

MEMPHIS CITY SCHOOLS

**A COMPONENT UNIT OF THE
CITY OF MEMPHIS, TENNESSEE**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

**Memphis City Schools
Memphis, Tennessee**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2013**

Prepared by:

Memphis City Schools
Department of Finance

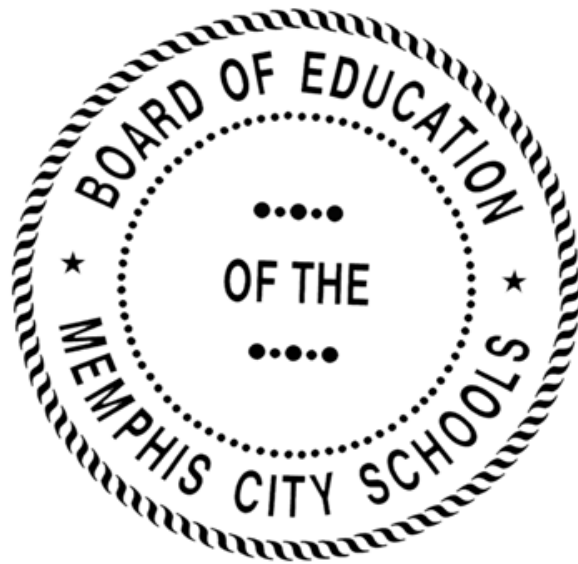


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Introductory Section

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Government Finance Officers Association

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

Presented to

**Memphis City Schools
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Association of School Business Officials International



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

Board of Education of the Memphis City Schools

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



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December 16, 2013

Citizens and Board Members
Shelby County Board of Education
Memphis, TN

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

Management assumes full responsibility for the completeness and reliability 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, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Memphis City Schools’ (the School District) financial statement for the year ended June 30, 2013. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent’s 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 with it.

PROFILE OF MEMPHIS CITY SCHOOLS

The Board of Education of the Memphis City Schools was a component unit of the City of Memphis, which is defined as the oversight entity by GASB Codification Section 2100. Reporting for the School District follows the criteria established by the Governmental Accounting Standards Board (GASB). During FY 2013 the District was governed by the 23 member Shelby County Board of Education. The Board members elected a member to serve as President and a member to serve as Vice President of the Board for a one-year term.

In December 2010, the Board of Education of Memphis City Schools voted to surrender the Memphis City Schools Charter. Memphis voters ratified the Board’s decision to transfer the administration of Memphis City Schools to Shelby County Schools in March 2011. The merger took place as of the beginning of the 2013-14 school year. At that time, Memphis City Schools ceased to exist and the unified Shelby County Schools is currently being governed by the Shelby County Board of Education. Because of this fact, starting July 1, 2013 – the Board of Education of the Memphis City Schools was no longer a component unit of the City of Memphis.

Memphis City Schools was Tennessee’s largest school district and the 23rd largest public school system in the nation. The enrollment for the 2012-2013 school year was 103,741 students in grades K-12, including charter schools. The student demographics were 82 percent African American, 10 percent Hispanic, 7 percent white, and approximately 1 percent other races and nationalities. The District was comprised of a total of 221 schools with an average building age of 49 years which included career and technology centers, special education centers and



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alternative schools. Forty-four (44) schools were Optional Schools or offered Optional Programs and 29 were charter schools authorized by the board through the Tennessee Public Charter Schools Act and are supported as a pass through from state and local funding sources. The primary objective was to provide parents choices in selecting a public education that best fit their child's talents and abilities and to improve the learning for all students and close the achievement gap between high and low performing students. In addition, Memphis City Schools had 200 pre-kindergarten classes, 51 of which were within community partner locations. The majority of MCS schools were accredited by the Southern Association of Colleges and Schools. The district employed approximately 6,500 teachers.

The vision of Memphis City Schools was that the District would be an internationally competitive urban school system that produces well-rounded, high-achieving students.

The District's strategic goals were centered on student achievement, accountability, parent and community involvement, healthy youth development and diversity.

The District's core beliefs and commitments were the following:

- We BELIEVE in and commit to ALL children achieving at high global academic standards.
- We BELIEVE that school culture and staff have a profound impact on student achievement and commit to hiring and supporting quality teachers, principals, and staff.
- We BELIEVE in and commit to being a high-performing organization that establishes a culture of continuous improvement, transparency, and accountability at all levels.
- We BELIEVE that strong public support is essential for ALL students to excel and commit to developing productive and mutually beneficial family, district, and community partnerships. We BELIEVE that good health is critical to high performance and commit to improving the physical, mental, and emotional well-being of all students and staff.
- We BELIEVE that school safety is essential for a productive teaching and learning environment and commit to providing safe schools.
- We BELIEVE in and commit to respecting and embracing cultural, social, intellectual, and economic diversity and empowering All students and staff to reach their full potential.

LOCAL ECONOMIC OUTLOOK

Profile of the City of Memphis

Memphis is located on the east bank of the Mississippi River in the southwest corner of Tennessee. Memphis is the State's largest city and the county seat of Shelby County. The corporate limits contain 343 square miles, representing 45 percent of the total land area of Shelby County. Memphis ranks as the 20th largest city in the nation. The 2010 population was 646,889 and the 2012 population was estimated at 655,155, according to the U.S. Census Bureau.



The City of Memphis was incorporated as a city in 1826. Memphis operated under a commission form of government from 1909 until January 1, 1968. At that time, a Mayor-Council form of government was established. The City Council is composed of thirteen representative citizens who are elected for four-year terms. Six council members are elected at large in multi-member districts, with territorial boundaries determined by dividing the City in half with each multi-member districts consisting of three (3) council member numbered positions. The remaining seven (7) council members are elected by single member districts, numbered 1-7. The Council elects its own chairperson, exercises legislative powers, approves budgets and establishes the tax rate. The Mayor is elected to a four-year term. The Mayor carries out the policies of the City and appoints City board members, officers and division directors, with Council approval. The Mayor may veto action of the City Council but; a simple majority vote of the City Council can override any veto.

Memphis is home to world famous Beale Street and Graceland. The FedEx World Hub and major hubs for UPS and DHL are located in Memphis. Memphis is known worldwide as: Memphis America's Aerropolis. The Grizzlies National Basketball Association and Redbirds AAA baseball teams call Memphis home.

Based on the most recent (September, 2013) report prepared by the Eighth Federal Reserve District on economic conditions in the Memphis area at the close of July, 2013, the annual growth of employment, building permits and housing prices was .9 percent, 23.6 percent, and 3.5 percent in the Memphis Statistical Area (MSA) and 1.6 percent, 25.4 percent and 11.6 percent in the nation, respectively. At the same time, the annual growth of personal income was 1.6 percent in Tennessee and 2.0 percent in the nation. After remaining above 1.25 percent during most of 2011 and 2012, employment growth in Memphis has slowed to less than 1 percent during the first two quarters of 2013. Net job losses in the trade, transportation and utilities sector - as well as the government sector- have been the key drivers of this trend. Slow employment growth has resulted in a noticeable increase in local unemployment rates; the unemployment rate in Memphis (9.4 percent) was higher than the nation's (7.6 percent). Based on the above, the Memphis MSA has generally under-performed the nation.

With the exception of the third quarter of 2010, Memphis' recession-related decline in employment – centered at approximately January 2009 – was similar to the nation's decline. The state of Tennessee lost about 220,000 jobs in the economic downturn; Memphis lost 60,000. The state recouped one-fourth of its jobs, with Memphis recovering about one-sixth.

Measured against a year earlier (July 2012), total nonfarm employment only rose by .9 percent in the Memphis zone. However, this increase is notable considering that employment declined in sectors with high percentages of labor. For example, the Trade, Transportation and Utilities (TTU) sector - which accounts for more than 27 percent of all jobs in Memphis – had a decline and the Government sector – which accounts for more than 14% of all jobs- also experienced a decline. The other sectors with the largest numbers of jobs in Memphis have seen stronger employment gains, helping to offset the modest declines in TTU and Government employment. For example, in comparison to a year earlier, payrolls have expanded by 3.5 percent in Education and Health, by 2.5 percent in Professional and Business Services, by 1.9 percent in Manufacturing and by 4.5 percent in Natural Resources, Mining and Construction. Overall, the employment picture has improved slightly since June 2012.



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For several quarters before the national recession, which started in 2007, personal income growth in Tennessee was roughly the same as the nation. Between the first quarter of 2012 and the first quarter of 2013, personal income grew 1.6 percent in Tennessee, compared with 2 percent in the nation.

Relative to the same period last year, housing activity in the Memphis Zone has been strong. The number of building permits issued in the Memphis Zone during the first six months of 2013 was 23.6 percent higher than the number issued during the same period in 2012. In comparison, national housing activity grew by 25.4 percent.¹

On the manufacturing side, a majority of national industrial manufacturers forecast revenue growth for 2013, and the overall sentiment is one of optimism towards the U.S. and global economies. According to a recent report by Price Waterhouse Coopers, a majority of manufacturers report that from October 2012 to October 2013, margins remained flat, inventories fell and concerns grew about legislative/regulatory pressures as a barrier to growth. In addition, Price Waterhouse Cooper's "Q3 2013 Manufacturing Barometer" report cited that for those manufacturers selling abroad, the expected contribution to total revenue from international sales over the next 12 months was slightly off from 38 percent last year to 32 percent this year. The projected average growth rate for overall revenues dropped slightly from a 4.6 percent estimate for 2013 to a 4.2 percent estimate for 2014.

Manufacturing industry health is critical to the Memphis area because it represents 45,400 employees or 7.5 percent of the workforce, according to August 2013 data from the Tennessee Department of Labor and Workforce Development in its "Labor Market Report."

New Memphis manufacturing has been more active recently, thanks to the economic development projects including Mitsubishi Electric Power Products Inc. and Electrolux.

EDUCATIONAL PROGRAMS

Memphis City Schools, in its last year of existence, continued to excel in a variety of areas despite the extraordinary challenges of one of the largest public school district in U.S. history. The district's reform work in teacher and leader effectiveness remains recognized as pioneering. A few of Memphis City Schools' highlights are listed below.

Highlights:

- The MCS Department of School Safety, Security, and Emergency Management was awarded the Innovative Program Award from the International Association of Truancy and Dropout Prevention in the Fall of 2012 as a result of innovative efforts that reduced the number of truancy incidents district-wide from 11,111 in the 2009-2010 school year to 3,857 in 2011-2012.

¹Current Economic Conditions in the Eighth Federal Reserve District Memphis Zone, Third Quarter 2013.



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- Allyson Chick, a third grade teacher at Richland Elementary School, was named the 2012 – 2013 Tennessee Teacher of the Year by the Tennessee Department of Education.
- Josalyn Tresvant, Knight Road Elementary School, was one of four teachers nationwide to be awarded the 2013 Fishman Prize for Superlative Classroom Practice, a prestigious award that spotlights excellence in teaching and the practices of the nation's most effective educators.
- Balmoral-Ridgeway Elementary, Oak Forest Elementary and Ridgeway Middle Schools were awarded International Baccalaureate (IB) authorization from the International Baccalaureate Organization (IBO).
- Four Memphis City high schools received national recognition in the 2013 edition of U.S. News & World Report's "Best High Schools in America." White Station (Silver Medal), Hollis F. Price Middle College (Bronze Medal), Kirby (Bronze Medal), and Middle College High School (Bronze Medal) are among the 4,805 high schools from across the country recognized as top tier high schools. In addition to receiving medal-recognitions, White Station High School was ranked among the best high schools in Tennessee, as number 9 in the state.
- Fourteen MCS seniors were announced as 2013 National Merit Scholarship recipients by the National Merit Scholarship Corporation.
- White Station High School seniors Apoorva Dixit and Daniel Zuo were announced as 2013 Presidential Scholars by the United States Department of Education. Dixit and Zuo represented Tennessee at a ceremony in Washington, D.C. and were honored by President Obama and U.S. Secretary of Education Arne Duncan. As a reward for their academic achievements, both students also received the Presidential Scholar Medallion.
- Wooddale High School graduates Darius Hooker and Wesley Carter were invited to participate in the third annual White House Science Fair in Washington, D.C. Carter and Hooker were 2012 graduates of Wooddale's aerospace and aviation program. The White House Science Fair celebrated the student winners from a broad range of science, technology, engineering and math (STEM) competitions from across the country.
- Three Memphis City Schools seniors were announced as recipients of the 2013 Gates Millennium Scholarship. Kristi Brownlee (Ridgeway High School), Deborrius Jeffries (Melrose High School) and Estevon Odria (Kingsbury High School) were among 1,000 high school seniors honored for their academic achievements and community service.

While the district maintained focus on several key goal areas including Accountability, Parent and Community Engagement, Healthy Youth Development, Safety and Discipline, and Diversity, the number one goal remained Student Achievement. District and school leadership, teachers, parents, and students are to be commended for keeping academic achievement at the forefront during a time of tumultuous change to the organization internally, coupled with implementing national reforms such as Common Core.



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Memphis City Schools had the following academic goals for the 2012 – 13 school year, based on the state of Tennessee’s Annual Measurable Objectives (AMOs):

- Increase the percentage of students who are Proficient or Advanced to at least 30.7 percent in third grade Reading/Language Arts.
- Increase the percentage of students who are Proficient or Advanced to at least 29.4 percent in seventh grade Reading/Language Arts.
- Increase the percentage of students who are Proficient or Advanced to at least 33.9 percent in grades three through eight Reading/Language Arts.
- Increase the percentage of students who are Proficient or Advanced to at least 41.1 percent in English II.
- Increase the percentage of students who are Proficient or Advanced to at least 21.2 percent in English III.
- Increase the percentage of students who are Proficient or Advanced to at least 38.1 percent in third grade Mathematics.
- Increase the percentage of students who are Proficient or Advanced to at least 31.1 percent in seventh grade Mathematics.
- Increase the percentage of students who are Proficient or Advanced to at least 32.3 percent in grades three through eight Mathematics.
- Increase the percentage of students who are Proficient or Advanced to at least 37.9 percent in Algebra I.
- Increase the percentage of students who are Proficient or Advanced to at least 15.8 percent in Algebra II.
- Increase the graduation rate to 74.3 percent.

Although Memphis City Schools only met five of these eleven goals, the district made improvement on eight of the eleven indicators. Further, the district received the highest scale score possible (5 on a scale of 1 to 5) for its composite value added growth based on the Tennessee Value Added Assessment System (TVAAS).

FINANCIAL INFORMATION

MCS ended the fiscal year better than budgeted, primarily due to sustainable revenue in addition to carefully controlled expenditures in the General Operating Fund. The year began with uncertain economic conditions, so MCS budgeted prudently and instituted fiscal controls.



Using the full accrual basis of accounting, MCS ended the year with total net position of \$1,243 million, an increase of approximately \$408.1 million or 48.90% from fiscal year 2012.

Internal Control

To provide a reasonable basis for making these representations, management of the School District established a comprehensive internal control framework that was designed both to protect the School District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the School District's financial statements in conformity with U.S. generally accepted accounting principles (GAAP). As the cost of internal controls should not outweigh their benefits, the School District's comprehensive framework of internal controls were designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the government-wide activities and governmental funds of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

Fund Accounting

MCS reported its financial activities through the use of fund accounting. This was a system wherein transactions were 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).

Budgetary Controls

Annual budgets were prepared on a basis consistent with General Accepted Accounting Principles for the General Fund, Capital Projects, Special Revenue and Nutrition Services Fund. The adopted annual budget served as the foundation for the School District's financial planning and control. Enrollment projections which drive staffing and expenditure allocations for local schools were developed in December in order to begin the budgeting process. Budgets were developed in order to support district goals and strategic objectives. A proposed budget prepared by the schools and central office department heads approved by the budget department was presented to the Superintendent and the Internal Budget Committee for review. After review by the Superintendent and Internal Budget Committee, the proposed budget was then reviewed by the School Board. The budget was then adopted by the full School Board and approved by the City of Memphis and the Shelby County Board of Commissioners. The approval of the annual budget by the School Board provided 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 order to be fiscally accountable, the budget development process focused on the re-engineering of processes and realignment of functional assignments for greater efficiency and improved performance. Functional cost centers were charged with implementing measures for continuous improvement and seeking new revenue generators. A prudent review of alternative funding sources was emphasized to maximize and consolidate all resources. Funding levels were reviewed to ensure compliance with federal and state maintenance of efforts. An activist approach was taken in the budget development process. Typically, deep midyear reviews were performed on each function's current year expenditures and operations to guide the development of the budget. Management then determined if funds should be realigned or



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redirected to another area. All line item costs were substantiated as adding value to the school district or meeting state and federal mandates. Each budget was scrutinized for potential cost savings. Additional dollars to support the Academic Agenda were approved in certain cost centers whenever offset by efficiency savings in another cost center.

Management was responsible for maintaining budgetary controls to ensure that budgets were in compliance with the legal provisions of the State of Tennessee, and within the annual appropriations adopted by the School Board. Detailed line item budgetary reports were provided to the appropriate managers, who were delegated the responsibility for monitoring and controlling their respective budget allocations. The School District's financial accounting system allowed budget managers on-line access to their budget, expenditure, and encumbrance information. An encumbrance system was utilized to measure the uncommitted funds available. Budgets were revised throughout the year to appropriately address variances that occur in enrollment, revenue, expenditure and unforeseen events.

Fund Balance and Expenditure of Funds

This policy specified the size and composition of the District's financial reserve and identified certain requirements for replenishing any fund balance reserves utilized and established a spending prioritization of fund balance in accordance with standards established by the Government Accounting Standards Board (GASB).

LONG-TERM FINANCIAL PLANNING

The financial position of Memphis City Schools remained stable as a result of the District's conservative budgeting methodology and its ability to maintain disciplined spending practices. To ensure the District's spending remains sound, the District implemented and explored new opportunities for cost savings, cost avoidance and revenue generation.

The District did not develop a long-term financial plan because it was, by law, scheduled to merge with Shelby County Schools effective with the FY 2013-14 school year. In conjunction with the merger, the Shelby County Board of Education worked with the former Memphis City Schools, and the Transition Steering Committee of the Transition Planning Commission to explore functional and financial consolidation opportunities that will lead to a long-term financial plan for the Unified SCBOE.

Acknowledgments: The preparation of this report was accomplished through the commitment, dedication, and tireless effort of the entire Department of Finance. We would also like to extend our thanks to other school district and non-school district personnel who assisted in the preparation of this report.

Respectfully submitted,

Dorsey E. Hopson, II Esq.
Superintendent of Schools

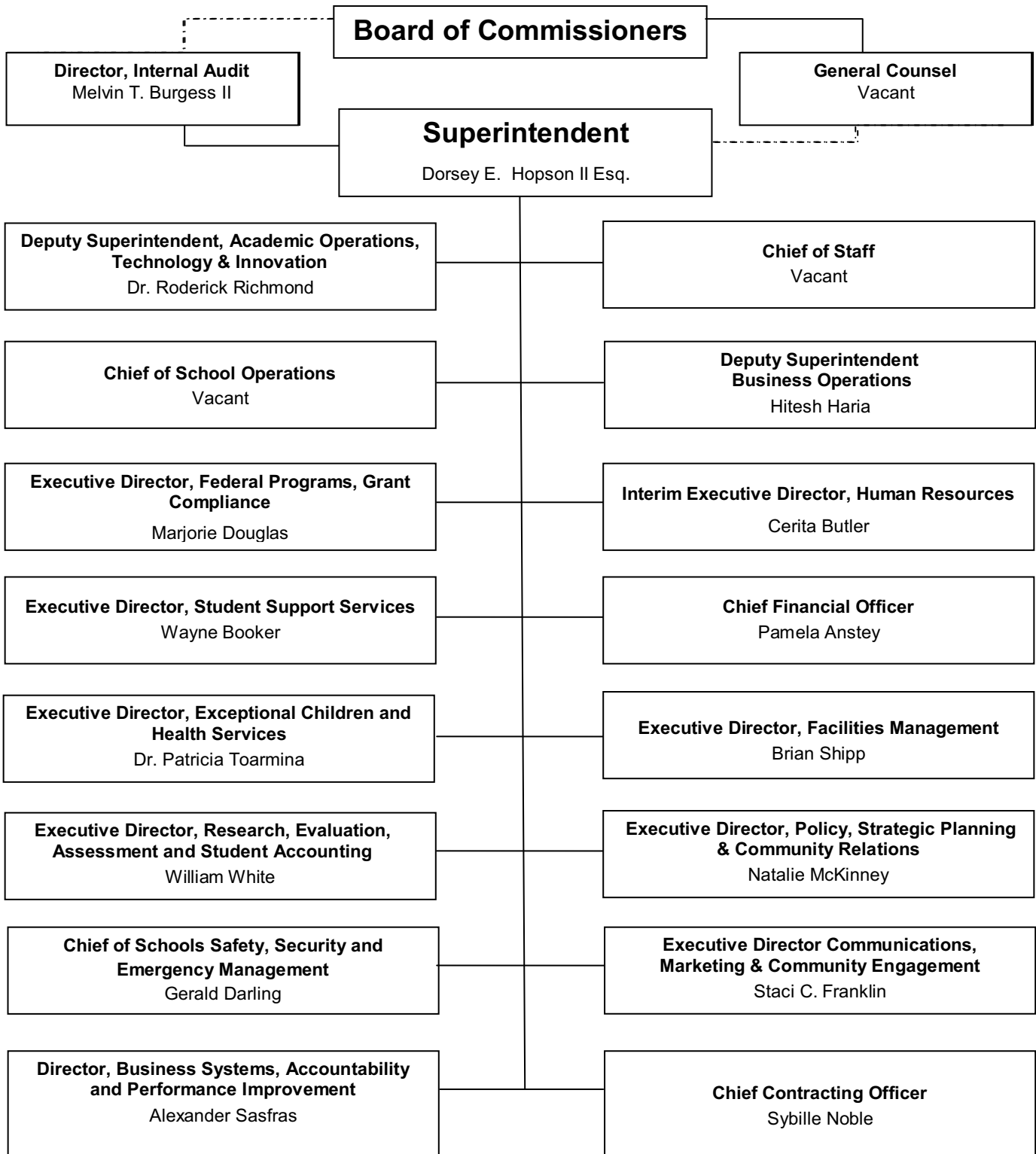
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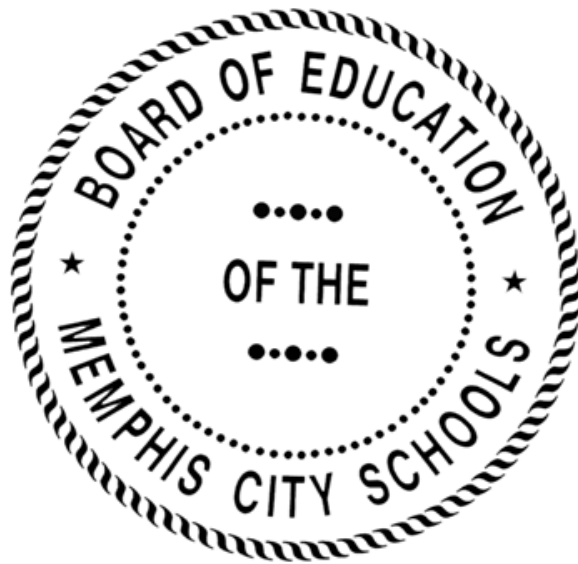
**Board of Commissioners
June 30, 2013**

COMMISSIONER	DISTRICT	TERM EXPIRATION
William "Billy" Orgel, Chairman	District 7 Commissioner (Elected)	8/31/2014
Teresa D. Jones, Vice-Chairwoman	District 2 Commissioner (Elected)	8/31/2016
Christopher Caldwell	District 1 Commissioner (Elected)	8/31/2014
Dr. Snowden Carruthers	District 1 Commissioner (Elected)	8/31/2013
Ernest L. Chism	District 7 Commissioner (Elected)	8/31/2013
Joseph A. Clayton	District 4 Commissioner (Elected)	8/31/2013
Stephanie Gatewood	District 1 Commissioner (Elected)	8/31/2013
Diane L. George	District 6 Commissioner (Elected)	8/31/2013
Mary Anne Gibson	District 5 Commissioner (Appointed)	8/31/2013
Tomeka R. Hart	District 7 Commissioner (Elected)	8/31/2013
Martavius D. Jones	District 4 Commissioner (Elected)	8/31/2013
Sara L. Lewis	District 6 Commissioner (Elected)	8/31/2013
Dr. Oscar Love	District 3 Commissioner (Appointed)	8/31/2013
Betty J. Mallott	District 2 Commissioner (Elected)	8/31/2013
David A. Pickler	District 5 Commissioner (Elected)	8/31/2014
Reginald Porter, Jr.	District 6 Commissioner (Elected)	8/31/2016
David Reaves	District 3 Commissioner (Elected)	8/31/2014
Patrice Jordan Robinson	District 3 Commissioner (Elected)	8/31/2013
Dr. Jeff S. Warren	District 5 Commissioner (Elected)	8/31/2013
Dr. Kenneth T. Whalum, Jr.	Commissioner At-Large Position 2 (Elected)	8/31/2013
Dr. Freda Williams	Commissioner At-Large Position 1 (Elected)	8/31/2013
Mike Wissman	District 2 Commissioner (Elected)	8/31/2013
Kevin Woods	District 4 Commissioner (Elected)	8/31/2016

MEMPHIS CITY SCHOOLS ORGANIZATIONAL CHART June 30, 2013



Financial Section





Watkins Uiberall, PLLC
Certified Public Accountants & Financial Advisors
Independent Member of BKR International

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INDEPENDENT AUDITOR'S REPORT

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

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 Memphis City Schools (the Board) (a component unit of the City of Memphis, Tennessee) as of and for the year ended June 30, 2013, 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 and schedules 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, and aggregate remaining fund information of the Board of Education of the Memphis City Schools, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the general fund and special revenue – categorically aided fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and on pages 24 through 40 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 fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of the financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal 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 information is 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 16, 2013, on our consideration of the Board of Education of the Memphis City Schools' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board of Education of the Memphis City Schools' internal control over financial reporting and compliance.

Watkins Mikusall, PLLC

Memphis, Tennessee
December 16, 2013

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As management of Memphis City Schools, we offer readers of the school district's financial statements this narrative overview and analysis of the financial activities of Memphis City Schools for the fiscal year ended June 30, 2013. Comparative financial information is reported for the fiscal year ended June 30, 2012. 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. Readers should also review the transmittal letter found at the front of this report in conjunction with basic financial statements and notes to enhance their understanding of the school district's financial performance.

Financial Highlights

- Total assets of the school district exceeded its liabilities at June 30, 2013 by \$1,243.0 million (net position).
- Net position increased from fiscal year 2012 by \$408.2 million or 48.90% primarily due to the elimination of the OPEB annual required contribution (ARC). Additional information related to the ARC is provided in Note 14.
- As a result of the ARC elimination, the school district's unrestricted assets exceeded its unrestricted liabilities by \$185.5 million for the year.
- At June 30, 2013, the school district's total general operating fund balance was \$139.8 million or 16.04% of total general fund expenditures.
- Unassigned fund balance for the General Fund was \$70.5 million or 8.09% of total General Fund expenditures, an increase of \$33.0 million from the previous year. This amount is available to balance future budgets.
- Fund balance in the Categorically Aided fund was \$7.2 million, or 3.65% of expenditures, a decrease of \$1.0 million for the year.
- In fiscal year 2013, the Capital Projects fund was categorized as a nonmajor fund and thus reported with the Food Services fund. The fund balance for the Nonmajor Funds was \$35.2 million, or 34.98% of total expenditures. Additional information for the Capital Projects fund and Food Services fund is located in the Nonmajor fund section.

Overview of the Financial Statements

This discussion and analysis document is intended to serve as an introduction to Memphis City Schools' basic financial statements. The school district'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 Memphis City Schools' 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 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. Memphis City Schools, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The school district uses many funds to account for a multitude of financial transactions. All of the funds of Memphis City Schools 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 school district's activities are reported in governmental fund financial statements. These statements focus on how monies flow into and out of those funds

Management Discussion and Analysis

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.

Memphis City Schools 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 and Categorically Aided Fund. The Categorically Aided Fund is comprised of two categories – federal and non-federal. The school district has two nonmajor funds, which are Capital Projects and Food Service. Data from the nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor funds is provided in the form of combining statements. Memphis City Schools adopts an annual appropriated budget for all its funds. Budgetary comparison statements have been provided to demonstrate compliance with budget.

Proprietary Funds. Memphis City Schools 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 District's functions for its central services (printing and supply chain management), 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. Memphis City Schools holds the Local Pensioner's Retirement investment accounts and the individual schools' Student Activity 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 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 school district’s assets, as a whole, exceeded liabilities at June 30, 2013 and 2012 by \$1,242,989,640 and \$834,801,383 respectively.

Condensed Statement of Net Position

	2013	2012	Percentage Change 2013 - 2012
Assets			
Current and Other Assets	\$ 363,208,119	\$ 407,464,758	(10.86%)
Capital Assets	<u>992,174,318</u>	<u>1,006,922,411</u>	(1.46%)
Total Assets	<u>1,355,382,437</u>	<u>1,414,387,169</u>	(4.17%)
Liabilities			
Long-term Liabilities	11,990,674	441,004,260	(97.28%)
Other Liabilities	<u>100,402,123</u>	<u>138,581,526</u>	(27.55%)
Total Liabilities	<u>112,392,797</u>	<u>579,585,786</u>	(80.61%)
Net Position			
Net Investment in Capital Assets	990,315,367	1,004,516,076	(1.41%)
Restricted	67,191,911	79,176,762	(15.14%)
Unrestricted	<u>185,482,362</u>	<u>(248,891,455)</u>	174.52%
Total Net Position	<u>\$ 1,242,989,640</u>	<u>\$ 834,801,383</u>	48.90%

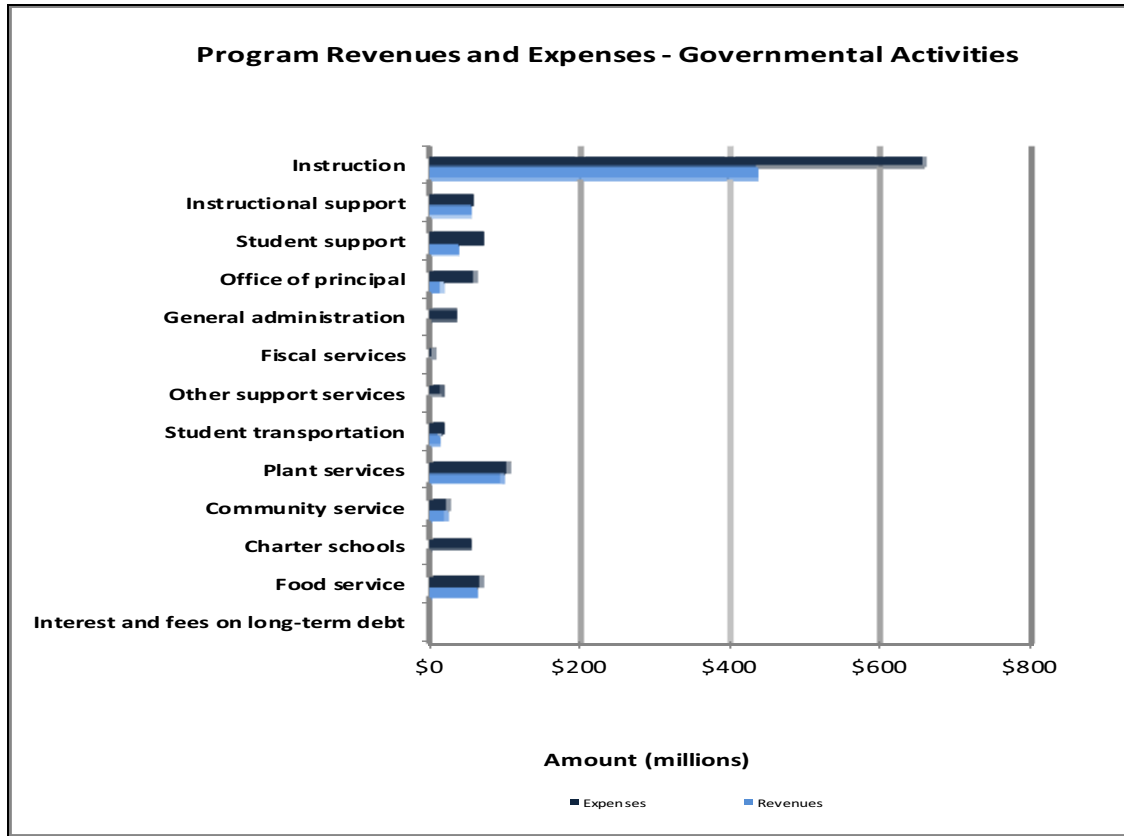
Capital assets (e.g., land, buildings, machinery, equipment and construction in progress) are the largest portion (73.20%) of the total assets. These assets are not available for future spending. The value of the on-going construction of new schools or renovation of existing facilities accounts for 0.35% of the capital assets. Total debt (including compensating absences) owed by the school district is 10.67% of total liabilities with 69.44% of the debt due after one year. The long-term liabilities decreased due to the ARC elimination as a result of the District’s merger with Shelby County Schools. During fiscal year 2013, revenues from the reimbursement of stimulus funds to finance the District’s capital projects were fully earned resulting in a decrease in other liabilities.

