ 984,150,782</u>	<u>\$ -</u>	<u>\$ 10,269,326</u>	<u>\$ (5,098,411)</u>	<u>\$ (4,678,517)</u>	<u>\$ 984,643,180</u>

Depreciation expense were charged to governmental functions as follow:

Function	Depreciation Expense
Instruction	\$ 41,873,694
Instructional support	350,736
Student support	257,466
Office of principal	641,937
General administration	1,522,402
Fiscal services	4,293
Other support services	81,946
Student transportation	119,384
Plant services	215,234
Community service	177,022
Food service	3,126,437
Education Technology	660,545
Total depreciation and impairment expenses	<u>\$ 49,031,096</u>

The estimated cost to complete construction in progress at June 30, 2018 is \$13,605,142.

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 \$6.4 million are considered to be idle assets at year-end. Four idle assets for vacant land with a carrying value of \$974 thousand were impaired during 2018 and written down to \$769 thousand. Two vacant school buildings, Carnes Elementary and White Chapel Elementary, were also impaired in 2018. Carnes Elementary with a carrying value of \$4.3 million was impaired and written down to \$1.0 million. White Chapel Elementary with a carrying value of \$2.4 million was impaired and written down to \$850 thousand. These impairments were reported as impairment expense under special items in the statement of activities.

Assets Held for Sale

The Board, as of June 30, 2018, is negotiating the sale of nine properties.

Capital assets held for sale consist of the following:

Land	\$	966,028
Building		3,185,667
	\$	<u>4,151,695</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 transportation, on-site clinic, telecommunication, student testing, teacher recruitment, and technology services as detailed by year in the following schedule:

<u>Fiscal Year</u>	<u>Total Commitments</u>
2019	\$ 27,641,190
2020	28,741,190
2021	3,045,389
2022	81,480
2023	-
Total Commitments	<u>\$ 59,509,249</u>

Subsequent to June 30, 2018, the Board has entered into school building improvement contracts totaling approximately \$31,534,711.

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, 2018 were as follows:

	<u>Outstanding Encumbrances</u>
General Fund	\$ 21,120,238
Categorically Aided Funds	\$ 523,227
Capital Projects Fund	\$ 13,032,760
Food Service Fund	\$ 3,136,582

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2018, 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, 2018, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Categorically Aided	\$ 24,198,065
	Capital Projects	10,262,107
	Internal Service	122,418
	OPEB	8,599,320
		<u>\$ 43,181,910</u>
Internal Service	OPEB	504,780

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, OPEB expenditures are paid by the General Fund and reimbursed with retiree and board contributions.

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	\$ 89,536,347
	Internal Service	2,805,316
	OPEB	8,599,320
	Capital Projects	10,262,107
		<u>\$ 111,203,090</u>
Categorically Aided	General Fund	\$ 83,886,053
Internal Service		3,698,798
		<u>\$ 87,584,851</u>
Internal Service	OPEB	504,780

In the year ended June 30, 2018, the Board made the following non-reciprocal transfers:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	OPEB Fund	\$ 3,000,000
	Pension Fund	96,202

Transfers of \$3,000,000 and \$96,202 from the general fund were made to the OPEB and Pension fiduciary funds for other post-employment benefits and pensions, respectively.

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, amount 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:

	<u>2018</u>	<u>2017</u>
Unpaid claims, beginning of fiscal year	\$ 9,215,163	\$ 8,040,195
Incurred claims (including IBNRs)	135,005,973	141,245,488
Claim payments	(134,776,733)	(140,070,520)
	<u>\$ 9,444,403</u>	<u>\$ 9,215,163</u>

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, 2018, total funds remitted to the charter schools totaled \$128,231,865.

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
Fund Balances:					
Nonspendable:					
Inventories	\$ 5,812,919	\$ -	\$ -	\$ 2,931,876	\$ 8,744,795
School cafeteria inventory	-	-	-	278,299	278,299
Restricted for:					
Capital projects	-	-	1,665,284	-	1,665,284
Education	-	80,832	-	-	80,832
Education - MOE	31,632,705	-	-	-	31,632,705
Instruction - career ladder	64,541	-	-	-	64,541
Operation of non-instructional services	-	8,792,344	-	33,985,564	42,777,908
Committed For:					
Operation of non-instructional services	-	1,393,235	-	-	1,393,235
Assigned to:					
Capital projects	17,600,000	-	-	-	17,600,000
Encumbrances from prior year	21,120,238	-	-	-	21,120,238
Inventory encumbrances	1,391,628	-	-	-	1,391,628
Legal liability	-	-	-	-	-
Other post employment benefits	3,000,000	-	-	-	3,000,000
Other purposes - planned use (1)	38,000,000	-	-	-	38,000,000
Other purposes - Operational consolidation	4,000,000	-	-	-	4,000,000
Unassigned:					
General purpose	76,168,026	-	-	-	76,168,026
Total fund balances	<u>\$ 198,790,057</u>	<u>\$ 10,266,411</u>	<u>\$ 1,665,284</u>	<u>\$ 37,195,739</u>	<u>\$ 247,917,491</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.

Effective June 30, 2018, Shelby County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

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

Plan membership. At June 30, 2018, SCS RBP membership consisted of the following:

Inactive Members Currently Receiving Benefits	9,500
Inactive Members Entitled to But Not Yet Receiving Benefits	-
Active Members	10,681
Total Membership	<u>20,181</u>

Plan membership. At June 30, 2017 (the measurement date), SCS RBP membership consisted of the following:

Inactive Members or Beneficiaries Currently Receiving Benefits	9,551
Inactive Members Entitled To But Not Yet Receiving Benefits	-
Active Members	10,133
Total Membership	<u>19,684</u>

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 \$72.5 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 \$42,680,858 in contributions to the OPEB Trust during fiscal year 2018, which was 7.52 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, 2018, general fund costs were \$28,784,843 of \$42,680,858 Board contributions for the 11,013 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. The following was the TSBA’s adopted asset allocation policy as of June 30, 2018:

<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>
Ishares MSCI EAFE ETF	6.09%
Ishares S&P 500 Growth ETF	6.09%
Oakmark I	7.80%
Pioneer Bond Y	9.96%
Prudential Jennison Growth Z	7.77%
Prudential SHT TRM CORP BD Z	13.92%
Vanguard Index FDS S&P 500 ETF	6.95%

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 6.47 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, 2017, using the following key actuarial assumptions and other inputs:

Inflation	3.00%
Real wage growth	0.50%
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	6.00%
Municipal Bond Index Rate at Prior Measurement Date	3.01%
Municipal Bond Index Rate at Measurement Date	3.56%
Year FNP is projected to be depleted	2036
Single Equivalent Interest Rate at Prior Measurement Date	3.50%
Single Equivalent Interest Rate at Measurement Date	4.10%
Health Care Cost Trends	
Pre-Medicare	7.75% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare	5.75% for 2017 decreasing to an ultimate rate of 5.00% by 2020

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 5 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, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 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%	4.6%	8.9%
US Large Value	17.0%	5.3%	9.5%
US Mid Growth	2.0%	4.9%	9.5%
US Mid Value	2.0%	5.3%	10.0%
US Small Growth	2.0%	5.6%	10.0%
US Small Value	2.0%	6.6%	7.5%
Europe	12.0%	6.4%	7.5%
Japan	2.0%	6.1%	7.4%
Asia Ex-Japan	3.0%	5.8%	9.4%
Emerging Markets	5.0%	7.5%	10.5%
Short term Fixed Income	7.0%	1.9%	3.7%
US Fixed Income	23.0%	3.0%	4.9%
International Fixed Income	1.0%	1.3%	4.5%
Inflation Protected Notes	3.0%	2.2%	5.3%
High Yield Fixed Income	0.0%	3.5%	6.9%
Emerging Market Fixed Income	1.0%	4.7%	5.8%
Total	100.0%	4.6%	7.4%

Expected Rate of Return $50\% \times 4.6\% + 50\% \times 7.4\% = 6.00\%$

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 6.00% is reasonable.

Discount rate (SEIR). The discount rate used to measure the TOL as of the Measurement Date was 4.10%. 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, 2017. In addition to the actuarial methods and assumptions of the June 30, 2017 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%.
- 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 2036 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 6.00% on Plan investments was applied to periods through 2036 and the Municipal Bond Index Rate at the Measurement Date (3.56%) was applied to periods on and after 2036, resulting in an SEIR at the Measurement Date (4.10%).

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, 2017. An expected TOL is determined as of June 30, 2016 using standard rollback techniques. The rollback calculation begins with the TOL, as of June 30, 2017, adds the actual benefit payments (net of retiree contributions) for the year, applies interest at the discount rate for the year, and then subtracts the annual normal cost (also called the Service Cost). 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 3.59 percent on the Prior Measurement Date to 4.10 percent on the Measurement Date. The procedure used to determine the TOL, as of June 30, 2017, is shown in the following table (\$ in thousands):

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2016	\$ 1,383,641	\$ 50,286	\$ 1,333,355
Changes for the year:			
Service Cost	39,550	-	39,550
Interest on TOL and Cash Flows	48,923	-	48,923
Change in benefit terms	(295,145)	-	(295,145)
Differences between expected and actual experience	17,073	-	17,073
Changes of assumptions or other inputs	(98,931)	-	(98,931)
Contributions - employer	-	47,252	(47,252)
Contributions - non-employer	-	-	-
Net investment income	-	6,660	(6,660)
Benefit payments, including refunds of employee contributions	(41,777)	(41,777)	-
Plan administrative expenses	-	(484)	484
Other changes	-	-	-
Net changes	\$ (330,307)	\$ 11,651	\$ (341,958)
Balance as of June 30, 2017	\$ 1,053,334	\$ 61,937	\$ 991,397

*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 the current health care cost trend rates, as well as the Plan's NOL would be calculated using a health care trend rates that are 1-percentage-point lower (3.10 percent) or 1-percentage-point higher (5.10 percent) than the current rate. (\$ in thousands):

	Health Care Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 867,299	\$ 991,397	\$ 1,147,991

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 4.10 percent, as well as the Plan's NOL would be calculated using a Discount Rate that is 1-percentage-point lower (3.10 percent) or 1-percentage-point higher (5.10 percent) than the current discount rate (\$ in thousands):

	Interest Rates		
	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB Liability	\$ 1,163,990	\$ 991,397	\$ 852,467

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	\$ 14,035	\$ -
Changes in assumptions or other inputs	-	(81,328)
Net difference between projected and actual earnings on pension plan investments	-	(2,794)
Contributions subsequent to the measurement date of June 30, 2017	42,681	(not applicable)
Total	<u>\$ 56,716</u>	<u>\$ (84,122)</u>

\$42,680,858 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:	
2018	\$ (15,264)
2019	\$ (15,264)
2020	\$ (15,264)
2021	\$ (15,262)
2022	\$ (9,033)
Thereafter	\$ -

OPEB expense: For the year ending June 30, 2018, the Board recognized OPEB expense of \$224,619,000.

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 2018, on-behalf payments made by the State of Tennessee totaled \$2,312,905 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 \$14,395,801 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.

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Required Supplementary Information



REQUIRED SUPPLEMENTARY INFORMATION
Pension Schedule of Contributions
Local Pension Plan
June 30, 2018

SHELBY COUNTY
BOARD OF EDUCATION

Year Ending June 30	2018	2017	2016	2015	2014
Actuarially Determined Employer Contribution	\$ 96,202	\$ 77,819	\$ -	\$ -	\$ -
Contributions in relation to the Actuarially Determined Contribution	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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	<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	(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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Interest	\$ 64,969	\$ 70,223	\$ 79,951	\$ 82,688	\$ 92,830
Difference between expected and actual experience	(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	(191,733)	(206,819)	(284,324)	(304,154)	(311,148)
Net change in total pension liability	(140,440)	(205,450)	(139,921)	(162,749)	(218,318)
Total pension liability-beginning	1,394,071	1,599,521	1,739,442	1,902,191	2,120,509
Total pension liability-ending	\$ 1,253,631	\$ 1,394,071	\$ 1,599,521	\$ 1,739,442	\$ 1,902,191
Plan fiduciary net position					
Contributions - employer	\$ 96,202	\$ 77,819	\$ -	\$ -	\$ -
Net investment income	58,812	134,655	\$ (23,740)	\$ 59,719	\$ 235,749
Benefit payments	(191,733)	(206,819)	(284,324)	(304,154)	(311,148)
Administrative expense	-	(24,243)	(29,640)	(20,215)	(29,254)
Net change in plan fiduciary net position	(36,719)	(18,588)	(337,704)	(264,650)	(104,653)
Plan fiduciary net position - beginning	1,049,292	1,067,880	1,405,584	1,670,234	1,774,887
Plan fiduciary net position - ending	<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>\$ 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	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%

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, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Actuarial Funding Method
Inflation	2.50%
Salary increases	N/A
Investment rate of Return	5.00%
Municipal Bond Index Rate	3.89%
Single Equivalent Interest Rate	5.00%

Mortality

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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	<u>2017</u> 88.41%	<u>2016</u> 89.63%	<u>2015</u> 90.75%	<u>2014</u> 93.93%
Total pension liability				
Service Cost	\$ 12,178,233	\$ 12,593,541	\$ 12,995,488	\$ 16,450,681
Interest	44,461,721	44,803,667	44,010,023	46,958,430
Changes in benefit terms	-	-	-	-
Differences between actual and expected experience	3,215,494	(16,171,778)	(933,606)	(37,762,265)
Change of assumptions	13,262,647	-	-	-
Benefit payments, including refunds of employee contributions	(37,349,165)	(36,849,231)	(38,251,547)	(43,201,780)
Net change in total pension liability	\$ 35,768,930	\$ 4,376,199	\$ 17,820,358	\$ (17,554,934)
Total pension liability - beginning	607,589,508	610,750,951	613,707,665	631,262,599
Change in allocation percentage	(8,270,213)	(7,537,642)	(20,777,072)	-
Total pension liability - ending (a)	\$ 635,088,225	\$ 607,589,508	\$ 610,750,951	\$ 613,707,665
Plan fiduciary net position				
Contributions - employer	\$ 12,646,930	\$ 12,110,593	\$ 11,999,510	\$ 14,238,116
Contributions - employee	6,829,756	6,535,391	6,473,390	7,968,014
Net investment income	70,210,667	16,705,628	19,630,955	96,760,233
Benefit payments, including refunds of employee contributions	(37,349,165)	(36,849,231)	(38,251,547)	(43,201,780)
Administrative expense	(289,689)	(256,604)	(175,295)	(201,820)
Other	89,843	862,717	325	-
Net change in plan fiduciary net position	\$ 52,138,342	\$ (891,505)	\$ (322,662)	\$ 75,562,763
Plan fiduciary net position - beginning	637,305,354	646,171,650	669,148,327	593,585,564
Change in allocation percentage	(8,674,691)	(7,974,791)	(22,654,015)	-
Plan fiduciary net position - ending (b)	\$ 680,769,005	\$ 637,305,354	\$ 646,171,650	\$ 669,148,327
Net pension liability (asset) - ending (a) - (b)	\$ (45,680,780)	\$ (29,715,846)	\$ (35,420,699)	\$ (55,440,662)
Plan fiduciary net position as a percentage of total pension liability	107.19%	104.89%	105.80%	109.03%
Covered payroll	136,282,852	131,199,744	\$ 129,830,056	\$ 158,448,724
Net pension liability (asset) as a percentage covered payroll	33.52%	22.66%	27.28%	34.99%

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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

Teacher Legacy Pension Plan of TCRS

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

Teacher Retirement Plan of TCRS

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

NonTeacher Pension Plan of TCRS

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

Notes to Non-Teacher Plan

Valuation date: Actuarially determined contribution rates for 2018 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	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation
Investment Rate of Return	7.50 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	2.50 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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

Teacher Legacy Pension Plan of TCRS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	11.15%	11.33%	12.60%	16.49%
Proportion share of the net pension liability (asset)	(3,647,904)	70,836,158	5,162,674	(2,678,822)
Covered payroll	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	(0.92)%	17.31%	1.09%	(0.41)%
Plan fiduciary net position as a percentage of the total pension liability	100.14%	97.14%	99.81%	100.08%

Teacher Retirement Plan of TCRS

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	10.84%	10.82%	11.88%
Proportion share of the net pension liability (asset)	(2,858,848)	(1,126,872)	(477,904)
Covered payroll	69,940,799	47,628,577	24,682,091
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	(4.09)%	(2.37)%	(1.94)%
Plan fiduciary net position as a percentage of the total pension liability	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
OPEB Schedule of Changes in the Net OPEB Liability
and Related Ratios
Last 10 Fiscal Years
June 30, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	(\$ in thousands)	
	<u>2017</u>	<u>2016</u>
Total OPEB Liability		
Service Cost at end of year	\$ 39,550	
Interest	48,923	
Changes of benefit terms	(295,145)	
Difference between expected and actual experience	17,073	
Changes of assumptions or other inputs	(98,931)	
Benefit payments	(41,777)	
Net change in total OPEB liability	<u>(330,307)</u>	
Total OPEB liability – beginning	1,383,641	
Total OPEB liability – ending (a)	<u>\$ 1,053,334</u>	\$ 1,383,641
Plan fiduciary net position		
Contributions – employer	\$ 47,252	
Net investment income	6,660	
Benefit payments	(41,777)	
Administrative expense	(484)	
Other	-	
Net change in plan fiduciary net position	<u>11,651</u>	
Plan fiduciary net position – beginning	50,286	
Plan fiduciary net position – ending (b)	<u>\$ 61,937</u>	\$ 50,286
Net OPEB liability – ending (a) – (b)	<u>991,397</u>	<u>1,333,355</u>
Plan fiduciary net position as a percentage of the total OPEB liability	5.88%	3.63%
Covered -employee payroll	\$ 547,632	\$ 501,212
Net OPEB Liability as a percentage of covered payroll	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, 2018 Valuation Date

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

June 30, 2017 (Valuation Date: July 30, 2017)

- 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. 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, 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
- Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs,
- Recommended mortality rates and inflation assumption were incorporated into the valuation to account for the results of the actuarial

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
- Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs,

REQUIRED SUPPLEMENTARY INFORMATION
OPEB Schedule of Contributions
Last 10 Fiscal Years
June 30, 2018

SHELBY COUNTY
BOARD OF EDUCATION

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

Notes to Schedule

Valuation date: June 30, 2017

Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions (Schedule A) are calculated as of the prior valuation date. The following actuarial methods and assumptions (from the June 30, 2017 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2018:

Actuarial cost method	Entry Age Normal
Actuarial cost method	Level percentage of payroll
Amortization period	24 years, closed
Asset valuation method	Market value of assets
Price inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.71% to 8.97%
Initial health care cost trend rates	
CIGNA Plans	7.75%
Medicare Supplement Plans	5.75%
Ultimate health care cost trend rates	
CIGNA Plans	5.00%
Medicare Supplement Plans	5.00%
Year of ultimate trend rates	
CIGNA Plans	2023
Medicare Supplement Plans	2020
Long-term investment rate of return, net of OPEB plan investment	4.00%

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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	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.