Governmental Activities. Governmental activities during fiscal year 2013 increased the school district’s net position by \$408,188,257 or 48.90% of total net position as compared to a decrease of \$64,710,207 or 7.19% during fiscal year 2012. As noted previously, the primary factor for the increase can be attributed to the write-off of the ARC since the District will cease to exist after June 30, 2013.

Condensed Statement of Changes in Net Position

	2013	2012	Percentage Change 2013 - 2012
Revenues			
Program Revenues:			
Charges for services	\$ 13,295,430	\$ 12,736,386	4.39%
Operating grants and contributions	695,019,147	695,680,732	(0.10%)
Capital grants and contributions	30,003,284	38,858,144	(22.79%)
General Revenues:			
Grants and contributions not restricted to specific programs	418,593,534	406,884,259	2.88%
Unrestricted investment earnings	202,970	241,063	(15.80%)
Total revenues	<u>1,157,114,365</u>	<u>1,154,400,584</u>	0.24%
Expenses			
Instruction	657,617,818	699,225,721	(5.95%)
Instructional support	57,155,706	52,712,257	8.43%
Student support	71,328,241	83,047,393	(14.11%)
Office of principal	61,404,200	66,766,345	(8.03%)
General administration	35,530,787	29,923,118	18.74%
Fiscal services	5,689,542	5,935,208	(4.14%)
Other support services	17,113,951	16,193,125	5.69%
Student transportation	18,807,870	18,576,413	1.25%
Plant services	103,267,665	107,611,645	(4.04%)
Community service	25,126,965	26,531,270	(5.29%)
Charter schools	55,054,771	46,364,022	18.74%
Food service	69,409,450	66,140,158	4.94%
Interest on long-term debt	84,116	84,116	0.00%
Total expenses	<u>1,177,591,082</u>	<u>1,219,110,791</u>	(3.41%)
Increase (decrease) in net position	(20,476,717)	(64,710,207)	(68.36%)
Special items:			
Debt forgiveness - OPEB Liability	428,664,974	-	100.00%
Total changes in net position	408,188,257	(64,710,207)	730.79%
Net position - beginning	834,801,383	899,511,590	(7.19%)
Net position - ending	<u>\$ 1,242,989,640</u>	<u>\$ 834,801,383</u>	48.90%

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.



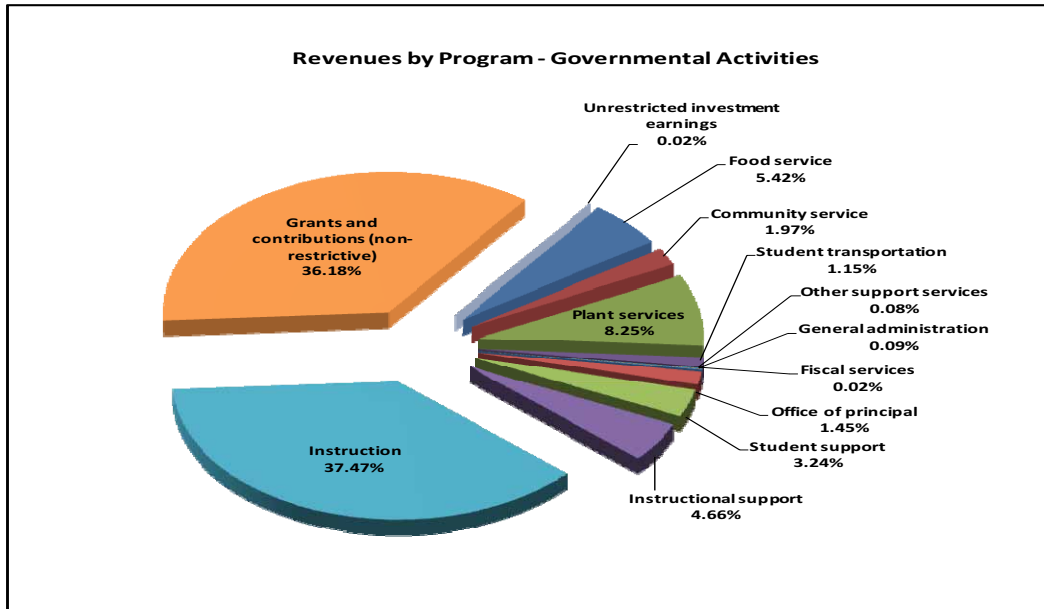
- Instructional expenses include activities directly linked to the teaching of pupils and the interaction between the teacher and pupil. The components include regular, exceptional children, alternative, vocational and adult instruction.
- Instructional support includes the activities involved in assisting 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, supervise and maintain the records of the school, and coordinate school instructional activities with those of the total school system. These activities also include

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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 LEA. Other general services include commission fees assessed by the County Trustee for tax collection; external audit and legal services; and administrative supervision of the District and communications.
- Fiscal services include activities involving all aspects of 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 and Information Technology Divisions.
- 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 keeping of the school grounds, buildings, and equipment in an effective working condition and state of repair.
- Community services include community development programs for Memphis City Schools, which promote the District and its objectives. It also includes Early Childhood Development, Parental Involvement, Volunteer Services and Innovation and Planning.
- In accordance with TCA 49-13-106, charter schools are transferred state and local revenues based on an average daily membership of the District. Twenty-nine charter schools were active in fiscal year 2013.
- 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.

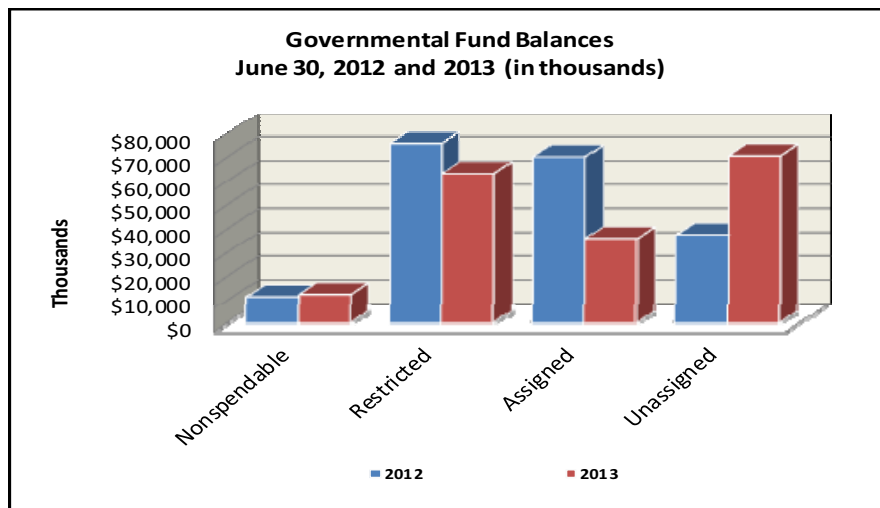
A major portion of the general revenues is not included above because the revenues are not directly identified as supporting a unique or specific activity. Instead, these revenues are general in their support for all activities. General revenues are primarily comprised of local tax revenues provided 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 29.98% of the governmental activities. A breakdown of revenues by program is presented below.



Financial Analysis of the Government’s Funds

As noted earlier, Memphis City Schools uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Memphis City Schools’ 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, 2013 and 2012, the school district's governmental funds reported combined ending fund balances of \$182,220,882 and \$194,706,562 respectively, a decrease of \$12,485,680 in 2013 when compared with 2012. Approximately 38.71% of this total amount (\$70,532,769) is comprised of unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is 1) not in spendable form (\$12.5 million), 2) restricted for specific purposes (\$63.2 million), or 3) assigned for specific purposes (\$36.0 million). The components of the balances by funds are:

	June 30, 2013	June 30, 2012	Percentage Change 2013 - 2012
General Fund			
Nonspendable	\$ 8,492,618	\$ 7,937,683	6.99%
Restricted	24,762,823	27,751,096	(10.77%)
Assigned	36,003,584	70,068,129	(48.62%)
Unassigned	70,532,769	37,523,988	87.97%
Categorically Aided Fund			
Restricted	7,202,282	8,158,877	(11.72%)
Total, except Nonmajor Funds	146,994,076	151,439,773	(2.94%)
Nonmajor Funds			
Nonspendable	3,986,167	3,591,436	10.99%
Restricted	31,240,639	39,675,353	(21.26%)
Total all government funds	<u>\$ 182,220,882</u>	<u>\$ 194,706,562</u>	(6.41%)

There was approximately a \$4.4 million decrease in fund balance excluding nonmajor funds that included a decrease of \$3.5 million in the general fund and a decrease of \$1.0 million in the Categorically Aided Fund. There was a \$8.0 million decrease in the Nonmajor funds. The changes are discussed in the following fund sections.

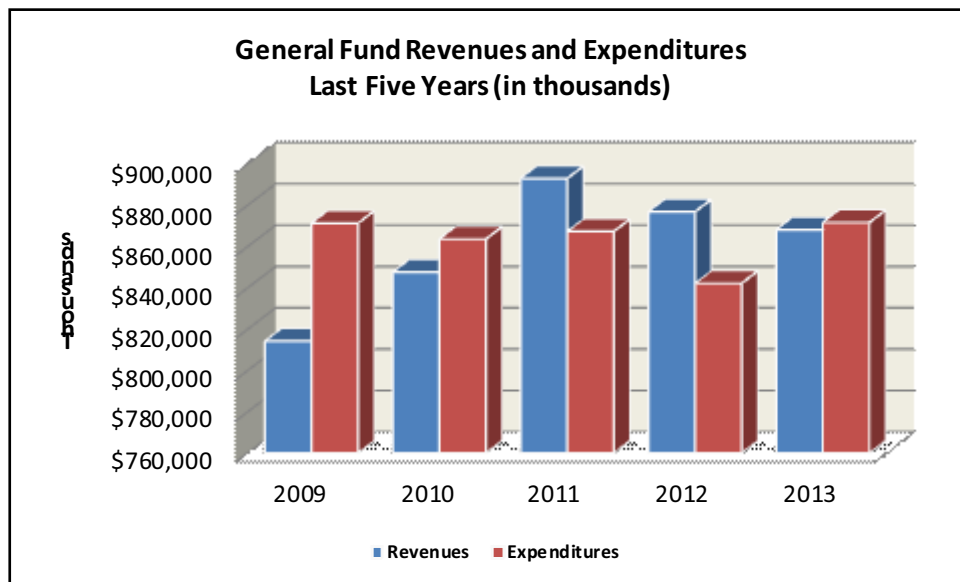
Major Funds

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.

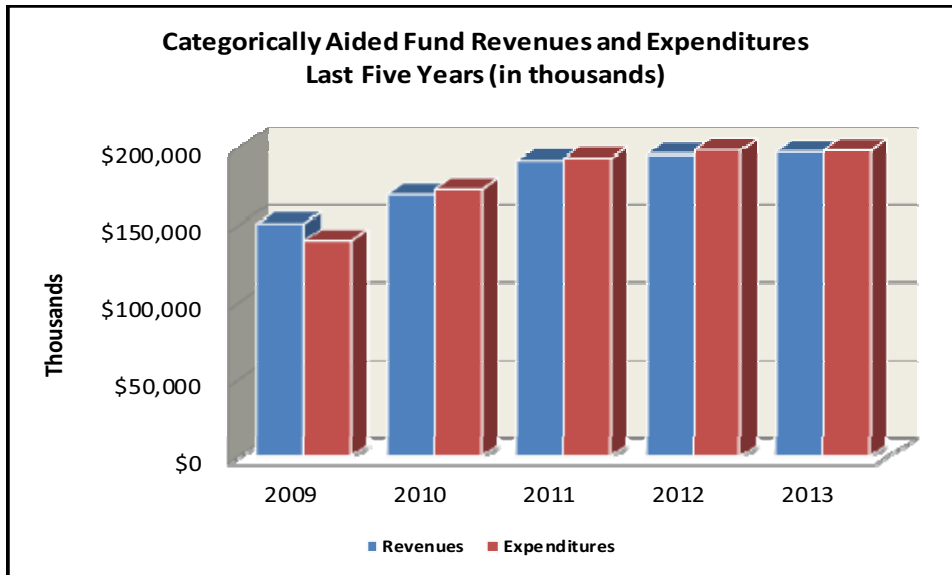
As a measure of liquidity, the General Fund unassigned fund balance was approximately \$70.5 million or 8.09% of total fund expenditures, while total fund balance represents 16.04% of that same amount. This amount is available for future appropriation. There was a planned use of fund balance budgeted for \$33.5 million. However, the funds were not used because the District experienced expenditure savings of \$40.8 million, offset by a change in encumbrance of negative \$10.6 million and lower than anticipated revenues of \$.2 million. As a result, fund balance decreased by only \$3.5 million. Expenditures savings were realized in salary and benefits due to a drop in student enrollment and cost containment of district wide vacant positions. There were also expenditure saving in professional services, property maintenance, contracted services and supplies.

General Fund revenues decreased by \$8.7 million and expenditures increased by \$29.5 million from the previous year (GAAP basis). Reasons for the decrease in revenue are due to a decline in enrollment which resulted in the City of Memphis decreasing its maintenance of effort funding to the District (\$3.5 million) plus a reduction in State funding (\$5.7 million) and an increase of \$.5 million in other revenue categories. State funding decreased primarily due to funding reallocated to the new Achievement School District (ASD) that was created by the State to improve the performance of the State’s lowest performing schools. In fiscal year 2013, there were five locations, including partially run schools, under the ASD umbrella.



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. The available fund balance decreased by \$1.0 million from the previous year. Categorical fund balances are restricted and are either reserved for future program needs or encumbered commitments. Revenues increased by \$1.1 million and expenditures decreased by \$0.4 million (GAAP basis). The increase in revenues is attributable to a grant award received during fiscal year 2010 from the Bill and Melinda Gates Foundation. The grant covers a time span of seven years with a focus on improving teacher effectiveness in the classroom. Expenditures decreased due to the discontinuance of the federal funded Supplemental Education Services (SEC) program after fiscal year 2012.



Nonmajor Funds

As previously stated, the Capital Projects fund and Food Services fund are the District’s only nonmajor funds. Although the funds are combined for presentation, the funds are discussed separately to clearly identify and discuss revenues, expenditures, and fund balance changes.

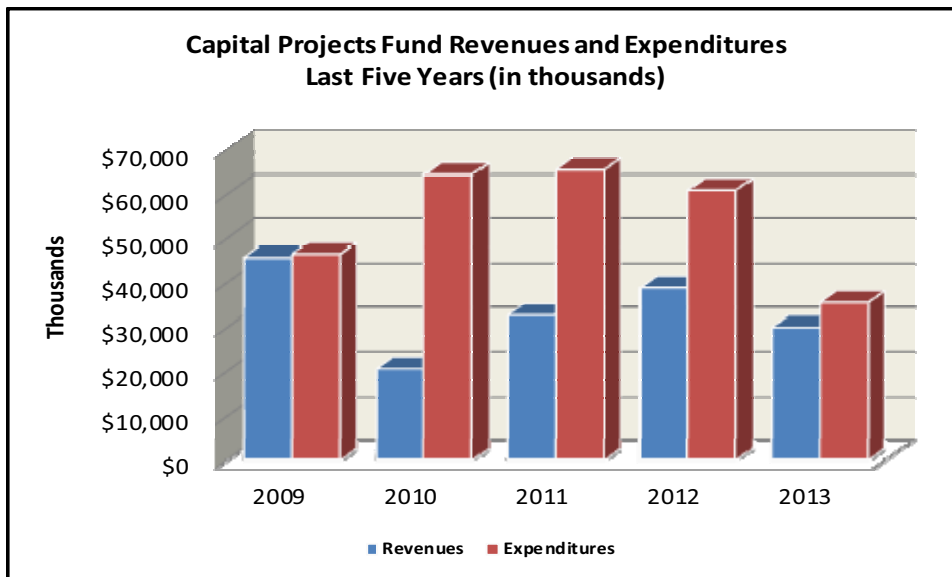
Capital Projects Fund

The Capital Projects Fund accounts for transactions related to resources obtained and used for the acquisition, construction or improvement of capital facilities. The available fund balance was decreased by \$5.6 million or 15.62% of total fund expenditures.

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 significantly year-to-year according to the type of funding agreements in place at the time. Previous

agreements with Shelby County government have provided defined allocations in each year over a long-range time frame regardless of spending. The final allocation of those funds was received during fiscal year 2011. Current funding was provided from Qualified School Construction Bonds (QSCB).

During fiscal year 2010, the District received a QSCB award for \$41,720,000. During fiscal year 2011, the District received a second award of \$49,710,000. The fiscal year 2010 and 2011 awards were totally expended as of fiscal years 2012 and 2013, respectively. The District did not receive funding from any new revenue sources during the fiscal year which resulted in a \$8.9 million decrease in revenues. Local revenue sources included rental revenues, interest earning on short-term investments held in the Tennessee Local Government Investment Pool (LGIP) and an Energy Efficient Schools grant from the State of Tennessee. Thirty-one projects were completed during the fiscal year.

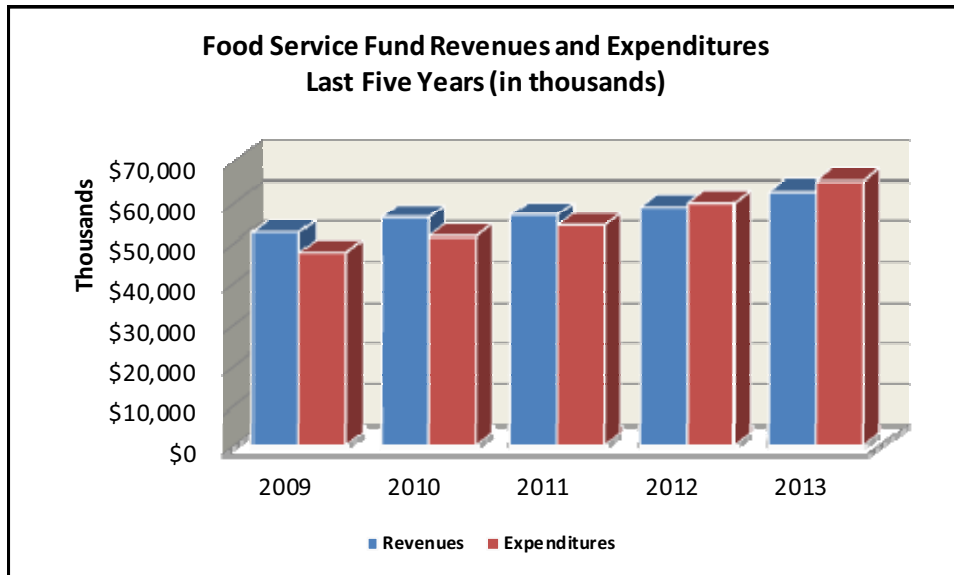


Food Service Fund

The Food Service Fund is used to designate cafeteria transactions of 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 restricted for the cafeterias. The fund balance decreased by \$2.5 million from the previous year due to the purchase of cafeteria equipment for the Food Service program. Revenues increased by \$3.8 million and expenditures increased by \$5.2 million compared to the previous year. The revenues increased as a result of an additional \$.06 per meal allowed by the USDA to certify menus and regulate meal pattern requirements. The District also began serving breakfast and lunch daily to twelve catholic schools. The USDA daily meal service included approximately 51,000 breakfasts via the National School Breakfast Program, of which 70% were breakfast in the classroom participation that started during the 2009-2010 school year with increasing numbers in the years

Management Discussion and Analysis

that followed. In fiscal year 2013, there were 85 schools serving breakfast in the classroom with a plan of increasing. Daily meal service also included 69,000 lunches via the National School Lunch Program. The At Risk Supper Program operated the full year with the addition of the extended learning program. This program was a first for the State of Tennessee. The District served over 4,500 meals daily with an aggressive plan of increasing the amount of suppers served per day by the next school year. Expenditure increases are a result of increased labor and food cost and cafeteria equipment purchases.



Proprietary Funds

Internal Service Funds

The school district’s internal service funds account for the District’s central 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 assets increased by \$4.4 million from gains realized during the year in the Unemployment and Insurance Funds.

General Fund Budgetary Highlights

The school district planned to use \$33.5 million of fund balance during the year. However, only \$3.5 million of the funding was required. The District experienced cost savings of \$40.8 million in expenditures compared to the budget due to controlled spending.

General operating revenues were less than budget estimates by \$0.2 million. County revenues were based on gross proceeds before fees of \$5.8 million, which were withheld for trustee commission. These costs are recorded in the General administration function. Shelby County revenue exceeded budget estimates primarily from improved local sales tax collections. County

Management Discussion and Analysis

property taxes are distributed to local education agencies (LEA) based on the weighted full-time equivalent average daily attendance (WFTEADA) figures that are calculated between Memphis City Schools and Shelby County Schools. The actual rate was 68.95%, a slight decrease from 69.24% for fiscal year 2012.

Actual day student enrollment of 103,741, based on the 40-day end-of-month membership count, was down 1,088 students from projected enrollment figures of 104,829. Actual membership dropped 2,251 students from the previous year.

General Fund revenues were \$.2 million less than budget. Key factors contributing to the revenue variance include:

- This was the first year of the Achievement School District (ASD). Their estimated revenues were included in the District's Basic Education Program (BEP) revenue. The \$11.5 million in actual revenues passed-through to the ASD fell short of estimated revenues of \$12.7 million. However, the District's revenue for BEP came in approximately \$3.5 million more than estimated – net of the pass-through to the ASD.
- The variance between budget and actual revenues received from Shelby County occurred primarily because of the increase in sales tax collections.
- Indirect cost received from the Food Service Fund accounts for the variance between budget and actual revenues received from the Federal Government.
- Revenues from Other local sources were higher than projected. The District realized some revenue from the planned Administrative Fee for Charter Schools. In addition, the District received \$.6 million of miscellaneous revenue that was not planned.

General Fund expenditures were \$40.8 million less than budget. Key factors contributing to the expenditure variance include:

- Salary and benefit savings of \$16.8 million were realized from lapse-time created by firm cost containment of district-wide vacant positions and a drop in student membership. Additionally, the District paid out \$1,412,355 for severance and unused vacation pay - which was directly related to the merger and the 26% reduction to Central Office staff.
- Charter schools' actual enrollment was less than projected, resulting in a \$2.7 million variance.
- Plant Services utility savings of \$4.0 million were realized due to the installation of energy efficient HVAC systems and a moderate winter.
- Custodial Services savings of \$2.0 million were realized due to the merger and the decision to outsource custodial services. Because of this decision, the District was able to avoid purchasing replacement equipment and supplies. Additionally, the District managed overtime related expenditures.

Management Discussion and Analysis

- Approximately \$6.6 million set aside for other potential uses in the Instructional function was not spent since the District did not receive additional revenues from unidentified sources.
- The District continued to provide Post 65 retirees with a Medicare supplement plan resulting in \$.6 million savings in retiree benefits.

Benefit costs in the General Fund were 24% of salaries. Insurance costs account for approximately 48% of total benefits, consistent with the previous year. Salary and benefit costs were approximately 81% of total expenditures, relatively unchanged from a year ago.

Several functional areas experienced cost over-runs, which were offset by cost savings within the departments or correlated programs. Cost over-runs in School Resource Officers were non-controllable and based on providing safety to children. Additional counselors and librarians were required to service non-traditional school programs.

The school district had a total of twenty-nine charter schools with an aggregate budget of \$57.8 million. In accordance with state law, \$55.1 million was transferred to the charter schools based on actual revenue proceeds distributed on a per pupil basis.

Capital Asset and Debt Administration

Capital Assets

The school district's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$992.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment. Overall capital assets decreased \$14.7 million from fiscal year 2012 to fiscal year 2013. Overall accumulated depreciation increased by \$48.3 million.

Condensed Statement of Capital Assets

	Governmental Activities		Percentage
	2013	2012	Change 2013 - 2012
Land	\$ 35,057,954	\$ 35,057,954	0.00%
Buildings and improvements	895,764,907	864,034,776	3.67%
Machinery and Equipment	57,845,252	55,818,612	3.63%
Construction in progress	3,506,205	52,011,069	(93.26%)
Total	\$ 992,174,318	\$ 1,006,922,411	(1.46%)

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

Long-term Debt

Total debt for the school district decreased by \$547,384 during fiscal year 2013 with no new additions. During fiscal year 2012, total debt for the school district decreased by \$547,384 with no new additions to debt.

Condensed Statement of Outstanding Debt

	Governmental Activities		Percentage
	<u>2013</u>	<u>2012</u>	Change
			<u>2013 - 2012</u>
Due to State of Tennessee	\$ 1,858,951	\$ 2,406,335	(22.75%)

Additional information on the school district’s long-term debt can be found in Note 5.

Economic Factors and Next Year’s Budgets

On December 20, 2010, the Memphis City Board of Commissioners voted to surrender Memphis City Schools’ Charter. Tennessee Code Annotated requires 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 United States District Judge Samuel “Hardy” Mays ruled on August 8, 2011, that Memphis City Schools would cease to exist at the conclusion of the 2012-13 school year.

In order to remain in compliance with the Norris-Todd law (Tennessee Senate bill 25), a 21 member transition team was appointed by the Memphis City Schools Board of Commissioners, the Shelby County School Board, the Mayor of Shelby County, the Governor of Tennessee and the Speaker of the Tennessee House. The Transition Planning Commission worked with its consultant, The Boston Consulting Group, and developed assumptions and forecasts for the merged District. Many of these assumptions were used in developing the budget for the merged District – effective Fiscal Year 2013-14.

The State of Tennessee included a 1.5% COLA for certificated staff in its budget appropriation. The District sought a waiver from the State requirement of providing a COLA to certificated staff and harmonized the salaries of legacy Shelby County School teachers and legacy Memphis City Schools Principals and Assistant Principals.

The Shelby County Board of Commissioners voted to approve the Shelby County Schools’ budget provided that the revenues from all County sources shall not exceed \$381,288,000. Education’s share of the property tax levy is expected to remain at \$2.14 of the \$4.38 per \$100 of assessed property value. Shelby County Schools’ combined 40th day end-of-month enrollment is expected to decrease from 149,819 to 149,653 day students.

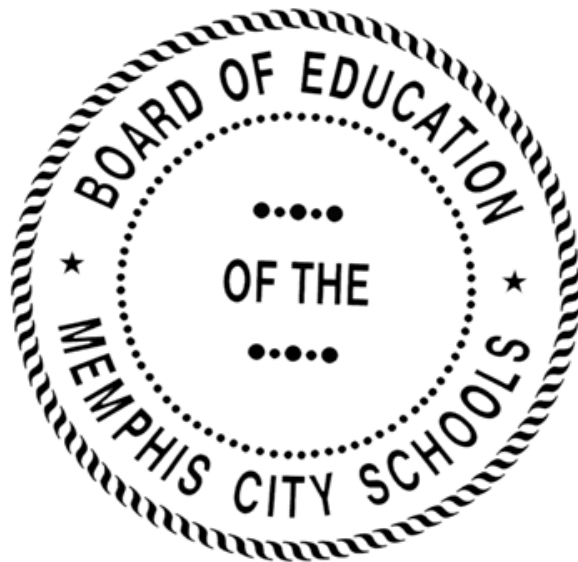
The Shelby County Board of Education adopted the Fiscal Year 2013-14 General Fund budget in the amount of \$1,188,648,338 including transfers to charter schools. The Fiscal Year 2013-14 budget is a reduction of approximately \$75 million from the combined Memphis City Schools and Shelby County Schools Fiscal Year 2012-13 budgets. Ten new charter schools will open, bringing the total number of charter schools to thirty-nine, with an aggregate budget of \$67.4 million. The District continues to face a challenging revenue environment while the cost of doing business continues to rise. Funding from the City of Memphis has been eliminated due to the merger. The Shelby County Board of Education approved the planned use of \$12.6 million in unassigned fund balance to balance the general fund operating budget. The Basic Education Program reserve requires the District to set aside three percent of next year's General Fund Expenditure Budget of \$1,188,648,338, which equates to \$35,659,450. Readers of the financial statements will see the reserve allocated between the two districts based upon the WFTEADA. Memphis City Schools has reserved \$24,587,191 and Shelby County Schools has reserved \$11,072,259.

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 request for additional financial information may be addressed to the Division of Fiscal Services, Room 226, Memphis City Schools, 2597 Avery Avenue, Memphis, Tennessee 38112.

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Basic Financial Statements



STATEMENT OF NET POSITION
June 30, 2013

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 177,413,870
Investments	30,165,682
Due from other governments	131,129,547
Other receivables	9,868,563
Inventories	12,478,785
Prepays	2,151,672
Capital assets, not being depreciated	38,564,159
Capital assets, being depreciated, net	953,610,159
Total assets	<u>1,355,382,437</u>
Liabilities	
Accounts payable and other accrued liabilities	85,048,890
Insurance claims payable	13,226,954
Unearned revenue	2,126,279
Long-term liabilities:	
Due within one year	3,664,210
Due in more than one year	8,326,464
Total liabilities	<u>112,392,797</u>
Net Position	
Net investment in capital assets	990,315,367
Restricted for :	
Capital projects	17,317,959
Contracted grant programs	7,202,282
Food service	17,908,847
Education	24,762,823
Unrestricted	185,482,362
Total net position	<u>\$ 1,242,989,640</u>

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

STATEMENT OF ACTIVITIES
For the year ended June 30, 2013

Functions/Programs	Expenses	Charges for Services
Governmental activities:		
Instruction	\$ 657,617,818	\$ 1,186,084
Instructional support	57,155,706	-
Student support	71,328,241	-
Office of principal	61,404,200	-
General administration	35,530,787	-
Fiscal services	5,689,542	-
Other support services	17,113,951	-
Student transportation	18,807,870	-
Plant services	103,267,665	-
Community service	25,126,965	-
Charter schools	55,054,771	-
Food service	69,409,450	12,109,346
Interest and fees on long-term debt	84,116	-
Total governmental activities	\$ 1,177,591,082	\$ 13,295,430

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

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Total	
\$ 432,541,807	\$ -	\$	(223,889,927)
53,957,286	-		(3,198,420)
37,526,041	-		(33,802,200)
16,786,830	-		(44,617,370)
988,094	-		(34,542,693)
288,860	-		(5,400,682)
876,855	-		(16,237,096)
13,272,869	-		(5,535,001)
65,465,294	30,003,284		(7,799,087)
22,763,707	-		(2,363,258)
-	-		(55,054,771)
50,551,504	-		(6,748,600)
-	-		(84,116)
<u>\$ 695,019,147</u>	<u>\$ 30,003,284</u>	<u>\$</u>	<u>(439,273,221)</u>

General revenues:

Grants and contributions not restricted to specific programs	418,593,534
Unrestricted investment earnings	202,970

Special Items:

OPEB write-off	428,664,974
Total general revenues and transfers	<u>847,461,478</u>

Changes in net position 408,188,257

Net position - beginning 834,801,383

Net position - ending \$ 1,242,989,640

**GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	General Fund	Special Revenue Categorically Aided Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 118,347,959	\$ 14,254	\$ 31,735,986	\$ 150,098,199
Investments	30,165,682	-	-	30,165,682
Due from Shelby County	38,812,358	-	-	38,812,358
Due from other governments	55,682,652	35,015,786	1,387,288	92,085,726
Other receivables	737,981	8,227,782	101,591	9,067,354
Inventories	8,492,618	-	3,986,167	12,478,785
Due from other funds	27,143,994	-	-	27,143,994
Total assets	<u>\$ 279,383,244</u>	<u>\$ 43,257,822</u>	<u>\$ 37,211,032</u>	<u>\$ 359,852,098</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and other accrued liabilities	76,004,436	9,542,200	1,984,226	87,530,862
Due to other funds	-	24,387,061	-	24,387,061
Unearned revenue - other	-	2,126,279	-	2,126,279
Total liabilities	<u>76,004,436</u>	<u>36,055,540</u>	<u>1,984,226</u>	<u>114,044,202</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes	63,587,014	-	-	63,587,014
Total deferred inflows of resources	<u>63,587,014</u>	<u>-</u>	<u>-</u>	<u>63,587,014</u>
Fund balances				
Nonspendable	8,492,618	-	3,986,167	12,478,785
Restricted	24,762,823	7,202,282	31,240,639	63,205,744
Assigned	36,003,584	-	-	36,003,584
Unassigned	70,532,769	-	-	70,532,769
Total fund balances	<u>139,791,794</u>	<u>7,202,282</u>	<u>35,226,806</u>	<u>182,220,882</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 279,383,244</u>	<u>\$ 43,257,822</u>	<u>\$ 37,211,032</u>	<u>\$ 359,852,098</u>

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, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

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

Total fund balances - total governmental funds	\$	182,220,882
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Cost	\$ 1,661,721,029	
Less accumulated depreciation	<u>(669,546,711)</u>	992,174,318

An internal service fund is used by the Board's management to charge the costs of central services, self-insurance health and unemployment claims to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities	14,370,375
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Short-term compensated absences (for active employees) not booked to governmental funds	(539,128)
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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:

Notes payable	\$ 1,858,951	
Compensated absences (vacation)	<u>6,964,870</u>	(8,823,821)

Liabilities for earned revenues considered deferred inflows of resources in fund statements	<u>63,587,014</u>
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Total net position - governmental activities	\$	<u>1,242,989,640</u>
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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, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	General Fund	Special Revenue Categorically Aided Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
City of Memphis	\$ 64,878,782	\$ 194,444	\$ -	\$ 65,073,226
Shelby County	353,001,800	8,100	-	353,009,900
State of Tennessee	438,393,914	15,794,612	670,585	454,859,111
Federal Government	8,598,513	150,343,180	79,518,174	238,459,867
Other local sources	3,218,306	30,042,279	12,472,239	45,732,824
Total revenues	\$ 868,091,315	\$ 196,382,615	\$ 92,660,998	\$ 1,157,134,928
Expenditures				
Current:				
Instruction	497,353,778	109,693,155	-	607,046,933
Instructional support	21,489,437	32,043,716	-	53,533,153
Student support	61,086,770	8,311,616	-	69,398,386
Office of principal	57,124,293	944,027	-	58,068,320
General administration	12,693,477	20,100,431	-	32,793,908
Fiscal services	5,424,978	-	-	5,424,978
Other support services	15,436,266	1,105,773	-	16,542,039
Student transportation	17,639,478	1,143,466	-	18,782,944
Plant services	98,804,493	1,334,803	-	100,139,296
Community service	1,777,370	22,625,623	-	24,402,993
Charter school	55,054,771	-	-	55,054,771
Retiree benefits	27,063,806	-	-	27,063,806
Food service	-	36,600	65,114,452	65,151,052
Debt Service:				
Principal	547,384	-	-	547,384
Interest and fees	84,116	-	-	84,116
Capital outlay	-	-	35,586,529	35,586,529
Total expenditures	871,580,417	197,339,210	100,700,981	1,169,620,608
Excess (deficiency) of revenues over expenditures	(3,489,102)	(956,595)	(8,039,983)	(12,485,680)
Fund balance - July 1, 2012	143,280,896	8,158,877	43,266,789	194,706,562
Fund balance - June 30, 2013	\$ 139,791,794	\$ 7,202,282	\$ 35,226,806	\$ 182,220,882

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, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

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

Total net change in fund balances - total governmental funds	\$	(12,485,680)
<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.</p>		
Capital outlay	\$	53,777,579
Depreciation expense		<u>(60,819,649)</u>
		(7,042,070)
<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.</p>		
		(7,706,023)
<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 amount of long-term debt principal payments in the current year is:</p>		
		547,384
<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>		
		428,664,974
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The change in compensated absences totaled:</p>		
		1,847,768
<p>An internal service fund is used by the Board's management to charge the costs of central 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>		
		4,382,467
<p>Recognition of unavailable revenue from Shelby County and the City of Memphis increased the Board's receivable from these entities. This amount is the net change during the period.</p>		
		<u>(20,563)</u>
Change in net position of governmental activities	\$	<u>408,188,257</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, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
City of Memphis	\$ 64,878,782	\$ 64,878,782	\$ 64,878,782	\$ -
Shelby County	345,183,228	345,183,228	353,001,800	7,818,572
State of Tennessee	448,933,794	448,933,794	438,393,914	(10,539,880)
Federal Government	7,059,963	7,059,963	8,598,513	1,538,550
Other local sources	<u>2,215,000</u>	<u>2,215,000</u>	<u>3,218,306</u>	<u>1,003,306</u>
Total revenues	<u>868,270,767</u>	<u>868,270,767</u>	<u>868,091,315</u>	<u>(179,452)</u>
Expenditures				
Current:				
Instruction	501,148,052	503,856,580	486,271,756	17,584,824
Instructional support	24,303,884	24,057,283	21,276,264	2,781,019
Student support	63,647,727	63,110,685	60,776,943	2,333,742
Office of principal	58,561,366	57,605,149	57,058,232	546,917
General administration	13,198,807	13,274,158	12,533,932	740,226
Fiscal services	5,720,481	5,743,900	5,426,022	317,878
Other support services	17,929,632	18,388,974	15,264,847	3,124,127
Student transportation	22,079,965	21,707,833	19,790,681	1,917,152
Plant services	107,432,407	106,275,887	98,100,026	8,175,861
Community service	1,814,074	1,815,946	1,707,096	108,850
Charter schools	57,790,366	57,790,366	55,054,771	2,735,595
Retiree benefits	27,623,054	27,623,054	27,063,806	559,248
Debt Service:				
Principal	547,384	547,384	547,384	-
Interest and fees	<u>2,628</u>	<u>2,628</u>	<u>84,116</u>	<u>(81,488)</u>
Total expenditures	<u>901,799,827</u>	<u>901,799,827</u>	<u>860,955,876</u>	<u>40,843,951</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (33,529,060)</u>	<u>\$ (33,529,060)</u>	7,135,439	<u>\$ 40,664,499</u>
Change in reserve for encumbrances			<u>(10,624,541)</u>	
Net change in fund balances (GAAP basis)			(3,489,102)	
Fund balance - July 1, 2012			<u>143,280,896</u>	
Fund balance - June 30, 2013			<u>\$ 139,791,794</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, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
City of Memphis	\$ -	\$ 200,000	\$ 194,444	\$ (5,556)
Shelby County	2,000	2,000	8,100	6,100
State of Tennessee	11,986,918	15,436,923	16,370,753	933,830
Federal Government	121,058,790	125,618,494	156,962,812	31,344,318
Other local sources	30,209,033	30,450,460	30,046,262	(404,198)
Total revenues	<u>163,256,741</u>	<u>171,707,877</u>	<u>203,582,371</u>	<u>31,874,494</u>
Expenditures				
Current:				
Instruction	97,433,005	97,038,843	109,100,198	(12,061,355)
Instructional support	20,826,405	26,193,615	40,808,242	(14,614,627)
Student support	8,687,482	5,566,022	6,962,143	(1,396,121)
Office of principal	2,495,187	3,883,237	1,313,797	2,569,440
General administration	15,918,625	22,293,163	16,220,508	6,072,655
Other support services	293,392	1,694,686	111,417	1,583,269
Student transportation	23,139	475,892	941,813	(465,921)
Plant services	832,997	2,108,766	1,575,937	532,829
Community service	18,808,476	21,455,410	23,114,781	(1,659,371)
Food service	-	43,297	36,600	6,697
Total expenditures	<u>165,318,708</u>	<u>180,752,931</u>	<u>200,185,436</u>	<u>(19,432,505)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,061,967)</u>	<u>\$ (9,045,054)</u>	3,396,935	<u>\$ 12,441,989</u>
Change in reserve for encumbrances			<u>(4,353,530)</u>	
Net change in fund balances (GAAP basis)			(956,595)	
Fund balance - July 1, 2012			<u>8,158,877</u>	
Fund balance - June 30, 2013			<u>\$ 7,202,282</u>	

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

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	<u>Governmental Activities - Internal Service Funds</u>
Assets	
Current Assets:	
Cash and cash equivalents	\$ 27,315,671
Receivable from state	231,463
Other receivables	801,209
Prepaid insurance	<u>2,151,672</u>
Total assets	<u>30,500,015</u>
Liabilities	
Current liabilities:	
Accounts payable	82,477
Insurance claims and premiums payable	13,226,954
Due to general fund	2,756,933
Accrued Vacation	13,249
Noncurrent liabilities:	
Accrued vacation	<u>50,027</u>
Total liabilities	<u>16,129,640</u>
Net Position	
Unrestricted	<u><u>\$ 14,370,375</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, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	\$ 2,097,200
Employee contributions	50,793,057
Board contributions	104,028,811
Medicare	3,549,208
Total operating revenues	<u>160,468,276</u>
Operating expenses:	
Personnel services	1,715,112
Material & supplies	245,128
Claims incurred	125,746,614
Life insurance premiums	3,917,530
Health insurance premiums	15,809,755
Administrative expenses	8,669,708
Total operating expenses	<u>156,103,847</u>
Operating income	4,364,429
Nonoperating revenues (expenses):	
Interest income	18,038
Total nonoperating revenues (expenses)	<u>18,038</u>
Change in net position	4,382,467
Total net position - July 1, 2012	<u>9,987,908</u>
Total net position - June 30, 2013	<u>\$ 14,370,375</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, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities	
Receipts for interfund services provided	\$ 107,741,709
Receipts from employees	50,793,057
Payments to suppliers	(595,023)
Payments to employees for salaries and benefits	(1,691,791)
Payments for life insurance premiums	(3,917,530)
Payments for health insurance premiums	(15,809,755)
Payments for insurance and unemployment claims	<u>(131,243,031)</u>
Net cash provided by operating activities	5,277,636
Cash Flows From Investing Activities	
Interest received	<u>18,038</u>
Increase in cash and cash equivalents	5,295,674
Cash and cash equivalents at beginning of year	<u>22,019,997</u>
Cash and cash equivalents at end of year	<u><u>\$ 27,315,671</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 4,364,429
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Receivables	(1,933,510)
Accrued liabilities	2,846,717
Net cash provided by operating activities	<u><u>\$ 5,277,636</u></u>

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

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Pension Trust Fund	Agency Fund
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 153,178	\$ 7,184,446
Receivable from State of Tennessee	10,146	-
Other receivables	-	192,492
Investments, at fair value:		
Short-term securities	635,049	616,167
Common stocks	816,227	-
Corporate bonds	160,287	-
Total Investments	<u>1,611,563</u>	<u>616,167</u>
Inventories	<u>-</u>	<u>48,315</u>
Total assets	<u>1,774,887</u>	<u>8,041,420</u>
Liabilities		
Accounts payable	-	107,684
Due to student general fund	-	5,255,326
Due to student groups	-	2,678,410
Total liabilities	<u>-</u>	<u>8,041,420</u>
Net Position		
Held in trust for pension benefits	<u>\$ 1,774,887</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 BOARD OF EDUCATION OF THE
For the year ended June 30, 2013 MEMPHIS CITY SCHOOLS**

	Pension Trust Fund
	<hr/>
Additions	
Contributions:	
State reimbursements for benefit payments and insurance premiums	\$ 133,404
Employer	51,000
Investment Earnings:	
Interest income	57,629
Net appreciation (depreciation) in fair value of investments	<hr/> 139,225
Net investment earnings	<hr/> 196,854
 Total additions	 381,258
 Deductions	
Benefit payments	524,377
Administrative expenses	<hr/> 25,001
 Total deductions	 <hr/> 549,378
 Change in net position	 (168,120)
 Net Position	
July 1, 2012	<hr/> 1,943,007
 June 30, 2013	 <hr/> <u>\$ 1,774,887</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 Board of Education of the Memphis City Schools (the Board), is a component unit of the City of Memphis, which is defined as the oversight entity by GASB Codification Section 2100, 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 City of Memphis.

As such, the financial statements of the Board are included in the financial statements of the City of Memphis, Tennessee. 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.

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 the City of Memphis and 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. Certain indirect costs are included in the program expense reported for individual functions and activities due to the allocation of overhead for certain grants. 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

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, expenditures and/or expenses. 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. Total assets, liabilities, 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. Total assets, liabilities, revenues, or expenditures/expenses of that individual fund are at least 5 percent of the corresponding total for all funds.

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 related to 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 services, health insurance, life insurance, and unemployment services provided to other funds of the Board that are funded through charges for services, and employee and Board contributions.

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, their dependents, and retirees.

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 Board of Education of the Memphis City Schools are accounted for in the Retirement Fund. See Note 6 for additional information regarding this retirement plan.

Agency Fund—Student Activity 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 Student Activity Fund. Agency funds are purely custodial and thus do not involve measurement of results of operations.

Major and Nonmajor Funds

The General Fund and Categorically Aided Fund are classified as major funds. The Food Service Fund and Capital Projects Fund are classified as nonmajor funds. 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 pension trust (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 pension fund equity is 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 the General, Special Revenue, and Capital Projects Funds are controlled by a formal integrated budgetary accounting system in accordance with various legal

requirements that govern the Board's operations. The General Fund budget is subject to approval by the Memphis City Council and the Board cannot exceed the total budgeted expenditures. The Board can amend the General Fund budget if the total budget does not exceed the amount approved by the Council. However, a resolution approval by the Council is required if the amendment total is more than the original resolution approved. Annual amendments to the Special Revenue and Capital Projects Funds only require Board 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 when 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 is principally:

- a. Property taxes are considered to be available if collected by the City of Memphis and Shelby County within sixty days of fiscal year end.
- b. Grants and subsidies from other governments, to the extent measurable and available – 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 and pension funds utilizes 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 nonoperating revenue. The agency fund utilizes 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, property taxes receivable from the City of Memphis and Shelby County, and funds due from Shelby County and the City of Memphis for capital projects. 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 and the City of Memphis (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 both the City of Memphis and Shelby County. The City of Memphis provided the Board with \$.100 of the total city property tax levy, which is \$3.11 per \$100 of assessed value. The Shelby County tax levy of \$4.02 per \$100 of assessed value included \$1.91 for both the city and county schools. Distribution of Shelby County funds was based on the average daily attendance of each system, approximately 68.94% for the City of Memphis Schools and 31.06% for the Shelby County Schools.

Cash Equivalents

The Board considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at market value (fair value).

In accordance with Tennessee Code Annotated 6-56-106, the Board’s investment policy authorizes investments in the local government investment pool; certificates of deposit of up to 365 days; obligations of the United States or agencies; repurchase agreements of up to 4 years; bankers’ acceptances; and commercial paper with a minimum rating of A-1 by Standard & Poor’s Corporation, P-1 by Moody’s Investors Service, Inc. and F-1 by Fitch Investors Service. This policy relates to investments in all funds, except the retirement fund.

The Board's investment policy states:

- that all excess funds should be held in interest-bearing accounts or investments to earn the maximum return possible on the funds available for investment while complying with state and federal statutes and district policy;
- that safety of funds should be the first consideration. The district should not enter into investment transactions which will expose itself to an undue risk; and
- that investment practices must always be in compliance with state and federal laws.

Therefore, the investment program shall have at least four basic ingredients: legality, safety, liquidity, and yield.

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) and so 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) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item which arises under the accrual and modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental fund balance sheet. The government reports unavailable revenue from three sources: property taxes, sales taxes, and alcoholic beverage taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Capital Assets

Capital assets are reported in the government-wide financial statements.

Capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2001.

The District capitalizes the following:

- All assets considered "sensitive," and
- Assets with an initial cost of \$5,000 or more.

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 of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings and Improvements	10-50 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, capital leases, and accrued compensated absences.

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 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, or 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 Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

- Nonspendable 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 budget resolution) by the Memphis City Schools Board of Commissioners, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Memphis City Schools Board of Commissioners taking the same formal action (adoption of a resolution to revise the budget) that imposed the constraint.
- Assigned fund balance includes amounts that the District intends to use for a specific purpose, but are not restricted or committed. The intent shall be expressed by resolution of the Memphis City Schools Board of Commissioners 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.

Minimum Fund Balance Policy

Memphis City Schools believes that sound financial management principles require that 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.

In order to maintain and protect the long term financial capacity of Memphis City Schools, 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.

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.

Post Employment Benefits

In addition to providing pension benefits, the Board provides health insurance coverage for current and future retirees as described in Note 13.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents (excluding fiduciary funds) at June 30, 2013 consist of the following:

Demand deposits	\$ 39,645,347
Investments in state's local government investment pool	137,768,523
	<u>\$ 177,413,870</u>

Custodial credit risk Bank deposits, in compliance with State statutes, are covered by federal depository insurance (FDIC) or are collateralized by a multiple financial institutional collateral pool administered by the State of Tennessee. Whenever the Board of Education has deposits with financial institutions that do not participate in the State collateral pool; a separate collateral equal to at least 105% of the uninsured deposit is collateralized and held in the Board's name by a third party. The responsibility for conducting the State's local government investment (LGIP) program resides with the State Treasurer pursuant to Tennessee Code Annotated, Section 9-4-602, and is exercised in accordance with this investment policy and resolutions of the State Funding Board. The LGIP is reported at the net asset value per share (NAV) by virtue of the amortized cost method. This method will be continued as long as the State Board believes that it fairly reflects market based NAV (in accordance with SE Rule 2a-7). These provisions covered all Board deposits at year-end.

Deposits and investments are classified into three categories of credit risk based upon the following:

<u>Category</u>	<u>Description</u>
1	Insured or registered, or securities held by the Board or its agent in the Board's name.
2	Uninsured or unregistered, with securities held by the counterparty's trust department or agent in the Board's name.
3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Board's name.

At June 30, 2013, the bank balance of the Board's demand deposits was \$50,888,089. This amount was covered by collateral held by the Federal Reserve Bank in the Board's name. The average bank balance was consistently maintained within the collateral limits during the year. Demand deposits are considered category 1 and other investments are not required to be classified. The cash of the Fiduciary fund is not included here.

NOTE 3 – INVESTMENTS

Investments as of June 30, 2013, are recorded at fair value and consist of the following:

Investment Type	General Fund	Retirement Fund	Student Activity Fund	Total	Weighted Average Maturity in Years
Common stocks	\$ -	\$ 816,227	\$ -	\$ 816,227	-
Corporate bonds	-	160,287	-	160,287	0.90
Short term investments	30,165,682	635,049	616,167	31,416,898	-
	\$ 30,165,682	\$ 1,611,563	\$ 616,167	\$ 32,393,412	

Investments are considered category 1 of the three categories of credit risk. The Board invests in various fixed income debt securities such as U.S. government backed mortgage securities and corporate bonds. Credit quality distributions for investments in fixed income debt securities, with credit risk as a percentage of total investments (excluding student activity fund) are approximately as follows as of June 30, 2013:

Aaa	20.89%
Aa2	0.17%
Aa3	0.00%
Aa1	0.00%
A1	0.16%
A2	0.32%
A3	0.00%
Baa1	0.82%
Baa2	0.00%
Baa3	0.00%
Ba2	0.00%

The Board limits its exposure to interest rate risk by diversifying its investments by security type and institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes and Board policy limit investment maturities to control its exposure to fair value losses arising from increasing interest rates. Final maturity on the date of investment is not to exceed forty-eight (48) months or that may be tendered by the holder to the issuer thereof, or an agent of the issuer, at not less than forty-eight (48) month intervals.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both State statutes and Board investment policy limit permissible investments or impose collateral and custody provisions as noted above or in Note 1 in order to limit credit risk.

NOTE 4 – ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Payables as of year end for the School District’s individual major funds and nonmajor funds disaggregated are as follows:

	General Fund	Categorically Aided Fund	Nonmajor Funds	Total Governmental Funds
Accounts payable	\$ 5,594,542	\$ 2,726,273	\$ 1,572,582	\$ 9,893,397
Accrued payroll and payroll deductions	67,999,570	6,671,343	402,103	75,073,016
Accrued vacation	<u>2,410,324</u>	<u>144,584</u>	<u>9,541</u>	<u>2,564,449</u>
Total	<u>\$ 76,004,436</u>	<u>\$ 9,542,200</u>	<u>\$ 1,984,226</u>	<u>\$ 87,530,862</u>

NOTE 5 – GENERAL LONG-TERM OBLIGATIONS

In certain circumstances and according to specific agreements with the City of Memphis, Tennessee (the City), the Board shared in the net proceeds of General Obligation Bonds issued by the City. The Board’s share of such proceeds was restricted to the financing of capital improvements. Those agreements required the Board to repay its proportionate share of principal and interest for each bond or bond anticipation note at the time such obligations become payable to their holders by the City. In the event that the Board did not make such payments when due, the City had the right to withhold such amounts, including interest thereon, from any tax levied or collected by the City for the benefit of the Board. During fiscal year 2009, the City Council, by resolution, forgave 100% of debt owed.

At June 30, 2013, the Board is indebted for outstanding general long-term obligations (excluding accrued vacation) with interest rates of 0%. The Board also pays certain fees (required by the Shelby County government) related to debt acquired by the county government on the Board’s behalf. Debt service requirements for principal and interest are paid from the General Fund and there are no designations of fund balance for debt service because each year’s debt service requirements are expected to be paid from that year’s revenue. Other long-term liabilities, compensated absences, and pension liabilities are also paid from the General Fund.

Future years’ debt service requirements for long-term obligations are as follows:

Years Ending June 30	Principal	Interest	Total
2014	\$ 547,383	\$ -	\$ 547,383
2015	547,384	-	547,384
2016	547,384	-	547,384
2017	72,267	-	72,267
2018	72,267	-	72,267
2019	<u>72,266</u>	<u>-</u>	<u>72,266</u>
	<u>\$ 1,858,951</u>	<u>\$ -</u>	<u>\$ 1,858,951</u>

The following is a summary of changes in general long-term obligations for the year June 30, 2013:

	Balance July 1, 2012	Additions	Payments and Retirements	Balance June 30, 2013	Due Within One Year
Due to State of Tennessee	\$ 2,406,335	\$ -	\$ 547,384	\$ 1,858,951	\$ 547,384
	2,406,335	-	547,384	1,858,951	547,384
Post Employment Benefits	428,664,974	-	428,664,974	-	-
Compensated Absences	9,932,951	3,170,376	2,971,604	10,131,723	3,116,826
	<u>\$ 441,004,260</u>	<u>\$ 3,170,376</u>	<u>\$ 432,183,962</u>	<u>\$ 11,990,674</u>	<u>\$ 3,664,210</u>

Board employees are granted vacation and sick leave in varying amounts in accordance with administrative policy and union contracts. 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 generally 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.

NOTE 6 – RETIREMENT PLANS

A. Local Plan

The Retirement Fund accounts for the activities of the Retirement System of the Board of Education of the Memphis City Schools (the Local Plan), a single-employer defined benefit plan. The accounting records are maintained and pension benefits are processed by employees of the Board. The Board paid net benefits of \$390,973 (\$524,377 net of \$133,404 reimbursements from the state) for employees covered by the Local Plan for the year ended June 30, 2013.

The Local Plan was closed to new members effective December 31, 1957 and all present participants are fully vested. Employees were required to contribute 5% of their individual compensation for the first thirty-five years of service. The Board’s annual contribution cannot be less than the aggregate employee contributions. The employer made a contribution equivalent to retiree’s December bonus of \$51,000 for the year ended June 30, 2013.

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 \$133,404 during the year ended June 30, 2013. The on-behalf payments by the state of fringe benefits and salaries for the local retirees were recognized as revenues and expenses.

The Local Plan accumulated benefits and net position as of December 31, 2012 (the date of latest actuarial valuation report using 1971 GAM) were as follows:

Actuarial present value of accumulated plan benefits	\$2,307,227
Net positions available for benefits (market value)	\$1,451,444

The yield assumption used in the actuarial valuation was 5%.

B. Tennessee Consolidated Retirement System (TCRS)

1. Plan Description (Non-teachers)

Employees of Memphis City Schools are members of the Political Subdivision Pension Plan (PSPP); an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Memphis City Schools participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

2. Funding Policy

Memphis City Schools requires employees to contribute 5.0 percent of earnable compensation.

Memphis City Schools is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013 was 9.34% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Memphis City Schools is established and may be amended by the TCRS Board of Trustees.

3. Annual Pension Cost

For the year ending June 30, 2013, Memphis City Schools' annual pension cost of \$14,797,896 to TCRS was equal to Memphis City Schools' required and actual contributions. The required contribution was determined as part of the July 1, 2011 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 3.0 percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit

assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. Memphis City Schools' unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011 was 2 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

4. Trend Information

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/13	\$14,797,896	100.00%	\$ -
6/30/12	\$15,360,771	100.00%	\$ -
6/30/11	\$15,403,294	100.00%	\$ -

5. Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 97.22% funded. The actuarial accrued liability for benefits was \$474.303 million, and the actuarial value of assets was \$461.121 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$13.181 million. The covered payroll (annual payroll of active employees covered by the plan) was \$148.431 million, and the ratio of the UAAL to the covered payroll was 8.88%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) was calculated using the frozen entry age actuarial cost method. Since the frozen entry age actuarial cost method only identifies and separately amortizes the unfunded actuarial liabilities upon reestablishment of the amortization period, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

C. School Systems

1. Plan Description (Teachers)

The Memphis City Schools contribute to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEPP), a cost-sharing multiple employers defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years

of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979 are vested after five years of service. Members joining prior to July 1, 1979 are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs>.

2. Funding Policy

Most teachers are required by state statute to contribute 5.0% of salary to the plan. The employer contribution rate for Memphis City Schools is established at an actuarially determined rate. The employer rate for the fiscal year ending June 30, 2013 was 8.88% of annual covered payroll. The employer contribution requirement for Memphis City Schools is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ending June 30, 2013, 2012, and 2011 were \$41,323,007, \$41,658,150, \$43,191,818, respectively, and equal to the required contributions for each year.

D. Other Employee Benefits

The Board provides certain health care and life insurance benefits for retired employees and their dependents/beneficiaries. As of the year ending June 30, 2013, a retiring employee hired before January 1, 2007 may continue health insurance coverage provided the employee has been covered for five consecutive years prior to retirement. A retiring employee hired after January 1, 2007 may continue health insurance coverage provided the employee has been covered for ten consecutive years prior to retirement. Retirement is defined as those who have reached age 60 and vested or 30 years of service, or age 55 with 25 years of service. The health care benefits were provided through a self-funded plan administered by an insurance company. The life insurance benefits were provided through an insurance company. Premiums for both are based on the benefits expected to be paid during the year. The cost of health care and life insurance benefits are classified as retiree benefits expenditure in the General Fund. For the years ended June 30, 2013 and 2012 costs were \$ 27,063,806 and 30,283,098 for 6,553 and 6,184 retirees, respectively. See note 14 for information on other postemployment benefits (OPEB).

NOTE 7 – RELATED PARTY TRANSACTIONS

The Memphis City Schools received \$64,878,782 from the City of Memphis for its 2013 annual budget. The City authorized this payment pursuant to the state's maintenance of effort law. MCS also obtained

a judgment in the amount of \$57.4 million dollars from the City of Memphis in 2009. The judgment was affirmed by the Court of Appeals, but the Trial Court has withheld enforcement of the judgment pending resolution of a claim that MCS owes the City approximately \$160 million dollars. The Board believes the counterclaim has no merit. Since MCS has not received any money from its judgment against the City, the Board recorded \$55.1 million dollars as deferred inflows at the fund level.

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Balance July 1, 2012</u>	<u>Reclassifications</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance June 30, 2013</u>
Capital assets, not being depreciated:					
Land	\$ 35,057,954	\$ -	\$ -	\$ -	\$ 35,057,954
Construction in Progress	52,011,069	(81,621,293)	33,116,429	-	3,506,205
Total capital assets, not being depreciated	87,069,023	(81,621,293)	33,116,429	-	38,564,159
Capital assets, being depreciated:					
Buildings and Improvements	1,353,531,225	81,298,992	399,098	(18,061,851)	1,417,167,464
Machinery and Equipment	187,540,137	322,301	20,262,052	(2,135,084)	205,989,406
Total capital assets, being depreciated	1,541,071,362	81,621,293	20,661,150	(20,196,935)	1,623,156,870
Less accumulated depreciation:					
Buildings and improvements	(489,496,449)	-	(42,701,395)	10,795,287	(521,402,557)
Machinery and Equipment	(131,721,525)	-	(18,118,254)	1,695,625	(148,144,154)
Total accumulated depreciation	(621,217,974)	-	(60,819,649)	12,490,912	(669,546,711)
Capital assets being depreciated, net	919,853,388	81,621,293	(40,158,499)	(7,706,023)	953,610,159
Total capital assets, net	<u>\$ 1,006,922,411</u>	<u>\$ -</u>	<u>\$ (7,042,070)</u>	<u>\$ (7,706,023)</u>	<u>\$ 992,174,318</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 48,404,825
Instructional support	2,681,527
Student support	320,150
Office of principal	1,690,664
General administration	2,429,275
Fiscal services	100,040
Other support services	346,778
Student transportation	1,320
Plant services	1,458,701
Community service	293,283
Food service	3,093,086
Total depreciation expense	<u>\$ 60,819,649</u>

The estimated cost to complete construction in progress at June 30, 2013 is \$4,441,282.

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 this regard, the Board has assigned \$2,000,000 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 above assignment and, therefore, will not materially affect the financial condition of the Board.

The Board is 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 a four year contract for transportation services with an external vendor on July 1, 2010 with an anticipated annual cost of approximately \$14,885,000.

Subsequent to June 30, 2013, the Board has entered into school construction and renovation contracts totaling approximately \$1,574,941.

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2013, 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, 2013, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Categorically Aided	\$ 24,387,061
	Internal Service	2,756,933
		<u>\$ 27,143,994</u>

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

Interfund receivables and payables occur in the course of ordinary operations and reflect short-term transactions between funds, primarily transactions between the General Fund and the Categorically Aided Funds.

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidiaries or matching funds for various grant programs.

In the year ended June 30, 2013, the Board made no transfers.

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 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. 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 and 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>2013</u>	<u>2012</u>
Unpaid claims, beginning of fiscal year	\$ 11,508,607	\$ 14,150,285
Incurred claims (including IBNRs)	124,954,181	129,089,189
Claim payments	<u>(124,515,258)</u>	<u>(131,730,867)</u>
	<u>\$ 11,947,530</u>	<u>\$ 11,508,607</u>

A Medicare supplement insurance contract has been purchased 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, 2013, total funds remitted to the charter schools totaled \$55,054,771.

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:

	<u>General Fund</u>	<u>Categorically Aided Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventories	\$ 8,492,618	\$ -	\$ 3,667,268	\$ 12,159,886
School cafeteria inventory	-	-	318,899	318,899
Restricted for:				
Capital projects	-	-	12,798,791	12,798,791
Education	24,587,191	2,317,423	-	26,904,614
Encumbrances from current year	-	3,533,748	4,519,168	8,052,916
Instruction - career ladder	34,415	-	-	34,415
Instruction - extended contract	141,217	-	-	141,217
Inventory encumbrances	-	-	333,250	333,250
Operation of non-instructional services	-	1,351,111	13,589,430	14,940,541
Assigned to:				
Education	1,620,496	-	-	1,620,496
Encumbrances from current year	7,756,397	-	-	7,756,397
Inventory encumbrances	17,277	-	-	17,277
Legal liability	2,000,000	-	-	2,000,000
Other post employment benefits	12,000,000	-	-	12,000,000
Other purposes - planned use (1)	12,609,414	-	-	12,609,414
Unassigned:				
General purpose	70,532,769	-	-	70,532,769
Total fund balances	\$ 139,791,794	\$ 7,202,282	\$ 35,226,806	\$ 182,220,882

(1) Assigned to “Other purposes – planned use” indicates that the district plans to utilize the specified amount of fund balance for the next fiscal year’s budget.