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**COMBINING INFORMATION
INTERNAL SERVICE FUNDS**



**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Group Insurance Fund	Unemployment Fund	Printing Fund	Supply Chain Fund	Achievement School District Fund	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,026,597	\$ 210,678	\$ 47,949	\$ 58,680	\$ -	\$ 4,343,904
Investments	37,464,756	1,809,687	411,872	504,052	-	40,190,367
Receivable from state	1,093,502	-	-	-	-	1,093,502
Receivable from other	19,069	-	-	-	360,940	380,009
Due from general fund	504,780	-	-	-	-	504,780
Total assets	43,108,704	2,020,365	459,821	562,732	360,940	46,512,562
Liabilities						
Current liabilities:						
Accounts payable and other accrued liabilities	165,402	21,691	10,880	16,593	-	214,566
Insurance claims and premiums payable	9,940,291	-	-	-	-	9,940,291
Due to general fund	-	-	-	-	122,418	122,418
Accrued vacation	1,356	-	3,311	10,263	-	14,930
Noncurrent liabilities:						
Accrued vacation	43,840	-	26,787	53,881	-	124,508
Total liabilities	10,150,889	21,691	40,978	80,737	122,418	10,416,713
Net Position						
Unrestricted	<u>\$ 32,957,815</u>	<u>\$ 1,998,674</u>	<u>\$ 418,843</u>	<u>\$ 481,995</u>	<u>\$ 238,522</u>	<u>\$ 36,095,849</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, 2018**

	Group Insurance Fund	Unemployment Fund
Operating revenues		
Charges for services	\$ 161,680	\$ -
Employee contributions	39,427,299	-
Board contributions	57,430,415	-
Total operating revenues	<u>97,019,394</u>	<u>-</u>
Operating expenses		
Personnel services	1,008,830	86,002
Material and supplies	-	-
Claims incurred	77,930,051	348,303
Life insurance premiums	2,471,405	-
Administrative expenses	1,663,350	-
Total operating expenses	<u>83,073,636</u>	<u>434,305</u>
Operating income (loss)	13,945,758	(434,305)
Nonoperating revenues (expenses)		
Interest income	115,776	45,702
Total nonoperating revenues (expenses)	115,776	45,702
Income (Loss) Before Transfers	14,061,534	(388,603)
Transfers from General Fund	3,000,000	-
Change in net position	17,061,534	(388,603)
Net position		
July 1, 2017	<u>15,896,281</u>	<u>2,387,277</u>
June 30, 2018	<u>\$ 32,957,815</u>	<u>\$ 1,998,674</u>

See independent auditor's report

**SHELBY COUNTY
BOARD OF EDUCATION**

Printing Fund	Supply Chain Fund	Achievement District Fund	Total
\$ 985,752	\$ 1,077,249	\$ 1,212,250	\$ 3,436,931
-	-	-	39,427,299
-	-	-	57,430,415
<u>985,752</u>	<u>1,077,249</u>	<u>1,212,250</u>	<u>100,294,645</u>
446,672	1,030,335	669,475	3,241,314
574,259	418	69,266	643,943
-	-	-	78,278,354
-	-	-	2,471,405
46,766	39,388	469,843	2,219,347
<u>1,067,697</u>	<u>1,070,141</u>	<u>1,208,584</u>	<u>86,854,363</u>
(81,945)	7,108	3,666	13,440,282
10,327	10,214	-	182,019
10,327	10,214	-	182,019
(71,618)	17,322	3,666	13,622,301
-	-	-	3,000,000
<u>(71,618)</u>	<u>17,322</u>	<u>3,666</u>	<u>16,622,301</u>
490,461	464,673	234,856	19,473,548
<u>\$ 418,843</u>	<u>\$ 481,995</u>	<u>\$ 238,522</u>	<u>\$ 36,095,849</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended June 30, 2018**

	Group Insurance Fund	Unemployment Fund
Cash Flows From Operating Activities		
Receipts for interfund services provided	\$ 60,597,713	\$ -
Receipts from employees	39,427,299	-
Payments to suppliers	-	-
Payments to employees for salaries and benefits	(1,008,830)	(86,002)
Payments to other division funds	-	-
Payments for life insurance premiums	(2,471,405)	-
Payments for insurance and unemployment claims	(79,454,117)	(352,798)
Net cash provided (used) by operating activities	<u>17,090,660</u>	<u>(438,800)</u>
Cash Flows From Investing Activities		
Purchase of investments	(37,164,756)	(1,809,687)
Interest received	115,776	45,702
Net cash provided (used) by investing activities	<u>(37,048,980)</u>	<u>(1,763,985)</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	(504,780)	-
Net Increase (Decrease) in cash and cash equivalents	(20,463,100)	(2,202,785)
Cash and cash equivalents at beginning of year	24,489,697	2,413,463
Cash and cash equivalents at end of year	<u>\$ 4,026,597</u>	<u>\$ 210,678</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating gain (loss)	\$ 13,945,758	\$ (434,305)
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Receivables	5,618	-
Accrued liabilities	139,284	(4,495)
Net cash provided (used) by operating activities	<u>\$ 14,090,660</u>	<u>\$ (438,800)</u>

See independent auditor's report

**SHELBY COUNTY
BOARD OF EDUCATION**

Printing Fund	Supply Chain Fund	Achievement District Fund	Total
\$ 985,752	\$ 1,077,249	\$ 2,102,066	\$ 64,762,780
-	-	-	39,427,299
(634,938)	(33,789)	(69,266)	(737,993)
(446,672)	(1,030,335)	(669,475)	(3,241,314)
-	-	(1,363,325)	(1,363,325)
-	-	-	(2,471,405)
-	-	-	(79,806,915)
<u>(95,858)</u>	<u>13,125</u>	<u>-</u>	<u>16,569,127</u>
(411,872)	(504,052)	-	(39,890,367)
<u>10,327</u>	<u>10,214</u>	<u>-</u>	<u>182,019</u>
<u>(401,545)</u>	<u>(493,838)</u>	<u>-</u>	<u>(39,708,348)</u>
-	-	-	(504,780)
(497,403)	(480,713)	-	(23,644,001)
545,352	539,393	-	27,987,905
<u>\$ 47,949</u>	<u>\$ 58,680</u>	<u>\$ -</u>	<u>\$ 4,343,904</u>
\$ (81,945)	\$ 7,108	\$ 3,666	\$ 13,440,282
-	-	889,816	895,434
(13,913)	6,017	(893,482)	(766,589)
<u>\$ (95,858)</u>	<u>\$ 13,125</u>	<u>\$ -</u>	<u>\$ 13,569,127</u>

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**COMBINING INFORMATION
FIDUCIARY TRUST FUNDS**



**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY TRUST FUNDS
June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	OPEB Trust Fund	Pension Trust Fund	Total
Assets			
Cash and cash equivalents	\$ -	\$ 3,522	\$ 3,522
Other receivables	338,391	5,297	343,688
Investments, at fair value:			
Short-term securities	1,568,047	96,480	1,664,527
Common stocks	25,297,953	573,190	25,871,143
Corporate bonds	45,691,095	338,073	46,029,168
Total Investments	<u>72,557,095</u>	<u>1,007,743</u>	<u>73,564,838</u>
Total assets	<u><u>72,895,486</u></u>	<u><u>1,016,562</u></u>	<u><u>73,912,048</u></u>
Liabilities			
Accounts payable	835	3,989	4,824
Due to general fund	8,599,320	-	8,599,320
Due to other fund	504,780	-	504,780
Total liabilities	<u>9,104,935</u>	<u>3,989</u>	<u>9,108,924</u>
Net Position			
Net position restricted for post employment benefits	63,790,551	-	63,790,551
Net position restricted for pension benefits	-	1,012,573	1,012,573
	<u><u>\$ 63,790,551</u></u>	<u><u>\$ 1,012,573</u></u>	<u><u>\$ 64,803,124</u></u>

See independent auditor's report.

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY TRUST FUNDS
June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	OPEB Trust Fund	Pension Trust Fund	Total
Additions			
Contributions:			
State reimbursements for benefit payments and insurance premiums	\$ -	\$ 65,492	\$ 65,492
State reimbursements for superior plan	2,312,905	-	2,312,905
Employer Contributions	30,876,197	-	30,876,197
Retiree Contributions	23,660,717	-	23,660,717
Transfer from General Fund	3,000,000	96,202	3,096,202
Investment Earnings:			
Interest income	2,486,355	17,965	2,504,320
Net appreciation (depreciation) in fair value of investments	3,314,281	66,103	3,380,384
Total investment earnings	5,800,636	84,068	5,884,704
Less investment expense	233,408	25,256	258,664
Net investment	5,567,228	58,812	5,626,040
 Total additions	 65,417,047	 220,506	 65,637,553
Deductions			
Benefit payments	63,057,692	257,225	63,314,917
Administrative expenses	505,434	-	505,434
 Total deductions	 63,563,126	 257,225	 63,820,351
 Net increase (decrease) in net position	 1,853,921	 (36,719)	 1,817,202
 July 1, 2017	 61,936,630	 1,049,292	 62,985,922
 June 30, 2018	 <u>\$ 63,790,551</u>	 <u>\$ 1,012,573</u>	 <u>\$ 64,803,124</u>

See independent auditor's report.

Other Supplementary Statements and Schedules



**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
INTERNAL SCHOOL FUND
For the year ended June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Balance June 30, 2017 (Restated)	Additions	Reductions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 10,106,511	\$ 20,047,188	\$ 19,538,410	\$ 10,615,289
Investments	298,256	85,344	298,256	85,344
Other receivables	183,705	184,518	183,705	184,518
Inventories	49,334	57,332	49,334	57,332
Total assets	<u>10,637,806</u>	<u>20,374,382</u>	<u>20,069,705</u>	<u>10,942,483</u>
Liabilities				
Accounts payable	311,542	125,490	311,542	125,490
Due to student general fund	6,363,790	2,954,277	2,897,916	6,420,151
Due to student groups	3,962,474	16,880,812	16,446,444	4,396,842
Total liabilities	<u>\$ 10,637,806</u>	<u>\$ 19,960,579</u>	<u>\$ 19,655,902</u>	<u>\$ 10,942,483</u>

Note: June 30, 2017 restated due to the removal of Florida-Kansas.

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, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
City of Memphis	\$ 3,526,675	\$ 2,718,347	\$ 3,611,333	\$ 892,986
Shelby County	69,935,913	68,343,230	\$ 47,689,237	\$ (20,653,993)
Other local sources	75,000	75,000	335,704	260,704
Total revenues	<u>73,537,588</u>	<u>71,136,577</u>	<u>51,636,274</u>	<u>(19,500,303)</u>
Expenditures				
Capital Outlay	<u>78,046,151</u>	<u>76,562,497</u>	<u>67,226,251</u>	<u>9,336,246</u>
Total expenditures	<u>78,046,151</u>	<u>76,562,497</u>	<u>67,226,251</u>	<u>9,336,246</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,508,563)</u>	<u>\$ (5,425,920)</u>	<u>\$ (15,589,977)</u>	<u>\$ (10,164,057)</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	87,895	87,895
Net change in fund balance	<u>\$ (4,508,563)</u>	<u>\$ (5,425,920)</u>	(15,502,082)	<u>\$ (10,076,162)</u>
Change in reserve for encumbrances			<u>10,949,150</u>	
Net change in fund balances (GAAP basis)			(4,552,932)	
Fund balance - July 1, 2017			<u>6,218,216</u>	
Fund balance - June 30, 2018			<u>\$ 1,665,284</u>	

See independent auditor's report

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the year ended June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State of Tennessee	\$ 590,000	\$ 590,000	\$ 631,027	\$ 41,027
Federal Government	83,069,563	82,398,679	79,334,711	(3,063,968)
Other local sources	3,581,567	3,581,567	3,552,569	(28,998)
Total revenues	<u>87,241,130</u>	<u>86,570,246</u>	<u>83,518,307</u>	<u>(3,051,939)</u>
Expenditures				
Current				
Labor	37,415,254	37,415,250	30,278,815	7,136,435
Food	32,630,400	33,859,700	33,696,942	162,758
Supplies	2,373,120	2,373,120	2,065,060	308,060
Equipment	3,455,924	4,006,066	1,681,740	2,324,326
Other	13,818,344	8,916,110	4,392,009	4,524,101
Total expenditures	<u>89,693,042</u>	<u>86,570,246</u>	<u>72,114,566</u>	<u>14,455,680</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,451,912)</u>	<u>\$ -</u>	11,403,741	<u>\$ 11,403,741</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	72,450	72,450
Net change in fund balance	<u>\$ (2,451,912)</u>	<u>\$ -</u>	11,476,191	<u>\$ 11,476,191</u>
Change in reserve for encumbrances			<u>(303,630)</u>	
Net change in fund balances (GAAP basis)			11,172,561	
Fund balance - July 1, 2017			<u>26,023,178</u>	
Fund balance - June 30, 2018			<u>\$ 37,195,739</u>	

See independent auditor's report.

**SCHEDULE OF GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
June 30, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

	Land	Construction in Progress	Intangible Assets	Buildings and Improvements	Machinery and Equipment	Totals
Cost:						
Unallocated	\$ 336,895	\$ 50,169,866	\$ -	\$ -	\$ -	\$ 50,506,761
Instruction	40,980,416	-	-	1,442,695,911	99,390,392	1,583,066,719
Instructional support	-	-	-	11,081,996	8,451,445	19,533,441
Student support	760	-	-	4,734,521	1,410,624	6,145,905
Office of principal	17,395	-	-	21,119,807	4,303,043	25,440,245
General administration	3,243,765	-	-	33,114,914	23,253,411	59,612,090
Fiscal services	-	-	-	-	239,759	239,759
Other support services	-	-	-	-	1,839,603	1,839,603
Student transportation	-	-	-	106,186	14,842	121,028
Plant services	63,112	-	-	4,722,088	11,227,905	16,013,105
Community service	559,804	-	-	3,175,659	1,607,459	5,342,922
Food service	35,218	-	-	95,553,726	14,585,005	110,173,949
Education Technology	12,622	-	5,671,376	955,586	2,208,020	8,847,604
Totals	\$ 45,249,987	\$ 50,169,866	\$ 5,671,376	\$ 1,617,260,394	\$ 168,531,508	\$ 1,886,883,131
Accumulated depreciation:						
Unallocated	-	-	-	-	-	-
Instruction	-	-	-	659,486,931	93,847,388	753,334,319
Instructional support	-	-	-	10,529,339	7,159,193	17,688,532
Student support	-	-	-	2,255,415	1,014,975	3,270,390
Office of principal	-	-	-	9,697,258	4,208,796	13,906,054
General administration	-	-	-	20,466,342	21,821,083	42,287,425
Fiscal services	-	-	-	-	220,080	220,080
Other support services	-	-	-	-	1,345,619	1,345,619
Student transportation	-	-	-	1,857	6,127	7,984
Plant services	-	-	-	3,598,385	9,664,466	13,262,851
Community service	-	-	-	257,812	990,901	1,248,713
Food service	-	-	-	42,404,766	10,326,407	52,731,173
Education Technology	-	-	2,835,690	39,598	61,523	2,936,811
Totals	\$ -	\$ -	\$ 2,835,690	\$ 748,737,703	\$ 150,666,558	\$ 902,239,951
Net book value:						
Unallocated	336,895	50,169,866	-	-	-	50,506,761
Instruction	40,980,416	-	-	783,208,980	5,543,004	829,732,400
Instructional support	-	-	-	552,657	1,292,252	1,844,909
Student support	760	-	-	2,479,106	395,649	2,875,515
Office of principal	17,395	-	-	11,422,549	94,247	11,534,191
General administration	3,243,765	-	-	12,648,572	1,432,328	17,324,665
Fiscal services	-	-	-	-	19,679	19,679
Other support services	-	-	-	-	493,984	493,984
Student transportation	-	-	-	104,329	8,715	113,044
Plant services	63,112	-	-	1,123,703	1,563,439	2,750,254
Community service	559,804	-	-	2,917,847	616,558	4,094,209
Food service	35,218	-	-	53,148,960	4,258,598	57,442,776
Education Technology	12,622	-	2,835,686	915,988	2,146,497	5,910,793
Totals	\$ 45,249,987	\$ 50,169,866	\$ 2,835,686	\$ 868,522,690	\$ 17,864,950	\$ 984,643,180

See independent auditor's report

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**SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the year ended June 30, 2018**

Function	Balance July 1, 2017	Reclassifications	Additions	Impairment	Disposals and Adjustments	Balance June 30, 2018
Unallocated						
Land	\$ 336,895	\$ -	\$ -	\$ -	\$ -	\$ 336,895
Construction in Progress	8,954,642	(13,905,391)	55,120,615	-	-	50,169,866
Totals	9,291,537	(13,905,391)	55,120,615	-	-	50,506,761
Instruction						
Land	41,323,126	-	41,350	(195,099)	(188,961)	40,980,416
Buildings and Improvements	1,450,680,225	12,842,805	1,731,001	(8,898,728)	(13,659,392)	1,442,695,911
Machinery and Equipment	119,630,858	(2,247,128)	(616,720)	-	(17,376,618)	99,390,392
Totals	1,611,634,209	10,595,677	1,155,631	(9,093,827)	(31,224,971)	1,583,066,719
Instructional support						
Buildings and Improvements	11,081,996	-	-	-	-	11,081,996
Machinery and Equipment	9,738,636	-	73,804	-	(1,360,995)	8,451,445
Totals	20,820,632	-	73,804	-	(1,360,995)	19,533,441
Student support						
Land	807	-	-	(47)	-	760
Buildings and Improvements	4,688,606	45,915	-	-	-	4,734,521
Machinery and Equipment	1,315,778	-	230,814	-	(135,968)	1,410,624
Totals	6,005,191	45,915	230,814	(47)	(135,968)	6,145,905
Office of principal						
Land	21,417	-	-	(4,022)	-	17,395
Buildings and Improvements	21,344,811	186,279	3,983	(187,342)	(227,924)	21,119,807
Machinery and Equipment	4,780,466	-	-	-	(477,423)	4,303,043
Totals	26,146,694	186,279	3,983	(191,364)	(705,347)	25,440,245
General administration						
Land	3,256,387	(12,622)	-	-	-	3,243,765
Buildings and Improvements	33,819,621	(955,586)	250,879	-	-	33,114,914
Machinery and Equipment	31,992,745	-	-	-	(8,739,334)	23,253,411
Totals	69,068,753	(968,208)	250,879	-	(8,739,333)	59,612,090
Fiscal services						
Machinery and Equipment	290,464	-	23,530	-	(74,235)	239,759
Totals	290,464	-	23,530	-	(74,235)	239,759
Other support services						
Machinery and Equipment	1,711,532	-	258,062	-	(129,991)	1,839,603
Totals	1,711,532	-	258,062	-	(129,991)	1,839,603
Student transportation						
Buildings and Improvements	137,735	-	1,014	-	(32,563)	106,186
Machinery and Equipment	17,627	-	-	-	(2,785)	14,842
Totals	155,362	-	1,014	-	(35,348)	121,028
Plant services						
Land	63,112	-	-	-	-	63,112
Buildings and Improvements	4,722,088	-	-	-	-	4,722,088
Machinery and Equipment	11,384,339	-	480,436	-	(636,870)	11,227,905
Totals	16,169,539	-	480,436	-	(636,870)	16,013,105
Community service						
Land	559,804	-	-	-	-	559,804
Buildings and Improvements	3,175,659	-	-	-	-	3,175,659
Machinery and Equipment	1,556,072	-	330,912	-	(279,525)	1,607,459
Totals	5,291,535	-	330,912	-	(279,525)	5,342,922
Food service						
Land	41,812	-	-	(6,594)	-	35,218
Buildings and Improvements	95,718,851	830,392	18,141	(281,012)	(732,646)	95,553,726
Machinery and Equipment	14,576,098	-	1,232,492	-	(1,223,585)	14,585,005
Totals	110,336,761	830,392	1,250,633	(287,606)	(1,956,231)	110,173,949
Education Technology						
Land	-	12,622	-	-	-	12,622
Buildings and Improvements	-	955,586	-	-	-	955,586
Machinery and Equipment	-	2,247,128	120,109	-	(159,217)	2,208,020
Intangible Assets	5,671,376	-	-	-	-	5,671,376
Totals	5,671,376	3,215,336	120,109	-	(159,217)	8,847,604
Grand Totals						
Land	45,603,360	-	41,350	(205,762)	(188,961)	45,249,987
Construction in progress	8,954,642	(13,905,391)	55,120,615	-	-	50,169,866
Buildings and Improvements	1,625,369,592	13,905,391	2,005,018	(9,367,082)	(14,652,525)	1,617,260,394
Machinery and Equipment	196,994,615	-	2,133,439	-	(30,596,546)	168,531,508
Intangible Assets	5,671,376	-	-	-	-	5,671,376
Totals	1,882,593,585	-	59,300,422	(9,572,844)	(45,438,032)	1,886,883,131