NOTE 14 – SUBSEQUENT EVENTS

Memphis City Schools was abolished in July 2013 and the schools formerly comprising the Memphis City Schools are now operated by the Shelby County Board of Education. Its assets and obligations were transferred to the Shelby County Board of Education.

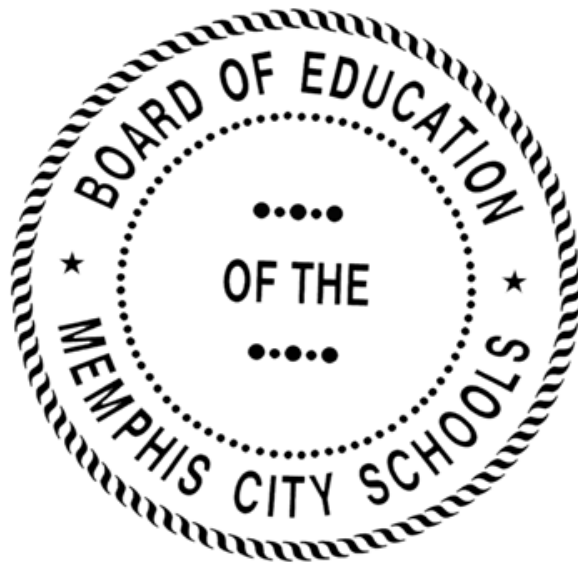
Memphis City Schools had no employees or retirees covered by the medical plan as of June 30, 2013. As a result, there was no obligation by Memphis City Schools to provide these benefits. Subsequent to June 30, 2013, some former employees of and retirees from Memphis City Schools were employed by

Shelby County Schools or covered as retirees under the medical plan of Shelby County Schools. The obligation associated with the provision of postretirement medical benefits for these employees and retirees will be recorded by Shelby County Schools for the year ended June 30, 2014. The amount of this obligation, based on the plan provisions in effect July 1, 2013 and the employee population as of July 1, 2013, is estimated as follows:

<u>Annual OPEB Cost</u>	<u>June 30, 2013</u>
Normal Cost at beginning of the year	\$ 43,182,524
Amortization of UAAL	45,862,717
Interest	<u>3,561,810</u>
ARC	92,607,051
Interest on net OPEB Obligation	17,146,599
Adjustment to ARC	<u>(18,241,063)</u>
OPEB Expense	91,512,587
NET OPEB contributions made during the fiscal year	<u>(37,739,711)</u>
Increase in Net OPEB Obligation	53,772,876
Net OPEB Obligation, beginning of year	<u>428,664,974</u>
Net OPEB Obligation, end of year	<u><u>\$ 482,437,850</u></u>
Percentage of expense contributed	41.2%
Unfunded actuarial accrued liability	\$1,130,585,514
Covered Payroll	\$615,953,221
Ratio	183.55%
Actuarial Value of Assets	13,705,386

Subsequent to fiscal year 2013, a physical inventory of assets was conducted by an independent asset auditing company. The asset audit summary reported 23.28% missing, 72.31% found, and 4.41% as not verified. In addition, the audit identified 27,032 items that were not recorded as assets by the District. As a result, the District is currently undergoing an internal audit of assets to confirm the audit results. Based on management's estimates, capital assets would decrease by an estimated \$6.8 million (net of accumulated depreciation) due to missing items and increase by \$3.4 million (net of accumulated depreciation) for items identified as additions.

Required Supplementary Information



Schedules of Funding Progress for Memphis City Schools
(Dollar amounts in thousands)

Tennessee Consolidated Retirement System (TCRS)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2007	\$ 360,437	\$ 383,489	\$ 23,052	93.99%	\$ 131,901	17.48%
7/1/2009	380,539	399,012	18,473	95.37%	140,724	13.13%
7/1/2011	461,121	474,303	13,181	97.22%	148,431	8.88%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method.

Post Retirement Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2011	\$ -	\$ 1,169,082	1,169,082	0.00%	\$ 630,864	185.31%
6/30/2012	12,000	1,074,163	1,062,163	1.12%	611,945	173.57%
6/30/2013	-	-	-	0.00%	-	0.00%

The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The actuarial accrued liability was eliminated in fiscal year 2013 due to the merger with Shelby County Schools.

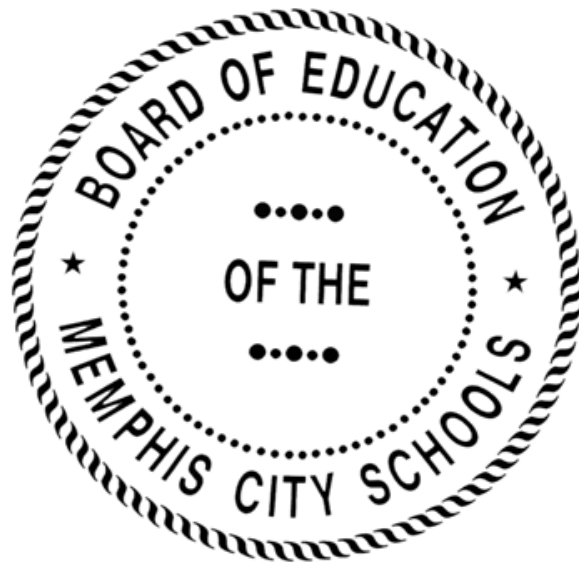
Schedule of Employer Contributions for Memphis City Schools

Post Retirement Benefits

Fiscal Year Ended	Annual Required Contributions	Actual Contributions	Percentage Contributed
6/30/2011	\$ 105,904	\$ -	0.00%
6/30/2012	97,422	12,000	12.32%
6/30/2013	-	-	0.00%

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**COMBINING INFORMATION
NONMAJOR FUNDS**



**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Capital Projects Fund	Special Revenue Fund Food Service	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents	\$ 17,761,619	\$ 13,974,367	\$ 31,735,986
Due from other governments	154,014	1,233,274	1,387,288
Other receivables	-	101,591	101,591
Inventories	-	3,986,167	3,986,167
Total assets	<u>\$ 17,915,633</u>	<u>\$ 19,295,399</u>	<u>\$ 37,211,032</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and other accrued liabilities	597,674	1,386,552	1,984,226
Total liabilities	<u>597,674</u>	<u>1,386,552</u>	<u>1,984,226</u>
Fund balances			
Nonspendable	-	3,986,167	3,986,167
Restricted	17,317,959	13,922,680	31,240,639
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>17,317,959</u>	<u>17,908,847</u>	<u>35,226,806</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,915,633</u>	<u>\$ 19,295,399</u>	<u>\$ 37,211,032</u>

See independent auditor's report

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Capital Projects Fund	Special Revenue Fund Food Service	Total Non-Major Governmental Funds
Revenues			
State of Tennessee	\$ 154,095	\$ 516,490	\$ 670,585
Federal Government	29,524,417	49,993,757	79,518,174
Other local sources	350,779	12,121,460	12,472,239
	-		-
Total revenues	<u>\$ 30,029,291</u>	<u>\$ 62,631,707</u>	<u>\$ 92,660,998</u>
Expenditures			
Current:			
Food service	-	65,114,452	65,114,452
Capital outlay	35,586,529	-	35,586,529
Total expenditures	<u>35,586,529</u>	<u>65,114,452</u>	<u>100,700,981</u>
Excess (deficiency) of revenues over expenditures	<u>(5,557,238)</u>	<u>(2,482,745)</u>	<u>(8,039,983)</u>
Fund balance - July 1, 2012	<u>22,875,197</u>	<u>20,391,592</u>	<u>43,266,789</u>
Fund balance - June 30, 2013	<u>\$ 17,317,959</u>	<u>\$ 17,908,847</u>	<u>\$ 35,226,806</u>

See independent auditor's report

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State of Tennessee	\$ -	\$ -	\$ 154,095	\$ 154,095
Federal Government	32,111,952	29,505,781	29,524,417	18,636
Other local sources	1,350,000	334,183	350,779	16,596
Total revenues	<u>33,461,952</u>	<u>29,839,964</u>	<u>30,029,291</u>	<u>189,327</u>
Expenditures				
Capital Outlay	<u>48,340,664</u>	<u>39,637,987</u>	<u>19,848,735</u>	<u>19,789,252</u>
Total expenditures	<u>48,340,664</u>	<u>39,637,987</u>	<u>19,848,735</u>	<u>19,789,252</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (14,878,712)</u>	<u>\$ (9,798,023)</u>	10,180,556	<u>\$ 19,978,579</u>
Change in reserve for encumbrances			<u>(15,737,794)</u>	
Net change in fund balances (GAAP basis)			(5,557,238)	
Fund balance - July 1, 2012			<u>22,875,197</u>	
Fund balance - June 30, 2013			<u>\$ 17,317,959</u>	

See independent auditor's report

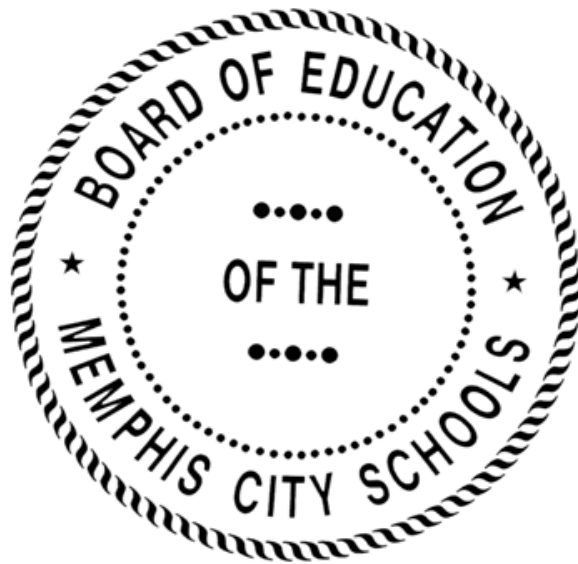
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the year ended June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State of Tennessee	\$ 560,000	\$ 560,000	\$ 516,490	\$ (43,510)
Federal Government	49,334,461	49,334,461	49,993,757	659,296
Other local sources	<u>13,780,539</u>	<u>13,780,539</u>	<u>12,121,460</u>	<u>(1,659,079)</u>
Total revenues	<u>63,675,000</u>	<u>63,675,000</u>	<u>62,631,707</u>	<u>(1,043,293)</u>
Expenditures				
Current				
Labor	31,041,107	29,544,360	27,896,828	1,647,532
Food	27,175,000	24,535,747	24,159,643	376,104
Supplies	1,000,000	2,050,000	2,622,543	(572,543)
Equipment	4,250,000	990,000	911,464	78,536
Other	<u>7,719,893</u>	<u>6,554,893</u>	<u>6,265,498</u>	<u>289,395</u>
Total expenditures	<u>71,186,000</u>	<u>63,675,000</u>	<u>61,855,976</u>	<u>1,819,024</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (7,511,000)</u>	<u>\$ -</u>	775,731	<u>\$ 775,731</u>
Change in reserve for encumbrances			<u>(3,258,476)</u>	
Net change in fund balances (GAAP basis)			(2,482,745)	
Fund balance - July 1, 2012			<u>20,391,592</u>	
Fund balance - June 30, 2013			<u>\$ 17,908,847</u>	

See independent auditor's report

**COMBINING INFORMATION
INTERNAL SERVICE FUNDS**



**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	Group Insurance Fund	Unemployment Fund	OPEB Fund	Printing Fund	Supply Chain Fund	Total
Assets						
Current Assets:						
Cash and cash equivalents	\$ 21,912,859	\$ 4,739,686	\$ -	\$ 458,839	\$ 204,287	\$ 27,315,671
Receivable from state	231,463	-	-	-	-	231,463
Receivable from other	801,209	-	-	-	-	801,209
Prepaid Items	2,151,672	-	-	-	-	2,151,672
Total assets	25,097,203	4,739,686	-	458,839	204,287	30,500,015
Liabilities						
Current Liabilities:						
Accounts payable and other accrued liabilities	-	27,590	-	28,561	26,326	82,477
Insurance claims and premiums payable	13,226,954	-	-	-	-	13,226,954
Due to general fund	2,756,933	-	-	-	-	2,756,933
Accrued vacation	5,446	-	-	5,646	2,157	13,249
Noncurrent Liabilities:						
Accrued vacation	4,192	-	-	31,071	14,764	50,027
Total liabilities	15,993,525	27,590	-	65,278	43,247	16,129,640
Net Position						
Unrestricted	\$ 9,103,678	\$ 4,712,096	\$ -	\$ 393,561	\$ 161,040	\$ 14,370,375

See independent auditor's report

**COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the year ended June 30, 2013**

	Group Insurance Fund	Unemployment Fund
Operating revenues		
Charges for services	\$ 221,233	\$ -
Employee contributions	41,119,362	-
Board contributions	72,281,786	3,681,009
Medicare	3,549,208	-
Total operating revenues	117,171,589	3,681,009
Operating expenses		
Personnel services	451,112	-
Material and supplies	-	-
Claims incurred	104,600,661	792,432
Life insurance premiums	3,386,485	-
Health insurance premiums	-	-
Administrative expenses	7,274,423	-
Total operating expenses	115,712,681	792,432
Operating income (loss)	1,458,908	2,888,577
Nonoperating revenues (expenses)		
Interest income	14,708	2,795
Total nonoperating revenues (expenses)	14,708	2,795
Change in net position	1,473,616	2,891,372
Net position		
July 1, 2012	7,630,062	1,820,724
June 30, 2013	\$ 9,103,678	\$ 4,712,096

See independent auditor's report

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

OPEB Fund	Printing Fund	Supply Chain Fund	Total
\$ -	\$ 998,555	\$ 877,412	\$ 2,097,200
9,673,695	-	-	50,793,057
28,066,016	-	-	104,028,811
-	-	-	3,549,208
<u>37,739,711</u>	<u>998,555</u>	<u>877,412</u>	<u>160,468,276</u>
-	448,973	815,027	1,715,112
-	213,174	31,954	245,128
20,353,521	-	-	125,746,614
531,045	-	-	3,917,530
15,809,755	-	-	15,809,755
<u>1,045,390</u>	<u>329,153</u>	<u>20,742</u>	<u>8,669,708</u>
<u>37,739,711</u>	<u>991,300</u>	<u>867,723</u>	<u>156,103,847</u>
-	7,255	9,689	4,364,429
-	408	127	18,038
<u>-</u>	<u>408</u>	<u>127</u>	<u>18,038</u>
-	7,663	9,816	4,382,467
-	385,898	151,224	9,987,908
<u>\$ -</u>	<u>\$ 393,561</u>	<u>\$ 161,040</u>	<u>\$ 14,370,375</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended June 30, 2013**

	Group Insurance Fund	Unemployment Fund
Cash Flows From Operating Activities		
Receipts for interfund services provided	\$ 74,118,717	\$ 3,681,009
Receipts from employees	41,119,362	-
Payments to suppliers	-	-
Payments to employees for salaries and benefits	(450,553)	-
Payments for life insurance premiums	(3,386,485)	-
Payments for health insurance premiums	-	-
Payments for insurance and unemployment claims	(109,079,278)	(764,842)
Net cash provided (used) by operating activities	2,321,763	2,916,167
Cash Flows From Investing Activities		
Interest received	14,708	2,795
Increase (Decrease) in cash and cash equivalents	2,336,471	2,918,962
Cash and cash equivalents at beginning of year	19,576,388	1,820,724
Cash and cash equivalents at end of year	\$ 21,912,859	\$ 4,739,686
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating gain (loss)	\$ 1,458,908	\$ 2,888,577
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Receivables	(1,933,510)	-
Accrued liabilities	2,796,365	27,590
Net cash provided (used) by operating activities	\$ 2,321,763	\$ 2,916,167

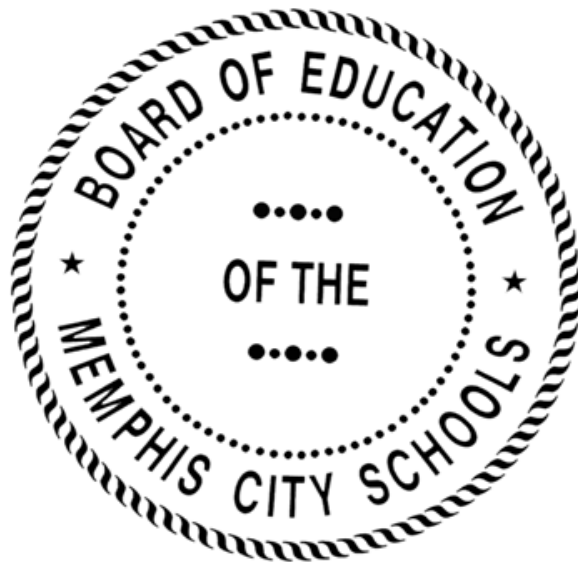
See independent auditor's report

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

OPEB Fund	Printing Fund	Supply Chain Fund	Total
\$ 28,066,016	\$ 998,555	\$ 877,412	\$ 107,741,709
9,673,695	-	-	50,793,057
-	(542,327)	(52,696)	(595,023)
-	(442,898)	(798,340)	(1,691,791)
(531,045)	-	-	(3,917,530)
(15,809,755)	-	-	(15,809,755)
(21,398,911)	-	-	(131,243,031)
-	13,330	26,376	5,277,636
-	408	127	18,038
-	13,738	26,503	5,295,674
-	445,101	177,784	22,019,997
<u>\$ -</u>	<u>\$ 458,839</u>	<u>\$ 204,287</u>	<u>\$ 27,315,671</u>
\$ -	\$ 7,255	\$ 9,689	\$ 4,364,429
-	-	-	(1,933,510)
-	6,075	16,687	2,846,717
<u>\$ -</u>	<u>\$ 13,330</u>	<u>\$ 26,376</u>	<u>\$ 5,277,636</u>

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Other Supplementary Statements and Schedules



STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the year ended June 30, 2013

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Assets				
Cash and cash equivalents	\$ 7,432,252	\$ 20,958,908	\$ 21,206,714	\$ 7,184,446
Investments	670,515	378	54,726	616,167
Other receivables	259,249	192,492	259,249	192,492
Due from general fund	145,797	-	145,797	-
Inventories	45,424	48,315	45,424	48,315
Total assets	<u>\$ 8,553,237</u>	<u>\$ 21,200,093</u>	<u>\$ 21,711,910</u>	<u>\$ 8,041,420</u>
Liabilities				
Accounts payable	\$ 146,912	\$ 107,684	\$ 146,912	\$ 107,684
Due to student general fund	5,528,842	4,353,318	4,626,834	5,255,326
Due to student groups	2,877,483	16,434,088	16,633,161	2,678,410
Total liabilities	<u>\$ 8,553,237</u>	<u>\$ 20,895,090</u>	<u>\$ 21,406,907</u>	<u>\$ 8,041,420</u>

See independent auditor's report

**SCHEDULE OF GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
June 30, 2013**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Totals</u>
Cost:					
Unallocated	\$ 449,385	\$ 3,506,205	\$ -	\$ -	\$ 3,955,590
Instruction	31,233,245	-	1,261,218,413	130,929,923	1,423,381,581
Instructional support	-	-	17,925,867	12,427,486	30,353,353
Student support	1,782	-	4,013,402	1,331,542	5,346,726
Office of principal	10,729	-	18,760,442	5,910,080	24,681,251
General administration	3,262,220	-	34,467,930	29,633,185	67,363,335
Fiscal services	-	-	-	498,545	498,545
Other support services	-	-	-	1,988,725	1,988,725
Student transportation	-	-	164,142	10,291	174,433
Plant services	63,112	-	4,722,088	8,577,501	13,362,701
Community service	-	-	-	1,743,568	1,743,568
Food service	37,481	-	75,895,180	12,938,560	88,871,221
Totals	<u>\$ 35,057,954</u>	<u>\$ 3,506,205</u>	<u>\$ 1,417,167,464</u>	<u>\$ 205,989,406</u>	<u>\$ 1,661,721,029</u>
Accumulated depreciation:					
Instruction	\$ -	\$ -	\$ 454,063,490	\$ 97,650,268	\$ 551,713,758
Instructional support	-	-	9,853,300	4,262,661	14,115,961
Student support	-	-	1,447,148	489,610	1,936,758
Office of principal	-	-	6,883,059	2,516,324	9,399,383
General administration	-	-	18,261,582	28,682,751	46,944,333
Fiscal services	-	-	-	294,041	294,041
Other support services	-	-	-	719,069	719,069
Student transportation	-	-	164,142	1,762	165,904
Plant services	-	-	3,364,527	5,897,533	9,262,060
Community service	-	-	-	736,377	736,377
Food service	-	-	27,365,309	6,893,758	34,259,067
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,402,557</u>	<u>\$ 148,144,154</u>	<u>\$ 669,546,711</u>
Net book value:					
Unallocated	\$ 449,385	\$ 3,506,205	\$ -	\$ -	\$ 3,955,590
Instruction	31,233,245	-	807,154,923	33,279,655	871,667,823
Instructional support	-	-	8,072,567	8,164,825	16,237,392
Student support	1,782	-	2,566,254	841,932	3,409,968
Office of principal	10,729	-	11,877,383	3,393,756	15,281,868
General administration	3,262,220	-	16,206,348	950,434	20,419,002
Fiscal services	-	-	-	204,504	204,504
Other support services	-	-	-	1,269,656	1,269,656
Student transportation	-	-	-	8,529	8,529
Plant services	63,112	-	1,357,561	2,679,968	4,100,641
Community service	-	-	-	1,007,191	1,007,191
Food service	37,481	-	48,529,871	6,044,802	54,612,154
Totals	<u>\$ 35,057,954</u>	<u>\$ 3,506,205</u>	<u>\$ 895,764,907</u>	<u>\$ 57,845,252</u>	<u>\$ 992,174,318</u>

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, 2013**

Function	Cost				Balance June 30, 2013
	Balance July 1, 2012	Reclassifications	Additions	Disposals and Adjustments	
Unallocated					
Land	\$ 449,385	\$ -	\$ -	\$ -	\$ 449,385
Construction in Progress	52,011,069	(81,621,293)	33,116,429	-	3,506,205
Totals	52,460,454	(81,621,293)	33,116,429	-	3,955,590
Instruction					
Land	31,233,245	-	-	-	31,233,245
Buildings and Improvements	1,201,981,982	75,706,448	302,847	(16,772,864)	1,261,218,413
Machinery and Equipment	121,378,086	322,301	11,003,954	(1,774,418)	130,929,923
Totals	1,354,593,313	76,028,749	11,306,801	(18,547,282)	1,423,381,581
Instructional support					
Buildings and Improvements	17,908,158	17,709	-	-	17,925,867
Machinery and Equipment	8,308,562	-	4,161,676	(42,752)	12,427,486
Totals	26,216,720	17,709	4,161,676	(42,752)	30,353,353
Student support					
Land	1,782	-	-	-	1,782
Buildings and Improvements	3,871,643	183,675	1,404	(43,320)	4,013,402
Machinery and Equipment	1,275,721	-	69,275	(13,454)	1,331,542
Totals	5,149,146	183,675	70,679	(56,774)	5,346,726
Office of principal					
Land	10,729	-	-	-	10,729
Buildings and Improvements	17,773,003	1,257,404	3,803	(273,768)	18,760,442
Machinery and Equipment	5,605,443	-	343,732	(39,095)	5,910,080
Totals	23,389,175	1,257,404	347,535	(312,863)	24,681,251
General administration					
Land	3,262,220	-	-	-	3,262,220
Buildings and Improvements	34,478,900	-	-	(10,970)	34,467,930
Machinery and Equipment	29,736,884	-	20,014	(123,713)	29,633,185
Totals	67,478,004	-	20,014	(134,683)	67,363,335
Fiscal services					
Machinery and Equipment	504,892	-	45,636	(51,983)	498,545
Totals	504,892	-	45,636	(51,983)	498,545
Other support services					
Machinery and Equipment	1,100,086	-	893,440	(4,801)	1,988,725
Totals	1,100,086	-	893,440	(4,801)	1,988,725
Student transportation					
Buildings and Improvements	164,142	-	-	-	164,142
Machinery and Equipment	1,682	-	8,609	-	10,291
Totals	165,824	-	8,609	-	174,433
Plant services					
Land	63,112	-	-	-	63,112
Buildings and Improvements	4,640,491	43,545	68,485	(30,433)	4,722,088
Machinery and Equipment	7,951,683	-	666,205	(40,387)	8,577,501
Totals	12,655,286	43,545	734,690	(70,820)	13,362,701
Community service					
Machinery and Equipment	1,497,535	-	275,830	(29,797)	1,743,568
Totals	1,497,535	-	275,830	(29,797)	1,743,568
Food service					
Land	37,481	-	-	-	37,481
Buildings and Improvements	72,712,906	4,090,211	22,559	(930,496)	75,895,180
Machinery and Equipment	10,179,563	-	2,773,681	(14,684)	12,938,560
Totals	82,929,950	4,090,211	2,796,240	(945,180)	88,871,221
Grand Totals					
Land	\$ 35,057,954	\$ -	\$ -	\$ -	\$ 35,057,954
Construction in progress	52,011,069	(81,621,293)	33,116,429	-	3,506,205
Buildings and Improvements	1,353,531,225	81,298,992	399,098	(18,061,851)	1,417,167,464
Machinery and Equipment	187,540,137	322,301	20,262,052	(2,135,084)	205,989,406
Totals	\$ 1,628,140,385	\$ -	\$ 53,777,579	\$ (20,196,935)	\$ 1,661,721,029

See independent auditor's report

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Accumulated Depreciation					
Balance July 1, 2012	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2013	Net book value June 30, 2013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 449,385
-	-	-	-	-	3,506,205
-	-	-	-	-	3,955,590
-	-	-	-	-	31,233,245
426,298,275	-	37,795,922	(10,030,707)	454,063,490	807,154,923
88,495,226	-	10,608,903	(1,453,861)	97,650,268	33,279,655
514,793,501	-	48,404,825	(11,484,568)	551,713,758	871,667,823
8,964,713	-	888,587	-	9,853,300	8,072,567
2,490,007	-	1,792,940	(20,286)	4,262,661	8,164,825
11,454,720	-	2,681,527	(20,286)	14,115,961	16,237,392
-	-	-	-	-	1,782
1,348,248	-	123,712	(24,812)	1,447,148	2,566,254
298,658	-	196,438	(5,486)	489,610	841,932
1,646,906	-	320,150	(30,298)	1,936,758	3,409,968
-	-	-	-	-	10,729
6,486,317	-	562,471	(165,729)	6,883,059	11,877,383
1,406,129	-	1,128,193	(17,998)	2,516,324	3,393,756
7,892,446	-	1,690,664	(183,727)	9,399,383	15,281,868
-	-	-	-	-	3,262,220
17,374,757	-	897,795	(10,970)	18,261,582	16,206,348
27,264,795	-	1,531,480	(113,524)	28,682,751	950,434
44,639,552	-	2,429,275	(124,494)	46,944,333	20,419,002
220,796	-	100,040	(26,795)	294,041	204,504
220,796	-	100,040	(26,795)	294,041	204,504
374,543	-	346,778	(2,252)	719,069	1,269,656
374,543	-	346,778	(2,252)	719,069	1,269,656
164,142	-	-	-	164,142	-
442	-	1,320	-	1,762	8,529
164,584	-	1,320	-	165,904	8,529
-	-	-	-	-	63,112
3,235,971	-	145,294	(16,738)	3,364,527	1,357,561
4,623,532	-	1,313,407	(39,406)	5,897,533	2,679,968
7,859,503	-	1,458,701	(56,144)	9,262,060	4,100,641
454,916	-	293,283	(11,822)	736,377	1,007,191
454,916	-	293,283	(11,822)	736,377	1,007,191
-	-	-	-	-	37,481
25,624,026	-	2,287,614	(546,331)	27,365,309	48,529,871
6,092,481	-	805,472	(4,195)	6,893,758	6,044,802
31,716,507	-	3,093,086	(550,526)	34,259,067	54,612,154
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,057,954
-	-	-	-	-	3,506,205
489,496,449	-	42,701,395	(10,795,287)	521,402,557	895,764,907
131,721,525	-	18,118,254	(1,695,625)	148,144,154	57,845,252
\$ 621,217,974	\$ -	\$ 60,819,649	\$ (12,490,912)	\$ 669,546,711	\$ 992,174,318

DEBT INFORMATION
SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS
For the year ended June 30, 2013

<u>Description/ Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2012</u>
Due to State of Tennessee			
December 2002 to December 2015	0.00	\$ 6,651,638	\$ 1,900,470
December 2004 to December 2018	0.00	1,084,000	505,865
Total		<u>13,136,490</u>	<u>2,406,335</u>
Accrued Vacation			9,932,951
Post Employment Benefits			<u>428,664,974</u>
Total Long-term Obligations		<u>\$ 13,136,490</u>	<u>\$ 441,004,260</u>

See Independent Auditor's Report

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>Issued</u>	<u>Payments and Retirements</u>	<u>Outstanding June 30, 2013</u>	<u>Current Portion</u>
-	\$ (475,117)	\$ 1,425,353	\$ 475,117
-	(72,267)	433,598	72,267
-	(547,384)	1,858,951	547,384
3,170,376	(2,971,604)	10,131,723	3,116,826
-	(428,664,974)	-	-
<u>\$ 3,170,376</u>	<u>\$ (432,183,962)</u>	<u>\$ 11,990,674</u>	<u>\$ 3,664,210</u>

DEBT INFORMATION
SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS
PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2013

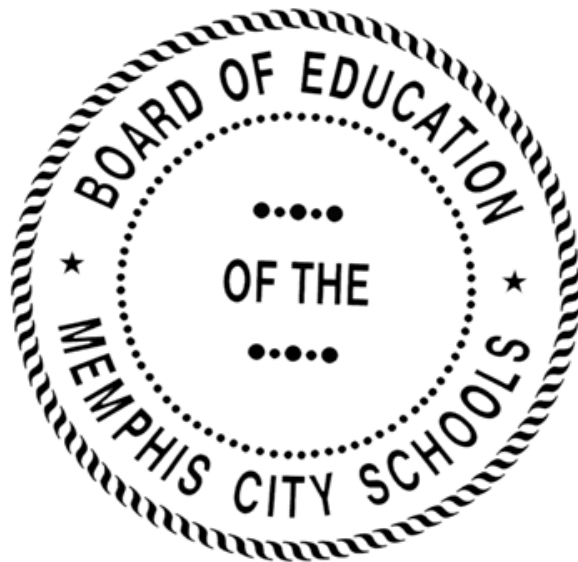
BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

<u>Year Ending</u> <u>June 30,</u>	<u>Due to State</u> <u>of Tennessee</u>	<u>Total</u>
Principal:		
2014	\$ 547,383	\$ 547,383
2015	547,384	547,384
2016	547,384	547,384
2017	72,267	72,267
2018	72,267	72,267
2019	<u>72,266</u>	<u>72,266</u>
Total	<u>\$ 1,858,951</u>	<u>\$ 1,858,951</u>

Note: Debt detailed in the above schedule is from Qualified Zone Academy Bonds (QZAB) that are interest free. There are administrative fees other than interest associated with QZAB bonds. All administrative fees for Qualified School Construction Bonds (QSCB) and QZAB Bonds are included in interest and fees expenditures in the general fund. The Shelby County Government is liable for the QSCB debt.

See independent auditor's report.

Statistical Section (unaudited)



This part of the Memphis City 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.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

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

Net Position	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net investment in capital assets	\$ 990,315,367	\$ 1,004,516,076	\$ 993,392,501	\$ 973,058,977
Restricted for:				
Capital projects	17,317,959	22,875,197	44,943,744	77,670,147
Contracted grant programs	7,202,282	8,158,877	10,610,888	12,148,613
Food service	17,908,847	20,391,592	21,451,083	18,803,355
Education	24,762,823	27,751,096	26,565,599	
Unrestricted	<u>185,482,362</u>	<u>(248,891,455)</u>	<u>(197,452,225)</u>	<u>(124,353,928)</u>
	<u>\$ 1,242,989,640</u>	<u>\$ 834,801,383</u>	<u>\$ 899,511,590</u>	<u>\$ 957,327,164</u>

(1) Net positions have been restated for a prior period adjustment

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>2009</u>	<u>2008 (1)</u>	<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 936,757,714	\$ 916,385,792	\$ 860,547,479	\$ 809,782,772	\$ 783,600,956	788,064,346
121,411,260	122,200,719	99,367,776	121,717,438	102,580,606	62,455,820
15,337,489	4,389,012	4,904,318	3,729,746	7,674,425	6,843,148
14,060,617	9,303,232	10,613,411	11,685,133	11,850,896	10,127,574
<u>12,489,740</u>	<u>112,684,268</u>	<u>172,157,446</u>	<u>117,659,144</u>	<u>80,677,052</u>	<u>73,869,061</u>
<u>\$ 1,100,056,820</u>	<u>\$ 1,164,963,023</u>	<u>\$ 1,147,590,430</u>	<u>\$ 1,064,574,233</u>	<u>\$ 986,383,935</u>	<u>\$ 941,359,949</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses				
Governmental activities:				
Instruction	\$ 657,617,818	\$ 699,225,721	\$ 728,526,243	\$ 734,000,182
Instructional support	57,155,706	52,712,257	59,273,584	52,892,233
Student support	71,328,241	83,047,393	75,709,380	74,230,338
Office of principal	61,404,200	66,766,345	71,039,702	74,376,588
Office of superintendent	-	-	-	-
General administration	35,530,787	29,923,118	22,811,043	19,347,129
Fiscal Services	5,689,542	5,935,208	6,125,586	6,226,788
Other support services	17,113,951	16,193,125	15,141,459	21,440,590
Student transportation	18,807,870	18,576,413	16,357,704	18,010,747
Plant services	103,267,665	107,611,645	110,932,920	113,515,845
Community service	25,126,965	26,531,270	25,178,767	25,843,653
Charter schools	55,054,771	46,364,022	38,817,022	29,490,799
Retiree benefits	-	-	-	-
Food service	69,409,450	66,140,158	60,111,997	58,108,794
Interest on long-term debt	84,116	84,116	60,755	5,658
Loss on disposal of assets	-	-	-	-
Depreciation - unallocated	-	-	-	-
Total government expenses	<u>1,177,591,082</u>	<u>1,219,110,791</u>	<u>1,230,086,162</u>	<u>1,227,489,344</u>
Revenues				
Governmental activities:				
Charges for services				
Instruction	1,186,084	919,559	1,235,556	1,106,202
Food service	12,109,346	11,816,827	11,607,775	12,082,946
Total charges for services	<u>13,295,430</u>	<u>12,736,386</u>	<u>12,843,331</u>	<u>13,189,148</u>
Operating grants and contributions:				
Instruction	432,541,807	443,513,305	447,497,589	422,088,017
Instructional support	53,957,286	40,438,005	47,119,655	40,225,527
Student support	37,526,041	42,910,632	29,497,426	21,992,321
Office of principal	16,786,830	18,061,121	18,159,701	23,364,548
Office of superintendent	-	-	-	-
General administration	988,094	712,696	370,285	470,605
Fiscal Services	288,860	294,437	93,178	170,483
Other support services	876,855	1,054,232	1,175,054	3,567,146
Student transportation	13,272,869	13,828,422	11,742,629	10,125,677
Plant services	65,465,294	65,061,036	67,402,619	65,953,972
Community service	22,763,707	22,737,096	21,607,884	20,657,967
Food service	50,551,504	47,069,750	45,435,450	44,116,900
Total operating grants and contributions	<u>695,019,147</u>	<u>695,680,732</u>	<u>690,101,470</u>	<u>652,733,163</u>
Capital grants and contributions				
Plant services	30,003,284	38,858,144	32,521,085	20,203,939
Total capital grants and contributions	<u>30,003,284</u>	<u>38,858,144</u>	<u>32,521,085</u>	<u>20,203,939</u>
General Revenues and Special Items				
Grants and contributions not restricted to specific programs	418,593,534	406,884,259	436,362,765	397,586,788
Unrestricted investment earnings	202,970	241,063	441,937	1,046,650
Special items	428,664,974	-	-	-
Total general revenues and special items	<u>847,461,478</u>	<u>407,125,322</u>	<u>436,804,702</u>	<u>398,633,438</u>
Total government revenues	<u>1,585,779,339</u>	<u>1,154,400,584</u>	<u>1,172,270,588</u>	<u>1,084,759,688</u>
Change in Net Position	<u>\$ 408,188,257</u>	<u>\$ (64,710,207)</u>	<u>\$ (57,815,574)</u>	<u>\$ (142,729,656)</u>

(1) Statement of activities have been restated for a prior period adjustment

(2) Statement of activities have been restated to allocate loss on disposal of assets and retiree benefits by function in 2009

Source: Memphis City Schools Financial Statements

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>2009 (2)</u>	<u>2008 (1)</u>	<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 708,121,695	\$ 682,571,711	\$ 578,251,512	\$ 567,986,093	\$ 578,080,978	\$ 521,460,666
50,966,149	52,798,664	17,889,649	18,341,917	15,599,438	19,797,632
76,691,113	64,138,195	44,365,201	43,106,817	44,959,361	51,763,722
74,741,072	67,223,970	59,127,097	54,439,128	55,752,601	48,431,668
-	-	-	-	1,765,813	-
16,455,040	15,885,317	11,653,191	18,025,973	7,092,168	8,897,956
4,901,550	5,537,339	3,811,443	3,269,359	2,929,128	2,880,879
22,635,727	16,899,236	28,183,639	25,818,514	21,542,503	18,427,800
23,774,521	24,294,600	22,368,704	21,668,113	22,112,253	19,277,777
119,084,877	125,376,436	107,077,285	108,191,586	104,539,344	103,409,902
24,360,092	16,467,024	3,397,725	-	-	-
21,372,840	16,109,720	13,933,886	9,290,018	5,092,268	1,862,777
-	29,196,999	27,394,427	25,164,742	23,047,685	20,498,205
53,777,037	55,895,458	53,970,382	52,490,602	46,715,493	46,444,269
11,115	623,825	718,293	2,001,990	1,729,469	1,828,191
-	395,594	1,057,097	1,951,548	1,336,234	-
-	-	34,680,611	32,640,462	33,884,821	27,998,871
<u>1,196,892,828</u>	<u>1,173,414,088</u>	<u>1,007,880,142</u>	<u>984,386,862</u>	<u>966,179,557</u>	<u>892,980,315</u>
1,003,025	918,752	1,248,953	1,430,538	-	-
<u>10,748,594</u>	<u>9,684,093</u>	<u>38,947,508</u>	<u>37,953,830</u>	<u>36,308,052</u>	<u>34,197,189</u>
11,751,619	10,602,845	40,196,461	39,384,368	36,308,052	34,197,189
408,743,150	415,904,817	393,538,653	370,969,766	381,155,342	353,470,078
34,069,225	39,988,178	14,972,122	13,754,809	1,201,805	1,068,273
21,295,079	18,952,372	15,142,696	14,689,810	21,152,029	26,575,121
29,792,143	19,893,485	22,442,638	18,760,873	20,871,373	13,672,503
-	-	-	-	1,856,321	-
70,690	190,734	320,931	1,470,751	436,200	222,507
15,797	251,519	469,207	460,659	663,816	317,030
3,522,073	3,320,972	8,492,088	11,362,350	8,824,519	5,468,698
10,004,822	10,924,480	7,798,236	6,745,313	7,125,683	6,676,519
57,220,677	55,187,381	47,992,653	45,344,382	41,970,778	39,321,042
20,584,995	12,381,480	141,727	-	-	-
41,630,047	40,099,491	13,491,421	10,210,611	11,871,208	12,265,709
<u>626,948,698</u>	<u>617,094,909</u>	<u>524,802,372</u>	<u>493,769,324</u>	<u>497,129,074</u>	<u>459,057,480</u>
43,961,102	74,999,483	-	-	-	-
<u>43,961,102</u>	<u>74,999,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
431,868,041	446,868,907	512,176,796	520,112,758	474,474,474	463,174,415
4,982,165	11,639,030	13,720,710	9,310,710	3,291,943	1,056,492
12,475,000	-	-	-	-	-
<u>449,325,206</u>	<u>458,507,937</u>	<u>525,897,506</u>	<u>529,423,468</u>	<u>477,766,417</u>	<u>464,230,907</u>
<u>1,131,986,625</u>	<u>1,161,205,174</u>	<u>1,090,896,339</u>	<u>1,062,577,160</u>	<u>1,011,203,543</u>	<u>957,485,576</u>
\$ (64,906,203)	\$ (12,208,914)	\$ 83,016,197	\$ 78,190,298	\$ 45,023,986	\$ 64,505,261

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (expense)/revenue:			
Total primary government net expense	\$ (439,273,221)	\$ (471,835,529)	\$ (494,620,276)
General revenues and other changes in net position:			
Governmental activities:			
Grants and contributions not restricted to specific programs	418,593,534	406,884,259	436,362,765
Unrestricted investment earnings	202,970	241,063	441,937
Special items	<u>428,664,974</u>	<u>-</u>	<u>-</u>
Total primary government	<u>847,461,478</u>	<u>407,125,322</u>	<u>436,804,702</u>
Changes in net position:			
Total primary government	<u>\$ 408,188,257</u>	<u>\$ (64,710,207)</u>	<u>\$ (57,815,574)</u>

(1) General revenues and total changes in net assets have been restated for a prior period adjustment

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>	<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ (541,363,094)	\$ (514,231,409)	\$ (470,716,851)	\$ (442,881,309)	\$ (451,233,170)	\$ (432,742,431)	\$ (399,725,646)
397,586,788	431,868,041	446,868,907	512,176,796	520,112,758	474,474,474	463,174,415
1,046,650	4,982,165	11,639,030	13,720,710	9,310,710	3,291,943	1,056,492
-	12,475,000	-	-	-	-	-
<u>398,633,438</u>	<u>449,325,206</u>	<u>458,507,937</u>	<u>525,897,506</u>	<u>529,423,468</u>	<u>477,766,417</u>	<u>464,230,907</u>
<u>\$ (142,729,656)</u>	<u>\$ (64,906,203)</u>	<u>\$ (12,208,914)</u>	<u>\$ 83,016,197</u>	<u>\$ 78,190,298</u>	<u>\$ 45,023,986</u>	<u>\$ 64,505,261</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
General fund:				
Reserved				\$ 16,172,775
Unreserved				<u>78,732,924</u>
Nonspendable	<u>8,492,618</u>	<u>7,937,683</u>	<u>7,613,135</u>	
Restricted	24,762,823	27,751,096	26,565,599	
Assigned	36,003,584	70,068,129	40,819,355	
Unassigned	<u>70,532,769</u>	<u>37,523,988</u>	<u>45,597,554</u>	
Total general fund	<u>139,791,794</u>	<u>143,280,896</u>	<u>120,595,643</u>	<u>94,905,699</u>
All other governmental funds:				
Reserved				51,889,595
Unreserved, reported in:				
Capital project funds				34,558,028
Special revenue funds				<u>22,174,492</u>
Nonspendable	<u>3,986,167</u>	<u>3,591,436</u>	<u>3,524,205</u>	
Restricted	38,442,921	47,834,230	73,481,510	
Total all other governmental funds	<u>42,429,088</u>	<u>51,425,666</u>	<u>77,005,715</u>	<u>108,622,115</u>
Total fund balance	<u>\$ 182,220,882</u>	<u>\$ 194,706,562</u>	<u>\$ 197,601,358</u>	<u>\$ 203,527,814</u>

Note:

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

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 24,484,234	\$ 36,222,165	\$ 15,992,687	\$ 11,444,525	\$ 12,381,913	\$ 14,119,159
<u>86,454,887</u>	<u>131,809,721</u>	<u>119,485,455</u>	<u>80,672,711</u>	<u>41,407,351</u>	<u>32,256,250</u>
110,939,121	168,031,886	135,478,142	92,117,236	53,789,264	46,375,409
53,218,963	27,054,602	16,339,034	51,174,527	17,263,475	14,073,836
75,479,596	100,084,699	88,372,082	81,638,607	96,863,160	57,464,265
<u>22,110,807</u>	<u>8,753,662</u>	<u>10,174,389</u>	<u>4,319,183</u>	<u>7,979,292</u>	<u>7,888,441</u>
150,809,366	135,892,963	114,885,505	137,132,317	122,105,927	79,426,542
<u>\$ 261,748,487</u>	<u>\$ 303,924,849</u>	<u>\$ 250,363,647</u>	<u>\$ 229,249,553</u>	<u>\$ 175,895,191</u>	<u>\$ 125,801,951</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
City of Memphis	\$ 65,073,226	\$ 68,555,279	\$ 88,445,386	\$ 63,846,224
Shelby County	353,009,900	353,669,095	358,974,917	359,014,163
State of Tennessee	454,859,111	458,592,718	455,698,142	440,093,567
Federal Government	238,459,867	248,431,213	234,250,280	194,242,215
Other local sources	45,732,824	40,570,570	36,013,650	36,716,955
	<u>1,157,134,928</u>	<u>1,169,818,875</u>	<u>1,173,382,375</u>	<u>1,093,913,124</u>
Total revenues and other financing sources				
Expenditures				
Current:				
Instruction	607,046,933	592,725,376	623,204,208	616,837,090
Instructional support	53,533,153	46,901,826	53,786,522	46,909,413
Student support	69,398,386	75,583,963	68,229,866	64,110,217
Office of principal	58,068,320	58,600,331	63,028,325	63,942,320
General administration	32,793,908	26,384,914	19,069,437	15,475,061
Fiscal services	5,424,978	5,245,233	5,424,505	5,393,981
Other support services	16,542,039	15,021,221	13,898,709	19,814,713
Student transportation	18,782,944	18,481,251	16,256,127	17,839,731
Plant services	100,139,296	99,104,444	102,131,030	101,863,367
Community service	24,402,993	24,491,171	23,241,501	23,369,745
Charter school	55,054,771	46,364,022	38,817,022	29,490,799
Retiree benefits	27,063,806	30,283,098	31,587,734	30,297,529
Food service	65,151,052	59,933,887	54,419,054	51,482,077
Debt Service:				
Principal	547,384	547,384	776,818	984,210
Interest	84,116	84,116	60,755	5,658
Capital outlay	35,586,529	60,961,434	65,377,218	64,317,886
Transfers Out				
Transfer	-	12,000,000	-	-
	<u>1,169,620,608</u>	<u>1,172,713,671</u>	<u>1,179,308,831</u>	<u>1,152,133,797</u>
Total expenditures and other financing uses				
Net change in fund balances	<u>\$ (12,485,680)</u>	<u>\$ (2,894,796)</u>	<u>\$ (5,926,456)</u>	<u>\$ (58,220,673)</u>
Debt service as a percentage of noncapital expenditures	0.06%	0.06%	0.08%	0.09%

Source: Memphis City Schools Financial Statements

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 24,938,425	\$ 93,447,593	\$ 94,953,106	\$ 99,058,216	\$ 86,503,709	\$ 85,104,565
393,336,811	427,157,650	404,761,012	417,992,016	387,746,229	375,291,225
444,945,321	439,583,328	390,744,627	359,525,920	349,073,679	325,042,008
150,531,130	161,940,350	142,716,545	152,680,121	163,418,394	146,959,115
49,282,029	39,723,825	48,991,312	33,320,887	25,545,532	25,088,662
<u>1,063,033,716</u>	<u>1,161,852,746</u>	<u>1,082,166,602</u>	<u>1,062,577,160</u>	<u>1,012,287,543</u>	<u>957,485,575</u>
578,767,411	591,201,043	587,812,824	571,058,427	583,496,452	548,066,298
44,990,921	48,082,608	18,119,498	18,372,021	15,557,028	20,260,736
67,929,672	60,462,091	45,077,637	43,124,019	44,935,126	52,028,353
65,234,708	60,466,773	59,127,097	54,439,128	55,752,601	48,431,668
12,536,518	11,476,772	14,419,230	14,050,629	8,141,493	5,240,453
4,239,110	5,074,012	3,490,099	3,269,359	2,929,128	2,880,879
21,074,786	17,370,700	23,113,575	25,947,531	21,360,744	20,412,531
23,703,209	24,245,767	22,368,704	21,668,113	22,112,253	19,277,777
108,788,505	118,252,061	107,195,020	108,035,726	104,323,507	103,915,773
21,927,730	16,061,491	133,253	-	-	-
21,372,840	16,109,720	13,933,886	9,290,018	5,092,268	1,862,777
30,007,304	29,196,999	27,394,427	25,164,742	23,047,685	20,498,205
47,653,904	51,173,901	53,650,982	52,164,459	46,439,967	46,126,895
979,298	2,671,652	7,834,561	6,979,679	6,976,837	6,864,781
11,115	623,825	718,293	2,001,990	1,729,469	1,828,191
55,993,047	55,822,129	76,663,422	53,656,958	20,299,745	34,876,431
-	-	-	-	-	-
<u>1,105,210,078</u>	<u>1,108,291,544</u>	<u>1,061,052,508</u>	<u>1,009,222,799</u>	<u>962,194,303</u>	<u>932,571,748</u>
<u>\$ (42,176,362)</u>	<u>\$ 53,561,202</u>	<u>\$ 21,114,094</u>	<u>\$ 53,354,361</u>	<u>\$ 50,093,240</u>	<u>\$ 24,913,827</u>

0.09% 0.31% 0.87% 0.94% 0.92% 0.97%

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

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

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<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>
2004	\$ 32,256,250		\$ 731,173,775	4.41%	
2005	41,407,351		767,591,872	5.39%	
2006	80,672,711		787,119,882	10.25%	
2007	119,485,455		809,997,426	14.75%	
2008	131,809,721		858,903,057	15.35%	
2009	86,454,887		871,248,206	9.92%	
2010	78,732,924		863,552,035	9.12%	
2011		45,597,554	867,226,387		5.26%
2012		37,523,988	854,113,331		4.39%
2013		70,532,769	871,580,417		8.09%

Note:

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

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

Tax Year	Fiscal Year	Real Property				Personal Property	
		Farm and Residential (25%)		Commercial and Industrial (40%) (3)		Commercial and Industrial (40%) (2)	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	2004	\$ 4,196,715,250	\$ 16,786,861,000	\$ 4,105,623,644	\$ 10,437,117,200	\$ 1,051,851,210	\$ 3,501,707,400
2004	2005	4,239,551,575	16,958,206,300	3,971,880,085	10,096,505,900	997,752,815	3,321,838,600
2005	2006	4,869,679,825	19,478,719,300	4,371,575,300	11,119,490,800	1,030,040,160	3,429,662,300
2006	2007	4,911,984,475	19,647,937,900	4,279,098,355	10,884,205,500	1,043,440,480	3,475,008,700
2007	2008	5,135,189,100	20,540,756,400	4,291,102,795	10,921,043,300	1,031,524,225	3,434,824,100
2008	2009	5,199,303,925	20,797,215,700	4,320,668,495	11,005,511,900	1,034,557,855	3,455,649,100
2009	2010	5,476,099,925	21,904,399,700	4,893,771,265	12,450,961,410	1,196,861,700	3,986,490,000
2010	2011	5,359,781,600	21,439,126,400	4,743,781,550	12,089,810,000	1,133,365,185	3,774,783,400
2011	2012	5,301,771,500	21,207,086,000	4,507,983,385	11,506,347,200	1,128,790,635	3,760,225,200
2012	2013	5,248,101,650	20,992,406,600	4,371,602,915	11,161,458,700	1,178,853,370	3,927,663,000
Percentage of Total							
2003	2004	41.14%	52.03%	40.25%	32.35%	10.31%	10.85%
2004	2005	42.43%	53.33%	39.75%	31.75%	9.98%	10.45%
2005	2006	43.84%	54.79%	39.35%	31.28%	9.27%	9.65%
2006	2007	44.03%	55.06%	38.36%	30.50%	9.35%	9.74%
2007	2008	45.17%	56.19%	37.74%	29.88%	9.07%	9.40%
2008	2009	45.64%	56.55%	37.93%	29.93%	9.08%	9.40%
2009	2010	44.37%	55.10%	39.65%	31.32%	9.70%	10.03%
2010	2011	44.47%	55.27%	39.36%	31.17%	9.40%	9.73%
2011	2012	44.87%	55.71%	38.15%	30.22%	9.55%	9.88%
2012	2013	44.78%	55.60%	37.30%	29.56%	10.06%	10.40%

- (1) Does not include City-owned utilities (Electric and Gas Divisions) which are assessed a separate in-lieu-of-tax
- (2) Includes intangible personal property which is assessed at 40%
- (3) Includes multiple real estate assessed at 0-40% as well as greenbelt commercial at 25%, greenbelt industrial at 25% and greenbelt multiple real estate at 0-40%

Source: City of Memphis Finance Department

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

**Utilities and Carriers (55%)
(Real and Personal) (1)**

Privately Owned		Total		Total Assessed to Total Market Value	Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 846,729,349	\$ 1,539,507,907	\$ 10,200,919,453	\$ 32,265,193,507	31.62%	3.2304
783,769,116	1,425,034,756	9,992,953,591	31,801,585,556	31.42%	3.2304
837,348,675	1,522,452,136	11,108,643,960	35,550,324,536	31.25%	3.4332
921,568,343	1,675,578,805	11,156,091,653	35,682,730,905	31.26%	3.4332
911,976,305	1,658,138,736	11,369,792,425	36,554,762,536	31.10%	3.4332
835,038,281	1,518,251,420	11,392,568,556	36,776,628,120	30.98%	3.2500
775,027,935	1,409,141,700	12,341,760,825	39,750,992,810	31.05%	3.1957
816,425,195	1,484,409,445	12,053,353,530	38,788,129,245	31.07%	3.1957
877,932,058	1,596,240,105	11,816,477,578	38,069,898,505	31.04%	3.1889
922,004,864	1,676,372,480	11,720,562,799	37,757,900,780	31.04%	3.1100
8.30%	4.77%	100.00%	100.00%		
7.84%	4.47%	100.00%	100.00%		
7.54%	4.28%	100.00%	100.00%		
8.26%	4.70%	100.00%	100.00%		
8.02%	4.53%	100.00%	100.00%		
7.35%	4.12%	100.00%	100.00%		
6.28%	3.55%	100.00%	100.00%		
6.77%	3.83%	100.00%	100.00%		
7.43%	4.19%	100.00%	100.00%		
7.86%	4.44%	100.00%	100.00%		

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

REVENUE CAPACITY

Property Tax Rates and Levies

Last ten fiscal years ending June 30

Tax Rates per \$100 Assessed Value								Memphis City Schools Percent of County Allocation
Fiscal Year	Tax Year	City	County	Total	City Allocation to School District	County Allocation to Schools		
2004	2003	\$ 3.23	\$ 4.04	\$ 7.27	\$ 0.858	\$ 2.03	70.69%	
2005	2004	3.23	4.04	7.27	0.858	2.03	72.10%	
2006	2005	3.43	4.04	7.47	0.827	2.03	71.51%	
2007	2006	3.43	4.04	7.47	0.827	2.02	70.82%	
2008	2007	3.43	4.04	7.47	0.827	2.02	69.57%	
2009	2008	3.25	4.04	7.29	0.190	2.02	69.22%	
2010	2009	3.20	4.02	7.22	0.187	1.98	68.67%	
2011	2010	3.20	4.02	7.22	0.187	1.90	69.06%	
2012	2011	3.19	4.02	7.21	0.180	1.91	69.24%	
2013	2012	3.11	4.02	7.13	0.100	1.91	68.94%	

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

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

Source: City of Memphis Finance Department

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Tax Levies

City	County	Total
\$ 325,695,529	\$ 596,378,594	\$ 922,074,123
324,340,510	606,615,294	930,955,804
380,947,344	681,245,173	1,062,192,517
384,877,389	704,279,575	1,089,156,964
392,477,211	717,010,251	1,109,487,462
375,803,751	730,042,595	1,105,846,346
389,347,038	768,641,959	1,157,988,997
380,172,801	756,936,983	1,137,109,784
376,723,118	754,262,345	1,130,985,463
369,997,811	750,562,710	1,120,560,521

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

REVENUE CAPACITY

Principal Property Tax Payers

Current Year and Nine Years Ago

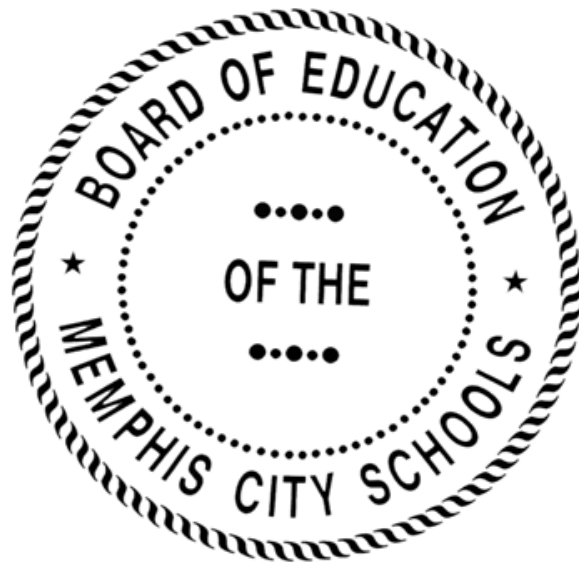
Name of Taxpayer	2013	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Federal Express	\$ 541,192,891	4.62%
Bell South Telecommunications	91,848,406	0.78%
Wolfchase Galleria, LTD	55,867,560	0.48%
Premcor Refining Group	37,485,210	0.32%
AMISUB (St. Francis Hospital)	34,642,640	0.30%
BNSF Railway Company	32,646,840	0.28%
Archer Daniels Midland Co.	22,871,140	0.20%
Kellogg USA, Inc.	20,901,085	0.18%
AT & T Mobility LLC	20,664,963	0.18%
Shopping Center Associates	19,993,160	0.17%
Total Assessed Valuation of Top 10 Taxpayers	878,113,895	7.49%
Balance of Assessed Valuation	10,842,448,904	92.51%
	<u>\$ 11,720,562,799</u>	<u>100.00%</u>

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2004		
Name of Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Federal Express	\$ 363,687,286	3.57%
Bell South Telecommunications	142,766,395	1.40%
Wolfchase Galleria, LTD	53,200,000	0.52%
Northwest Airlines, Inc.	40,229,224	0.39%
AMISUB (St. Francis Hospital) Inc.	32,400,000	0.32%
Pinnacle Airlines, Inc.	30,002,713	0.29%
Belz Enterprises	23,858,810	0.23%
Shopping Center Associates	23,164,120	0.23%
Clark Tower, LLC	22,550,880	0.22%
Cargill, Inc.	20,932,820	0.21%
	752,792,248	7.38%
	9,448,127,205	92.62%
	\$ 10,200,919,453	100.00%

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Debt Capacity



STATISTICAL AND OTHER INFORMATION (UNAUDITED)

DEBT CAPACITY

Outstanding Debt by Type

Last ten fiscal years ending June 30

BOARD OF EDUCATION OF THE

MEMPHIS CITY SCHOOLS

Governmental activities							
Fiscal year	City of Memphis	Environmental Protection Agency	State of Tennessee QZAB	Capital leases	Total primary government	Percentage of personal income	Per capita
2004	30,262,820	2,586,066	6,809,521	3,361,524	43,019,931	0.11%	64
2005	24,678,468	2,110,336	6,976,765	1,620,064	35,385,633	0.08%	53
2006	19,041,263	1,684,617	6,060,010	1,889,368	28,675,258	0.06%	42
2007	13,350,000	1,291,965	5,143,255	1,055,477	20,840,697	0.05%	31
2008	12,475,000	922,397	4,595,872	175,776	18,169,045	0.04%	27
2009	-	575,915	4,048,487	90,345	4,714,747	0.01%	7
2010	-	229,433	3,501,103	-	3,730,536	0.01%	6
2011	-	-	2,953,719	-	2,953,719	0.01%	5
2012	-	-	2,406,335	-	2,406,335	0.00%	4
2013	-	-	1,858,951	-	1,858,951	0.00%	3

Sources:

District Annual Financial Statements

**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**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

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
2004	\$ 37,072,341	\$ 10,200,919,453	0.36	\$ 32,265,193,507	0.11	671,929	55
2005	31,655,233	9,992,953,591	0.32	31,801,585,556	0.10	672,277	47
2006	25,101,273	11,108,643,960	0.23	35,550,324,536	0.07	677,345	37
2007	18,493,255	11,156,091,653	0.17	35,682,730,905	0.05	674,028	27
2008	17,070,872	11,369,792,425	0.15	36,554,762,536	0.05	669,651	25
2009	4,048,487	11,392,568,556	0.04	36,776,628,120	0.01	676,640	6
2010	3,501,103	12,341,760,825	0.03	39,750,992,810	0.01	646,889	5
2011	2,953,719	12,053,353,530	0.02	38,788,129,245	0.01	646,889	5
2012	2,406,335	11,816,477,578	0.02	38,069,898,505	0.01	646,889	4
2013	1,858,951	11,720,562,799	0.02	37,757,900,780	0.00	646,889	3

Sources:

District Annual Financial Statements
City of Memphis Annual Financial Statements

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

DEBT CAPACITY

Percentage of Debt Service to

Non-Capital Expenditures

Last ten fiscal years ending June 30

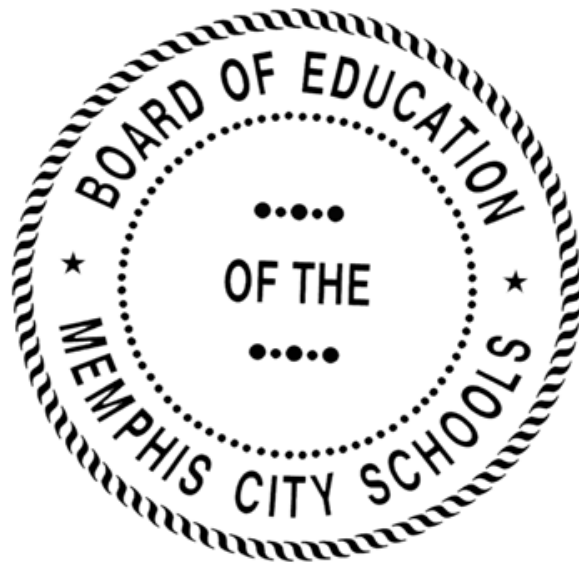
BOARD OF EDUCATION OF THE

MEMPHIS CITY SCHOOLS

Fiscal year	Debt Service Expenditures	Non-Capital Expenditures	Percentage of Debt Service to Non- Capital Expenditures
2004	8,692,972	738,190,044	1.18%
2005	8,706,306	875,302,429	0.99%
2006	8,981,669	931,968,817	0.96%
2007	8,552,854	977,687,952	0.87%
2008	3,295,477	1,042,658,677	0.32%
2009	990,413	1,049,217,031	0.09%
2010	989,868	1,066,627,574	0.09%
2011	837,573	1,101,760,384	0.08%
2012	631,500	1,095,573,952	0.06%
2013	631,500	1,111,531,429	0.06%

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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

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

Fiscal Year	Population	Personal income (in thousands)	Per Capita Personal Income	Median Age	Unemployment Rate
2003	672,130	38,592,109	31,677	33.4	6.2
2004	671,929	40,876,802	32,741	Not Available	5.6
2005	672,277	42,720,000	33,880	33.4	5.7
2006	677,345	44,758,000	35,113	33.6	6.2
2007	674,028	45,107,701	35,470	33.4	6.4
2008	669,651	47,515,739	37,147	33.4	5.2
2009	676,640	50,093,990	38,577	33.8	10.0
2010	646,889	50,613,401	35,775	33.5	10.9
2011	652,050	49,519,474	37,569	34.5	9.9
2012	657,457	38,116,646	37,546	33.4	9.5

Source: City of Memphis Comprehensive Annual Financial Statement

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

Name of Employer	2013	
	Employees	Percentage of Total City Employment
Federal Express Corporation	31,000	5.52%
Shelby County Schools	15,969	2.84%
United States Government	13,900	2.48%
Tennessee State Government	13,100	2.33%
Methodist Le Bonheur Healthcare	9,250	1.65%
Baptist Memorial Healthcare	7,286	1.30%
Memphis City Government	7,152	1.27%
Wal-Mart Stores, Inc.	6,000	1.07%
Shelby County Government	5,704	1.02%
Naval Support Activity Mid-South	4,076	0.73%
Total	113,437	20.20%

Source: City of Memphis Finance Department

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Name of Employer	2004	
	Employees	Percentage of Total City Employment
Federal Express Corporation	30,000	4.87%
Memphis City Schools	15,240	2.47%
United States Government	14,800	2.40%
Methodist Healthcare	7,258	1.18%
Shelby County Government	6,976	1.13%
Baptist Memorial Health Care Corp	6,792	1.10%
Memphis City Government	6,698	1.09%
Tennessee State Government	5,200	0.84%
Wal-Mart Stores, Inc.	5,030	0.82%
Shelby County Schools	5,000	0.81%
Total	102,994	16.70%

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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	Expenses
2004	135,183	\$ 887,139,568	\$ 6,563	3.83	\$ 892,980,315
2005	138,043	928,095,984	6,723	2.45	966,179,557
2006	137,932	937,294,154	6,795	1.07	984,386,862
2007	135,268	961,902,346	7,111	4.65	1,007,880,142
2008	129,872	1,033,064,218	7,954	11.86	1,173,414,088
2009	127,073	1,026,853,778	8,081	1.59	1,196,892,828
2010	124,691	1,057,335,244	8,480	4.94	1,227,489,344
2011	125,369	1,074,277,018	8,569	1.05	1,230,086,162
2012	123,400	1,064,756,715	8,628	0.70	1,219,110,791
2013	121,806	1,078,347,808	8,853	2.60	1,177,591,082

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

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>
\$ 6,606	2.67	N/A	N/A
6,999	5.96	7,552	18.28
7,137	1.97	N/A	N/A
7,451	4.40	7,319	18.48
9,035	21.26	N/A	N/A
9,419	4.25	7,248	17.53
9,844	4.52	7,027	17.74
9,812	(0.33)	7,018	17.86
9,879	0.69	6,438	19.17
9,668	(2.14)	6,479	18.80

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

**Weighted Full-time Average Daily Attendance
Last ten fiscal years ending June 30**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Fiscal Year	Memphis City Schools		Shelby County Schools	
	Weighted Full-time Equivalent Average Daily Attendance	Percent of Total	Weighted Full-time Average Daily Attendance	Percent of Total
2004	135,183	70.69%	56,039	29.31%
2005	138,043	72.09%	53,435	27.91%
2006	137,932	71.51%	54,943	28.49%
2007	135,268	70.82%	55,745	29.18%
2008	129,872	69.57%	56,799	30.43%
2009	127,073	69.22%	56,503	30.78%
2010	124,691	68.67%	56,905	31.33%
2011	125,369	69.06%	56,162	30.94%
2012	123,400	69.24%	54,823	30.76%
2013	121,806	68.94%	54,887	31.06%

Source: Letter of notification, State of Tennessee

NOTE: Local funding is based on Weighted Full-time Equivalent Average Daily Attendance.