See independent auditor's report

**SHELBY COUNTY
BOARD OF EDUCATION**

Balance July 1, 2017	Reclassifications	Additions	Impairment	Disposals and Adjustments	Balance June 30, 2018	Net book value June 30, 2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,895
-	-	-	-	-	-	50,169,866
-	-	-	-	-	-	50,506,761
-	-	-	-	-	-	40,980,416
634,099,802	229,963	39,447,707	(4,250,711)	(10,039,830)	659,486,931	783,208,980
108,624,799	11,257	2,420,987	-	(17,209,655)	93,847,388	5,543,004
<u>742,724,601</u>	<u>241,220</u>	<u>41,868,693</u>	<u>(4,250,711)</u>	<u>(27,249,486)</u>	<u>753,334,319</u>	<u>829,732,400</u>
10,529,339	-	-	-	-	10,529,339	552,657
8,164,762	-	350,736	-	(1,356,305)	7,159,193	1,292,252
<u>18,694,101</u>	<u>-</u>	<u>350,736</u>	<u>-</u>	<u>(1,356,305)</u>	<u>17,688,532</u>	<u>1,844,909</u>
-	-	-	-	-	-	760
2,097,025	-	158,390	-	-	2,255,415	2,479,106
1,028,683	-	99,076	-	(112,784)	1,014,975	395,649
<u>3,125,708</u>	<u>-</u>	<u>257,466</u>	<u>-</u>	<u>(112,784)</u>	<u>3,270,390</u>	<u>2,875,515</u>
-	-	-	-	-	-	17,395
9,350,108	-	596,332	(89,489)	(159,693)	9,697,258	11,422,549
4,638,519	-	45,605	-	(475,328)	4,208,796	94,247
<u>13,988,627</u>	<u>-</u>	<u>641,937</u>	<u>(89,489)</u>	<u>(635,021)</u>	<u>13,906,054</u>	<u>11,534,191</u>
-	-	-	-	-	-	3,243,765
19,355,313	-	1,111,029	-	-	20,466,342	12,648,572
30,273,256	(150,000)	411,373	-	(8,713,546)	21,821,083	1,432,328
<u>49,628,569</u>	<u>(150,000)</u>	<u>1,522,402</u>	<u>-</u>	<u>(8,713,546)</u>	<u>42,287,425</u>	<u>17,324,665</u>
290,464	(442)	4,293	-	(74,235)	220,080	19,679
<u>290,464</u>	<u>(442)</u>	<u>4,293</u>	<u>-</u>	<u>(74,235)</u>	<u>220,080</u>	<u>19,679</u>
1,376,462	-	81,946	-	(112,789)	1,345,619	493,984
<u>1,376,462</u>	<u>-</u>	<u>81,946</u>	<u>-</u>	<u>(112,789)</u>	<u>1,345,619</u>	<u>493,984</u>
137,735	(229,963)	122,297	-	(28,212)	1,857	104,329
17,627	(10,815)	2,087	-	(2,772)	6,127	8,715
<u>155,362</u>	<u>(240,778)</u>	<u>124,384</u>	<u>-</u>	<u>(30,984)</u>	<u>7,984</u>	<u>113,044</u>
-	-	-	-	-	-	63,112
3,598,385	-	-	-	-	3,598,385	1,123,703
10,018,374	-	215,234	-	(569,142)	9,664,466	1,563,439
<u>13,616,759</u>	<u>-</u>	<u>215,234</u>	<u>-</u>	<u>(569,142)</u>	<u>13,262,851</u>	<u>2,750,254</u>
-	-	-	-	-	-	559,804
128,906	-	128,906	-	-	257,812	2,917,847
1,204,078	-	48,116	-	(261,293)	990,901	616,558
<u>1,332,984</u>	<u>-</u>	<u>177,022</u>	<u>-</u>	<u>(261,293)</u>	<u>1,248,713</u>	<u>4,094,209</u>
-	-	-	-	-	-	35,218
40,784,946	-	2,332,133	(134,233)	(578,080)	42,404,766	53,148,960
10,455,668	-	794,304	-	(923,565)	10,326,407	4,258,598
<u>51,240,614</u>	<u>-</u>	<u>3,126,437</u>	<u>(134,233)</u>	<u>(1,501,644)</u>	<u>52,731,173</u>	<u>57,442,776</u>
-	-	-	-	-	-	12,622
-	-	39,598	-	-	39,598	915,988
-	150,000	53,809	-	(142,286)	61,523	2,146,497
2,268,552	-	567,138	-	-	2,835,690	2,835,686
<u>2,268,552</u>	<u>150,000</u>	<u>660,545</u>	<u>-</u>	<u>(142,285)</u>	<u>2,936,811</u>	<u>5,910,793</u>
-	-	-	-	-	-	45,249,987
-	-	-	-	-	-	50,169,866
720,081,559	-	43,936,392	(4,474,433)	(10,805,815)	748,737,703	868,522,691
176,092,692	-	4,527,566	-	(29,953,700)	150,666,558	17,864,950
2,268,552	-	567,138	-	-	2,835,690	2,835,686
<u>898,442,803</u>	<u>-</u>	<u>49,031,096</u>	<u>(4,474,433)</u>	<u>(40,759,515)</u>	<u>902,239,951</u>	<u>984,643,180</u>

DEBT INFORMATION
SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS
For the year ended June 30, 2018

<u>Description/ Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2017</u>
Due to State of Tennessee December 2002 to December 2015	0.00%	\$ 6,651,638	\$ 144,532
Compensated Absences		-	9,740,923
Net OPEB Liability*		-	1,333,355,000
Pension Benefits		-	71,180,937
Total Long-term Obligations		<u>\$ 6,651,638</u>	<u>\$ 1,414,421,392</u>

*The beginning balance shown for total OPEB liability is different than the ending balance reported in prior year due to the implementation of GASB Statement No. 75.

See Independent Auditor's Report

**SHELBY COUNTY
BOARD OF EDUCATION**

<u>Issued</u>	<u>Payments and Retirements</u>	<u>Outstanding June 30, 2018</u>	<u>Current Portion</u>
\$ -	\$ (144,532)	\$ -	\$ -
1,549,692	(1,284,423)	10,006,192	1,096,515
-	(341,958,000)	991,397,000	-
-	(70,939,879)	241,058	-
<u>\$ 1,549,692</u>	<u>\$ (414,326,834)</u>	<u>\$ 1,001,644,250</u>	<u>\$ 1,096,515</u>

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Statistical Section (unaudited)



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

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
FINANCIAL TRENDS
Net Position by Component
As of June 30 2018

Net Position	2018	2017 (3)	2016 (2)	2015	2014 (1)
Net investment in capital assets	\$ 984,643,180	\$ 984,006,250	\$ 1,017,872,572	\$ 1,035,129,637	\$ 1,095,398,461
Restricted for:					
Capital projects	1,665,284	6,218,216	8,417,957	12,488,134	11,998,630
Insurance Claims	-	-	-	-	-
Student Activities	-	-	-	-	-
Contracted grant programs	8,873,176	8,013,220	6,578,574	3,770,961	3,075,832
Food service	37,195,739	26,023,179	32,516,981	30,467,986	23,056,506
Pension Benefits	52,187,531	-	-	-	-
Education	31,697,247	29,603,105	29,360,894	34,442,225	28,469,654
Unrestricted	(825,107,004)	(1,111,259,994)	(320,095,503)	(348,614,268)	(33,468,688)
	<u>\$ 291,155,153</u>	<u>\$ (57,396,024)</u>	<u>\$ 774,651,475</u>	<u>\$ 767,684,675</u>	<u>\$ 1,128,530,395</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**

2013	2012	2011	2010	2009
\$ 395,800,108	\$ 401,963,845	\$ 391,964,327	\$ 375,685,630	\$ 376,442,501
105,723	710,469	2,987,803	-	-
2,254,559	3,976,350	9,886,051	12,296,837	15,050,314
-	6,344,750	5,954,246	5,505,780	5,109,906
-	-	-	-	-
3,888,773	3,710,791	3,117,887	-	-
-	-	-	-	-
11,072,259	10,793,684	11,018,457	-	-
(225,599,235)	(187,003,125)	(145,756,475)	(72,619,489)	(36,674,608)
<u>\$ 187,522,187</u>	<u>\$ 240,496,764</u>	<u>\$ 279,172,296</u>	<u>\$ 320,868,758</u>	<u>\$ 359,928,113</u>

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
FINANCIAL TRENDS
Statement of Activities
Period ended June 30 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses				
Governmental activities:				
Instruction	\$ 425,776,529	\$ 611,919,773	\$ 597,472,639	\$ 648,328,804
Instructional support	45,093,843	73,370,070	68,332,710	87,621,804
Student support	44,567,621	69,102,286	67,948,438	65,093,403
Office of principal	39,718,248	61,950,907	63,512,954	67,794,495
General administration	15,409,666	68,931,316	22,290,624	24,830,863
Fiscal Services	4,620,666	6,173,518	6,061,221	5,938,485
Other support services	7,756,886	50,438,867	43,518,961	41,594,932
Student transportation	26,031,457	26,052,020	27,981,073	36,004,590
Plant services	72,202,281	83,341,347	82,263,525	92,771,794
Community service	45,351,940	54,979,073	50,728,987	43,152,157
Charter schools	128,231,865	111,283,036	94,408,523	81,234,455
Education Technology	22,739,141	-	-	-
Food service	64,292,440	47,089,961	85,229,311	78,916,667
Interest on long-term debt	-	347	2,628	2,628
Total government expenses	<u>941,792,583</u>	<u>1,264,632,521</u>	<u>1,209,751,594</u>	<u>1,273,285,077</u>
Revenues				
Governmental activities:				
Charges for services				
Instruction	53,402	630,816	589,588	520,359
Food service	2,913,792	3,554,136	3,514,739	835,426
Total charges for services	<u>2,967,194</u>	<u>4,184,952</u>	<u>4,104,327</u>	<u>1,355,785</u>
Operating grants and contributions:				
Instruction	437,006,021	422,376,211	405,523,486	419,364,465
Instructional support	51,776,248	51,162,763	47,587,032	51,822,650
Student support	26,005,386	27,506,201	27,527,860	27,235,359
Office of principal	20,332,768	11,421,167	19,830,653	20,242,173
General administration	712,128	8,105,488	8,275,807	11,169,211
Fiscal Services	230,501	530,232	472,225	482,907
Other support services	1,200,380	4,391,798	2,588,669	1,537,805
Student transportation	21,709,845	23,274,875	18,421,013	17,922,763
Plant services	83,333,356	88,119,707	75,671,383	81,586,484
Community service	51,384,650	54,422,633	50,454,463	41,493,458
Education Technology	3,177,277	-	-	-
Food service	80,095,740	78,153,125	78,798,457	79,875,631
Total operating grants and contributions	<u>776,964,300</u>	<u>769,464,200</u>	<u>735,151,048</u>	<u>752,732,906</u>
Capital grants and contributions				
Plant Services	51,799,033	21,415,501	33,321,219	5,066,684
Total capital grants and contributions	<u>51,799,033</u>	<u>21,415,501</u>	<u>33,321,219</u>	<u>5,066,684</u>
General Revenues and Special Items				
Shelby County	334,307,133	334,346,944	316,067,610	306,525,759
Local option and state sales taxes	127,175,675	120,757,018	121,423,104	118,473,827
Other local sources (uses)	(1,068,077)	11,011,903	5,755,594	5,830,798
Gain on Sale of capital assets	-	710,668	-	3,570,476
Unrestricted investment earnings	3,296,913	1,644,283	895,492	411,950
Special items	(5,098,411)	(10,165,449)	-	(29,806,789)
Total general revenues and special items	<u>458,613,233</u>	<u>458,305,367</u>	<u>444,141,800</u>	<u>405,006,021</u>
Total government revenues	<u>1,290,343,760</u>	<u>1,253,370,020</u>	<u>1,216,718,394</u>	<u>1,164,161,396</u>
Change in Net Position	<u>\$ 348,551,177</u>	<u>\$ (11,262,500)</u>	<u>\$ 6,966,800</u>	<u>\$ (109,123,681)</u>

Notes:

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

Source: Shelby County Schools Financial Statements

**SHELBY COUNTY
BOARD OF EDUCATION**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,096,495,154	\$ 278,662,284	\$ 285,400,355	\$ 285,666,544	\$ 281,573,590	\$ 297,446,055
60,741,347	-	-	-	-	-
113,550,075	793,703	14,703,893	14,418,064	13,167,287	12,730,436
94,262,960	-	-	-	-	-
25,945,874	49,521,741	44,088,193	40,652,337	37,749,659	38,336,298
8,428,601	-	-	-	-	-
35,303,585	58,631,337	66,474,643	61,614,184	57,387,741	63,771,411
37,650,956	17,406,176	18,492,591	17,436,714	14,511,725	17,763,536
110,525,399	29,540,909	29,503,650	29,702,578	28,574,903	37,440,159
23,778,501	-	-	-	-	-
66,987,992	-	-	-	-	-
-	-	-	-	-	-
96,956,709	20,414,717	19,788,229	20,417,615	18,655,802	22,641,606
111,556	-	-	-	-	-
<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>	<u>490,129,501</u>
832,927	19,386,822	58,876,008	28,378,425	24,044,448	23,779,653
18,810,070	10,349,814	8,710,711	8,837,432	9,360,007	9,965,659
<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>	<u>33,745,312</u>
530,446,090	211,372,876	191,168,644	211,130,943	204,441,495	192,229,762
64,860,058	-	-	-	-	-
33,792,538	-	-	-	-	-
24,734,319	-	-	-	-	-
2,040,439	-	-	-	-	-
412,071	-	-	-	-	-
1,367,383	-	-	-	-	-
20,541,742	-	-	-	-	-
97,960,601	-	-	-	-	-
20,932,425	-	-	-	-	-
-	-	-	-	-	-
58,280,508	-	-	-	-	-
<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>	<u>192,229,762</u>
5,753,509	8,728,662	7,992,816	8,815,568	7,725,811	6,856,395
<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>	<u>6,856,395</u>
422,599,533	120,421,197	113,303,620	123,693,489	115,749,031	130,350,062
159,752,215	36,228,227	42,445,709	41,681,158	40,354,509	41,371,984
5,410,727	1,977,774	19,278,514	5,674,559	6,686,244	11,603,173
-	-	-	-	-	-
20,122	-	-	-	-	-
-	-	-	-	-	-
<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>183,325,219</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>416,156,688</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>	<u>\$ (73,972,813)</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (expense)/revenue:			
Total primary government net expense	\$ (110,062,056)	\$ (469,567,868)	\$ (437,175,000)
General revenues and other changes in net position:			
Governmental activities:			
Shelby County	334,307,133	334,346,944	316,067,610
Local option and state sales taxes	127,175,675	120,757,018	121,423,104
Other local sources (uses)	(1,068,077)	11,011,903	5,755,594
Gain on sale of capital assets	-	710,668	-
Unrestricted investment earnings	3,296,913	1,644,283	895,492
Special items	(5,098,411)	(10,165,449)	-
Total primary government	<u>458,613,233</u>	<u>458,305,367</u>	<u>444,141,800</u>
Changes in net position:			
Total primary government	<u>\$ 348,551,177</u>	<u>\$ (11,262,500)</u>	<u>\$ 6,966,800</u>

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>	<u>2009</u>
\$ (514,489,702)	\$ (889,974,029)	\$ (205,132,693)	\$ (213,703,375)	\$ (212,745,668)	\$ (206,048,946)	\$ (257,298,032)
306,525,759	422,599,533	120,421,197	113,303,620	123,693,489	115,749,031	130,350,062
118,473,827	159,752,215	36,228,227	42,445,709	41,681,158	40,354,509	41,371,984
5,830,798	5,410,727	1,977,774	19,278,514	5,674,559	6,686,244	11,603,173
3,570,476	-	-	-	-	-	-
411,950	230,122	-	-	-	-	-
(29,806,789)	-	-	-	-	-	-
<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>183,325,219</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>	<u>\$ (73,972,813)</u>

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

Fund Balances, Governmental Funds

Last ten fiscal years as of June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	5,812,919	6,781,775	5,804,694	6,799,292
Restricted	31,697,247	29,603,105	29,360,894	34,442,225
Assigned	85,111,866	72,154,767	30,631,209	54,883,849
Unassigned	76,168,026	88,215,976	110,630,318	59,927,330
Total general fund	<u>198,790,057</u>	<u>196,755,623</u>	<u>176,427,115</u>	<u>156,052,696</u>
All other governmental funds:				
Reserved	-	-	-	-
Nonspendable	3,210,175	3,300,571	3,575,342	5,693,585
Restricted	44,524,024	37,201,197	42,294,389	39,332,405
Committed	1,393,235	1,602,788	1,643,781	1,701,091
Total all other governmental funds	<u>49,127,434</u>	<u>42,104,556</u>	<u>47,513,512</u>	<u>46,727,081</u>
Total fund balance	<u>\$ 247,917,491</u>	<u>\$ 238,860,179</u>	<u>\$ 223,940,627</u>	<u>\$ 202,779,777</u>

Note:

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

**SHELBY COUNTY
BOARD OF EDUCATION**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010 (1)</u>	<u>2009 (1)</u>
\$ -	\$ -	\$ -	\$ -	\$ 18,597,932	\$ 33,347,378
-	-	-	-	40,578,285	37,785,903
7,636,851	2,811,900	4,792,583	3,405,416	-	-
28,469,654	11,072,259	10,793,684	11,018,457	-	-
34,547,426	-	6,491,029	5,000,000	-	-
108,369,481	4,359,928	6,581,657	20,839,274	-	-
<u>179,023,412</u>	<u>18,244,087</u>	<u>28,658,953</u>	<u>40,263,147</u>	<u>59,176,217</u>	<u>71,133,281</u>
-	-	-	-	17,927,077	23,952,700
6,330,708	688,959	676,195	787,743	-	-
31,800,260	3,994,496	10,766,010	12,059,936	-	-
-	-	-	-	-	-
<u>38,130,968</u>	<u>4,683,455</u>	<u>11,442,205</u>	<u>12,847,679</u>	<u>17,927,077</u>	<u>23,952,700</u>
<u>\$ 217,154,380</u>	<u>\$ 22,927,542</u>	<u>\$ 40,101,158</u>	<u>\$ 53,110,826</u>	<u>\$ 77,103,294</u>	<u>\$ 95,085,981</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues				
City of Memphis	\$ 5,056,774	\$ 1,487,282	\$ 2,057,999	\$ 8,225,000
Shelby County	510,786,493	476,996,206	470,850,728	436,419,011
State of Tennessee	514,615,844	496,575,673	496,372,684	506,266,991
Federal Government	251,118,941	254,104,828	212,776,689	217,151,945
Other local sources	21,700,897	30,777,524	37,578,871	38,658,960
Other Financing Sources				
Sale of capital assets	346,673	1,213,304	1,162,517	9,876,840
Transfer	-	-	2,476,301	-
Total revenues and other financing sources	<u>1,303,625,622</u>	<u>1,261,154,817</u>	<u>1,223,275,789</u>	<u>1,216,598,747</u>
Expenditures				
Current:				
Instruction	588,490,110	554,770,157	534,066,290	579,675,810
Instructional support	66,975,745	69,431,550	63,228,036	80,727,562
Student support	67,399,252	66,686,395	65,442,003	61,607,873
Office of principal	62,730,519	58,135,852	59,716,869	62,360,125
General administration	15,746,106	18,443,429	20,041,160	22,072,062
Fiscal services	7,188,507	5,970,264	5,830,201	5,566,517
Other support services	10,797,870	49,513,465	42,585,209	40,666,176
Student transportation	26,199,251	25,833,584	27,805,235	30,278,585
Plant services	83,749,478	81,827,632	80,500,375	90,225,740
Community service	54,562,534	53,906,719	49,889,659	41,943,284
Charter school	128,231,865	111,283,036	94,408,523	81,234,455
Education Technology	21,920,730	-	-	-
Retiree benefits	28,784,843	34,595,674	34,700,842	31,961,282
Food service	72,418,197	88,329,561	80,474,957	73,398,313
Debt Service:				
Principal	-	72,267	547,385	547,383
Interest	-	347	2,628	2,628
Capital outlay	56,277,101	24,357,514	37,466,921	9,205,555
Other Financing Uses				
Transfer	3,096,202	3,077,819	5,408,646	19,500,000
Total expenditures and other financing uses	<u>1,294,568,310</u>	<u>1,246,235,265</u>	<u>1,202,114,939</u>	<u>1,230,973,350</u>
Net change in fund balances	<u>\$ 9,057,312</u>	<u>\$ 14,919,552</u>	<u>\$ 21,160,850</u>	<u>\$ (14,374,603)</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.01%	0.05%	0.05%

Source: Shelby County Schools Financial Statements

**SHELBY COUNTY
BOARD OF EDUCATION**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 193,746	\$ -	\$ -	\$ -	\$ -	\$ -
557,773,447	121,482,108	128,191,254	124,721,112	114,999,020	126,992,203
634,426,006	188,985,681	185,490,183	181,536,876	177,946,262	172,343,479
201,163,016	31,115,853	40,212,975	36,918,593	33,548,078	26,260,572
45,249,153	49,953,953	68,922,213	71,111,264	68,756,853	75,284,517
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>400,880,771</u>
768,659,704	241,436,952	245,510,326	241,646,844	242,803,311	229,570,364
52,124,810	-	-	-	-	-
106,787,831	26,072,011	13,298,824	13,737,572	12,609,467	12,730,436
82,887,768	9,907,762	25,531,111	25,622,652	24,870,680	24,457,874
26,488,469	5,471,541	9,411,529	10,551,602	11,001,290	9,989,857
7,855,712	51,488,014	4,810,908	4,506,823	4,181,690	3,916,373
33,621,393	13,599,321	55,757,634	53,469,473	51,626,205	49,100,493
34,924,072	26,523,343	13,821,831	16,473,843	13,547,018	12,861,583
105,716,725	1,156,041	27,587,135	27,345,262	26,383,747	26,548,983
22,176,468	-	1,232,331	1,191,489	-	-
66,987,992	-	-	-	-	-
-	-	-	-	-	-
30,164,526	-	-	-	-	-
76,549,491	17,668,835	16,145,023	17,174,955	15,796,977	15,888,590
547,383	-	-	-	-	-
111,556	-	-	-	-	-
11,195,512	9,038,510	23,510,909	27,234,560	14,426,192	30,294,003
-	-	-	-	-	-
<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>415,358,556</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>	<u>\$ (14,477,785)</u>
0.05%	0.00%	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**

<u>Fiscal Year</u>	<u>Unreserved General Fund Balance (1)</u>	<u>Unassigned General Fund Balance</u>	<u>Expenditures and other uses</u>	<u>Unreserved General Fund Balance as percentage of expenditures and other uses</u>	<u>Unassigned General Fund Balance as a percentage of expenditures and other uses</u>
2009	37,785,903	-	345,030,016	10.95%	
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%

Note:

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

Revenue Capacity

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
2009	2008	10,259,997,845	5,530,133,410	1,402,492,320
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

Percentage of Total

2009	56.72%	30.57%	7.75%
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%

(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)**

Public Utilities	Total		Assessed Value as a % of Actual Value	Total Direct Tax Rate
Assessed Value (a)	Assessed Value (b)	Estimated Actual Value		
896,680,554	18,089,304,129	61,383,315,080	29.47%	4.04
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
4.96%	100.00%	100.00%		
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%		

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

Fiscal Year	Tax Year	Tax Rates Per \$100 Assessed Value		Shelby County Schools Percent of County Allocation	Tax Levies		Original Taxes Levied for the Fiscal Year
		County	County Allocation to Schools		County	County	
2009	2008	4.04	2.02	30.78%	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	77.65%	797,712,672	832,173,142	

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**

Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Adjusted Tax Levy	Total Collections to Date		
Amount	Percentage of Original Levy			Amount	Percentage of Adjusted Levy	Percentage of Original Levy
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%

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

Name of Taxpayer	2018		Percentage of Total Taxable Assessed Value
	Taxable Assessed Value	Rank	
FedEx Express Corporation	\$ 720,952,520	1	3.56%
Bellsouth Telecommunications Inc.	85,010,205	2	0.42%
G&I VII Retail Carriage LLC (and related divs)	74,068,520	3	0.37%
Kroger Companies	72,939,095	4	0.36%
Lightman Michael A (and affiliated LPs)	71,813,210	5	0.35%
AT&T Mobility LLC	70,715,839	6	0.35%
Galleria at Wolfchase, LLC	64,822,570	7	0.32%
AMISUB (SFH) Inc.	63,509,110	8	0.31%
Baptist Memorial Hospital	52,536,535	9	0.26%
Highwoods Realty LP	51,506,670	10	0.25%
AMISUB (SFH) Inc.			
Northwest Airlines, Inc.			
Cargill, Inc			
Pinnacle Airlines, Inc.			
Shopping Center Associates			
T & T Mobility LLC			
IPC Crescent Center LLC			
Total Assessed Valuation of Top Ten Taxpayers	1,327,874,274		6.56%
Balance of Assessed Valuation	18,919,664,753		93.44%
Total Assessed Valuation	\$ 20,247,539,027		100.00%

**SHELBY COUNTY
BOARD OF EDUCATION**

<u>Name of Taxpayer</u>	<u>2009</u>		<u>Percentage of Total</u>
	<u>Taxable Assessed</u>	<u>Rank</u>	<u>Taxable Assessed</u>
	<u>Value</u>		<u>Value</u>
FedEx Express Corporation	\$ 399,133,347	1	3.23%
Bellsouth Telecommunications Inc.	105,529,365	2	0.86%
G&I VII Retail Carriage LLC (and related divs)	61,846,400	3	0.50%
Kroger Companies			0.00%
Lightman Michael A (and affiliated LPs)			0.00%
AT&T Mobility LLC			0.00%
Galleria at Wolfchase, LLC			0.00%
AMISUB (SFH) Inc.			0.00%
Baptist Memorial Hospital			0.00%
Highwoods Realty LP			0.00%
AMISUB (SFH) Inc.	42,866,040	4	0.35%
Northwest Airlines, Inc.	33,828,323	5	0.27%
Cargill, Inc	31,974,670	6	0.26%
Pinnacle Airlines, Inc.	27,116,493	7	0.22%
Shopping Center Associates	26,058,360	8	0.21%
T & T Mobility LLC	25,545,747	9	0.21%
IPC Crescent Center LLC	24,171,960	10	0.20%
Total Assessed Valuation of Top Ten Taxpayers	778,070,705		6.30%
Balance of Assessed Valuation	11,563,690,120		93.70%
Total Assessed Valuation	<u>\$ 12,341,760,825</u>		<u>100.00%</u>

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Debt Capacity



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

Notes: N/A = not available
The district became responsible for debt in 2014 after its merger with the former Memphis City Schools.

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**

Fiscal year	Bonded debt	Assessed Value	Percent of bonded debt to assessed value	Estimated Actual Value	Percent of bonded debt to estimated actual value	Population	Per capita bonded debt
2009	-	18,089,304,129	—	61,383,315,080	—	922,541	—
2010	-	19,657,378,625	—	66,374,654,928	—	928,652	—
2011	-	19,312,088,190	—	65,216,500,736	—	933,011	—
2012	-	18,999,484,095	—	64,287,973,983	—	938,965	—
2013	-	18,847,860,547	—	63,834,911,731	—	938,091	—
2014	1,311,568	18,165,887,331	0.01	60,586,935,365	0.00	937,162	1
2015	764,184	17,966,880,260	0.00	59,884,233,964	0.00	936,131	1
2016	216,799	17,939,879,870	0.00	59,897,289,027	0.00	934,603	0
2017	144,532	18,102,855,449	0.00	60,418,966,162	0.00	936,961	0
2018	-	20,247,539,027	—	67,338,526,740	—	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>
2009	\$ -	\$ 324,388,914	0.00%
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%

Source: Shelby County Schools Financial Statements

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Demographic and Economic Information



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

Fiscal Year	Population	Personal income (in thousands)	Per Capita Personal Income	Unemployment Rate
2009	922,541	35,471,764	38,450	10.1%
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	N/A	N/A	5.5%
2017	936,961	N/A	N/A	4.3%
2018	N/A	N/A	N/A	4.1%

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	2018		
	Employees	Rank	Percentage of Total City Employment
FedEx Corp	30,000	1	4.7%
Tennessee State Government	14,200	2	2.2%
United States Government	13,200	3	2.0%
Methodist Le Bonheur Healthcare	13,000	4	2.0%
Shelby County Schools (a)	11,500	5	1.8%
City of Memphis	7,000	6	1.1%
The Kroger Company	6,927	7	1.1%
Wal-Mart Stores Inc.	6,800	8	1.1%
Naval Support Activity Mid-South	6,500	9	1.0%
Baptist Memorial Health Care Corp.	6,467	10	1.0%
Shelby County Government			
Memphis City Schools (a)			
Harrah's Entertainment, Inc.			
Total	<u>115,594</u>		<u>18.00%</u>

Note:

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

**SHELBY COUNTY
BOARD OF EDUCATION**

2009			
Name of Employer	Employees	Rank	Percentage of Total City Employment
FedEx Corp	32,000	1	5.44%
Tennessee State Government			0.00%
United States Government	14,500	3	2.47%
Methodist Le Bonheur Healthcare	8,937	4	1.52%
			0.00%
City of Memphis	6,909	5	1.18%
The Kroger Company			0.00%
Wal-Mart Stores Inc.	6,000	9	1.02%
Naval Support Activity Mid-South	6,372	8	1.08%
Baptist Memorial Health Care Corp.	6,791	6	1.16%
Shelby County Government	6,513	7	1.11%
Memphis City Schools (a)	15,240	2	2.59%
Harrah's Entertainment, Inc.	5,780	10	0.98%
Total	109,042		18.55%

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Operating Information

**STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION**

Operating Statistics

Last ten fiscal years ending June 30

Fiscal Year	Weighted Full-time Equivalent Average Daily Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change
2008	56,799	362,959,121	6,390	0.10
2009	56,503	385,064,553	6,815	0.07
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)
2018	134,203	1,110,059,344	8,271	0.37

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**

<u>Expenses</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>
443,715,981	7,812	0.32	2,944	19.29
490,129,501	8,674	0.11	2,998	18.85
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
941,792,583	7,018	(0.19)	6,423	20.89

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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**

Fiscal Year	Shelby County Schools		Memphis City / Municipal Schools	
	Weighted Full-time Equivalent Average Daily Attendance	Percent of Total	Weighted Full-time Average Daily Attendance	Percent of Total
2009	56,503	30.78%	127,073	69.22%
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%

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.

Source: Letter of notification, State of Tennessee

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Full Time Staff					
Officials/Administration/Management	198	166	156	138	179
Principals	157	159	168	178	226
Assistant Principals, Non-Teachers	201	173	183	188	301
Elementary Classroom Teachers	2,268	2,355	2,380	2,486	3,401
Secondary Classroom Teachers	1,845	1,859	1,912	2,037	3,069
Other Classroom Teachers	2,060	2,209	2,087	2,070	2,740
Guidance	302	243	263	255	348
Psychological	48	44	47	48	63
Librarian/Audiovisual	149	158	174	191	244
Consultants/Supervisors	94	75	70	49	54
Other Professional	537	384	343	298	354
Teachers Aides	860	739	626	636	872
Technicians	128	111	118	120	138
Clerical/Secretarial	626	693	689	694	1,068
Service Workers	128	100	99	99	100
Skilled Crafts	113	118	130	146	225
Laborers Unskilled	165	172	184	209	472
Totals	<u>9,879</u>	<u>9,758</u>	<u>9,630</u>	<u>9,842</u>	<u>13,854</u>
Part-Time Staff					
Totals	108	86	68	22	68
New Hires					
Totals	N/A	N/A	N/A	N/A	N/A

N/A - Not available

Note:

(1) Updated for actual staffing levels.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
29	28	23	161	27
51	51	51	52	51
119	121	120	123	124
2,063	2,145	2,141	2,199	2,153
836	868	867	835	813
31	28	28	32	31
125	123	122	122	118
9	9	9	9	8
55	58	59	60	58
35	36	30	27	23
186	186	152	153	145
574	606	614	624	607
-	-	-	-	-
320	384	354	360	361
759	679	594	659	740
156	158	147	151	151
-	-	-	-	-
<u>5,348</u>	<u>5,480</u>	<u>5,311</u>	<u>5,567</u>	<u>5,410</u>
57	56	65	92	94
488	N/A	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	2018	2017	2016
A. B. Hill ES (2002)			
Square Feet	79,293	79,293	79,293
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	245	231	296
A. Maceo Walker MS (2002)			
Square Feet	136,253	136,253	136,253
Classrooms	47	47	47
Design Capacity	1116	1116	1116
Enrollment	668	661	665
Administration Building (1962)			
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
Airways MS (1968)			
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
Alcy ES (1965)			
Square Feet	60,313	60,313	60,313
Classrooms	30	30	30
Design Capacity	600	600	600
Enrollment	219	235	226
Alton ES (1969)			
Square Feet	55,934	55,934	55,934
Classrooms	30	30	30
Design Capacity	600	600	600
Enrollment	261	251	278
Alturia 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
American Way MS (2003)			
Square Feet	140,970	140,970	140,970
Classrooms	46	46	46
Design Capacity	1093	1093	1093
Enrollment	699	691	671
Appling MS (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
Arlington ES (1972)			
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
Arlington HS (2004)			
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
Arlington MS (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
Avon-Lennox ES (1956)			
Square Feet	33,242	33,242	33,242
Classrooms	23	23	23
Design Capacity	Not Available	Not Available	Not Available
Enrollment	171	0	0
B.T. Washington HS (1949)			
Square Feet	202,918	202,918	202,918
Classrooms	37	37	37
Design Capacity	834	834	834
Enrollment	486	573	551

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

**SHELBY COUNTY
BOARD OF EDUCATION**

2015	2014	2013	2012	2011	2010	2009
79,293	79,293					
43	43					
860	860					
229	243					
136,253	136,253					
47	47					
1116	1116					
631	419					
172,942	172,942					
N/A	N/A					
Not Available Administration	Not Available Administration					
139,338	139,338					
33	33					
823	823					
289	260					
60,313	60,313					
30	30					
600	600					
284	293					
55,934	55,934					
30	30					
600	600					
311	301					
Municipal School	88,321	88,321	88,321	88,321	88,321	88,321
Municipal School	55	55	55	55	55	55
Municipal School	1,100	1,100	1,100	1,100	1,100	1,100
Municipal School	799	787	750	759	753	772
140,970	140,970					
46	46					
1093	1093					
683	672					
Municipal School	96,000	96,000	96,000	96,000	96,000	96,000
Municipal School	50	50	50	50	50	50
Municipal School	1,250	1,250	1,250	1,250	1,250	1,250
Municipal School	590	652	706	744	745	706
Municipal School	87,949	87,949	87,949	87,949	87,949	87,949
Municipal School	58	58	58	58	58	58
Municipal School	1,160	1,160	1,160	1,160	1,160	1,160
Municipal School	936	920	935	920	890	1,200
Municipal School	327,069	327,069	327,069	327,069	327,069	327,069
Municipal School	116	116	116	116	116	116
Municipal School	2,320	2,320	2,320	2,320	2,320	2,320
Municipal School	2,168	2,314	2,356	2,408	2,200	2,016
Municipal School	91,097	91,097	91,097	91,097	91,097	91,097
Municipal School	56	56	56	56	56	56
Municipal School	1,400	1,400	1,400	1,400	1,400	1,400
Municipal School	1,247	1,201	1,139	1,115	1,098	1,094
33,242	33,242					
23	23					
Not Available 0	Not Available 0					
202,918	202,918					
37	37					
834	964					
570	385					

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

School/Building	2018	2017	2016
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	554	630	638
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	547	524	478
Belle Forest Community School (2013)			
Square Feet	106,000	106,000	106,000
Classrooms	56	56	56
Design Capacity	1180	1180	1180
Enrollment	1178	1122	1113
Berclair ES (1952)			
Square Feet	46,139	46,139	46,139
Classrooms	27	27	27
Design Capacity	940	940	540
Enrollment	630	589	560
Bethel Grove ES (1932)			
Square Feet	54,324	54,324	54,324
Classrooms	31	31	31
Design Capacity	620	620	620
Enrollment	219	234	233
Bolton HS (1960)			
Square Feet	293,200	293,200	293,200
Classrooms	106	106	106
Design Capacity	2,450	2,450	2,450
Enrollment	1039	1318	1497
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
Design Capacity	880	880	880
Enrollment	554	579	544
Bruce ES (1999)			
Square Feet	68,491	68,491	68,491
Classrooms	37	37	37

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**SHELBY COUNTY
BOARD OF EDUCATION**