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Staff by Type

Last ten fiscal years ending June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Full Time Staff				
Officials/Administration/Management	112	109	96	92
Principals	178	177	194	193
Assistant Principals, Teachers		-	-	-
Assistant Principals, Non-Teachers	155	151	164	161
Elementary Classroom Teachers	2,577	2,559	2,725	2,661
Secondary Classroom Teachers	2,135	2,132	2,421	2,385
Other Classroom Teachers	1,767	1,747	1,872	1,981
Guidance	227	227	243	249
Psychological	80	77	73	71
Librarian/Audiovisual	176	173	178	178
Consultants/Supervisors	50	49	50	51
Other Professional	431	514	546	473
Teachers Aides	1,518	1,452	1,431	1,458
Technicians	175	176	185	187
Clerical/Secretarial	734	717	780	783
Service Workers	2,035	1,539	1,707	1,691
Skilled Crafts	174	175	184	205
Laborers Unskilled	<u>101</u>	<u>101</u>	<u>108</u>	<u>117</u>
Totals	12,625	12,075	12,957	12,936
Part-Time Staff				
Professional Instructional	60	141	66	52
All Others	<u>2,347</u>	<u>3,170</u>	<u>2,659</u>	<u>3,093</u>
Totals	2,407	3,311	2,725	3,145
New Hires				
Officials/Administration/Management	5	-	4	13
Principals/Assistant Principals	11	4	6	13
Classroom Teachers	720	453	1,006	1,040
Other Professionals	19	24	31	96
Non Professionals	<u>251</u>	<u>308</u>	<u>567</u>	<u>1,505</u>
Totals	1,006	789	1,614	2,667

Source: Elementary-Secondary Staff Information (EEO-5) Report, as of October 1

Note: Prior to FY 2009, figures were only reported every other year.

N/A - Not available

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
77	N/A	80	N/A	92	N/A
186	N/A	192	N/A	185	N/A
-	N/A	-	N/A	-	N/A
198	N/A	195	N/A	161	N/A
3,023	N/A	3,197	N/A	3,501	N/A
3,013	N/A	3,121	N/A	3,045	N/A
1,212	N/A	1,001	N/A	1,006	N/A
214	N/A	224	N/A	244	N/A
67	N/A	68	N/A	61	N/A
155	N/A	160	N/A	167	N/A
54	N/A	54	N/A	54	N/A
493	N/A	382	N/A	382	N/A
1,365	N/A	1,218	N/A	1,134	N/A
136	N/A	145	N/A	163	N/A
750	N/A	724	N/A	748	N/A
1,974	N/A	2,004	N/A	1,938	N/A
221	N/A	249	N/A	228	N/A
113	N/A	107	N/A	125	N/A
13,251		13,121		13,234	
92	N/A	56	N/A	108	N/A
2,838	N/A	3,247	N/A	4,031	N/A
2,930		3,303		4,139	
5	N/A	4	N/A	11	N/A
7	N/A	80	N/A	7	N/A
934	N/A	1,066	N/A	753	N/A
90	N/A	68	N/A	42	N/A
1,065	N/A	1,219	N/A	603	N/A
2,101	N/A	2,437	N/A	1,416	N/A

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
A. B. Hill ES (2002)				
Square Feet	79,293	79,293	79,293	79,293
Classrooms	43	41	41	41
Design Capacity	877	860	860	860
Enrollment	371	298	344	351
A. Maceo Walker MS (2002)				
Square Feet	136,253	136,523	136,523	136,523
Classrooms	47	58	58	58
Design Capacity	1123	1175	1175	1175
Enrollment	523	602	681	637
Administration Building (1962)				
Square Feet	172,942	58,154	58,154	58,154
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Airways MS (1968)				
Square Feet	139,338	139,338	139,338	139,338
Classrooms	29	37	37	37
Design Capacity	693	725	725	725
Enrollment	313	306	339	344
Alcy ES (1965)				
Square Feet	60,313	60,313	60,313	60,313
Classrooms	30	41	41	41
Design Capacity	612	600	600	600
Enrollment	269	264	262	284
Alton ES (1969)				
Square Feet	55,934	55,934	55,934	55,934
Classrooms	30	30	30	30
Design Capacity	612	600	600	600
Enrollment	331	338	353	366
American Way MS (2003)				
Square Feet	140,970	140,500	140,500	140,500
Classrooms	46	45	45	45
Design Capacity	989	1150	1150	1150
Enrollment	741	823	932	1050
Avon-Lennox ES (1956)				
Square Feet	33,242	33,242	33,242	33,242
Classrooms	23	23	23	23
Design Capacity	Not Available	96	96	96
Enrollment	106	79	58	62
B.T. Washington HS (1949)				
Square Feet	202,918	234,819	234,819	234,819
Classrooms	37	63	63	63
Design Capacity	891	950	950	950
Enrollment	452	515	493	573
Balmoral ES (1970)				
Square Feet	See Ridgeway/Balmoral			
Classrooms				
Design Capacity				
Enrollment				

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
79,293	79,293	79,293	79,293	79,293	79,293
41	41	41	41	41	41
860	860	860	860	860	860
383	387	479	508	498	559
136,523	136,523	136,523	136,523	136,523	136,523
58	58	58	58	58	58
1175	1175	1175	1175	1175	1175
772	786	928	988	1,050	1,177
58,154	58,154	58,154	58,154	58,154	58,154
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
139,338	139,338	139,338	139,338	139,338	139,338
37	37	37	37	37	37
725	725	725	725	725	725
346	331	504	605	678	724
60,313	60,313	60,313	60,313	60,313	60,313
41	41	41	41	41	41
600	600	600	600	600	600
262	296	343	392	441	434
55,934	55,934	55,934	55,934	55,934	55,934
30	30	30	30	30	30
600	600	600	600	600	600
419	423	410	468	487	468
140,500	140,500	140,500	140,500	140,500	140,500
45	45	45	45	45	45
1150	1150	1150	1150	1150	1150
1014	1,083	1,061	1,034	979	1,040
33,242	33,242	33,242	33,242	33,242	33,242
23	23	23	23	23	23
96	96	96	96	96	96
72	77	80	91	101	86
234,819	234,819	234,819	234,819	234,819	234,819
63	63	63	63	63	63
950	950	950	950	950	950
649	747	690	684	594	587
		38,940	38,940	38,940	38,940
		Open Classroom	Open Classroom	Open Classroom	Open Classroom
		400	400	400	400
		349	335	377	318

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Bellevue MS (1928)				
Square Feet	93,972	93,972	93,972	93,972
Classrooms	29	52	52	52
Design Capacity	693	725	725	725
Enrollment	540	545	572	539
Berclair ES (1952)				
Square Feet	46,139	46,139	46,139	46,139
Classrooms	28	19	19	19
Design Capacity	571	560	560	560
Enrollment	554	598	604	537
Bethel Grove ES (1932)				
Square Feet	54,324	54,324	54,324	54,324
Classrooms	31	28	28	28
Design Capacity	632	580	580	580
Enrollment	245	267	254	295
Bond Building (1984)				
Square Feet	57,600	212,000	212,000	212,000
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Brookmeade ES (1960)				
Square Feet	52,991	52,991	52,991	52,991
Classrooms	27	29	29	29
Design Capacity	551	560	560	560
Enrollment	262	202	267	304
Brownsville Rd ES (1964)				
Square Feet	66,545	66,545	66,545	66,545
Classrooms	44	36	36	36
Design Capacity	898	880	880	880
Enrollment	625	643	596	647
Bruce ES (1999)				
Square Feet	68,491	49,443	49,443	49,443
Classrooms	37	28	28	28
Design Capacity	755	740	740	740
Enrollment	375	409	476	468
Caldwell ES (1956)	Caldwell ES combined with Guthrie ES in 2011.			
Square Feet	104,656	104,656	104,656	104,656
Classrooms	66	67	67	67
Design Capacity	1280	1280	1280	1280
Enrollment	Charter School	Charter School	Charter School	253
Caldwell-Guthrie ES (2000)	Caldwell ES combined with Guthrie ES in 2011.			
Square Feet	78,829	55,031	55,031	55,031
Classrooms	42	42	42	42
Design Capacity	857	840	840	840
Enrollment	313	357	407	235
Carnes ES (1951)				
Square Feet	74,000	85,104	85,104	85,104
Classrooms	38	53	53	53
Design Capacity	775	740	740	740
Enrollment	297	324	300	300

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
93,972	93,972	93,972	93,972	93,972	93,972
52	52	52	52	52	52
725	725	725	725	725	725
546	515	523	526	519	520
46,139	46,139	46,139	46,139	46,139	46,139
19	19	19	19	19	19
560	560	560	560	560	560
510	503	352	490	448	460
54,324	54,324	54,324	54,324	54,324	54,324
28	28	28	28	28	28
580	580	580	580	580	580
346	358	382	397	411	438
212,000	212,000	212,000	212,000	212,000	212,000
N/A	N/A	N/A	N/A	N/A	N/A
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	Administration
52,991	52,991	52,991	52,991	52,991	52,991
29	29	29	29	29	29
560	560	560	560	560	560
314	279	322	428	390	402
66,545	66,545	66,545	66,545	66,545	66,545
36	36	36	36	36	36
880	880	880	880	880	880
604	655	732	741	733	697
49,443	49,443	49,443	49,443	49,443	49,443
28	28	28	28	28	28
740	740	740	740	740	740
445	423	519	562	536	508
104,656	104,656	104,656	104,656	104,656	104,656
67	67	67	67	67	67
1280	1280	1280	1280	1280	1280
276	325	331	411	432	586
55,031	55,031	55,031	55,031	55,031	55,031
42	42	42	42	42	42
840	840	840	840	840	840
255	285	305	319	368	421
85,104	85,104	85,104	85,104	85,104	85,104
53	53	53	53	53	53
740	740	740	740	740	740
314	333	336	506	524	540

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Carver HS (1958)				
Square Feet	167,088	167,048	167,048	167,048
Classrooms	43	49	49	49
Design Capacity	1036	1075	1075	1075
Enrollment	409	495	575	575
Central HS (1911)				
Square Feet	283,230	304,000	304,000	304,000
Classrooms	71	86	86	86
Design Capacity	1597	1775	1775	1775
Enrollment	1631	1795	1788	1726
Charjean ES (1950)				
Square Feet	39,352	39,352	39,352	39,352
Classrooms	24	23	23	23
Design Capacity	490	480	480	480
Enrollment	479	396	408	413
Cherokee ES (1951)				
Square Feet	61,286	61,286	61,286	61,286
Classrooms	43	34	34	34
Design Capacity	877	860	860	860
Enrollment	429	375	367	400
Chickasaw MS (1971)				
Square Feet	138,044	138,044	138,044	138,044
Classrooms	32	30	30	30
Design Capacity	765	775	775	775
Enrollment	369	440	428	467
Chimney Rock ES (1990)	Acquired from the county.			
Square Feet	90,611	90,611	90,611	
Classrooms	50	51	51	
Design Capacity	1,020	1,275	1,275	
Enrollment	884	855	835	
Coleman ES (1910)				
Square Feet	118,617	49,538	49,538	49,538
Classrooms	32	28	28	28
Design Capacity	653	640	640	640
Enrollment	467	514	448	487
Colonial MS (2009)				
Square Feet	153,438	108,550	108,550	108,550
Classrooms	52	49	49	49
Design Capacity	1,118	1,100	1,100	1,100
Enrollment	1,131	1,151	1,163	1,109
Cordova ES (2002)	Includes Middle School enrollment in early years			
Square Feet	88,164	88,164	88,164	88,164
Classrooms	46	38	38	38
Design Capacity	938	920	920	920
Enrollment	670	752	797	777
Cordova HS (1997)				
Square Feet	278,000	278,000	278,000	278,000
Classrooms	107	112	112	112
Design Capacity	2,407	1,800	1,800	1,800
Enrollment	1,820	1,804	1,918	2,043

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
167,048	167,048	167,048	167,048	167,048	167,048
49	49	49	49	49	49
1075	1075	1075	1075	1075	1075
703	704	701	666	685	649
304,000	304,000	304,000	304,000	264,654	264,654
86	86	86	86	70	70
1775	1775	1775	1775	1775	1775
1708	1,736	1,450	1,349	1,298	1,271
39,352	39,352	39,352	39,352	39,352	39,352
23	23	23	23	23	23
480	480	480	480	480	480
431	372	296	307	319	367
61,286	61,286	61,286	61,286	61,286	61,286
34	34	34	34	34	34
860	860	860	860	860	860
439	492	567	585	647	660
138,044	138,044	138,044	138,044	138,044	138,044
30	30	30	30	30	30
775	775	775	775	775	775
442	490	521	691	574	423
49,538	49,538	49,538	49,538	49,538	49,538
28	28	28	28	28	28
640	640	640	640	640	640
549	590	638	681	644	638
108,550	108,550	108,550	108,550	108,550	108,550
49	49	49	49	49	49
1,100	1,100	1,100	1,100	1,100	1,100
1,110	1,111	1,001	932	904	893
88,164	88,164	88,164	88,164	88,164	88,164
38	38	38	38	38	38
920	920	920	920	920	920
724	760	752	761	725	647
278,000	278,000	278,000	278,000	278,000	278,000
112	112	112	112	112	112
1,800	1,800	1,800	1,800	1,800	1,800
2,046	1,966	2,315	2,120	2,053	

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Cordova MS (1993)	Was K-8 until elementary school built in 2002-03			
Square Feet	147,873	145,000	145,000	145,000
Classrooms	62	56	56	56
Design Capacity	1,333	1,550	1,550	1,550
Enrollment	883	889	958	1,148
Corning ES (1968)	Corning ES became an Achievement School District school in 2013.			
Square Feet	47,149	47,114	47,114	47,114
Classrooms	22	20	20	20
Design Capacity	460	460	460	460
Enrollment	N/A	294	344	409
Coro Lake ES (1974)	Closed for 2013-2013			
Square Feet	40,147	40,147	40,147	40,147
Classrooms	19	20	20	20
Design Capacity	Closed for 2013-201		380	380
Enrollment	Closed for 2013-201		148	162
Corry MS (1959)				
Square Feet	101,247	101,247	101,247	101,247
Classrooms	34	42	42	42
Design Capacity	813	850	850	850
Enrollment	261	260	267	336
Craigmont HS (1973)				
Square Feet	324,517	324,517	324,517	324,517
Classrooms	63	103	103	103
Design Capacity	1,518	1,450	1,450	1,450
Enrollment	1,003	1,061	1,132	1,124
Craigmont MS (2001)				
Square Feet	148,352	148,352	148,352	148,352
Classrooms	48	47	47	47
Design Capacity	1032	1200	1200	1200
Enrollment	731	832	849	801
Cromwell ES (1963)				
Square Feet	45,580	45,580	45,580	45,580
Classrooms	39	22	22	22
Design Capacity	796	440	440	440
Enrollment	550	453	459	513
Crump ES (1978)				
Square Feet	60,483	94,000	94,000	94,000
Classrooms	49	24	24	24
Design Capacity	1000	980	980	980
Enrollment	1,007	1,025	978	974
Cummings ES (1961)				
Square Feet	120,729	120,729	120,729	120,729
Classrooms	38	40	40	40
Design Capacity	720	720	720	720
Enrollment	579	563	502	489
Cypress MS (1966)				
Square Feet	216,171	216,171	216,171	216,171
Classrooms	56	49	49	49
Design Capacity	1,338	1,400	1,400	1,400
Enrollment	343	334	375	394

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
145,000	145,000	145,000	145,000	145,000	145,000
56	56	56	56	56	56
1,550	1,550	1,550	1,550	1,550	1,550
1,108	1,167	1,125	975	821	655
47,114	47,114	47,114	47,114	47,114	47,114
20	20	20	20	20	20
460	460	460	460	460	460
405	359	389	404	377	411
40,147	40,147	40,147	40,147	40,147	40,147
20	20	20	20	20	20
380	380	380	380	380	380
179	216	206	218	235	238
101,247	101,247	101,247	101,247	101,247	101,247
42	42	42	42	42	42
850	850	850	850	850	850
344	414	448	495	611	618
324,517	324,517	324,517	324,517	324,517	324,517
103	103	103	103	103	103
1,450	1,450	1,450	1,450	1,450	1,450
1,155	1,412	1,337	1,435	1,424	1,423
148,352	148,352	148,352	148,352	148,352	148,352
47	47	47	47	47	47
1200	1200	1200	1200	1200	1200
869	938	1,048	1,038	1,100	1,076
45,580	45,580	45,580	45,580	45,580	45,580
22	22	22	22	22	22
440	440	440	440	440	440
541	518	448	536	578	616
94,000	94,000	94,000	94,000	94,000	94,000
24	24	24	24	24	24
980	980	980	980	980	980
1,025	965	1,017	1,048	1,072	1,078
120,729	120,729	120,729	120,729	120,729	120,729
40	40	40	40	40	40
720	720	720	720	720	720
433	465	483	471	373	351
216,171	216,171	216,171	216,171	216,171	216,171
49	49	49	49	49	49
1,400	1,400	1,400	1,400	1,400	1,400
407	440	433	487	509	589

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Delano ES (1957)				
Square Feet	34,000	34,000	34,000	34,000
Classrooms	16	14	14	14
Design Capacity	326	320	320	320
Enrollment	239	281	320	321
Denver ES (1957)				
Square Feet	47,093	47,093	47,093	47,093
Classrooms	45	25	25	25
Design Capacity	918	540	540	540
Enrollment	584	289	286	298
Double Tree ES (1977)				
Square Feet	51,144	51,144	51,144	51,144
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	653	740	740	740
Enrollment	428	414	427	410
Douglass ES (1965)				
Square Feet	93,447	93,447	93,447	93,447
Classrooms	44	39	39	39
Design Capacity	929	920	920	920
Enrollment	360	362	392	409
Douglass HS (2008)				
Square Feet	146,568	146,568	146,568	146,568
Classrooms	35	44	44	44
Design Capacity	843	800	800	800
Enrollment	623	664	680	636
Downtown ES (2003)				
Square Feet	84,070	84,070	84,070	84,070
Classrooms	45	45	45	45
Design Capacity	918	900	900	900
Enrollment	586	589	636	632
Driver Ed Building (2006)				
Square Feet	3,200	3,200	3,200	3,200
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Dunbar ES (1956)				
Square Feet	55,155	50,495	50,495	50,495
Classrooms	30	26	26	26
Design Capacity	612	600	600	600
Enrollment	286	233	248	268
Dunn ES (1952)				
Square Feet	41,233	41,233	41,233	41,233
Classrooms	22	26	26	26
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Vacant	Charter School	Charter School	Charter School
East HS (1948)				
Square Feet	189,493	184,610	184,610	184,610
Classrooms	61	64	64	64
Design Capacity	1,470	1,550	1,550	1,550
Enrollment	781	839	969	1,090

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
34,000	34,000	34,000	34,000	34,000	34,000
14	14	14	14	14	14
320	320	320	320	320	320
282	287	312	287	295	322
47,093	47,093	47,093	47,093	47,093	47,093
25	25	25	25	25	25
540	540	540	540	540	540
265	268	284	295	296	304
51,144	51,144	51,144	51,144	51,144	51,144
Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom
740	740	740	740	740	740
450	448	465	524	587	622
93,447	93,447	93,447	93,447	93,447	93,447
39	39	39	39	39	39
920	920	920	920	920	920
407	390	373	392	395	355
146,568	146,568				
44	44				
800	800				
359					
84,070	84,070	84,070	84,070	84,070	84,070
45	45	45	45	45	45
900	900	900	900	900	900
645	668	616	653	578	522
3,200	3,200	3,200	3,200		
N/A	N/A	N/A	N/A		
Not Available	Not Available	Not Available	Not Available		
Administration	Administration	Administration	Administration		
50,495	50,495	50,495	50,495	50,495	50,495
26	26	26	26	26	26
600	600	600	600	600	600
278	313	341	308	330	337
41,233	41,233	41,233	41,233	41,233	41,233
26	26	26	26	26	26
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Charter School	Charter School	Charter School	Closed	177	171
184,610	184,610	184,610	184,610	184,610	184,610
64	64	64	64	64	64
1,550	1,550	1,550	1,550	1,550	1,550
1,058	941	966	1,314	1,334	1,348

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
East Career & Technology				
Square Feet	53,200	See East High	See East High	See East High
Classrooms	22			
Design Capacity	Not Available			
Enrollment				
Egypt ES (1964)				
Square Feet	57,636	57,636	57,636	57,636
Classrooms	41	46	46	46
Design Capacity	836	780	780	780
Enrollment	632	643	593	706
Evans ES (1966)				
Square Feet	67,246	67,246	67,246	67,246
Classrooms	36	36	36	36
Design Capacity	734	720	720	720
Enrollment	611	622	610	628
Fairley ES (1960)				
Square Feet	69,501	69,501	69,501	69,501
Classrooms	39	33	33	33
Design Capacity	796	780	780	780
Enrollment	325	314	289	329
Fairley HS (1968)				
Square Feet	189,299	159,169	159,169	159,169
Classrooms	52	45	45	45
Design Capacity	1,253	1,200	1,200	1,200
Enrollment	752	718	804	879
Fairview MS (1930)				
Square Feet	95,345	95,345	95,345	95,345
Classrooms	35	26	26	26
Design Capacity	837	875	875	875
Enrollment	275	281	263	325
Florida ES (1924)				
Square Feet	69,042	69,042	69,042	69,042
Classrooms	26	26	26	26
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed School	Closed School	Closed School	Closed School
Florida-Kansas ES (1999)				
Square Feet	80,610	80,610	80,610	80,610
Classrooms	47	46	46	46
Design Capacity	959	940	940	940
Enrollment	294	304	353	371
Ford Road ES (1952)				
Square Feet	78,213	78,213	78,213	78,213
Classrooms	45	45	45	45
Design Capacity	918	900	900	900
Enrollment	544	599	609	609
Fox Meadows ES (1965)				
Square Feet	93,872	43,032	43,032	43,032
Classrooms	46	40	40	40
Design Capacity	938	920	920	920
Enrollment	704	710	719	683

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
See East High	See East High	See East High	See East High	See East High	See East High
57,636	57,636	57,636	57,636	57,636	57,636
46	46	46	46	46	46
780	780	780	780	780	780
749	727	859	891	822	817
67,246	67,246	67,246	67,246	67,246	67,246
36	36	36	36	36	36
720	720	720	720	720	720
660	690	646	721	748	701
69,501	69,501	69,501	69,501	69,501	69,501
33	33	33	33	33	33
780	780	780	780	780	780
357	392	444	503	583	551
159,169	159,169	159,169	159,169	159,169	159,169
45	45	45	45	45	45
1,200	1,200	1,200	1,200	1,200	1,200
1,005	1,077	1,123	1,247	1,250	1,148
95,345	95,345	95,345	95,345	95,345	95,345
26	26	26	26	26	26
875	875	875	875	875	875
316	337	310	308	393	385
69,042	95,345	95,345	95,345	95,345	95,345
26	26	26	26	26	26
Not Available Closed School	Not Available Closed School	Not Available Closed School	Not Available Closed School	Not Available Closed School	Not Available Closed School
80,610	80,610	80,610	80,610	80,610	80,610
46	46	46	46	46	46
940	940	940	940	940	940
361	384	407	438	525	541
78,213	78,213	78,213	78,213	78,213	78,213
45	45	45	45	45	45
900	900	900	900	900	900
632	599	673	721	615	657
43,032	43,032	43,032	43,032	43,032	43,032
40	40	40	40	40	40
920	920	920	920	920	920
750	765	648	660	571	559

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Frayser ES (1954)	Frayser ES became an Achievement School District school in 2013.			
Square Feet	42,797	42,797	42,797	42,797
Classrooms	26	28	28	28
Design Capacity	500	500	500	500
Enrollment	N/A	396	479	450
Frayser HS (1938)				
Square Feet	189,648	189,648	189,648	189,648
Classrooms	59	62	62	62
Design Capacity	1,421	1,475	1,475	1,475
Enrollment	550	653	746	895
Gardenview ES (1967)				
Square Feet	55,570	55,570	55,570	55,570
Classrooms	35	30	30	30
Design Capacity	714	700	700	700
Enrollment	360	395	442	460
Geeter MS (1961)				
Square Feet	105,957	105,957	105,957	105,957
Classrooms	36	34	34	34
Design Capacity	860	900	900	900
Enrollment	409	375	450	443
Georgia Avenue ES (1960)				
Square Feet	143,577	143,577	143,577	143,577
Classrooms	72	77	77	77
Design Capacity	Not Available	1,500	1,500	1,500
Enrollment	Closed School	295	468	506
Georgian Hills ES (1951)				
Square Feet	44,786	44,786	44,786	44,786
Classrooms	24	23	23	23
Design Capacity	520	520	520	520
Enrollment	259	330	339	362
Georgian Hills MS (1959)				
Square Feet	87,069	87,069	87,069	87,069
Classrooms	26	32	32	32
Design Capacity	621	575	575	575
Enrollment	341	325	378	449
Germanshire ES (2001)				
Square Feet	89,228	89,228	89,228	89,228
Classrooms	46	48	48	48
Design Capacity	938	900	900	900
Enrollment	816	816	789	800
Getwell ES (2001)				
Square Feet	87,025	87,025	87,025	87,025
Classrooms	46	21	21	21
Design Capacity	938	920	920	920
Enrollment	442	443	538	595
Goodlett ES (1964)				
Square Feet	51,813	51,813	51,813	51,813
Classrooms	25	25	25	25
Design Capacity	510	500	500	500
Enrollment	425	426	427	381

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
42,797	42,797	42,797	42,797	42,797	42,797
28	28	28	28	28	28
500	500	500	500	500	500
523	558	522	544	627	533
189,648	189,648	189,648	189,648	189,648	189,648
62	62	62	62	62	62
1,475	1,475	1,475	1,475	1,475	1,475
970	928	1,227	1,195	1,288	1,181
55,570	55,570	55,570	55,570	55,570	55,570
30	30	30	30	30	30
700	700	700	700	700	700
439	440	499	602	597	639
105,957	105,957	105,957	105,957	105,957	105,957
34	34	34	34	34	34
900	900	900	900	900	900
429	563	581	641	690	640
143,577	143,577	143,577	143,577	143,577	143,577
77	77	77	77	77	77
1,500	1,500	1,500	1,500	1,500	1,500
514	569	584	601	413	422
44,786	44,786	44,786	44,786	44,786	44,786
23	23	23	23	23	23
520	520	520	520	520	520
409	391	383	340	413	418
87,069	87,069	87,069	87,069	87,069	87,069
32	32	32	32	32	32
575	575	575	575	575	575
457	482	627	670	703	691
89,228	89,228	89,228	89,228	89,228	89,228
48	48	48	48	48	48
900	900	900	900	900	900
816	841	836	796	768	751
87,025	87,025	87,025	87,025	87,025	87,025
21	21	21	21	21	21
920	920	920	920	920	920
692	667	670	593	617	701
51,813	51,813	51,813	51,813	51,813	51,813
25	25	25	25	25	25
500	500	500	500	500	500
362	381	423	475	486	485

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Gordon ES (1992)				
Square Feet	86,387	62,517	62,517	62,517
Classrooms	45	36	36	36
Design Capacity	918	980	980	980
Enrollment	361	292	339	346
Graceland ES (1958)				
Square Feet	Demolished	91,552	91,552	91,552
Classrooms	Demolished	44	44	44
Design Capacity	Demolished	900	900	900
Enrollment	Demolished	348	389	436
Gragg/North Area Office				
Square Feet	85,642	85,642	85,642	85,642
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Grahamwood ES (1953)				
Square Feet	87,612	70,244	70,244	70,244
Classrooms	55	35	35	35
Design Capacity	1,122	1,100	1,100	1,100
Enrollment	986	952	1,038	995
Grandview Hts. ES (1953)				
Square Feet	85,810	59,042	59,042	59,042
Classrooms	39	31	31	31
Design Capacity	932	780	780	780
Enrollment	485	434	488	528
Graves ES (1953)				
Square Feet	52,321	52,321	52,321	52,321
Classrooms	29	31	31	31
Design Capacity	592	580	580	580
Enrollment	308	344	454	439
Hamilton ES (1964)				
Square Feet	81,740	81,740	81,740	81,740
Classrooms	43	42	42	42
Design Capacity	877	860	860	860
Enrollment	341	388	418	452
Hamilton HS (1972)				
Square Feet	336,151	336,151	336,151	336,151
Classrooms	74	71	71	71
Design Capacity	1,783	1,725	1,725	1,725
Enrollment	911	917	1,080	1,196
Hamilton MS (1942)				
Square Feet	136,797	136,797	136,797	136,797
Classrooms	64	104	104	104
Design Capacity	1,530	1,600	1,600	1,600
Enrollment	289	355	354	417
Hanley ES (1960)				
Square Feet	104,224	104,224	104,224	104,224
Classrooms	57	56	56	56
Design Capacity	1,160	1,160	1,160	1,160
Enrollment	562	652	654	706

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
62,517	62,517	62,517	62,517	62,517	62,517
36	36	36	36	36	36
980	980	980	980	980	980
354	344	326	337	414	502
91,552	91,552	91,552	91,552	91,552	91,552
44	44	44	44	44	44
900	900	900	900	900	900
379	433	461	462	534	570
85,642	85,642	85,642	85,642	85,642	85,642
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
70,244	70,244	70,244	70,244	70,244	70,244
35	35	35	35	35	35
1,100	1,100	1,100	1,100	1,100	1,100
950	884	1,043	1,029	1,029	991
59,042	59,042	59,042	59,042	59,042	59,042
31	31	31	31	31	31
780	780	780	780	780	780
521	590	625	671	669	699
52,321	52,321	52,321	52,321	52,321	52,321
31	31	31	31	31	31
580	580	580	580	580	580
572	495	531	519	494	520
81,740	81,740	81,740	81,740	81,740	81,740
42	42	42	42	42	42
860	860	860	860	860	860
512	554	546	536	559	658
336,151	336,151	336,151	336,151	336,151	336,151
71	71	71	71	71	71
1,725	1,725	1,725	1,725	1,725	1,725
1,334	1,455	1,153	1,415	1,395	1,549
136,797	136,797	136,797	136,797	136,797	136,797
104	104	104	104	104	104
1,600	1,600	1,600	1,600	1,600	1,600
464	554	684	754	820	842
104,224	104,224	104,224	104,224	104,224	104,224
56	56	56	56	56	56
1,160	1,160	1,160	1,160	1,160	1,160
717	748	667	674	708	679

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Havenview MS (1960)				
Square Feet	104,745	104,745	104,745	104,745
Classrooms	44	55	55	55
Design Capacity	946	1,100	1,100	1,100
Enrollment	770	862	836	845
Hawkins Mill ES (1965)				
Square Feet	67,350	67,350	67,350	67,350
Classrooms	36	36	36	36
Design Capacity	734	720	720	720
Enrollment	341	356	384	408
Hickory Ridge ES (2001)				
Square Feet	83,060	85,000	85,000	85,000
Classrooms	46	44	44	44
Design Capacity	938	920	920	920
Enrollment	926	878	836	815
Hickory Ridge MS (2001)				
Square Feet	139,685	139,685	139,685	139,685
Classrooms	47	49	49	49
Design Capacity	1,011	1,175	1,175	1,175
Enrollment	866	897	897	909
Hillcrest HS (1962)				
Square Feet	169,973	169,973	169,973	169,973
Classrooms	59	61	61	61
Design Capacity	1,421	1,450	1,450	1,450
Enrollment	524	679	751	804
Hollywood ES (1933)				
Square Feet	67,804	63,341	63,341	63,341
Classrooms	34	34	34	34
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Charter School	Charter School	Charter School	Charter School
Holmes Road ES (2001)				
Square Feet	84,633	84,633	84,633	84,633
Classrooms	46	34	34	34
Design Capacity	938	920	920	920
Enrollment	596	601	647	701
Humes MS (1925)				
Square Feet	131,301	131,301	131,301	131,301
Classrooms	61	71	71	71
Design Capacity	1575	1575	1,575	1,575
Enrollment	191	290	346	407
Ida B. Wells (1963)	Took over Lauderdale school building in 2006-07, previously located within another building			
Square Feet	71,059	71,059	71,059	71,059
Classrooms	17	10	10	10
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	156	112	117	112
Idlewild ES (1903)				
Square Feet	65,025	65,025	65,025	65,025
Classrooms	33	37	37	37
Design Capacity	673	660	660	660
Enrollment	464	475	489	470

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
104,745	104,745	104,745	104,745	104,745	104,745
55	55	55	55	55	55
1,100	1,100	1,100	1,100	1,100	1,100
835	778	762	813	941	914
67,350	67,350	67,350	67,350	67,350	67,350
36	36	36	36	36	36
720	720	720	720	720	720
393	450	436	442	514	467
85,000	85,000	85,000	85,000	85,000	85,000
44	44	44	44	44	44
920	920	920	920	920	920
812	810	817	768	796	845
139,685	139,685	139,685	139,685	139,685	139,685
49	49	49	49	49	49
1,175	1,175	1,175	1,175	1,175	1,175
968	879	891	865	888	876
169,973	169,973	169,973	169,973	169,973	169,973
61	61	61	61	61	61
1,450	1,450	1,450	1,450	1,450	1,450
856	1,026	1,028	1,094	929	935
63,341	63,341	63,341	63,341	63,341	63,341
34	34	34	34	34	34
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Charter School	Charter School	324	352	363	438
84,633	84,633	84,633	84,633	84,633	84,633
34	34	34	34	34	34
920	920	920	920	920	920
717	708	700	717	647	623
131,301	131,301	131,301	131,301	131,301	131,301
71	71	71	71	71	71
1,575	1,575	1,575	1,575	1,575	1,575
470	551	582	684	753	880
71,059	71,059	71,059	71,059	71,059	71,059
10	10	10	10	10	10
Not Available	Not Available	Not Available	65	70	73
91	51	93			
65,025	65,025	65,025	65,025	65,025	65,025
37	37	37	37	37	37
660	660	660	660	660	660
453	406	491	490	487	512

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Jackson ES (1957)				
Square Feet	44,568	44,568	44,568	44,568
Classrooms	24	24	24	24
Design Capacity	490	480	480	480
Enrollment	320	304	358	357
John P. Freeman MS (1973)				
Square Feet	98,000	98,000	98,000	98,000
Classrooms	38	38	38	38
Design Capacity	821	725	725	725
Enrollment	584	543	543	596
Kansas Career & Technology (1976)				
Square Feet	49,000	49,000	49,000	49,000
Classrooms	18	18	18	18
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Kate Bond ES (1993)	Acquired from the county.			
Square Feet	107,748	88,867	88,867	88,867
Classrooms	58	40	40	40
Design Capacity	1,183	1,140	1,140	1,140
Enrollment	1,091	1,076	1,034	1,007
Kate Bond MS (2011)				
Square Feet	165,749	165,749		
Classrooms	64	64		
Design Capacity	1,376	1,600		
Enrollment	1,197	1,127		
Keystone ES (1991)				
Square Feet	84,641	84,641	84,641	84,641
Classrooms	42	39	39	39
Design Capacity	857	800	800	800
Enrollment	428	434	459	509
King Cultural Center (1953)				
Square Feet	102,207	102,207	102,207	102,207
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment		Administration	Administration	Administration
Kingsbury ES (1959)				
Square Feet	65,250	65,250	65,250	65,250
Classrooms	36	38	38	38
Design Capacity	734	720	720	720
Enrollment	516	474	527	524
Kingsbury MS				
Square Feet	See Kingsbury HS			
Classrooms	29			
Design Capacity	624	750	750	750
Enrollment	572	581	518	518
Kingsbury HS (1950)				
Square Feet	219,201	219,201	219,201	219,201
Classrooms	63	98	98	98
Design Capacity	1,417	1,575	1,575	1,575
Enrollment	1,125	1,070	1,057	1,000

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
44,568	44,568	44,568	44,568	44,568	44,568
24	24	24	24	24	24
480	480	480	480	480	480
361	407	454	394	447	445
98,000	98,000	98,000	98,000	98,000	98,000
38	38	38	38	38	38
725	725	725	725	725	725
630	643	618	588	583	567
49,000	49,000	49,000	49,000	49,000	49,000
18	18	18	18	18	18
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
88,867	88,867	88,867	88,867	88,867	88,867
40	40	40	40	40	40
1,140	1,140	1,140	1,140	1,140	1,140
993	1,004	989	951	965	
84,641	84,641	84,641	84,641	84,641	84,641
39	39	39	39	39	39
800	800	800	800	800	800
559	624	478	509	491	501
102,207	102,207	102,207	102,207	102,207	102,207
N/A	N/A	N/A	N/A	N/A	N/A
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	Administration
65,250	65,250	65,250	65,250	65,250	65,250
38	38	38	38	38	38
720	720	720	720	720	720
561	548	515	556	540	504
750	750				
452	501				
219,201	219,201	219,201	219,201	219,201	219,201
98	98	98	98	98	98
1,575	1,575	1,575	1,575	1,575	1,575
980	853	1,624	1,704	1,741	1,803

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Kingsbury Career Technology Center (1976)	Students counted in HS.			
Square Feet	51,000	51,000	51,000	51,000
Classrooms	21	21	21	21
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Kirby HS (1980)				
Square Feet	206,224	327,000	327,000	327,000
Classrooms	70	73	73	73
Design Capacity	1,575	1,750	1,750	1,750
Enrollment	1,318	1,439	1,526	1,864
Kirby MS (1987)				
Square Feet	85,050	69,000	69,000	69,000
Classrooms	51	55	55	55
Design Capacity	1,097	1,275	1,275	1,275
Enrollment	721	748	730	873
Klondike ES (1939)				
Square Feet	90,835	86,773	86,773	86,773
Classrooms	46	50	50	50
Design Capacity	938	880	880	880
Enrollment	231	261	282	269
Knight Road ES (1959)				
Square Feet	53,093	53,093	53,093	53,093
Classrooms	35	33	33	33
Design Capacity	714	700	700	700
Enrollment	498	496	478	434
Lakeview ES (1959)				
Square Feet	38,793	38,793	38,793	38,793
Classrooms	21	22	22	22
Design Capacity	420	420	420	420
Enrollment	Charter School	100	100	135
Lanier MS (1970)				
Square Feet	135,959	135,959	135,959	135,959
Classrooms	29	33	33	33
Design Capacity	693	725	725	725
Enrollment	344	398	379	431
Larose ES (1963)				
Square Feet	94,426	94,426	94,426	94,426
Classrooms	34	66	66	66
Design Capacity	694	680	680	680
Enrollment	428	253	236	267
Lauderdale ES (1908)	IDA B Wells transferred to this location-Building in 2006-07.			
Square Feet				
Classrooms				
Design Capacity				
Enrollment				
Lester ES (1955)				
Square Feet	107,896	107,896	107,896	107,896
Classrooms	45	49	49	49
Design Capacity	1130	1130	1,130	1,130
Enrollment	350	582	609	668

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MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
51,000 21 Not Available	51,000 21 Not Available	51,000 21 Not Available	51,000 21 Not Available	51,000 21 Not Available	51,000 21 Not Available
327,000 73 1,750 1,758	327,000 73 1,750 1,560	327,000 73 1,750 1,378	327,000 73 1,750 1,370	327,000 73 1,750 1,410	327,000 73 1,750 1,434
69,000 55 1,275 869	69,000 55 1,275 861	69,000 55 1,275 968	69,000 55 1,275 1,147	69,000 55 1,275 1,128	69,000 55 1,275 1,161
86,773 50 880 300	86,773 50 880 354	86,773 50 880 395	86,773 50 880 406	86,773 50 880 436	86,773 50 880 457
53,093 33 700 429	53,093 33 700 433	53,093 33 700 521	53,093 33 700 572	53,093 33 700 559	53,093 33 700 552
38,793 22 420 175	38,793 22 420 171	38,793 22 420 195	38,793 22 420 216	38,793 22 420 205	38,793 22 420 223
135,959 33 725 489	135,959 33 725 653	135,959 33 725 664	135,959 33 725 698	135,959 33 725 638	135,959 33 725 666
94,426 66 680 269	94,426 66 680 294	94,426 66 680 227	94,426 66 680 270	94,426 66 680 273	94,426 66 680 292
		71,059 33 Not Available 206	71,059 33 Not Available 176	71,059 33 Not Available 218	71,059 33 Not Available 229
107,896 49 1,130 683	107,896 49 1,130 829	107,896 49 1,130 571	107,896 49 1,130 481	107,896 49 1,130 540	107,896 49 1,130 564

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

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Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Levi ES (1992)				
Square Feet	71,179	71,179	71,179	71,179
Classrooms	31	33	33	33
Design Capacity	632	700	700	700
Enrollment	460	402	434	411
Lincoln ES (1923)				
Square Feet	80,080	77,780	77,780	77,780
Classrooms	39	62	62	62
Design Capacity	796	780	780	780
Enrollment	161	184	188	201
Lincoln MS (1922)				
Square Feet	Demolished	150,405	150,405	150,405
Classrooms	Demolished	N/A	N/A	N/A
Design Capacity	Demolished	Not Available	Not Available	Not Available
Enrollment	Demolished	Closed	Closed	Closed
Locke Elementary (1953)				
Square Feet	Demolished	58,460	58,460	58,460
Classrooms	Demolished	N/A	N/A	N/A
Design Capacity	Demolished	Not Available	Not Available	Not Available
Enrollment	Demolished	Closed	Closed	Closed
Longview MS (1954)				
Square Feet	76,211	76,211	76,211	76,211
Classrooms	33	33	33	33
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed	Closed	Closed	Closed
Lucie E. Campbell ES (2003)				
Square Feet	84,740	84,740	84,740	84,740
Classrooms	47	45	45	45
Design Capacity	959	920	920	920
Enrollment	422	474	517	583
Macon ES (1955)				
Square Feet	33,051	33,051	33,051	33,051
Classrooms	17	18	18	18
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed	Closed	Closed	Closed
Magnolia ES (1950)				
Square Feet	76,804	61,866	61,866	61,866
Classrooms	43	50	50	50
Design Capacity	877	860	860	860
Enrollment	323	359	353	356
Maintenance (1945)				
Square Feet	389,988	194,246	194,246	194,246
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Mallory Warehouse (1945)				
Square Feet	See Maintenance	193,742	193,742	193,742
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
71,179	71,179	71,179	71,179	71,179	71,179
33	33	33	33	33	33
700	700	700	700	700	700
417	432	448	493	368	340
77,780	77,780	77,780	77,780	77,780	77,780
62	62	62	62	62	62
780	780	780	780	780	780
232	251	287	303	305	366
150,405	150,405	150,405	150,405	150,405	150,405
N/A	N/A	N/A	N/A	N/A	N/A
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Closed	Closed	Closed	Closed	Closed	Closed
58,460	58,460	58,460	58,460	58,460	58,460
N/A	N/A	N/A	N/A	N/A	N/A
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Closed	Closed	Closed	Closed	213	226
76,211	76,211	76,211	76,211	76,211	76,211
33	33	33	33	33	33
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Closed	Closed	428	463	477	480
84,740	84,740	84,740	84,740	84,740	84,740
45	45	45	45	45	45
920	920	920	920	920	920
646	711	672	714	644	600
33,051	33,051	33,051	33,051	33,051	33,051
18	18	18	18	18	18
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Closed	Closed	203	301	328	283
61,866	61,866	61,866	61,866	61,866	61,866
50	50	50	50	50	50
860	860	860	860	860	860
372	389	443	540	609	637
194,246	194,246	194,246	194,246	194,246	194,246
N/A	N/A	N/A	N/A	N/A	N/A
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	Administration
193,742	193,742	193,742	193,742	193,742	193,742
N/A	N/A	N/A	N/A	N/A	N/A
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	Administration

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Manassas HS-Old (1936)				
Square Feet	Not Available	145,614	145,614	145,614
Classrooms	Not Available	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Not Available	N/A	N/A	N/A
Manassas HS-New (2008)				
Square Feet	151,754	151,754	151,754	151,754
Classrooms	38	60	60	60
Design Capacity	915	925	925	925
Enrollment	540	551	613	605
Manor Lake ES (1971)				
Square Feet	65,640	65,640	65,640	65,640
Classrooms	35	Open Classroom	Open Classroom	Open Classroom
Design Capacity	714	680	680	680
Enrollment	362	265	296	308
Melrose MS (1938)				
Square Feet	135,660	135,660	135,660	135,660
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed	Closed	Closed	Closed
Melrose HS (1970)				
Square Feet	280,000	280,000	280,000	280,000
Classrooms	53	72	72	72
Design Capacity	1,277	1,325	1,325	1,325
Enrollment	934	940	1,007	1,047
Messick Career & Technology (1930)				
Square Feet	104,118	105,118	105,118	105,118
Classrooms	44	47	47	47
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Adult	Adult	Adult	Adult
Mitchell HS (1957,2002)				
Square Feet	117,630	117,630	117,630	117,630
Classrooms	45	53	53	53
Design Capacity	1,084	1,125	1,125	1,125
Enrollment	537	557	591	785
Newberry ES (1970)				
Square Feet	45,170	45,170	45,170	45,170
Classrooms	24	24	24	24
Design Capacity	490	480	480	480
Enrollment	530	514	524	538
Norris ES (1960)				
Square Feet	52,000	52,000	52,000	52,000
Classrooms	25	24	24	24
Design Capacity	Closed	500	500	500
Enrollment	Closed	171	180	198
North Area Office (1958)				
Square Feet	85,642	85,642	85,642	85,642
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration

Continued from Prior Page

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
145,614 N/A Not Available N/A	145,614 N/A Not Available N/A	145,614 N/A Not Available N/A	145,614 80 Not Available 377	145,614 80 Not Available 317	145,614 80 Not Available 350
151,754 60 925 617	151,754 60 925 539	151,754 60 925 397			
65,640 Open Classroom 680 334	65,640 Open Classroom 680 381	65,640 Open Classroom 680 381	65,640 Open Classroom 680 360	65,640 Open Classroom 680 343	65,640 Open Classroom 680 409
135,660 N/A Not Available Closed	135,660 N/A Not Available Closed	135,660 N/A Not Available Closed	135,660 N/A Not Available Closed	135,660 N/A Not Available Closed	135,660 N/A Not Available Closed
280,000 72 1,325 1,257	280,000 72 1,325 1,349	280,000 72 1,325 1,310	280,000 72 1,325 1,313	280,000 72 1,325 1,214	280,000 72 1,325 1,281
105,118 47 Not Available Adult	105,118 47 Not Available Adult	105,118 47 Not Available Adult	105,118 47 Not Available Adult	105,118 47 Not Available Adult	105,118 47 Not Available Adult
117,630 53 1,125 927	117,630 53 1,125 1,047	117,630 53 1,125 1,071	117,630 53 1,125 994	117,630 53 1,125 1,073	117,630 53 1,125 1,205
45,170 24 480 513	45,170 24 480 578	45,170 24 480 569	45,170 24 480 572	45,170 24 480 577	45,170 24 480 491
52,000 24 500 195	52,000 24 500 206	52,000 24 500 229	52,000 24 500 290	52,000 24 500 224	52,000 24 500 207
85,642 N/A Not Available Administration	85,642 N/A Not Available Administration	85,642 N/A Not Available Administration	85,642 N/A Not Available Administration	85,642 N/A Not Available Administration	85,642 N/A Not Available Administration

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
North Side HS (1967)				
Square Feet	293,868	293,868	293,868	293,868
Classrooms	77	74	74	74
Design Capacity	1,855	1,175	1,175	1,175
Enrollment	302	350	442	608
Nutrition Services (2003)				
Square Feet	300,000	300,000	300,000	300,000
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Oak Forest ES (1993)				
Square Feet	87,550	69,000	69,000	69,000
Classrooms	43	45	45	45
Design Capacity	877	840	840	840
Enrollment	926	897	838	835
Oakhaven ES (1956)				
Square Feet	74,500	56,552	56,552	56,552
Classrooms	41	31	31	31
Design Capacity	836	820	820	820
Enrollment	540	568	545	603
Oakhaven HS (1956)				
Square Feet	152,940	152,940	152,940	152,940
Classrooms	28	53	53	53
Design Capacity	674	700	700	700
Enrollment	457	454	496	476
Oakhaven MS				
Square Feet	See Oakhaven HS	See Oakhaven HS	See Oakhaven HS	See Oakhaven HS
Classrooms	18	See Oakhaven HS	See Oakhaven HS	See Oakhaven HS
Design Capacity	430	450	450	450
Enrollment	294	281	299	176
Oakshire ES (1966)				
Square Feet	51,892	51,892	51,892	51,892
Classrooms	31	32	32	32
Design Capacity	632	620	620	620
Enrollment	465	484	473	549
Oakville Mental Health Ctr (1922)				
Square Feet	Demolished	31,524	31,524	31,524
Classrooms	Demolished	13	13	13
Design Capacity	Demolished	Not Available	Not Available	Not Available
Enrollment	Demolished	Administration	Administration	Administration
Orleans ES (1966)				
Square Feet	63,888	63,888	63,888	63,888
Classrooms	29	31	31	31
Design Capacity	Closed	620	620	620
Enrollment	Closed	165	144	166
Overton HS (1959)				
Square Feet	177,940	177,940	177,940	177,940
Classrooms	65	64	64	64
Design Capacity	1,462	1,625	1,625	1,625
Enrollment	1,351	1,345	1,380	1,331

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
293,868	293,868	293,868	293,868	293,868	293,868
74	74	74	74	74	74
1,175	1,175	1,175	1,175	1,175	1,175
754	891	999	1,044	1,137	1,095
300,000	300,000	300,000	300,000	300,000	300,000
N/A	N/A	N/A	N/A	N/A	N/A
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	Administration
69,000	69,000	69,000	69,000	69,000	69,000
45	45	45	45	45	45
840	840	840	840	840	840
746	794	854	886	850	861
56,552	56,552	56,552	56,552	56,552	56,552
31	31	31	31	31	31
820	820	820	820	820	820
685	715	701	777	757	818
152,940	152,940	152,940	152,940	152,940	152,940
53	53	53	53	53	53
700	700	700	700	700	700
518	718	743	779	772	803
See Oakhaven HS					
See Oakhaven HS					
450					
215					
51,892	51,892	51,892	51,892	51,892	51,892
32	32	32	32	32	32
620	620	620	620	620	620
513	478	457	485	563	605
31,524	31,524	31,524	31,524	31,524	31,524
13	13	13	13	13	13
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	Administration
63,888	63,888	63,888	63,888	63,888	63,888
31	31	31	31	31	31
620	620	620	620	620	620
210	258	233	293	251	218
177,940	177,940	177,940	177,940	177,940	177,940
64	64	64	64	64	64
1,625	1,625	1,625	1,625	1,625	1,625
1,298	1,335	1,633	1,595	1,469	1,386

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Peabody ES (1909)				
Square Feet	53,997	53,997	53,997	53,997
Classrooms	24	25	25	25
Design Capacity	490	480	480	480
Enrollment	358	373	334	400
Pyramid Academy (1928)				
Square Feet	165,486	165,486	165,486	165,486
Classrooms	N/A	57	57	57
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed	Closed	Closed	343
Raineshaven ES (1959)				
Square Feet	66,892	66,892	66,892	66,892
Classrooms	35	29	29	29
Design Capacity	714	680	680	680
Enrollment	300	162	141	152
Raleigh-Bartlett ES (1971)				
Square Feet	51,891	51,891	51,891	51,891
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	612	600	600	600
Enrollment	392	445	507	551
Raleigh-Egypt HS (1969)				
Square Feet	145,850	145,850	145,850	145,850
Classrooms	62	62	62	62
Design Capacity	1,494	1,550	1,550	1,550
Enrollment	843	929	962	1,277
Raleigh-Egypt MS (1979)				
Square Feet	133,750	102,000	102,000	102,000
Classrooms	40	30	30	30
Design Capacity	956	1025	1025	1025
Enrollment	684	685	719	839
Residential Training Center (1965)				
Square Feet	40,270	40,270	40,270	40,270
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	N/A	N/A	N/A	N/A
Richland ES (1957)				
Square Feet	59,833	59,833	59,833	59,833
Classrooms	36	30	30	30
Design Capacity	734	720	720	720
Enrollment	801	783	769	763
Ridgeway/Balmoral ES (1970)				
Square Feet	38,940	38,940	38,940	38,940
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	408	400	400	400
Enrollment	368	394	346	298
Ridgeway ES (1969)				
Square Feet	37,000	37,000	37,000	37,000
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed	Closed	Closed	Closed

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
53,997	53,997	53,997	53,997	53,997	53,997
25	25	25	25	25	25
480	480	480	480	480	480
419	420	442	446	450	410
165,486	165,486	165,486	165,486	165,486	165,486
57	57	57	57	57	57
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
549	448	539	348	429	508
66,892	66,892	66,892	66,892	66,892	66,892
29	29	29	29	29	29
680	680	680	680	680	680
182	336	384	420	447	507
51,891	51,891	51,891	51,891	51,891	51,891
Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom
600	600	600	600	600	600
534	579	488	524	608	594
145,850	145,850	145,850	145,850	145,850	145,850
62	62	62	62	62	62
1,550	1,550	1,550	1,550	1,550	1,550
1,286	1,315	1,280	1,260	1,236	1,061
102,000	102,000	102,000	102,000	102,000	102,000
30	30	30	30	30	30
1025	1025	1025	1025	1025	1025
868	887	976	1,128	1,247	1,306
40,270	40,270	40,270	40,270	40,270	40,270
Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
N/A	N/A	N/A	N/A	N/A	N/A
59,833	59,833	59,833	59,833	59,833	59,833
30	30	30	30	30	30
720	720	720	720	720	720
727	682	739	726	699	719
38,940	38,940				
Open Classroom	Open Classroom				
400	400				
322	332				
37,000	37,000	37,000	37,000	37,000	37,000
Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Closed	Closed	283	307	290	298

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Ridgeway HS (1970)				
Square Feet	247,000	210,000	210,000	210,000
Classrooms	60	43	43	43
Design Capacity	1,350	1,500	1,500	1,500
Enrollment	1,167	1,198	1,205	1,327
Ridgeway MS (2001)				
Square Feet	143,000	143,000	143,000	143,000
Classrooms	47	45	45	45
Design Capacity	1,011	1,175	1,175	1,175
Enrollment	748	794	859	1,021
River City High				
Square Feet	See Caldwell ES	See Caldwell ES	See Caldwell ES	See Caldwell ES
Classrooms	See Caldwell ES	See Caldwell ES	See Caldwell ES	See Caldwell ES
Design Capacity	See Caldwell ES	See Caldwell ES	See Caldwell ES	See Caldwell ES
Enrollment	Closed	Closed	Closed	85
Riverview ES (1952)				
Square Feet	69,422	74,397	74,397	74,397
Classrooms	41	48	48	48
Design Capacity	836	820	820	820
Enrollment	293	341	346	360
Riverview MS (1967)				
Square Feet	150,850	150,850	150,850	150,850
Classrooms	35	40	40	40
Design Capacity	837	875	875	875
Enrollment	209	262	297	366
Riverwood ES (2010)				
Square Feet	107,565	107,565	107,565	
Classrooms	56	53	53	
Design Capacity	1,142	1,200	1,200	
Enrollment	1,028	968	840	
Robert R. Church ES (2001)				
Square Feet	81,500	81,550	81,550	81,550
Classrooms	45	43	43	43
Design Capacity	918	900	900	900
Enrollment	689	560	545	578
Ross ES (1976)				
Square Feet	126,662	108,162	108,162	108,162
Classrooms	71	34	34	34
Design Capacity	1,448	1,020	1,020	1,020
Enrollment	845	871	888	1,004
Rozelle ES (1914)				
Square Feet	58,750	58,750	58,750	58,750
Classrooms	27	28	28	28
Design Capacity	551	520	520	520
Enrollment	284	282	313	314
Scenic Hills ES (1957)				
Square Feet	48,338	48,338	48,338	48,338
Classrooms	27	25	25	25
Design Capacity	551	540	540	540
Enrollment	350	358	366	342

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**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
210,000	210,000	210,000	210,000	210,000	210,000
43	43	43	43	43	43
1,500	1,500	1,500	1,500	1,500	1,500
1,342	1,376	1,534	1,602	1,538	1,486
143,000	143,000	143,000	143,000	143,000	143,000
45	45	45	45	45	45
1,175	1,175	1,175	1,175	1,175	1,175
1,006	1,051	1,106	1,145	1,082	1,053
See Caldwell ES See Caldwell ES See Caldwell ES	See Caldwell ES See Caldwell ES Not Available	See Caldwell ES See Caldwell ES Not Available			
129	81	45			
74,397	74,397	74,397	74,397	74,397	74,397
48	48	48	48	48	48
820	820	820	820	820	820
375	394	347	324	342	386
150,850	150,850	150,850	150,850	150,850	150,850
40	40	40	40	40	40
875	875	875	875	875	875
345	441	490	556	628	651
81,550	81,550	81,550	81,550	81,550	81,550
43	43	43	43	43	43
900	900	900	900	900	900
679	669	625	637	658	753
108,162	108,162	108,162	108,162	108,162	108,162
34	34	34	34	34	34
1,020	1,020	1,020	1,020	1,020	1,020
1,043	1,022	1,135	1,154	1,202	1,228
58,750	58,750	58,750	58,750	58,750	58,750
28	28	28	28	28	28
520	520	520	520	520	520
316	380	413	438	417	415
48,338	48,338	48,338	48,338	48,338	48,338
25	25	25	25	25	25
540	540	540	540	540	540
318	392	417	457	478	458

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Sea Isle ES (1955)				
Square Feet	79,703	78,863	78,863	78,863
Classrooms	42	45	45	45
Design Capacity	857	840	840	840
Enrollment	506	493	499	472
Shady Grove ES (1963)				
Square Feet	48,401	48,401	48,401	48,401
Classrooms	25	24	24	24
Design Capacity	510	500	500	500
Enrollment	450	439	363	360
Shannon ES (1959)				
Square Feet	54,522	54,522	54,522	54,522
Classrooms	34	34	34	34
Design Capacity	694	680	680	680
Enrollment	231	248	234	251
Sharpe ES (1955)				
Square Feet	47,130	47,130	47,130	47,130
Classrooms	26	32	32	32
Design Capacity	530	520	520	520
Enrollment	473	439	417	420
Sheffield ES (1970)				
Square Feet	46,320	120,832	120,832	120,832
Classrooms	31	34	34	34
Design Capacity	632	620	620	620
Enrollment	550	445	422	410
Sheffield HS (1966)				
Square Feet	193,236	193,236	193,236	193,236
Classrooms	55	60	60	60
Design Capacity	1,237	1,175	1,175	1,175
Enrollment	813	961	969	853
Sheffield Career & Technology (1976)				
Square Feet	47,000	47,000	47,000	47,000
Classrooms	21	24	24	24
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Shelby Oaks ES (1996)				
Square Feet	74,069	74,069	74,069	74,069
Classrooms	44	32	32	32
Design Capacity	898	880	880	880
Enrollment	849	893	901	886
Sherwood ES (1950)				
Square Feet	94,516	94,516	94,516	94,516
Classrooms	42	38	38	38
Design Capacity	857	840	840	840
Enrollment	696	696	636	609
Sherwood MS (1957)				
Square Feet	141,952	141,952	141,952	141,952
Classrooms	52	46	46	46
Design Capacity	1,243	1,300	1,300	1,300
Enrollment	524	568	567	711

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MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
78,863	78,863	78,863	78,863	78,863	78,863
45	45	45	45	45	45
840	840	840	840	840	840
434	440	486	504	516	556
48,401	48,401	48,401	48,401	48,401	48,401
24	24	24	24	24	24
500	500	500	500	500	500
383	344	432	422	416	439
54,522	54,522	54,522	54,522	54,522	54,522
34	34	34	34	34	34
680	680	680	680	680	680
326	352	261	289	354	367
47,130	47,130	47,130	47,130	47,130	47,130
32	32	32	32	32	32
520	520	520	520	520	520
412	457	383	398	400	415
120,832	120,832	120,832	120,832	120,832	120,832
34	34	34	34	34	34
620	620	620	620	620	620
432	454	457	513	512	587
193,236	193,236	193,236	193,236	193,236	193,236
60	60	60	60	60	60
1,175	1,175	1,175	1,175	1,175	1,175
859	903	967	913	920	824
47,000	47,000	47,000	47,000	47,000	47,000
24	24	24	24	24	24
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
74,069	74,069	74,069	74,069	74,069	74,069
32	32	32	32	32	32
880	880	880	880	880	880
968	974	984	1,012	930	882
94,516	94,516	94,516	94,516	94,516	94,516
38	38	38	38	38	38
840	840	840	840	840	840
624	652	756	766	775	794
141,952	141,952	141,952	141,952	141,952	141,952
46	46	46	46	46	46
1,300	1,300	1,300	1,300	1,300	1,300
710	789	998	1,044	1,095	1,136