2015	2014	2013	2012	2011	2010	2009
Municipal School	113,691	113,691	113,691	113,691	113,691	113,691
Municipal School	64	64	64	64	64	64
Municipal School	1,280	1,280	1,280	1,280	1,280	1,280
Municipal School	847	909	907	955	901	860
81,021	81,021	81,021	81,021	81,021	81,021	81,021
33	33	33	33	33	33	33
860	740	660	660	660	660	660
651	304	302	293	274	264	266
Municipal School	104,630	104,630	104,630	104,630	104,630	104,630
Municipal School	65	65	65	65	65	65
Municipal School	1,300	1,300	1,300	1,300	1,300	1,300
Municipal School	872	877	841	776	811	889
Municipal School	220,160	220,160	220,160	220,160	220,160	220,160
Municipal School	109	109	109	109	109	109
Municipal School	2,180	2,180	2,180	2,180	2,180	2,180
Municipal School	2,009	1,840	1,660	1,538	1,478	1,434
93,972	93,972					
29	29					
724	724					
466	481					
106,000	106,000	106,000				
56	56	56				
1142	1142	1142				
1079	866	884				
46,139	46,139					
27	27					
540	540					
580	596					
54,324	54,324					
31	31					
620	620					
261	265					
293,200	293,200	293,200	293,200	293,200	293,200	293,200
106	106	103	103	103	103	103
2,450	2,597	2,060	2,060	2,060	2,060	2,060
1860	1,943	1,942	1,940	1,956	1,847	1,877
57,600	57,600					
N/A	N/A					
Not Available	Not Available					
Administration	Administration					
Municipal School	110,658	110,658	110,658	110,658	110,658	110,658
Municipal School	63	63	63	63	63	63
Municipal School	1,260	1,260	1,260	1,260	1,260	1,260
Municipal School	837	830	808	874	833	766
Municipal School	111,442	111,442	111,442	111,442	111,442	111,442
Municipal School	52	52	52	52	52	52
Municipal School	1,300	1,300	1,300	1,300	1,300	1,300
Municipal School	614	613	654	673	669	549
52,991	52,991					
27	27					
540	540					
294	281					
66,545	66,545					
44	44					
880	880					
587	607					
68,491	68,491					
37	37					

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

School/Building	2018	2017	2016
Design Capacity	740	740	740
Enrollment	439	355	320
Caldwell ES (1956)	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Square Feet	104656	104656	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
Caldwell-Guthrie ES (2000)	Caldwell ES combined with Guthrie ES in 2011.	Caldwell ES combined with Guthrie ES in 2011.	Caldwell ES combined with Guthrie ES in 2011.
Square Feet	78,829	78,829	78,829
Classrooms	42	42	42
Design Capacity	ASD School	ASD School	840
Enrollment	ASD School	ASD School	432
Carnes ES (1951)			
Square Feet	74,000	74,000	74,000
Classrooms	38	38	38
Design Capacity	Closed 2017-2018	760	760
Enrollment	Closed 2017-2018	223	240
Carver HS (1958)	Converted to Alternative	Converted to Alternative	
Square Feet	167,088	167,088	167,088
Classrooms	43	43	43
Design Capacity	Functions as Alternative School	Functions as Alternative School	1068
Enrollment	Functions as Alternative School	Functions as Alternative School	189
Central HS (1911)			
Square Feet	283,230	283,230	283,230
Classrooms	71	71	71
Design Capacity	1740	1740	1740
Enrollment	1530	1578	1585
Central Office East (1965)			
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
Central Office Grays Creek (2012)			
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
Central Office West (1968)			
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
Charjean ES (1950)			
Square Feet	39,352	39,352	39,352
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	356	404	344
Cherokee ES (1951)			
Square Feet	61,286	61,286	61,286
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	471	473	513
Chickasaw MS (1971)			
Square Feet	138,044	138,044	138,044
Classrooms	32	32	32
Design Capacity	798	798	798
Enrollment	296	292	396
Chimneyrock ES			
Square Feet	90,611	90,611	90,611
Classrooms	50	50	50
Design Capacity	1,240	1,240	1,000
Enrollment	916	844	739
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

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
740	740					
314	337					
Closed. Leased to Charter School 104656 66	Closed Leased to Charter School 104,656 66					
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.				
78,829	78,829					
42	42					
840	840					
460	287					
74,000	74,000					
38	38					
760	760					
242	250					
167,088	167,088					
43	43					
1068	1120					
237	326					
283,230	283,230					
71	71					
1740	1740					
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			
N/A	N/A	N/A	N/A			
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					
24	24					
480	480					
386	415					
61,286	61,286					
43	43					
860	860					
477	431					
138,044	138,044					
32	32					
798	798					
434	472					
90,611	90,611					
50	50					
1,000	1,000					
797	809					
118,617	118,617					
32	32					
ASD School	653					
ASD School	449					

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

School/Building	2018	2017	2016
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)			
	New building constructed in 2011.	New building constructed in 2011.	New building constructed in 2011.
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
Colonial MS (2009)			
Square Feet	153,438	153,438	153,438
Classrooms	52	52	52
Design Capacity	1,235	1,235	1,235
Enrollment	1092	1062	1045
Cordova ES (2002)			
Square Feet	88,164	88,164	88,164
Classrooms	46	46	46
Design Capacity	1120	1120	920
Enrollment	825	813	637
Cordova HS			
Square Feet	278,000	278,000	278,000
Classrooms	107	107	107
Design Capacity	2,548	2,548	2,548
Enrollment	2337	2285	2035
Cordova MS (1993)			
Square Feet	147,873	147,873	147,873
Classrooms	62	62	62
Design Capacity	1,473	1,473	1,473
Enrollment	722	686	692
Corning ES (1968)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	47,149	47,149	47,149
Design Capacity	22	22	22
Enrollment	ASD School	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	873	918	914
Craigmont MS (2001)			
Square Feet	148,352	148,352	148,352
Classrooms	48	48	48
Design Capacity	1140	1140	1140
Enrollment	564	592	601
Cromwell ES (1963)			
Square Feet	45,580	45,580	45,580
Classrooms	39	39	39
Design Capacity	780	780	780
Enrollment	512	512	542
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

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**SHELBY COUNTY
BOARD OF EDUCATION**

2015	2014	2013	2012	2011	2010	2009
114,081	114,081	114,081	114,081	114,081	114,081	114,081
66	66	66	66	66	66	66
Municipal School	1,320	1,320	1,320	1,320	1,320	1,320
Municipal School	759	754	762	775	756	799
Municipal School	281,172	281,172	281,172	281,172	281,172	281,172
Municipal School	107	107	107	107	107	107
Municipal School	2,140	2,140	2,140	2,140	2,140	2,140
Municipal School	1,922	1,973	1,939	1,884	1,953	1,989
New building constructed in 2011.	New building constructed in 2011.					
Municipal School	114,865	114,865	114,865	114,865	114,865	114,865
Municipal School	54	54	54	54	54	54
Municipal School	1,350	1,350	1,350	1,350	1,350	1,350
Municipal School	843	890	878	901	915	891
153,438	153,438					
52	52					
1,235	1,235					
1078	1,043					
	Includes Middle School enrollment in early years					
88,164	88,164					
46	46					
920	920					
673	628					
	Annexed by the City of Memphis in 2005.					
278,000	278,000					
107	107					
2,548	2,622					
2011	1,694					
	Was K-8 until elementary school built in 2002-03					
147,873	147,873					
62	62					
1,473	1,473					
763	784					
ASD School	ASD School					
47,149	47,149					
22	22					
ASD School	ASD School					
ASD School	ASD School					
ASD School	101,247					
101,247	34					
34	813					
ASD School	268					
ASD School						
324,517	324,517					
63	63					
1,589	1,641					
1025	984					
148,352	148,352					
48	48					
1140	1140					
654	663					
45,580	45,580					
39	39					
780	780					
492	589					
Municipal School	90,629	90,629	90,629	90,629	90,629	90,629
Municipal School	52	52	52	52	52	52
Municipal School	1,040	1,040	1,040	1,040	1,040	1,040
Municipal School	722	711	733	770	770	764

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

School/Building	2018	2017	2016
Crump ES (1978)			
Square Feet	60,483	60,483	60,483
Classrooms	49	49	49
Design Capacity	980	980	980
Enrollment	607	635	693
Cummings ES (1961)			
Square Feet	120,729	120,729	120,729
Classrooms	38	38	38
Design Capacity	760	760	760
Enrollment	501	418	494
Cypress MS (1966)	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Square Feet	216,171	216,171	216,171
Classrooms	56	56	56
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
Delano ES (1957)			
Square Feet	34,000	34,000	34,000
Classrooms	16	16	16
Design Capacity	320	320	320
Enrollment	243	269	222
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	848	900	729
Dexter MS (2002)			
Square Feet	112,072	112,072	112,072
Classrooms	50	50	50
Design Capacity	1,248	1,248	1,248
Enrollment	403	387	478
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	338	327	304
Douglass ES (1965)			
Square Feet	93,447	93,447	93,447
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	410	344	398
Douglass HS (2008)			
Square Feet	146,568	146,568	146,568
Classrooms	35	35	35
Design Capacity	912	912	912
Enrollment	534	506	454
Downtown ES (2003)			
Square Feet	84,070	84,070	84,070
Classrooms	45	45	45
Design Capacity	900	900	900
Enrollment	608	646	541
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

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**SHELBY COUNTY
BOARD OF EDUCATION**

2015	2014	2013	2012	2011	2010	2009
60,483	60,483					
49	49					
980	980					
756	818					
120,729	120,729					
38	38					
760	760					
540	556					
Closed. Leased to Charter School						
216,171	216,171					
56	56					
Closed. Leased to Charter School	1,338					
Closed. Leased to Charter School	232					
34,000	34,000					
16	16					
320	320					
242	215					
47,093	47,093					
46	46					
920	920					
561	567					
119,082	119,082	119,082	119,082	119,082	119,082	119,082
62	65	65	65	65	65	65
1,240	1,240	1,300	1,300	1,300	1,300	1,300
659	574	568	552	594	936	960
112,072	112,072	112,072	112,072	112,072	112,072	112,072
50	50	53	53	53	53	53
1,248	1,248	1,325	1,325	1,325	1,325	1,325
516	386	411	452	618	668	698
Municipal School	88,000	88,000	88,000	88,000	88,000	88,000
Municipal School	50	50	50	50	50	50
Municipal School	1,000	1,000	1,000	1,000	1,000	1,000
Municipal School	623	597	586	620	634	654
Municipal School	113,202	113,202	113,202	113,202	113,202	113,202
Municipal School	65	65	65	65	65	65
Municipal School	1,300	1,300	1,300	1,300	1,300	1,300
Municipal School	601	613	592	591	533	
51,144	51,144					
Open Classroom	Open Classroom					
560	640					
340	413					
93,447	93,447					
42	44					
840	929					
458	353					
146,568	146,568					
35	35					
912	912					
515	560					
84,070	84,070					
45	45					
900	900					
528	567					
3,200	3,200					
N/A	N/A					
Not Available Administration	Not Available Administration					

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

School/Building	2018	2017	2016
Dunbar ES (1956)			
Square Feet	55,155	55,155	55,155
Classrooms	30	30	30
Design Capacity	600	600	600
Enrollment	240	291	295
Dunn ES (1952)	Facility Sold	Facility Sold	Facility Sold
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	391	517	553
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	532	520	536
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	458	449	441
Fairley ES (1960)			
Square Feet	Demolished	69,501	69,501
Classrooms	Demolished	39	39
Design Capacity	Demolished	Closed 2015-16	780
Enrollment	Demolished	Closed 2015-16	499
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 & N
Classrooms	Now Maxine Smith	Now Maxine Smith	Now Maxine Smith & N
Design Capacity	Now Maxine Smith	Now Maxine Smith	Now Maxine Smith & N
Enrollment	Now Maxine Smith	Now Maxine Smith	Now Maxine Smith & N
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
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

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
55,155	55,155					
30	30					
600	600					
286	329					
Facility Sold						
Facility Sold	41,233					
Facility Sold	22					
Facility Sold	Not Available					
Facility Sold	Vacant					
189,493	189,493					
61	61					
1,589	1,589					
581	763					
53,200	53,200					
22	22					
Not Available	Not Available					
Not Available	Not Available					
57,636	57,636					
41	41					
820	820					
610	623					
Municipal School	84,693	84,693	84,693	84,693	84,693	84,693
Municipal School	53	53	53	53	53	53
Municipal School	1,060	1,060	1,060	1,060	1,060	1,060
Municipal School	554	539	555	558	567	564
Municipal School	109,746	69,943	69,943	69,943	69,943	69,943
Municipal School	52	52	52	52	52	52
Municipal School	1,300	1,300	1,300	1,300	1,300	1,300
Municipal School	714	645	639	657	663	661
67,246	67,246					
36	36					
720	720					
426	591					
69,501	69,501					
39	39					
780	780					
509	349					
ASD School						
189,299	189,299					
52	52					
ASD School	1,253					
ASD School	684					
iddle College	95,345					
iddle College	35					
iddle College	837					
iddle College	280					
Municipal School	73,908	73,908	73,908	73,908	73,908	73,908
Municipal School	48	48	48	48	48	48
Municipal School	960	960	960	960	960	960
Municipal School	753	752	740	736	708	672
Facility Demolished	Facility Demolished					
Facility Demolished	Facility Demolished					
Facility Demolished	Facility Demolished					
Facility Demolished	Facility Demolished					
80,610	80,610					
47	47					
940	940					
245	303					
78,213	78,213					
45	45					

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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	School/Building	2018	2017	2016
Design Capacity		900	900	900
Enrollment		552	555	555
Fox Meadows ES (1965)				
Square Feet		93,872	93,872	93,872
Classrooms		46	46	46
Design Capacity		920	920	920
Enrollment		573	566	591
Frayser ES (1954)		ASD School	ASD School	ASD School
Square Feet		42,797	42,797	42,797
Classrooms		26	26	26
Design Capacity		ASD School	ASD School	ASD School
Enrollment		ASD School	ASD School	ASD School
Frayser HS (1938)		ASD School	ASD School	ASD School
Square Feet		189,648	189,648	189,648
Classrooms		59	59	59
Design Capacity		ASD School	ASD School	ASD School
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		284	291	323
Geeter MS (1961)				
Square Feet		105,957	105,957	105,957
Classrooms		36	36	36
Design Capacity		898	898	898
Enrollment		0	309	396
Georgia Avenue ES (1960)		Closed 2011-2012	Closed 2011-2012	Closed 2011-2012
Square Feet		143,577	143,577	143,577
Classrooms		72	72	72
Design Capacity		Closed 2011-2012	Closed 2011-2012	Not Available
Enrollment		Closed 2011-2012	Closed 2011-2012	A Portion Leased to Charter School
Georgian Hills ES (1951)		ASD School	ASD School	ASD School
Square Feet		44,786	44,786	44,786
Classrooms		24	24	24
Design Capacity		ASD School	ASD School	ASD School
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		236	295	287
Germanshire ES (2001)				
Square Feet		89,228	89,228	89,228
Classrooms		46	46	46
Design Capacity		920	920	920
Enrollment		808	814	775
Germantown ES (1975)				
Square Feet		84,584	84,584	84,584
Classrooms		42	42	42
Design Capacity		900	900	900
Enrollment		639	632	635
Germantown HS (1964)				
Square Feet		231,717	231,717	231,717
Classrooms		104	104	104
Design Capacity		2,548	2,548	2,548
Enrollment		2007	2048	2074
Germantown MS (1979)				
Square Feet		81,834	81,834	81,834
Classrooms		41	41	41
Design Capacity		974	974	974
Enrollment		722	656	650
Getwell ES (2001)				
Square Feet		87,025	87,025	87,025
Classrooms		46	46	46
Design Capacity		920	920	920
Enrollment		298	327	361
Goodlett ES (1964)				
Square Feet		51,813	51,813	51,813
Classrooms		25	25	25
Design Capacity		500	500	500
Enrollment		451	451	459

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SHELBY COUNTY
BOARD OF EDUCATION

	2015	2014	2013	2012	2011	2010	2009
	900	900					
	581	476					
	93,872	93,872					
	46	46					
	920	920					
	662	650					
ASD School	ASD School	ASD School					
42,797	42,797						
26	26						
ASD School	ASD School						
ASD School	ASD School						
ASD School	ASD School						
189,648	189,648						
59	59						
ASD School	1,421						
ASD School	548						
55,570	55,570						
35	35						
700	714						
333	306						
105,957	105,957						
36	36						
898	898						
421	376						
Closed 2011-2012							
143,577	143,577						
72	72						
Not Available	Not Available						
A Portion Leased to							
Charter School	Closed School						
ASD School	ASD School						
44,786	44,786						
24	24						
ASD School	ASD School						
ASD School	ASD School						
87,069	87,069						
26	26						
649	649						
296	323						
89,228	89,228						
46	46						
920	920						
741	694						
84,584	84,584	84,584	84,584	84,584	84,584	84,584	84,584
42	42	42	42	42	42	42	42
900	920	840	840	840	840	840	840
621	755	759	749	791	709	740	740
231,717	231,717	231,717	231,717	231,717	231,717	231,717	231,717
104	104	101	101	101	101	101	101
2,548	2,548	2,020	2,020	2,020	2,020	2,020	2,020
1979	2,009	2,029	2,046	2,000	1,731	1,687	1,687
81,834	81,834	81,834	81,834	81,834	81,834	81,834	81,834
41	41	44	44	44	44	44	44
974	974	1,100	1,100	1,100	1,100	1,100	1,100
615	654	672	708	697	621	776	776
87,025	87,025						
46	46						
920	920						
374	379						
51,813	51,813						
25	25						
500	500						
460	423						

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
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School/Building	2018	2017	2016
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	87,612	87,612	87,612
Classrooms	55	55	55
Design Capacity	1,100	1,100	1,100
Enrollment	987	988	1019
Grandview Hts. ES (1953)	Middle School	Middle School	
Square Feet	87,612	87,612	87,612
Classrooms	55	55	55
Design Capacity	923	923	923
Enrollment	445	494	592
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	297	325	474
Hamilton HS (1972)			
Square Feet	136,797	136,797	136,797
Classrooms	64	64	64
Design Capacity	1,876	1,876	1,876
Enrollment	624	758	636
Hamilton MS (1942)			
Square Feet	136,797	136,797	136,797
Classrooms	64	64	64
Design Capacity	1,597	1,597	1,597
Enrollment	265	267	407
Hanley ES (1960)	ASD School	ASD School	ASD School
Square Feet	104,224	104,224	104,224
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	719	712	714
Hawkins Mill ES (1965)			
Square Feet	67,350	67,350	67,350
Classrooms	36	36	36
Design Capacity	720	720	720
Enrollment	314	314	314
Hickory Ridge ES (2001)			
Square Feet	83,060	83,060	83,060
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	763	826	841

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
86,387	86,387					
45	45					
Functions as Alternative School	918					
Functions as Alternative School	255					
Demolished	Demolished					
Demolished	Demolished					
Demolished	Demolished					
Demolished	Demolished					
85,642	85,642					
N/A	N/A					
Not Available Administration	Not Available Administration					
87,612	87,612					
55	55					
1,100	1,100					
1007	984					
87,612	85,810					
55	39					
1,100	879					
688	533					
Closed 2013-2014						
52,321	52,321					
29	29					
Closed 2013-2014	592					
Closed 2013-2014	237					
Municipal School	50,200	50,200	50,200	50,200	50,200	50,200
Municipal School	22	22	22	22	22	22
Municipal School	440	440	440	440	440	440
Municipal School	360	399	391	392	419	432
81,740	81,740					
43	43					
720	860					
543	525					
136,797	336,151					
64	74					
1,597	1,928					
711	808					
136,797	136,797					
64	64					
1,597	413					
409	252					
ASD School	ASD School					
104,224	104,224					
57	57					
ASD School	ASD School					
ASD School	ASD School					
104,745	104,745					
44	44					
1,045	1,045					
717	792					
67,350	67,350					
36	36					
720	720					
315	326					
83,060	83,060					
46	46					
920	920					
853	799					

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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School/Building	2018	2017	2016
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	832	867	866
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	844	835	872
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	702	781	726
Hillcrest HS (1962)	ASD School	ASD School	
Square Feet	169,973	169,973	169,973
Classrooms	59	59	59
Design Capacity	ASD School	ASD School	1,485
Enrollment	ASD School	ASD School	505
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	642	712	550
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	172	Alternative School	Alternative School
Idlewild ES (1903)			
Square Feet	65,025	65,025	65,025
Classrooms	33	33	33
Design Capacity	660	660	660
Enrollment	487	458	480
E.E. Jeter ES (1949)			
Square Feet	70,058	70,058	70,058
Classrooms	27	27	27
Design Capacity	540	540	540
Enrollment	376	379	349
Jackson ES (1957)			
Square Feet	44,568	44,568	44,568
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	324	340	346
John P. Freeman MS (1973)			
Square Feet	98,000	98,000	98,000
Classrooms	38	38	38
Design Capacity	760	760	760
Enrollment	591	544	550

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**SHELBY COUNTY
BOARD OF EDUCATION**

	2015	2014	2013	2012	2011	2010	2009
	139,685	139,685					
	47	47					
	1,116	1,116					
	883	814					
	107,971	107,971	107,971	107,971	107,971	107,971	107,971
	66	66	66	66	66	66	66
	1,260	1,260	1,320	1,320	1,320	1,320	1,320
	963	941	984	960	1,046	1,034	855
	118,130	118,130	118,130	118,130	118,130	118,130	
	55	55	57	57	57	57	
	1,306	1,306	1,425	1,425	1,425	1,425	
	769	835	895	947	952	953	
	169,973	169,973					
	59	59					
	1,485	1,537					
	506	561					
Closed. Leased to Charter School	67,804	67,804					
	34	34					
Closed. Leased to Charter School		Not Available					
Closed. Leased to Charter School		Charter School					
	84,633	84,633					
	46	46					
	920	920					
	512	521					
Municipal School	263,689	263,689	263,689	263,689	263,689	263,689	263,689
Municipal School	111	111	111	111	111	111	111
Municipal School	2,220	2,220	2,220	2,220	2,220	2,220	2,220
Municipal School	1,865	1,787	1,678	1,678	1,681	1,761	1,953
Municipal School	92,750	92,750	92,750	92,750	92,750	92,750	92,750
Municipal School	50	50	50	50	50	50	50
Municipal School	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Municipal School	848	859	890	890	858	848	803
ASD School	131,301	131,301					
	61	61					
ASD School		ASD School					
ASD School		ASD School					
Alternative School		71,059					
Alternative School		17					
Alternative School		Not Available					
Alternative School		Not Available					
	65,025	65,025					
	33	33					
	660	660					
	471	456					
	70,058	70,058	70,058	70,058	70,058	70,058	70,058
	27	27	28	28	28	28	28
	540	540	560	560	560	560	560
	330	186	180	175	188	212	213
	44,568	44,568					
	24	24					
	480	480					
	380	348					
	98,000	98,000					
	38	38					
	760	760					
	537	592					

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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School/Building	2018	2017	2016
Kansas Career & Technology (1976)			
Square Feet	49,000	49,000	49,000
Classrooms	18	18	18
Design Capacity	Closed 2015-16	Closed 2015-16	Not Available
Enrollment	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	827	975	1097
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	1151	1130	1146
Keystone ES (1991)			
Square Feet	84,641	84,641	84,641
Classrooms	39	39	39
Design Capacity	780	780	780
Enrollment	479	495	362
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	Alternative School
Enrollment	Closed 2015-16	Closed 2015-16	Alternative School
Kingsbury ES (1959)			
Square Feet	65,250	65,250	65,250
Classrooms	36	36	36
Design Capacity	720	720	720
Enrollment	576	543	562
Kingsbury MS			
Square Feet	See Kingsbury HS	See Kingsbury HS	See Kingsbury HS
Classrooms	29	29	29
Design Capacity	736	736	736
Enrollment	603	612	597
Kingsbury HS (1950)			
Square Feet	219,201	219,201	219,201
Classrooms	63	63	63
Design Capacity	1,563	1,563	1,563
Enrollment	1360	1277	1173
Kingsbury Career Technology Center (1976)	Students counted in HS.	Students counted in HS.	Students counted in HS.
Square Feet	51,000	51,000	51,000
Classrooms	21	21	21
Design Capacity	Not Available	Not Available	Not Available
Enrollment			
Kirby HS (1980)			
Square Feet	206,224	206,224	206,224
Classrooms	70	70	70
Design Capacity	1,693	1,693	1,693
Enrollment	879	1073	991
Kirby MS (1987)			
Square Feet	85,050	85,050	85,050
Classrooms	51	51	51
Design Capacity	ASD School	ASD School	1,272
Enrollment	ASD School	ASD School	538
Klondike ES (1939)			ASD School
Square Feet	85,050	85,050	85,050
Classrooms	51	51	51
Design Capacity	ASD Closed 2015-16	ASD Closed 2015-16	ASD School
Enrollment	ASD Closed 2015-16	ASD Closed 2015-16	ASD School
Knight Road ES (1959)			
Square Feet	53,093	53,093	53,093
Classrooms	35	35	35
Design Capacity	700	700	700
Enrollment	509	516	470
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)	Closed. Leased to Charter School	Closed. Leased to Charter School	Closed. Leased to Charter School
Square Feet	38,793	38,793	38,793

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
49,000	49,000					
18	18					
Not Available	Not Available					
107,748	107,748					
58	58					
11,160	1160					
1061	1,091					
165,749	165,749					
64	64					
1,520	1,520					
1194	1,213					
84,641	84,641					
39	39					
780	780					
399	362					
102,207	102,207					
N/A	N/A					
Not Available	Not Available					
Not Available	Not Available					
65,250	65,250					
36	36					
720	720					
555	552					
See Kingsbury HS	See Kingsbury HS					
29	29					
736	689					
646	623					
219,201	219,201					
63	63					
1,593	1,641					
1132	1,129					
Students counted in HS.	Students counted in HS.					
51,000	51,000					
21	21					
Not Available	Not Available					
	Not Available					
206,224	206,224					
70	70					
1,693	1,824					
1114	1,284					
85,050	85,050					
51	51					
1,272	1,272					
584	604					
ASD School						
90,835	90,835					
46	46					
ASD School	938					
ASD School	94					
53,093	53,093					
35	35					
700	700					
476	469					
Municipal School	115,780	115,780	115,780	115,780	115,780	115,780
Municipal School	65	65	65	65	65	65
Municipal School	1,300	1,300	1,300	1,300	1,300	1,300
Municipal School	836	805	832	845	864	1,051
Closed. Leased to Charter School						
38,793	38,793					

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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	School/Building	2018	2017	2016
Classrooms		21	21	21
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
Lanier MS (1970)		Facility Sold	Facility Sold	Facility Sold
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		288	367	396
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		431	486	491
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		Closed 2006-2007 76,211	Closed 2006-2007 76,211	Closed 2006-2007 76,211
Classrooms		33	33	33
Design Capacity		Closed 2006-2007	Closed 2006-2007	Closed 2006-2007
Enrollment		Closed 2006-2007	Closed 2006-2007	Closed 2006-2007
Lowrance ES (1995)				
Square Feet		112,374	112,374	112,374
Classrooms		62	62	62
Design Capacity		1,240	1,240	1,240
Enrollment		846	811	800
Lucie E. Campbell ES (2003)				
Square Feet		84,740	84,740	84,740
Classrooms		46	46	46
Design Capacity		920	920	920
Enrollment		506	480	503
Lucy ES (1921)				
Square Feet		102,446	102,446	102,446
Classrooms		49	49	49
Design Capacity		980	980	980
Enrollment		387	394	458
Macon ES (1955)				
Square Feet		Alternative School 33,051	Alternative School 33,051	Alternative School 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

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SHELBY COUNTY
BOARD OF EDUCATION

	2015	2014	2013	2012	2011	2010	2009
	21	21					
Closed. Leased to Charter School		420					
Closed. Leased to Charter School		Charter School					
Facility Sold		135,959					
Facility Sold		29					
Facility Sold		693					
Facility Sold		389					
	94,426	94,426					
	34	34					
	680	680					
	387	392					
	107,896	107,896					
	45	45					
	1130	1130					
	156	257					
	71,179	71,179					
	31	31					
	620	620					
	434	340					
	80,080	80,080					
	39	39					
Closed 2014-2015		620					
Closed 2014-2015		255					
Demolished		Demolished					
Demolished		Demolished					
Demolished		Demolished					
Demolished		Demolished					
Demolished		Demolished					
Demolished		Demolished					
Demolished		Demolished					
Demolished		Demolished					
Demolished		Demolished					
Closed 2006-2007		76,211					
	76,211	33					
	33						
Closed 2006-2007		Not Available					
Closed 2006-2007		Closed					
		School name changed from Southwind MS to Lowrance ES in 2010.					
	112,374	112,374	112,374	112,374	112,374	112,374	
	62	62	65	65	65	65	
	1,240	1,240	1,300	1,300	1,300	1,300	
	833	912	897	896	896	895	
	84,740	84,740					
	46	46					
	920	920					
	305	352					
	102,446	102,446	102,446	102,446	102,446	102,446	102,446
	49	49	48	48	48	48	48
	980	980	960	960	960	960	960
	504	686	687	630	558	554	570
Alternative School		33,051					
	33,051	17					
	17						
Alternative School		Not Available					
Alternative School		Closed					
	110,481	10,481	93,481	93,481	93,481	93,481	93,481
	63	63	66	66	66	66	66
	1,260	1,260	1,320	1,320	1,320	1,320	1,320

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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	School/Building	2018	2017	2016
Enrollment		1158	1129	1146
Magnolia ES (1950)				
Square Feet		76,804	76,804	76,804
Classrooms		43	43	43
Design Capacity		860	860	860
Enrollment		270	224	234
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	Not Available
Classrooms		Demolished	Demolished	Not Available
Design Capacity		Demolished	Demolished	Not Available
Enrollment		Demolished	Demolished	Not Available
Manassas HS-New (2008)				
Square Feet		151,754	151,754	151,754
Classrooms		38	38	38
Design Capacity		990	990	990
Enrollment		512	509	340
Manor Lake ES (1971)				
Square Feet		65,640	65,640	65,640
Classrooms		35	35	35
Design Capacity		700	700	700
Enrollment		304	301	280
Maxine Smith STEAM Academy/MCHS		Merged with Middle Collg	Merged with Middle Collg	Merged with Middle Collge (l
Square Feet		95345	95345	95345
Classrooms		54	54	54
Design Capacity		875	875	875
Enrollment		626	625	252
Melrose HS (1970)				
Square Feet		280,000	280,000	280,000
Classrooms		59	59	59
Design Capacity		1,407	1,407	1,407
Enrollment		589	595	642
Messick Career & Technology (1930)				
Square Feet		104,118	104,118	104,118
Classrooms		44	44	44
Design Capacity		Closed 2015-16	Closed 2015-16	Not Available
Enrollment		Closed 2015-16	Closed 2015-16	Adult
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		463	527	516
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		475	499	488

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**SHELBY COUNTY
BOARD OF EDUCATION**

	2015	2014	2013	2012	2011	2010	2009
	1136	1,208	1,151	1,148	1,188	1,110	1,065
	76,804	76,804					
	43	43					
	860	860					
	267	298					
	389,988	389,988					
	N/A	N/A					
	Not Available	Not Available					
	Administration	Administration					
See Maintenance	See Maintenance						
N/A	N/A						
Not Available	Not Available						
Administration	Administration						
Not Available	Not Available						
Not Available	Not Available						
Not Available	Not Available						
Not Available	Not Available						
	151,754	151,754					
	38	38					
	990	1042					
	439	492					
	65,640	65,640					
	35	35					
	700	700					
	308	354					
Previously Fairview Middle School)							
	138						
	280,000	280,000					
	59	53					
	1,407	1,537					
	738	859					
	104,118	104,118					
	44	44					
	Not Available	Not Available					
	Adult	Not Available					
Municipal School	115,104	115,104	115,104	115,104	115,104	115,104	115,104
Municipal School	63	63	63	63	63	63	63
Municipal School	1,260	1,260	1,260	1,260	1,260	1,260	1,260
Municipal School	565	581	598	577	625	617	
Municipal School	309,026	309,026	309,026	309,026	309,026	309,026	309,026
Municipal School	103	103	103	103	103	103	103
Municipal School	2,060	2,060	2,060	2,060	2,060	2,060	2,060
Municipal School	1,270	1,347	1,324	1,386	1,456	1,522	
Municipal School	80,784	80,784	80,784	80,784	80,784	80,784	80,784
Municipal School	30	30	30	30	30	30	30
Municipal School	750	750	750	750	750	750	750
Municipal School	486	480	469	440	510	505	
	117,630	117,630					
	45	45					
	1,172	1,172					
	540	524					
		New building constructed in 2007					
	125,900	125,900	125,900	125,900	125,900	125,900	125,900
	59	59	65	65	65	65	65
	1,472	1,472	1,625	1,625	1,625	1,625	1,625
	509	533	541	600	1,146	1,288	1,232

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

School/Building	2018	2017	2016
Newberry ES (1970)			
Square Feet	45,170	45,170	45,170
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	447	442	390
Norris ES (1960)	Closed. Leased to Charter	Closed. Leased to Charter	Closed. Leased to Charter
Square Feet	52,000	52,000	52,000
Classrooms	25	25	25
Design Capacity	Closed. Leased to Charter	Closed. Leased to Charter	Closed. Leased to Charter
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
Northhaven ES (1978)			
Square Feet	84,468	84,468	84,468
Classrooms	43	43	43
Design Capacity	860	860	860
Enrollment	301	299	291
North Side HS (1967)			
Square Feet	293,868	293,868	293,868
Classrooms	77	77	77
Design Capacity	Closed 2015-16	Closed 2015-16	1,980
Enrollment	Closed 2015-16	Closed 2015-16	268
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	395	472	499
Oakhaven ES (1956)			
Square Feet	74,500	74,500	74,500
Classrooms	41	41	41
Design Capacity	820	820	820
Enrollment	619	622	622
Oakhaven HS (1956)			
Square Feet	152,940	152,940	152,940
Classrooms	28	28	28
Design Capacity	703	703	703
Enrollment	362	362	382
Oakhaven MS			
Square Feet	See Oakhaven HS	See Oakhaven HS	See Oakhaven HS
Classrooms	18	18	18
Design Capacity	449	449	449
Enrollment	316	319	327
Oakshire ES (1966)			
Square Feet	51,892	51,892	51,892
Classrooms	31	31	31
Design Capacity	620	620	620
Enrollment	377	421	437
Oakville Mental Health Ctr (1922)			
Square Feet	Demolished	Demolished	Demolished
Classrooms	Demolished	Demolished	Demolished
Design Capacity	Demolished	Demolished	Demolished
Enrollment	Demolished	Demolished	Demolished
Orleans ES (1966)			
Square Feet	Demolished	Demolished	63,888
Classrooms	Demolished	Demolished	29
Design Capacity	Demolished	Demolished	Closed 2011-2012
Enrollment	Demolished	Demolished	Closed 2011-2012
Overton HS (1959)			
Square Feet	177,940	177,940	177,940
Classrooms	65	65	65

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
45,170	45,170					
24	24					
480	480					
414	416					
Closed. Leased to Charter						
52,000	52,000					
25	25					
Closed. Leased to Charter	Closed					
Closed. Leased to Charter	Closed					
85,642	85,642					
N/A	N/A					
Not Available	Not Available					
Administration	Administration					
84,468	84,468	84,468	84,468	84,468	84,468	84,468
43	44	44	44	44	44	44
860	860	880	880	880	880	880
472	371	368	326	409	424	450
293,868	293,868					
77	77					
1,980	2,006					
284	289					
300,000	300,000					
N/A	N/A					
Not Available	Not Available					
Administration	Administration					
Municipal School	106,420					
Municipal School	69					
Municipal School	1,380					
Municipal School	585					
87,550	87,550					
43	43					
860	860					
482	499					
74,500	74,500					
41	41					
820	820					
592	489					
152,940	152,940					
28	28					
703	729					
416	436					
See Oakhaven HS	See Oakhaven HS					
18	18					
449	449					
305	263					
51,892	51,892					
31	31					
620	620					
486	447					
Demolished	Demolished					
Demolished	Demolished					
Demolished	Demolished					
Demolished	Demolished					
63,888	63,888					
29	29					
Closed 2011-2012	Closed					
Closed 2011-2012	Closed					
177,940	177,940					
65	65					

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School/Building	2018	2017	2016
Design Capacity	1,544	1,544	1,544
Enrollment	1161	1197	1215
Peabody ES (1909)			
Square Feet	53,997	53,997	53,997
Classrooms	24	24	24
Design Capacity	480	480	480
Enrollment	333	371	375
Pyramid Academy (1928)-Northwest Prep			
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	134	Functions as an Alternative School	Functions as an Alternative School
Raineshaven ES (1959)			
Square Feet	66,892	66,892	66,892
Classrooms	35	35	35
Design Capacity	Closed 2015-16	Closed 2015-16	700
Enrollment	Closed 2015-16	Closed 2015-16	398
Raleigh-Bartlett ES (1971)			
Square Feet	51,891	51,891	51,891
Classrooms	Open Classroom	Open Classroom	Open Classroom
Design Capacity	600	600	600
Enrollment	455	452	438
Raleigh-Egypt HS (1969)	Converted to 6-12	Converted to 6-12	
Square Feet	145,850	145,850	145,850
Classrooms	62	62	62
Design Capacity	1,511	1,511	1,511
Enrollment	1035	911	735
Raleigh-Egypt MS (1979)			
Square Feet	133,750	133,750	133,750
Classrooms	40	40	40
Design Capacity	ASD School	ASD School	998
Enrollment	0	ASD School	484
Residential Training Center (1965)			
Square Feet			
Classrooms			
Design Capacity			
Enrollment			
Richland ES (1957)			
Square Feet	59,833	59,833	59,833
Classrooms	36	36	36
Design Capacity	720	720	720
Enrollment	801	801	788
Ridgeway/Balmoral ES (1970)			
Square Feet	38,940	38,940	38,940
Classrooms	20	20	20
Design Capacity	400	400	400
Enrollment	313	289	317
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	1303	1246	1181
Ridgeway MS (2001)			
Square Feet	143,000	143,000	143,000
Classrooms	47	47	47
Design Capacity	1,116	1,116	1,116
Enrollment	707	669	655
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

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
1,544	1,593					
1254	1,292					
53,997	53,997					
24	24					
480	480					
388	389					
165,486	165,486					
N/A	N/A					
Functions as an Alternative School	Not Available					
Functions as an Alternative School	Closed					
66,892	66,892					
35	35					
700	700					
404	258					
51,891	51,891					
Open Classroom	Open Classroom					
600	600					
427	449					
145,850	145,850					
62	62					
1,511	1,615					
701	742					
133,750	133,750					
40	40					
998	998					
578	580					
	40,270					
	Open Classroom					
	Not Available					
	N/A					
59,833	59,833					
36	36					
720	720					
798	783					
38,940	38,940					
20	20					
400	400					
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					
247,000	247,000					
60	60					
1,511	1,563					
1191	1,072					
143,000	143,000					
47	47					
1,116	1,116					
673	700					
Charter School Closed 2010-2011	Closed					
Charter School Closed 2010-2011	Closed					
Charter School Closed 2010-2011	Closed					
Charter School Closed 2010-2011	Closed					

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OPERATING INFORMATION
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Last ten fiscal years ending June 30

School/Building	2018	2017	2016
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	Closed. Leased by Charter School	Closed. Leased by Charter School
Classrooms	69,422 41	69,422 41	69,422 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	406	500	531
Riverwood ES (2010)			
Square Feet	107,565	107,565	107,565
Classrooms	56	56	56
Design Capacity	1,120	1,120	1,120
Enrollment	956	977	1009
Robert R. Church ES (2001)			
Square Feet	81,500	81,500	81,500
Classrooms	45	45	45
Design Capacity	900	900	900
Enrollment	721	657	631
Ross ES (1976)			
Square Feet	126,662	126,662	126,662
Classrooms	71	71	71
Design Capacity	1,420	1,420	1,420
Enrollment	697	768	842
Rozelle ES (1914)			
Square Feet	58,750	58,750	58,750
Classrooms	27	27	27
Design Capacity	540	540	540
Enrollment	230	247	275
Sea Isle ES (1955)			
Square Feet	79,703	79,703	79,703
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	475	439	445
Scenic Hills ES (1957)			
Square Feet	48,338	48,338	48,338
Classrooms	27	27	27
Design Capacity	540	540	540
Enrollment	316	284	312
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	381	383	415
Shannon ES (1959)			
Square Feet	ASD School 54,522	ASD School 54,522	ASD School 54,522
Classrooms	34	34	34
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	ASD School	ASD School

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**SHELBY COUNTY
BOARD OF EDUCATION**

2015	2014	2013	2012	2011	2010	2009
Municipal School	109,536	109,536	109,536	109,536	109,536	109,536
Municipal School	64	64	64	64	64	64
Municipal School	1,280	1,280	1,280	1,280	1,280	1,280
Municipal School	615	654	695	912	978	1,025
Municipal School	88,199	88,199	88,199	88,199	88,199	88,199
Municipal School	45	45	45	45	45	45
Municipal School	900	900	900	900	900	900
Municipal School	1,178	1,185	1,174	1,147	1,085	1,076
Closed. Leased by Charter School	69,422					
41	45					
Closed. Leased by Charter School	900					
Closed. Leased by Charter School	291					
150,850	150,850					
35	35					
780	780					
348	159					
107,565	107,565					
56	56					
1,120	1,120					
1072	1,022					
81,500	81,500					
45	45					
900	900					
711	688					
126,662	126,662					
71	71					
1,420	1,420					
932	961					
58,750	58,750					
27	27					
540	540					
280	263					
79,703	79,703					
42	42					
840	840					
441	444					
48,338	48,338					
27	27					
540	540					
312	382					
Municipal School	97,250	97,250	97,250	97,250	97,250	97,250
Municipal School	48	48	48	48	48	48
Municipal School	1,200	1,200	1,200	1,200	1,200	1,200
Municipal School	990	1,004	1,044	1,077	1,034	991
Municipal School	119,881	108,936	108,936	108,936	108,936	108,936
Municipal School	57	57	57	57	57	57
Municipal School	1,425	1,425	1,425	1,425	1,425	1,425
Municipal School	Not Available	855	904	909	880	861
48,401	48,401					
25	25					
500	500					
444	448					
ASD School	54,522					
34	34					
ASD School	694					
ASD School	179					

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
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School/Building	2018	2017	2016
Sharpe ES (1955)			
Square Feet	47,130	47,130	47,130
Classrooms	26	26	26
Design Capacity	520	520	520
Enrollment	294	352	440
Sheffield ES (1970)			
Square Feet	46,320	46,320	46,320
Classrooms	31	31	31
Design Capacity	620	620	620
Enrollment	595	592	623
Sheffield HS (1966)			
Square Feet	193,236	193,236	193,236
Classrooms	55	55	55
Design Capacity	1,329	1,329	1,329
Enrollment	741	757	745
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	887	869	822
Sherwood ES (1950)			
Square Feet	94,516	94,516	94,516
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	668	651	668
Sherwood MS (1957)			
Square Feet	141,952	141,952	141,952
Classrooms	52	52	52
Design Capacity	1,330	1,330	1,330
Enrollment	791	821	880
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	115		
Snowden ES (1909)			
Square Feet	199,849	199,849	199,849
Classrooms	65	65	65
Design Capacity	1,300	1,300	1,300
Enrollment	1372	1382	1482
South Area Office (1959)			
Square Feet	Demolished	Demolished	Closed 2005-2006
Classrooms	Demolished	Demolished	N/A
Design Capacity	Demolished	Demolished	Closed 2005-2006
Enrollment	Demolished	Demolished	Closed 2005-2006
South Park ES (2000)			
Square Feet	77,075	77,075	77,075
Classrooms	40	40	40
Design Capacity	800	800	800
Enrollment	600	540	521
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
	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	735	734	756

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
47,130	47,130					
26	26					
520	520					
469	496					
46,320	46,320					
31	31					
620	620					
565	555					
193,236	193,236					
55	55					
1,329	1,407					
781	828					
47,000	47,000					
21	21					
Not Available	Not Available					
Not Available	Not Available					
74,069	74,069					
44	44					
880	880					
867	826					
94,516	94,516					
42	42					
840	840					
663	678					
141,952	141,952					
52	52					
1,330	1,235					
675	509					
74,512	74,512					
Open Classroom	Open Classroom					
Not Available	Not Available					
Not Available	Not Available					
199,849	199,849					
65	65					
1,300	1,300					
1503	1,480					
Closed 2005-2006	38,663					
N/A	N/A					
Closed 2005-2006	Not Available					
Closed 2005-2006	Administration					
77,075	77,075					
40	40					
800	800					
562	532					
ASD School						
254,967	254,967					
71	71					
1,771	1,771					
263	276					
64,201	64,201					
23	23					
Not Available	Not Available					
Not Available	Not Available					
108,303	108,303	108,303	108,303	108,303	108,303	108,303
65	65	68	68	68	68	68
1300	1,300	1,360	1,360	1,360	1,360	1,360
819	873	861	842	842	819	1,127

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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School/Building	2018	2017	2016
Southwind MS Square Feet Classrooms Design Capacity Enrollment	School name changed to Lowrance ES in 2010.	School name changed to Lowrance ES in 2010.	School name changed to Lowrance ES in 2010.
Southwind HS (2007) Square Feet Classrooms Design Capacity Enrollment	326,926 104 2,475 1528	326,926 104 2,475 1487	326,926 104 2,475 1508
Spring Hill ES (1956) Square Feet Classrooms Design Capacity Enrollment	65,698 35 ASD School ASD School	65,698 35 ASD School ASD School	ASD School K-2. SCS has Grades 3-5 65,698 35 700 165
Springdale ES (1940) Square Feet Classrooms Design Capacity Enrollment	58,986 24 480 255	58,986 24 480 258	58,986 24 480 278
Sycamore ES (2000) Square Feet Classrooms Design Capacity Enrollment	Municipal School Municipal School Municipal School Municipal School	Municipal School Municipal School Municipal School Municipal School	Municipal School Municipal School Municipal School Municipal School
Stafford ES (1965)-Carver College Square Feet Classrooms Design Capacity Enrollment	56,216 30 Not Available 499	56,216 30 Not Available Not Available	56,216 30 Not Available Not Available
Tara Oaks ES (1995) Square Feet Classrooms Design Capacity Enrollment	Municipal School Municipal School Municipal School Municipal School	Municipal School Municipal School Municipal School Municipal School	Municipal School Municipal School Municipal School Municipal School
Teaching & Learning Academy (1958) Square Feet Classrooms Design Capacity Enrollment	57,803 N/A Not Available Administration	57,803 N/A Not Available Administration	57,803 N/A Not Available Administration
Treadwell ES (1985) Square Feet Classrooms Design Capacity Enrollment	55,512 45 900 693	55,512 45 900 644	55,512 45 900 650
Treadwell MS (HS Prior to 2010) (1948) Square Feet Classrooms Design Capacity Enrollment	145,870 40 998 463	145,870 40 998 382	145,870 40 998 392
Trezevant HS (1960) Square Feet Classrooms Design Capacity Enrollment	296,765 67 1,667 544	296,765 67 1,667 625	296,765 67 1,667 667
Trezevant Career & Technology (1976) Square Feet Classrooms Design Capacity Enrollment	62,546 27 Not Available Not Available	62,546 27 Not Available Not Available	62,546 27 Not Available Not Available
Vance MS (1971) Square Feet Classrooms Design Capacity Enrollment	150,300 36 Closed 2013-2014 Closed 2013-2014	150,300 36 Closed 2013-2014 Closed 2013-2014	150,300 36 Closed 2013-2014 Closed 2013-2014
Vollentine ES (1930) Square Feet Classrooms Design Capacity Enrollment	75,100 37 740 331	75,100 37 740 232	75,100 37 740 223

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**SHELBY COUNTY
BOARD OF EDUCATION**

2015	2014	2013	2012	2011	2010	2009
School name changed to Lowrance ES in 2010.	School name changed to Lowrance ES in 2010.					112,374 65 1,300 1,082
326,926 104 2,475 1660	326,926 104 2,548 1,777	326,926 116 2,320 1,698	326,926 116 2,320 1,690	326,926 116 2,320 1,931	326,926 116 2,320 1,884	326,926 116 2,320 1,473
ASD School K-2. SCS has Grades 3-5						
65,698 35 700 261	65,698 35 700 370					
58,986 24 480 277	58,986 24 480 284					
Municipal School Municipal School Municipal School Municipal School	127,627 64 1,280 796	127,627 64 1,280 823	127,627 64 1,280 794	127,627 64 1,280 791	127,627 64 1,280 834	127,627 64 1,280 788
56,216 30 Not Available Not Available	56,216 30 Not Available Not Available					
Municipal School Municipal School Municipal School Municipal School	109,405 69 1,380 659	109,405 69 1,380 682	109,405 69 1,380 729	109,405 69 1,380 745	109,405 69 1,380 780	109,405 69 1,380 770
57,803 N/A Not Available Administration	57,803 N/A Not Available Administration					
55,512 45 900 689	55,512 45 900 677					
145,870 40 998 407	145,870 40 998 372					
296,765 67 1,667 559	296,765 67 1,745 615					
62,546 27 Not Available Not Available	62,546 27 Not Available Not Available					
150,300 36 Closed 2013-2014 Closed 2013-2014	150,300 36 860 159					
75,100 37 740 265	75,100 37 740 270					

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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School/Building	2018	2017	2016
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	700
Enrollment	728	714	739
Westhaven ES (1956)--OLD	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Square Feet	67,082	67,082	67,082
Classrooms	44	44	44
Design Capacity	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Enrollment	Closed 2013-2014	Closed 2013-2014	Closed 2013-2014
Westhaven ES Rebuilt 2017			
Square Feet	107,000	107,000	
Classrooms	51	51	
Design Capacity	840	840	
Enrollment	764	698	
Westside ES (1952)			
Square Feet	67,028	67,028	67,028
Classrooms	29	29	29
Design Capacity	580	580	580
Enrollment	301	310	323
Westside MS (1960)	ASD School	ASD School	ASD School
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	352	332	381
White Station ES (1933)			
Square Feet	76,420	76,420	76,420
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	653	637	599
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	2211	2175	2189
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	1274	1289	1254
Whitehaven ES (1949)			
Square Feet	49,885	49,885	49,885
Classrooms	30	30	30
Design Capacity	600	600	600
Enrollment	418	460	463
Whitehaven HS (1931)			
Square Feet	232,776	232,776	232,776
Classrooms	68	68	68
Design Capacity	1,666	1,666	1,666
Enrollment	1605	1763	1777
White's Chapel ES (1951)			
Square Feet	ASD School	ASD School	ASD School
Classrooms	ASD School	ASD School	ASD School

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
43,558	43,558					
N/A	N/A					
Not Available	Not Available					
Administration	Administration					
69,001	69,001					
35	35					
700	700					
750	683					
Closed 2013-2014						
67,082	67,082					
44	44					
Closed 2013-2014	898					
Closed 2013-2014	410					
67,028	67,028					
29	29					
580	580					
302	342					
	Westside MS became an Achievement School District (ASD) school in 2013.					
ASD School	133,852					
133,852	133,852					
35	35					
ASD School	875					
ASD School	ASD School					
ASD School						
77,428	77,428					
47	47					
940	940					
225	332					
181,342	181,342					
51	51					
1,329	1,329					
404	462					
76,420	76,420					
42	42					
840	840					
615	627					
247,624	247,624					
98	98					
2,401	2,401					
2313	2,293					
144,411	144,411					
53	53					
1,259	1,259					
1303	1,247					
49,885	49,885					
30	30					
600	600					
491	459					
232,776	232,776					
68	68					
1,666	1,666					
1848	1,906					
ASD School	Closed					
ASD School	Closed					

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School/Building	2018	2017	2016
Design Capacity	ASD School	ASD School	ASD School
Enrollment	ASD School	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	433	409	366
Willow Oaks ES (1951)			
Square Feet	71,759	71,759	71,759
Classrooms	42	42	42
Design Capacity	840	840	840
Enrollment	670	662	674
Winchester ES (1960)			
Square Feet	82,664	82,664	82,664
Classrooms	40	40	40
Design Capacity	800	800	800
Enrollment	561	660	580
Windridge ES (2001)			
Square Feet	84,214	84,214	84,214
Classrooms	46	46	46
Design Capacity	920	920	920
Enrollment	490	514	545
Wooddale HS (1967)			
Square Feet	263,513	263,513	263,513
Classrooms	80	80	80
Design Capacity	1928	1928	1928
Enrollment	755	872	1067
Wooddale MS (1970)			
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
Woodstock MS (1956)			
Square Feet	84,850	84,850	84,850
Classrooms	62	62	62
Design Capacity	973	973	973
Enrollment	263	275	320
Total SCS Buildings			
Square Feet	22,292,543	22,362,044	22,318,932
Classrooms	8,462	8,501	8,479
Design Capacity	141,172	141,932	149,675
Enrollment	89,539	90,220	92,799
SCS schools on non-SCS property (enrollment)			
Campus Elementary	325	333	329
Hollis F. Price Middle College	118	112	108
MCS Prep School - Southeast	Closed	Closed	
Memphis Virtual School	90	145	103
Memphis Health Careers Academy	Closed 2015-16	Closed 2015-16	74
Middle College High (Relocated to Fairview in 2011)	Included with Maxine	Included with Maxine	283
Martin Luther King Transition Center	Closed 2015-16	Closed 2015-16	
Highland Oaks Primary			
Total non-SCS property (enrollment)	533	607	897
Charter Schools (enrollment)			
Arrow Academy of Excellence	83	81	81
Aspire East Academy	189	103	
Aurora Collegiate Academy	338	275	199
Circles of Success	228	235	246
City University		290	301
City University School Of Independence	17	19	23
City University Boys Prep	66	66	56
City University Girls Prep	97	101	82

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SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
ASD School	Closed					
ASD School	Closed					
ASD School						
63,979	63,979					
30	30					
ASD School	640					
ASD School	ASD School					
95,220	95,220					
41	41					
820	820					
429	438					
71,759	71,759					
42	42					
840	840					
671	685					
82,664	82,664					
40	40					
800	800					
494	365					
84,214	84,214					
46	46					
920	920					
527	621					
263,513	263,513					
80	80					
1928	1960					
1163	1311					
184,760	184,760					
62	62					
1,473	1,473					
699	762					
84,850	84,850	84,850	84,850	84,850	84,850	84,850
62	62	43	43	43	43	43
973	973	1,075	1,075	1,075	1,075	1,075
330	434	468	485	516	520	553
22,343,453	26,956,417	6,760,805	6,654,805	6,429,219	6,429,219	6,197,887
8,486	10,616	3,189	3,133	3,133	3,133	3,011
167,253	217,154	67,357	66,215	66,215	66,215	63,490
98,342	131,782	46,175	45,141	46,616	46,420	45,298
329	329					
117						
	197					
	93					
90	105					
236	198					
	316					
	Students transferred to Highland Oaks ES in 2010.					397
772	1,237	-	-	-	-	397
58	29					
175	113					
247	244					
294	314					
73	115					
60	37					

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School/Building	2018	2017	2016
City University School Of Liberal Arts	275		
DuBois Elementary School of Arts Technology	236	284	279
DuBois Elementary School of Entrepreneurship	304	298	266
DuBois High School of Arts Technology	194	221	159
DuBois Middle of Leadership Public Policy	184	156	136
DuBois High of Leadership Public Policy	142	91	17
DuBois Middle School of Arts Technology	159	180	208
Freedom Prep Elementary	205	59	
Freedom Prep	802	601	601
Gateway University (started 2017-18 school year)	117		
Goodwill Excel		343	adult
Granville T. Woods Academy of Innovation	469	427	291
KIPP Diamond (Became a charter school 2009-renamed/restructured-see Caldwell)		943	1162
KIPP Memphis Collegiate Elementary (Caldwell)	494		
KIPP Memphis Collegiate Middle (Caldwell)	342		
KIPP Academy at Cypress (renamed/restructured-see Cypress)		737	396
KIPP Memphis Academy Middle (Cypress)	387		
KIPP Memphis Collegiate High (Cypress)	516		
Kaleidoscope School of Memphis (first school year: 2017-18)	46		
Leadership Preparatory Charter School	200	129	78
Legacy Leadership Academy (Open one school year: 2017-18; Closed prior to 2018-19)	31		
Memphis Academy of Health Sciences	274	316	265
Memphis Academy of Health Science High	432	429	385
Memphis Academy of Science & Engineering	505	450	407
Memphis Business Academy	458	378	320
Memphis Business Academy Elementary	367	343	334
Memphis Business Academy High	463	417	381
Memphis College Prep	283	265	316
Memphis Delta Prep	282	256	
Memphis Rise Academy	441	328	211
Memphis Grizzlies Prep	332	261	252
Memphis School of Excellence ES/MS (Mendenhall Campus: restructured as ES/MS only starting with 2017-18)	619	475	453
Moving Ahead School of Scholars	Closed 2015-16	Closed 2015-16	58
New Consortium of Law and Business	Closed 2015-16	Closed 2015-16	225
Omni Prep - North Pointe Lower	Closed 2015-16	Closed 2015-16	186
Omni Prep - North Pointe Middle	Closed 2015-16	Closed 2015-16	148
Memphis STEM Academy	127	75	
Nexus STEM Academy (aka Power Center Academy Southeast Middle - started 2016-17)	210	95	
Power Center Academy Middle - Southeast (8160), School Year 2017	460		
Power Center Academy Elementary (6120 Winchester) (aka PCA Hickory Hill Elementary)	626		
Power Center Academy High (5390 Mendenhall Sq. Mall) (aka PCA Hickory Hill High)	650		
Power Center Academy (5449 Winchester) (aka PCA Hickory Hill Middle)		1478	1301
Promise Academy	394	391	424
Soulsville Academy	646	636	641
Southern Avenue	440	425	436
Southern Avenue Middle	Closed 2015-16	Closed 2015-16	161
Southwest Early College High (started 2017-18 SY)	104		
Star Academy	244	230	235
The Excel Center	284		
Thurgood Marshall High School	Closed		
Thurgood Marshall Middle School	Closed		
Veritas College Preparatory	143	131	136
Vision Prep	292	224	155
Total Charter School Enrollments	15,197	13,242	12,011
District Total Enrollment	105,269	104,069	105,707

Note: Enrollment based on the 20th Day.

SHELBY COUNTY
BOARD OF EDUCATION

2015	2014	2013	2012	2011	2010	2009
319	203					
238	179					
115	74					
124	104					
23						
215	140					
475	367					
1013	846					
298	199					
323	311					
401	389					
389	360					
571	428					
383	323					
289	212					
95						
238	157					
453	389					
155	163					
201	193					
127	125					
960	605					
482	460					
632	588					
372	364					
249	265					
232	236					
188	59					
100	12					
	192					
<u>10,567</u>	<u>8,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>109,681</u>	<u>141,814</u>	<u>46,175</u>	<u>45,141</u>	<u>46,616</u>	<u>46,420</u>	<u>45,695</u>

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Schedule of Major Insurance Coverage
Fiscal year ending June 30

SHELBY COUNTY
BOARD OF EDUCATION

Type	Policy Term	Company	Policy Number	Costs
Student Athletic Accident	7/1/17 - 6/30/18	United States Fire Insurance	US562915	\$247,153
Insurance Consultant	By Contract	Gallagher Risk Services	NA	\$70,000
	By Contract	Willis Tower Associates	NA	\$72,500
Property Insurance	7/1/17 - 6/30/18	Travelers Indemnity	KTKCMB4J28807617	\$762,106
Property & Boiler/Machinery Insurance	7/1/17 - 6/30/18	Travelers Indemnity	KTKCMB1C6033914	Included with the Property Insurance
Flood Insurance - A. Maceo Walker 100 year flood plan site	9/10/2016 - 9/10/17	American Bankers Ins. Co.	99054465212015	\$3,223.00
	9/10/17 - 9/10/18	American Bankers Ins. Co.	99054465212015	\$3,223.00
Flood Insurance - American Way Middle 100 year flood plan site	8/20/16 - 8/20/17	American Bankers Ins. Co.	99054465212015	\$1,913.00
	8/20/17 - 8/20/18	American Bankers Ins. Co.	99054465252016	\$1,913.00
Flood Insurance - North Area Office	10/30/16 - 10/30/17	American Bankers Ins. Co.	99055147112015	\$3,348.00
	10/30/17 - 10/30/18	American Bankers Ins. Co.	99055147112017	\$3,804.00
Flood Insurance - IT Bldg & Training Ctr.	10/30/16 - 10/30/17	American Bankers Ins. Co.	99055147142015	\$3,348.00
	10/30/17 - 10/30/18	American Bankers Ins. Co.	990551471422017	\$3,323.00
Vehicle Insurance Out of State	7/1/17- 7/1/18	National Continental Ins.	CTN00056153208	\$12,640.00
JROTC	7/1/17 - 6/30/18	Self-insured	None	Self-insured
Voluntary Student Insurance Participation voluntary	7/1/17 - 7/1/18	K&K Insurance	JXS0000027528700	Individual Student Coverage
Surety/Criminal Bond General Employees	7/1/17 - 7/1/18	Ohio Casualty Insurance	5103811	\$3,944.00
Surety Bond Commissioners	Teresa Jones 8/2/12 - 8/2/20	Fidelity and Deposit of Maryland	9038807	\$100
	Kevin Woods 8/2/12 - 8/2/20	Fidelity and Deposit of Maryland	9038809	\$100
	Shante Avant 9/1/15 - 9/1/19	Fidelity and Deposit of Maryland	9038865	\$100
	William Orgel 8/2/14 - 8/2/18	Fidelity and Deposit of Maryland	9038806	\$100
	Christopher Caldwell 8/2/14 - 8/2/18	Fidelity and Deposit of Maryland	9038805	\$100
	Stephanie Love 9/1/14 - 9/1/18	Hartford Fire Insurance Co.	20BSBGW1801	\$90
	Scott McCormick 9/1/14 - 9/1/18	Hartford Fire Insurance Co.	20BSBGX0029	\$100
	Miska Clay-Bibbs 9/1/14 - 9/1/18	Hartford Fire Insurance Co.	20BSBGW1843	\$170
	Mike Kernell 9/1/14 - 9/1/18	Hartford Fire Insurance Co.	20BSBGW1807	\$170
	Student Field Trip	3/18/17 - 3/18/18	Hartford Insurance	20 SR 145507
3/18/18 - 6/30/18		NA	NA	
Medicare Section 111	9/9/16 - 9/9/17	Self -Insured (Self Reporting to Medicare)	NA	NA
	7/1/17 - 6/30/18	Self -Insured (Self Reporting to Medicare)	NA	NA
Law Enforcement Liability Insurance	7/1/17 - 6/30/18	Crum & Forster Specialty	GLO-401079	\$62,539.00
Germantown Athletic Field Liability Insurance	7/30/16 - 7/30/17	Cincinnati Insurance	ENP 026 76 50	\$6,126.00
	7/30/17 - 7/30/18	Cincinnati Insurance	ENP 026 76 50	\$6,126.00

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

SHELBY COUNTY
BOARD OF EDUCATION

Fiscal Year	Regular Diploma	Special Education Certificate	Occupational Diploma	Total
2009	2,912	88	-	3,000
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

Note: The Occupational Diploma was offered beginning in 2018.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Charge per lunch to students:					
Paid Elementary	\$0.00	\$0.00	\$0.00	\$0.00	\$2.25
Paid Secondary	\$0.00	\$0.00	\$0.00	\$0.00	\$2.25
Paid High School	\$0.00	\$0.00	\$0.00	\$0.00	\$2.25
Reduced	\$0.00	\$0.00	\$0.00	\$0.00	\$0.30
Charge per lunch to adults	\$3.75	\$2.00	\$2.00	\$3.50	\$3.50
Number of days served	175	179	179	174	175
Number of free lunches served	13,962,433	14,504,635	15,067,418	15,124,383	12,502,586
Percent of total lunches served	100.00%	100.00%	100.00%	100.00%	85.68%
Average number of free lunches served daily	79,785	81,031	84,176	86,922	71,443
Number of paid lunches served at reduced price	0	0	0	0	620,289
Percent of total lunches served	0.00%	0.00%	0.00%	0.00%	4.25%
Number of paid lunches served at regular price	0	0	0	0	1,468,796
Percent of total lunches served	0.00%	0.00%	0.00%	0.00%	10.07%
Average number of paid lunches served daily:					
At reduced price	0	0	0	0	3,545
At regular price	0	0	0	0	8,393
Total number of lunches served	13,962,433	14,504,316	15,067,418	15,124,383	14,591,671
Average number of lunches served daily	79,785	81,030	84,176	86,922	83,381
Weighted FTE Average Daily Attendance	118,273	134,203	139,755	141,916	195,359

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

**SHELBY COUNTY
BOARD OF EDUCATION**

2013	2012	2011	2010	2009
\$2.25	\$2.00	\$2.00	\$1.75	\$1.75
\$2.25	\$2.00	\$2.00	\$2.00	\$2.00
\$2.25	\$2.00	\$2.00	\$2.00	\$2.00
\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
\$3.25	\$3.00	\$3.00	\$3.00	\$3.00
178	177	176	175	180
1,878,650	1,849,565	1,918,868	1,765,495	1,581,974
52.62%	46.28%	45.02%	40.34%	35.56%
10,554	10,450	10,903	10,089	8,789
266,969	10,450	10,903	10,089	8,789
7.48%	0.26%	0.26%	0.23%	0.20%
1,424,529	1,858,175	2,066,310	2,299,477	2,526,128
39.90%	46.49%	48.48%	52.54%	56.78%
1,500	59	62	58	49
8,003	10,498	11,740	13,140	14,034
3,570,148	3,996,777	4,262,168	4,376,275	4,448,631
20,057	22,581	24,217	25,007	24,715
54,887	54,823	56,162	56,905	56,503

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School Buses				
Type I	429	387	472	451
Type II	-	-	-	-
Total	<u>429</u>	<u>387</u>	<u>472</u>	<u>451</u>
Daily one-way miles traveled for all buses				
From residence to first pick-up	3,270	3,040	3,453	8,282
From first pick-up to last school served	<u>14,554</u>	<u>13,826</u>	<u>11,870</u>	<u>11,976</u>
Total	<u>17,824</u>	<u>16,866</u>	<u>15,323</u>	<u>20,258</u>
Pupils Transported				
Enrolled				
Regular	22,081	21,554	23,708	37,116
Special Education	1,765	1,771	1,975	2,117
ADT 1 1/2 miles +				
Regular	15,371	15,968	15,686	28,179
Special Education	1,765	1,771	1,975	1,691
Injuries				
Treated and released	9	12	7	30
Confined overnight	-	-	-	2
Type Accident				
Property damage	69	91	98	9
Personal injury	8	8	5	17

Source: Annual Pupil Transportation Report

**SHELBY COUNTY
BOARD OF EDUCATION**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
642	312	311	316	309	298
-	-	-	-	-	-
<u>642</u>	<u>312</u>	<u>311</u>	<u>316</u>	<u>309</u>	<u>298</u>
27,366	1,857	2,010	1,879	1,960	1,906
26,964	12,416	8,470	8,691	8,719	8,602
<u>54,330</u>	<u>14,273</u>	<u>10,480</u>	<u>10,570</u>	<u>10,679</u>	<u>10,508</u>
54,409	23,331	23,153	22,777	26,236	24,174
2,689	667	440	370	337	352
43,721	22,320	22,496	22,188	23,833	23,673
2,232	623	396	343	307	345
4	3	2	3	-	19
-	-	-	-	-	-
67	55	48	52	66	59
8	7	8	2	7	11

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Statutory Reporting Section



**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 Chairwoman 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 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, 2018, 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 14, 2018.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 but one other matter that is required to be reported under *Government Auditing Standards*. 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.

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, P.C. Banks, Jolley, White & Co.

Memphis, Tennessee
December 14, 2018

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

To the Chairwoman 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, 2018. 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, 2018.

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 Mikusall, PLLC Banks, Jolley, White & Co.

Memphis, Tennessee
December 14, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended June 30, 2018

SHELBY COUNTY
BOARD OF EDUCATION

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Expenditures	Passed Through to Sub recipients
Federal Awards				
U.S. Department of Labor				
Passed Through City of Memphis				
Workforce Investment Act - Employment and Training Activities for Out of School Youth	17.259	34405	181,816	
Workforce Investment Act - Employment and Training Activities for In School Youth	17.259	34404	53,862	
Total 17.259			<u>235,678</u>	
U.S. Department of Justice				
Passed Through State				
Juvenile Justice System Improvement	16.540	44583	712	
Total 16.540			<u>712</u>	
Comprehensive School Safety Initiative	16.560	2016-CK-BX-0011	279,367	
Total 16.560			<u>279,367</u>	
National Science Foundation				
Memphis Virtual STEM Academy	47.076	DRL-1311876	34,098	
Total 47.076			<u>34,098</u>	
U.S. Department of Agriculture				
Passed Through State of Tennessee				
Child Nutrition Program Cluster				
National School Breakfast Program	10.553	N/A	20,310,533	
Total 10.553			<u>20,310,533</u>	
National School Lunch Program	10.555	N/A	46,273,154	
National School Lunch Program-Non Cash Assistance	10.555	N/A	6,898,979	
Total 10.555			<u>53,172,133</u>	
Total Child Nutrition Program Cluster			73,482,666	
Child Care Food Program	10.558	N/A	416,163	
At Risk Supper Program	10.558	N/A	2,225,868	
Total 10.558			<u>2,642,031</u>	
Fresh Fruit and Vegetable Program	10.582	N/A	510,279	
Total 10.582			<u>510,279</u>	
Total U.S. Department of Agriculture			76,634,976	
U.S. Department of Education Direct Funding				
Project STAND	84.051A	V051A160030	501,978	
Total 84.051A			<u>501,978</u>	
Transition School to Work Program	84.126	50018 (34570-50018)	100,424	
Total 84.126			<u>100,424</u>	
Project Prevent	84.184M	S184M140089-16	1,217,245	
Total 84.184M			<u>1,217,245</u>	
Subtotal U.S. Department of Education Direct Funding			1,819,647	

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, 2018

SHELBY COUNTY
BOARD OF EDUCATION

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Expenditures	Passed Through to Sub recipients
U.S. Department of Education				
Passed Through State Department of Education				
Title I, A School Improvement Grants 1003 (a) SIG Cohort 4	84.010A	S010A170042	71,451,663	
Title I, Neglected	84.010A	S010A170042	258,816	
Title I, School Improvement 1003(a) Focus Schools Grant	84.010A	S010A170042	174,765	
Title I, School Improvement 1003(a) iZone Grant	84.010A	S010A160042	1,405,736	
Title I, School Improvement 1003(a) iZone Incubator Grant	84.010A	S010A150042	152,989	
Title I, School Improvement 1003(a) Turnaround Incubator Grant	84.010A	S010A150042	194,611	
Title I, D	84.010A	S010A170042	115,047	
ESEA Consolidated Administration	N/A	N/A	1,930,395	
Total 84.010			<u>75,684,021</u>	
Special Education Cluster				
IDEA Part B-High Cost	84.027A	2016	218,443	
IDEA Part B-Discretionary	84.027A	H027A170052	87,215	
IDEA Part B-Discretionary-Supplement	84.027A	H027A170052	35,139	
Comprehensive Plan for Providing Special Education Services - IDEA Part B	84.027A	H027A170052	28,705,862	
Total 84.027A			<u>29,046,659</u>	
IDEA Part B - Preschool - Special Education Services - Preschool Grants	84.173A	H173A170095	242,810	
Total 84.173			<u>242,810</u>	
Total Special Education Cluster			<u>29,289,469</u>	
GEAR-UP	84.334S	NV41607	317,632	
GEAR-UP	84.334S	P334A170004	1,590	
Total 84.334S			<u>319,223</u>	
Vocational Education - Basic Grants to States (Perkins Basic Grant)	84.048A	V048A170042	2,252,504	
Total 84.048A			<u>2,252,504</u>	
New Skills for Youth Mini Grant	84.048B	33145-02118	15,480	
Total 84.048B			<u>15,480</u>	
Title IX, A - Homeless Education and Youth	84.196A	S196A170044	129,799	
Total 84.196A			<u>129,799</u>	
U.S. Department of Education Passed Through-Continued				
Twenty First Cent. Community Learning-Cohort 2014	84.287	S287C170043	552,055	
Twenty First Cent. Community Learning-Cohort 2017	84.287	S287C170043	100,580	
Total 84.287			<u>652,635</u>	
School Improvement Grants Cluster				
School Improvement	84.377A	S377A160043	5,330,730	
Total 84.388A and 84.377A			<u>5,330,730</u>	
Total School Improvement Grants Cluster				
			<u>5,330,730</u>	
Title III-Language Instruction for English Learners and Immigrant Students	84.365A	S365A170042	1,014,773	
Total 84.365A			<u>1,014,773</u>	
Title II-A Teacher and Principal Training & Recruiting	84.367A	S367A170040	7,038,153	
Title II-A Improving Teacher and Leader Quality (Principal Pipeline Partnership)	84.367A	S367A170040	80,099	
Total 84.367A			<u>7,118,252</u>	
SCS SEED Grant	84.367D	U367D150007	181,978	
Total 84.367D			<u>181,978</u>	
ETM Portal	84.372A		2,268	
Total 84.372A			<u>2,268</u>	
Race to the Top - Preschool Expansion Grant	84.419B	S4198150026	6,469,218	
Total 84.419B			<u>6,469,218</u>	-
Title IV-A Student Support and Academic Enrichment	84.424A	S424A170044	310,924	
Total 84.424A			<u>310,924</u>	
Subtotal U.S. Department of Education Passed Through			<u>128,771,271</u>	
Total U.S. Department of Education			<u>130,590,919</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, 2018**

**SHELBY COUNTY
BOARD OF EDUCATION**

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Expenditures	Passed Through to Sub recipients
U.S. Department of Health and Human Services Center for Mental Health Services				
Project Aware	93.243	1H79SM062052-01	8,998	
Total 93.243			<u>8,998</u>	
Read to Be Ready Summer Literacy Grant	93.575	G1601TNCCDF	55,819	
Read to Be Ready Summer Literacy Grant	93.575	G1701TNCCDF	105,219	
Total 93.575			<u>161,038</u>	
Head Start	93.600	04CH4727-03-02	11,826,208	
Head Start	93.600	04CH4727-05-02	10,652,279	
Total 93.600			<u>22,478,488</u>	-
Substance Abuse Prevention and Treatment	93.959	DGA49113_2016-2017_019	60,869	
Total 93.959			<u>60,869</u>	
U.S. Department of Health and Human Services Passed Through Center For Disease Control				
CDCP HIV/STD Prevention	93.079	5U87PS004197-04	291,498	
Total 93.079			<u>291,498</u>	
Total U.S. Department of Health and Human Services			<u>23,000,892</u>	
Total Federal Awards			<u>230,776,641</u>	
State Awards				
State Department of Education				
Family Resource Center	N/A	N/A	86,750	
Safe Schools Act of 1998	N/A	N/A	433,743	
Coordinated School Health	N/A	N/A	401,416	
Priority School State Grant	N/A	N/A	1,811,681	
Voluntary Pre-K	N/A	N/A	9,662,730	
Lottery for Education: Afterschool Programs	N/A	N/A	241,659	
Read To Be Ready Coaching Network	N/A	N/A	9,990	
CTE Equipment	N/A	N/A	209,576	
			<u>12,857,545</u>	
State Department of Health				
Total State Awards			<u>12,857,545</u>	
Total Federal and State Awards			<u>\$ 243,634,186</u>	

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, 2018. 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.

FOOD DONATION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2018, the Shelby County Board of Education had food commodities totaling \$473,983 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	\$ 243,634,186
Add: Expenditures not shown on the schedule	12,784,485
Subtract: Food service expenditures not reported in categorically aided fund	(76,634,976)
Other expenditures not reported in categorically aided fund	<u>(2,954,302)</u>
Total categorically aided fund expenditures	\$ 176,829,393

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the Shelby County Board of Education.
2. No significant deficiencies and no material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Shelby County Board of Education were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the Shelby County Board of Education expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Title 2 U.S *Code of Federal Regulations* (CFR) Part 200, Section 200.516(a).
7. The programs tested as major programs included:
 - U.S. Department of Education, Title I Grants to Local Education Agencies, CFDA No. 84.010.
 - U.S. Department of Education, Special Education Cluster, Special Education Grants to States, CFDA No. 84.027;
 - U.S. Department of Education, Special Education Cluster, Special Education Preschool Grants, CFDA No. 84.173.
 - U.S. Department of Health and Human Services, Head Start, CFDA No. 93.600.
8. The threshold for distinguishing Types A and B programs was \$3,000,000.
9. The Shelby County Board of Education did qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

NONE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2018

**SHELBY COUNTY
BOARD OF EDUCATION**

FINDINGS - FINANCIAL STATEMENT AUDIT

2017-001 - RESOLVED

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

NONE



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