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Shrine School (1976)				
Square Feet	74,512	74,512	74,512	74,512
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	456	399	395	245
Snowden ES (1909)				
Square Feet	199,849	174,849	174,849	174,849
Classrooms	65	66	66	66
Design Capacity	1,372	1,510	1,510	1,510
Enrollment	1,516	1,583	1,528	1,555
South Area Office (1959)				
Square Feet	38,663	38,663	38,663	38,663
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
South Park ES (2000)				
Square Feet	77,075	77,075	77,075	77,075
Classrooms	49	40	40	40
Design Capacity	816	800	800	800
Enrollment	555	526	493	455
South Side MS (1962)				
Square Feet	254,967	254,967	254,967	254,967
Classrooms	71	64	64	64
Design Capacity	1,697	1,675	1,675	1,675
Enrollment	310	314	356	412
South Side HS (1962)				
Square Feet				
Classrooms				
Design Capacity				
Enrollment				
Southwest Career & Technology(1976)				
Square Feet	64,201	64,201	64,201	64,201
Classrooms	23	26	26	26
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Spring Hill ES (1956)				
Square Feet	65,698	56,356	56,356	56,356
Classrooms	35	32	32	32
Design Capacity	714	700	700	700
Enrollment	395	367	369	418
Springdale ES (1940)				
Square Feet	58,986	44,198	44,198	44,198
Classrooms	24	26	26	26
Design Capacity	490	480	480	480
Enrollment	327	330	296	293
Stafford ES (1965)				
Square Feet	56,216	56,216	56,216	56,216
Classrooms	30	40	40	40
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				

Continued from Prior Page

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
74,512 Open Classroom Not Available 231	74,512 Open Classroom Not Available 283	74,512 Open Classroom Not Available 128	74,512 Open Classroom Not Available 144	74,512 Open Classroom Not Available 170	74,512 Open Classroom Not Available 179
174,849 66 1,510 1,541	174,849 66 1,510 1,586	174,849 66 1,510 1,576	174,849 66 1,510 1,523	174,849 66 1,510 1,529	174,849 66 1,510 1,553
38,663 N/A Not Available Administration	38,663 N/A Not Available Administration	38,663 N/A Not Available Administration	38,663 N/A Not Available Administration	38,663 N/A Not Available Administration	38,663 N/A Not Available Administration
77,075 40 800 462	77,075 40 800 489	77,075 40 800 485	77,075 40 800 500	77,075 40 800 479	77,075 40 800 513
254,967 64 1,675 412	254,967 64 1,675 434				
		254,967 64 Not Available 545	254,967 64 Not Available 575	254,967 64 Not Available 513	254,967 64 Not Available 581
64,201 26 Not Available	64,201 26 Not Available	64,201 26 Not Available	64,201 26 Not Available	64,201 26 Not Available	64,201 26 Not Available
56,356 32 700 430	56,356 32 700 375	56,356 32 700 557	56,356 32 700 578	56,356 32 700 574	56,356 32 700 657
44,198 26 480 293	44,198 26 480 330	44,198 26 480 253	44,198 26 480 214	44,198 26 480 215	44,198 26 480 245
56,216 40 Not Available	56,216 40 Not Available	56,216 40 Not Available	56,216 40 Not Available	56,216 40 Not Available 235	56,216 40 Not Available 273

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Teaching & Learning Academy (1958)				
Square Feet	57,803	46,339	46,339	46,339
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Treadwell ES (1985)				
Square Feet	55,512	26,640	26,640	26,640
Classrooms	45	56	56	56
Design Capacity	918	860	860	860
Enrollment	718	668	607	586
Treadwell MS (HS Prior to 2010) (1948)				
Square Feet	145,870	150,690	150,690	150,690
Classrooms	39	43	43	43
Design Capacity	932	950	950	950
Enrollment	383	375	309	319
Trezevant HS (1960)				
Square Feet	296,765	296,765	296,765	296,765
Classrooms	67	67	67	67
Design Capacity	1,614	1,675	1,675	1,675
Enrollment	621	655	801	897
Trezevant Career & Technology (1976)				
Square Feet	62,546	62,546	62,546	62,546
Classrooms	27	25	25	25
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Vance MS (1971)				
Square Feet	150,300	150,300	150,300	150,300
Classrooms	36	22	22	22
Design Capacity	860	950	950	950
Enrollment	215	256	329	386
Vollentine ES (1930)				
Square Feet	75,100	44,705	44,705	44,705
Classrooms	37	22	22	22
Design Capacity	755	760	760	760
Enrollment	306	299	330	351
Walker Elementary (1963)				
Square Feet	43,558	43,558	43,558	43,558
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Closed	Closed	Closed
Wells Station ES (1954)				
Square Feet	69,001	69,001	69,001	69,001
Classrooms	34	36	36	36
Design Capacity	694	680	680	680
Enrollment	689	649	663	659
Westhaven ES (1956)				
Square Feet	67,082	67,082	67,082	67,082
Classrooms	44	49	49	49
Design Capacity	898	900	900	900
Enrollment	455	451	433	443

Continued from Prior Page

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
46,339 N/A Not Available Administration	46,339 N/A Not Available Administration	46,339 N/A Not Available Administration	46,339 N/A Not Available Administration	46,339 N/A Not Available Administration	46,339 N/A Not Available Administration
26,640 56 860 665	26,640 56 860 681	26,640 56 860 853	26,640 56 860 873	26,640 56 860 889	26,640 56 860 1,014
150,690 43 950 540	150,690 43 950 795	150,690 43 950 868	150,690 43 950 853	150,690 43 950 826	150,690 43 950 805
296,765 67 1,675 959	296,765 67 1,675 1,008	296,765 67 1,675 1,339	296,765 67 1,675 1,596	296,765 67 1,675 1,468	296,765 67 1,675 1,386
62,546 25 Not Available	62,456 25 Not Available	62,546 25 Not Available	62,546 25 Not Available	62,546 25 Not Available	62,546 25 Not Available
150,300 22 950 368	150,300 22 950 398	150,300 22 950 445	150,300 22 950 483	150,300 22 950 540	150,300 22 950 540
44,705 22 760 414	44,705 22 760 404	44,705 22 760 380	44,705 22 760 426	44,705 22 760 438	44,705 22 760 503
43,558 N/A Not Available Closed	43,558 N/A Not Available Closed	43,558 N/A Not Available Closed	43,558 N/A Not Available Closed	43,558 N/A Not Available 234	43,558 N/A Not Available 339
69,001 36 680 652	69,001 36 680 577	69,001 36 680 580	69,001 36 680 580	69,001 36 680 541	69,001 36 680 576
67,082 49 900 477	67,082 49 900 469	67,082 49 900 414	67,082 49 900 373	67,082 49 900 381	67,082 49 900 408

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
Westside ES (1952)				
Square Feet	67,028	49,474	49,474	49,474
Classrooms	29	30	30	30
Design Capacity	592	580	580	580
Enrollment	353	363	332	402
Westside HS (1958)				
Square Feet				
Classrooms				
Design Capacity				
Enrollment				
Westside MS (1960)	Westside MS became an Achievement School District school in 2013.			
Square Feet	133,852	133,852	133,852	133,852
Classrooms	35	35	35	35
Design Capacity	875	875	875	875
Enrollment	ASD School	531	540	415
Westwood ES (1962)				
Square Feet	77,428	77,428	77,428	77,428
Classrooms	47	50	50	50
Design Capacity	959	940	940	940
Enrollment	263	293	319	347
Westwood HS (1958)				
Square Feet	181,342	181,342	181,342	181,342
Classrooms	51	61	61	61
Design Capacity	1,229	1,275	1,275	1,275
Enrollment	539	573	527	505
White Station ES (1933)				
Square Feet	76,420	38,482	38,482	38,482
Classrooms	42	28	28	28
Design Capacity	857	840	840	840
Enrollment	663	644	630	594
White Station HS (1952)				
Square Feet	247,624	215,878	215,878	215,878
Classrooms	98	90	90	90
Design Capacity	2,205	2,025	2,025	2,025
Enrollment	2,252	2,218	2,197	2,205
White Station MS (1960,2007)				
Square Feet	144,411	144,411	144,411	144,411
Classrooms	53	27	27	27
Design Capacity	1,140	1,325	1,325	1,325
Enrollment	1,269	1,280	1,235	1,215
Whitehaven ES (1949)				
Square Feet	49,885	49,885	49,885	49,885
Classrooms	30	34	34	34
Design Capacity	612	600	600	600
Enrollment	449	398	395	345
Whitehaven HS (1931)				
Square Feet	232,776	216,056	216,056	216,056
Classrooms	68	51	51	51
Design Capacity	1,530	1,700	1,700	1,700
Enrollment	2,068	2,033	2,073	2,105

Continued from Prior Page

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
49,474	49,474	49,474	49,474	49,474	49,474
30	30	30	30	30	30
580	580	580	580	580	580
412	418	497	546	647	677
		133,852	133,852	133,852	133,852
		35	35	35	35
		Not Available	Not Available	Not Available	Not Available
		484	556	648	692
133,852	133,852				
35	35				
875	875				
431	588				
77,428	77,428	77,428	77,428	77,428	77,428
50	50	50	50	50	50
940	940	940	940	940	940
381	382	397	474	478	548
181,342	181,342	181,342	181,342	181,342	181,342
61	61	61	61	61	61
1,275	1,275	1,275	1,275	1,275	1,275
494	457	484	474	565	773
38,482	38,482	38,482	38,482	38,482	38,482
28	28	28	28	28	28
840	840	840	840	840	840
546	513	720	737	733	690
215,878	215,878	215,878	215,878	215,878	215,878
90	90	90	90	90	90
2,025	2,025	2,025	2,025	2,025	2,025
2,122	2,150	2,316	2,208	2,078	2,017
144,411	144,411	144,411	81,131	81,131	81,131
27	27	27	27	27	27
1,325	1,325	1,325	1,325	1,325	1,325
1,156	1,099	780	794	783	807
49,885	49,885	49,885	49,885	49,885	49,885
34	34	34	34	34	34
600	600	600	600	600	600
363	444	495	534	593	655
216,056	216,056	216,056	216,056	216,056	216,056
51	51	51	51	51	51
1,700	1,700	1,700	1,700	1,700	1,700
2,056	1,851	1,839	1,776	1,884	1,832

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
White's Chapel ES (1951)				
Square Feet	Closed	49,885	49,885	49,885
Classrooms	Closed	24	24	24
Design Capacity	Closed	520	520	520
Enrollment	Closed	156	143	167
Whitney ES (1962)				
Square Feet	63,979	71,757	71,757	71,757
Classrooms	30	30	30	30
Design Capacity	640	640	640	640
Enrollment	380	374	419	422
William H. Brewster (2006)				
Square Feet	95,220	95,000	95,000	95,000
Classrooms	41	52	52	52
Design Capacity	836	820	820	820
Enrollment	441	538	546	618
Willow Oaks ES (1951)				
Square Feet	71,759	82,664	82,664	82,664
Classrooms	42	40	40	40
Design Capacity	857	820	820	820
Enrollment	677	688	662	687
Winchester ES (1960)				
Square Feet	82,664	84,214	84,214	84,214
Classrooms	40	41	41	41
Design Capacity	816	800	800	800
Enrollment	428	517	447	417
Windridge ES (2001)				
Square Feet	84,214	84,214	84,214	84,214
Classrooms	46	45	45	45
Design Capacity	938	920	920	920
Enrollment	787	739	741	767
Wooddale HS (1967)				
Square Feet	263,513	234,000	234,000	234,000
Classrooms	80	60	60	60
Design Capacity	1,800	1,500	1,500	1,500
Enrollment	1,426	1,505	1,423	1,424
Wooddale MS (1970)				
Square Feet	184,760	184,760	184,760	184,760
Classrooms	62	50	50	50
Design Capacity	1,333	1,550	1,550	1,550
Enrollment	837	892	830	885
Total MCS Buildings				
Square Feet	20,509,293	20,483,429	20,317,680	20,119,504
Classrooms	7,452	7,450	7,386	7,282
Design Capacity	151,736	154,896	153,296	150,821
Enrollment	94,106	97,185	98,417	101,272

SPECIAL SCHOOLS below do not have dedicated MCS buildings or may be located on property owned by some other entity

KIPP Diamond Academy (located at Cypress Middle)				
Various Learning Centers & Alternative Schools	1,505	2,170	2,054	1,048

Continued from Prior Page

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
49,885	49,885	49,885	49,885	49,885	49,885
24	24	24	24	24	24
520	520	520	520	520	520
188	195	211	250	281	279
71,757	71,757	71,757	71,757	71,757	71,757
30	30	30	30	30	30
640	640	640	640	640	640
512	535	554	577	580	575
95,000	95,000	95,000	95,000		
52	52	52	52		
820	820	820	820		
552	542	451			
82,664	82,664	82,664	82,664	82,664	82,664
40	40	40	40	40	40
820	820	820	820	820	820
700	738	668	695	690	660
84,214	84,214	84,214	84,214	84,214	84,214
41	41	41	41	41	41
800	800	800	800	800	800
476	545	587	505	428	437
84,214	84,214	84,214	84,214	84,214	84,214
45	45	45	45	45	45
920	920	920	920	920	920
834	825	859	855	831	817
234,000	234,000	234,000	234,000	234,000	234,000
60	60	60	60	60	60
1,500	1,500	1,500	1,500	1,500	1,500
1,511	1,736	1,654	1,598	1,589	1,588
184,760	184,760	184,760	184,760	184,760	184,760
50	50	50	50	50	50
1,550	1,550	1,550	1,550	1,550	1,550
941	1,082	1,170	1,318	1,394	1,393
20,119,504	20,145,717	20,070,298	19,784,205	19,646,659	19,646,659
7,282	7,282	7,271	7,281	7,213	7,213
150,821	150,371	146,271	145,346	144,526	144,526
104,392	107,649	112,217	115,655	117,194	115,846
187	307 290	248 132	228 312	180	124

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2013	2012	2011	2010
MCS schools on non-MCS property (enrollment)				
Campus Elementary	328	333	325	334
Grizzlies Academy	Closed	Closed	Closed	50
Hollis F. Price Middle College	140	150	142	147
MCS Prep School - Southeast	292		325	143
Memphis Virtual School	102			
Middle College High (Relocated to Fairview in 2011)				219
Total	862	483	792	893
Charter Schools (enrollment)				
Aurora Collegiate Academy	51			
Circles of success	235	193	206	171
City University	318	313	336	336
City University Boys Prep	121	121	106	41
Freedom Prep	272	256	196	95
KIPP Diamond (Became a charter school 2009)	396	405	402	313
KIPP Memphis Collegiate Elementary School	110			
KIPP Memphis Collegiate High School	223	121		
KIPP Memphis Collegiate Middle School	75			
Memphis Academy of Health Sciences	281	302	288	295
Memphis Academy of Health Science High	379	348	278	180
Memphis Academy of Science & Engineering	510	577	726	743
Memphis Business Academy	294	365	321	240
Memphis Business Academy High	363	345	317	139
Memphis Business Academy Elementary	144			
Memphis College Prep	172	122	66	
Memphis Grizzlies Prep	74			
Memphis School of Excellence	365	305	263	
New Consortium of Law and Buisness	102	67	36	
Omni Prep - North Pointe Lower	142	92	103	
Omni Prep - North Pointe Middle	138	92	79	
Power Center Academy High	265			
Power Center	308	427	299	199
Promise Academy	435	398	382	338
Soulsville Academy	540	474	369	300
Southern Avenue	283	274	212	199
Southern Avenue Middle	268	200	103	
Star Academy	238	237	238	239
Veritas College Preparatory	166	120	67	
Yo! Academy				
Total Charter School Enrollments	7,268	6,154	5,393	3,828
District Total Enrollment	103,741	105,992	106,656	107,041

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

Capacities have been updated after review.

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2009	2008	2007	2006	2005	2004
342	342	345	346	345	343
63	71	61	72	55	35
155	151	123	102	61	
231	261	248	246	233	218
791	825	777	766	694	596
141	112	119	97	68	60
350	307	238	149	116	
275					
265	296	243	264	161	99
92					
690	632	540	379	252	130
202	214	105	62		
80					
121					
227	176	120	53		
236	174	117	57		
158	140	115	60		
239	235	195	153	112	
		155	160	117	
3,076	2,286	1,947	1,434	826	289
108,446	111,357	115,321	118,395	118,894	116,855

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Schedule of Major Insurance Coverage
June 30, 2013

Type	Policy Term	Company
Student Athletic Accident	8/1/2012 - 7/31/2013	Mid South/Monumental Life
Insurance Consultant	11/19/2011 - 11/18/2012 with 2 yr option to 11/18/2014	Marsh and Mitchell
Property Insurance	3/8/2012 - 6/30/2013	Travelers
Flood Insurance - A. Maceo Walker 100 year flood plan site	9/10/11 - 9/9/13	American Bankers Ins. Co.
Flood Insurance - American Way Middle 100 year flood plan site	8/20/11 - 8/19/13	American Bankers Ins. Co.
Flood Insurance - North Area Office 100 year flood plan site	10/30/11 - 10/30/13	American Bankers Ins. Co.
Flood Insurance - IT Bldg & Training Ctr. 100 year flood plan site	10/30/12 -10/30/13	American Bankers Ins. Co.
Vehicle Insurance	5/9/2012 - 6/30/2013	National Continental Ins.
Boiler and Machinery	10/13/13 - 10/13/14	C.N.A
JROTC	9/22/2009 - unlimited	Self-insured
Voluntary Student Insurance Participation voluntary	2010-2013	United Health Care
Surety/Criminal Bond general employees	9/1/2012 - 8/30/2013	St. Paul Travelers
Treasurer Bond- Chief Financial Officer	8/31/2010- 8/30/2013	Hartford / Mid South
Surety Bond Commissioners	9/1/2011 - 8/31/2013	Harris Madden & Powell, Inc
Student Field Trip	3/18/13 - 3/18/14	Hartford
Occupational Physician Referral basis	8/1/2011 - 7/31/2013	Dr. Lloyd Robinson & Associates
Medicare Section 111	10/1/2009 - 9/30/2013	Gould & Lamb

Source: School District Risk Management

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>Policy Number</u>	<u>Costs</u>	
TNO1	\$187,753	
	\$62,500	
KTK - CMB- 5860P31-2-12	\$710,102	
AB00125559	\$2,547.00	
AB00124083	\$1,404.00	
AB00129332	\$2,623.00	
AB00129331	\$2,547.00	
CTN 000-7108-435-2	\$10,322	
R4030465536	\$46,000	
None	Self-insured	
2006-114684-1	Individual student coverage	
104589887	\$14,957	
20BSBES9740	30,472	preset for 3 years
Fidelity & Deposit of Maryland/Zurich	\$1,410	\$25,000 deductible
20 SR 145507	Coverage paid by schools	
No policy	Individual charges	
	\$9,960	

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Schedule of Surety Bonds
June 30, 2013

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

<u>Position Covered</u>	<u>Amount of Bond</u>
Treasurer	\$ 17,783,014

All other employees are covered under a \$500,000 blanket bond.

Source: Memphis City Schools Division of Risk Management

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

**Graduation Information
Last ten fiscal years ending June 30**

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>Fiscal Year</u>	<u>Regular</u>	<u>Special</u>	<u>High School Certificate</u>	<u>Total</u>
2004	4,426	535	138	5,099
2005	5,362	576	34	5,972
2006	5,552	527	67	6,146
2007	5,741	534	56	6,331
2008	6,038	467	42	6,547
2009	6,559	377	72	7,008
2010	7,066	421	70	7,557
2011	7,126	295	32	7,453
2012	6,638	262	41	6,941
2013	5,642	232	N/A	5,874

Source: Tennessee Department of Education - Number of High School Graduates from Public Schools

Regular Diplomas - Includes Count for honors diplomas

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Charge per lunch to students:				
Paid Elementary	\$1.75	\$1.75	\$1.75	\$1.75
Paid Secondary	\$2.00	\$2.00	\$2.00	\$2.00
Paid High School	\$2.00	\$2.00	\$2.00	\$2.00
Reduced	\$0.25	\$0.25	\$0.25	\$0.25
Charge per lunch to adults	\$3.50	\$3.50	\$3.50	\$3.50
Number of days served	180	180	180	180
Number of free lunches served	11,267,454	11,589,928	11,685,696	11,518,825
Percent of total lunches served	90.24%	90.33%	90.12%	88.08%
Average number of free lunches served daily	62,597	64,388	64,921	63,993
Number of paid lunches served at reduced price	484,958	511,391	580,651	744,489
Percent of total lunches served	3.88%	3.99%	4.48%	5.69%
Number of paid lunches served at regular price	733,802	729,599	700,746	814,013
Percent of total lunches served	5.88%	5.69%	5.40%	6.22%
Average number of paid lunches served daily:				
At reduced price	2,694	2,841	3,226	4,136
At regular price	4,077	4,053	3,893	4,522
Total number of lunches served	12,486,214	12,830,918	12,967,093	13,077,327
Average number of lunches served daily	69,368	71,283	72,039	72,652

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

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

2008	2007	2006	2005	2004	2003
\$1.50	\$1.50	\$1.35	\$1.35	\$1.35	\$1.25
\$1.75	\$1.75	\$1.50	\$1.50	\$1.50	\$1.35
\$1.75	\$1.75	\$1.50	\$1.50	\$1.50	\$1.35
\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
\$3.00	\$3.00	\$2.50	\$2.50	\$2.25	\$2.00
180	180	180	180	180	180
11,507,072	11,836,673	12,145,972	12,104,483	11,601,179	11,469,106
87.12%	86.71%	86.26%	86.00%	85.74%	84.69%
63,928	65,759	67,478	67,247	64,451	63,717
843,409	963,822	1,017,338	1,018,355	995,850	1,039,322
6.39%	7.06%	7.22%	7.23%	7.36%	7.67%
858,372	849,668	917,799	952,783	933,111	1,033,726
6.50%	6.22%	6.52%	6.77%	6.90%	7.63%
4,686	5,355	5,652	5,658	5,533	5,774
4,769	4,720	5,099	5,293	5,184	5,743
13,208,853	13,650,163	14,081,109	14,075,621	13,530,140	13,542,154
73,383	75,834	78,228	78,198	75,167	75,234

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
School Buses				
Type I	421	421	365	379
Type II	-	-	-	-
Total	<u>421</u>	<u>421</u>	<u>365</u>	<u>379</u>
Daily one-way miles traveled for all buses				
From residence to first pick-up	13,993	13,993	15,009	17,509
From first pick-up to last school served	<u>1,427,315</u>	<u>1,427,315</u>	<u>18,053</u>	<u>24,148</u>
Total	<u>1,441,308</u>	<u>1,441,308</u>	<u>33,062</u>	<u>41,657</u>
Pupils Transported				
Enrolled				
Regular	29,401	29,401	30,345	25,998
Special Education	2,084	2,084	2,147	1,976
ADT 1 1/2 miles +				
Regular	29,401	29,401	26,388	24,760
Special Education	2,084	2,084	2,147	1,976
Number of drivers				
Male	124	124	121	100
Female	256	256	216	245
Injuries				
Treated and released	59	59	7	286
Confined overnight	-	-	1	-
Fatalities				
On board	-	-	-	-
Off board	-	-	-	-
Type Accident				
Property damage	97	97	20	-
Personal injury	7	7	6	45

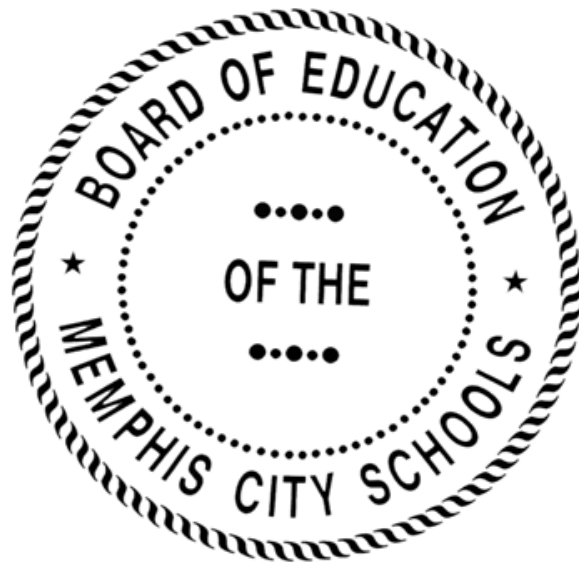
Source: Annual Pupil Transportation Report

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
6	557	552	527	532	449
-	3	6	3	-	51
<u>6</u>	<u>560</u>	<u>558</u>	<u>530</u>	<u>532</u>	<u>500</u>
18,497	17,695	16,043	5,197	5,001	4,765
23,044	23,086	21,208	16,877	15,946	15,111
<u>41,541</u>	<u>40,781</u>	<u>37,251</u>	<u>22,074</u>	<u>20,947</u>	<u>19,876</u>
26,239	24,281	18,199	19,497	19,028	18,180
2,284	2,601	2,589	2,489	2,554	2,672
25,139	23,181	18,199	19,497	16,511	15,332
2,064	2,381	2,589	2,489	2,434	2,315
107	108	97	155	124	116
364	393	363	377	394	339
73	33	11	23	41	57
2	-	1	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3	56	79	68	55
34	7	12	10	7	16

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Statutory Reporting Section





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

To the Chairman 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 comparison of the general fund and special revenue – categorically aided fund of the Board of Education of the Memphis City Schools (the Board) (a component unit of the City of Memphis, Tennessee) as of and for the year ended June 30, 2013, 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 16, 2013.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management in a separate letter dated December 16, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Memphis, Tennessee
December 16, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Chairman 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 Memphis City Schools' (the Board) (a component unit of the City of Memphis, Tennessee) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2013.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Watkins Universal, PLLC

Memphis, Tennessee
December 16, 2013

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2013

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount	Accrued (Deferred) Revenue at June 30, 2012
Federal Awards				
U.S. Department of Labor				
Passed Through City of Memphis				
WIN GRASSY 11.01	17.259	27540	221,810	(5,491)
WIN GRASSY 12.01	17.259	27540	139,176	67,898
WIN GRASSY 13.01	17.259	29996	142,810	
Youth Build Grant 10.01		CA106645	114,378	63,154
Workforce Investment Act - Employment and Training Activities for Out of School Youth 13.01	17.259	29944	300,000	
Workforce Investment Act - Employment and Training Activities for Out of School Youth 12.01	17.259	27538	352,500	137,748
Workforce Investment Act - Employment and Training Activities for Out of School Youth 11.01	17.259	27538	470,000	(100,393)
Workforce Investment Act - Employment and Training Activities for Out of School Youth 10.01	17.259	26782	1,000,000	167,777
Workforce Investment Act - Employment and Training Activities for In School Youth 13.01	17.259	26782	290,000	
Workforce Investment Act - Employment and Training Activities for In School Youth 12.01	17.259	27542	291,509	155,564
Workforce Investment Act - Employment and Training Activities for In School Youth 09.01	17.259	24988	441,142	51
Workforce Investment Act - Employment and Training Activities for In School Youth 10.01	17.259	26202	600,000	147,881
Workforce Investment Act - Employment and Training Activities for In School Youth 11.01	17.259	27542	470,000	(159,766)
Total 17.259				474,423
U.S. Department of Labor				
Passed Through State Department of Labor and Workforce Development				
Rapid Response Dislocated Workers 11.01	17.260	Z-09-219694-00	77,800	47,948
Total 17.260				47,948
Total U.S. Department of Labor				522,371
U.S. Department of Justice				
Passed Through Tennessee Commission on Children and Youth				
Disproportionate Minority Contracts 11.01	16.540	Z09-213579-00	125,000	15,665
Total 16.540				15,665
Federal Highway Administration				
Garrett A. Morgan Technology and Transportation Education Program	20.215	DTFH61-12-G-00019	100,000	-
Total 20.215				-
National Security Agency				
StarTalk 12.01	12.900	H98230-12-1-0065	88,130	7,151
Total 12.900				7,151
U.S. Department of Agriculture				
Passed Through State of Tennessee				
National School Breakfast Program	10.553	N/A		-
Total 10.553				-
National School Lunch Program	10.555	N/A		
National School Lunch Program-Non Cash Assistance	10.555	N/A		
Total 10.555				-
National School Lunch Program-Non Cash Assistance	10.558	N/A		
Total 10.558				-
Food Stamp Employment and Training Program 10.01	10.561	GG-09-267722-00	25,500	(27,602)
Total 10.561				(27,602)
Fresh Fruit and Vegetable Program	10.582	N/A		
Total 10.582				-
Total U.S. Department of Agriculture				(27,602)

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>Receipts</u>	<u>Transfers In</u>	<u>Disbursements</u>	<u>Refunds to Grantors/ Other</u>	<u>Transfers Out</u>	<u>Accrued (Deferred) Revenue at June 30, 2013</u>
		5,491			-
		6,617			74,515
7,569		89,334			81,765
				63,154	-
57,138		247,623			190,485
121,210		11,015			27,553
		100,393			-
201,285		33,508			-
127,224		260,973			260,973
	51	22,267			50,607
147,881					-
					(159,766)
<u>662,307</u>	<u>51</u>	<u>777,221</u>	<u>-</u>	<u>63,154</u>	<u>526,132</u>
34,915				13,033	-
<u>34,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,033</u>	<u>-</u>
<u>697,222</u>	<u>51</u>	<u>777,221</u>	<u>-</u>	<u>76,187</u>	<u>526,132</u>
15,665					-
<u>15,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		5,466			5,466
-		5,466			5,466
30,733		79,487			55,905
<u>30,733</u>	<u>-</u>	<u>79,487</u>	<u>-</u>	<u>-</u>	<u>55,905</u>
16,808,034		16,808,034			-
<u>16,808,034</u>	<u>-</u>	<u>16,808,034</u>	<u>-</u>	<u>-</u>	<u>-</u>
36,482,377		36,482,377			-
2,775,741		2,775,741			-
<u>39,258,118</u>	<u>-</u>	<u>39,258,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
23,266		23,266			-
<u>23,266</u>	<u>-</u>	<u>23,266</u>	<u>-</u>	<u>-</u>	<u>-</u>
		27,602			-
-		27,602			-
1,026,072		1,026,072			-
<u>1,026,072</u>	<u>-</u>	<u>1,026,072</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>57,115,490</u>	<u>-</u>	<u>57,143,092</u>	<u>-</u>	<u>-</u>	<u>-</u>

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2013

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount	Accrued (Deferred) Revenue at June 30, 2012
U.S. Department of Education Direct Funding				
Memphis Career Connection 11.01	84.215K	U215K100143	500,000	21,502
Total 84.215K				21,502
Foreign Language Assistance 12.01	84.293B	T293B080036-11	273,599	22,817
Foreign Language Assistance 11.01	84.293B	T293B100184-11	271,420	14,363
Total 84.293B				37,180
Gear-Up 2013	84.334S	34952	132,500	
Gear-Up 12.01	84.334A	P334A060206-11	640,000	117,398
Gear-Up 11.01	84.334A	P334A060206-10	800,000	28,829
Total 84.334A				146,227
School Leadership Initiative 13.01	84.363A	U363A100101-12	578,266	
School Leadership Initiative 12.01	84.363A	U363A100101-11	523,549	73,139
School Leadership Initiative 11.01	84.363A	U363A100101	592,056	13,262
Total 84.363A				86,401
Teacher Incentive Fund TIF3, "In The Zone" 13.01	84.374A	S374A100027	2,332,016	
Teacher Incentive Fund TIF3, "In The Zone" 12.01	84.374A	S374A100027	2,486,479	34,834
Teacher Incentive Fund TIF3, "In The Zone" 11.01	84.374A	S374A100027	433,413	(3,127)
Total 84.374A				31,707
Subtotal U.S. Department of Education Direct Funding				323,017
U.S. Department of Education Passed Through State Department of Education				
Adult Basic Education	84.002	22951	41,860	
English Literacy and Civics Education 13.01	84.002	23109	59,300	
English Literacy and Civics Education 12.01	84.002	33709-24012	68,000	2,772
English Literacy and Civics Education 11.01	84.002	DG1131219	50,000	(44,869)
Total 84.002				(42,097)
Improving Basic Programs Operated by LEAs 12.01	84.010	12.01	60,084,829	9,475,871
Improving Basic Programs Operated by LEAs 13.01	84.010	13.01	55,850,736	
Improving Basic Programs Operated by LEAs	84.010	11.01	61,598,360	3,714,979
NCLB Consolidated Administration	N/A	N/A	2,537,758	1,014,541
Total 84.010				14,205,391
Title I, D 13.01	84.013	13.01	73,095	
Title I, D 12.01	84.013	12.01	70,201	(5,389)
Total 84.013				(5,389)
Improving Basic Programs Operated by LEAs -ARRA	84.389	10.01	57,210,100	(144,996)
Total 84.389				(144,996)
Exceptional Children AYP 12.01	84.027A	N/A	183,000	
IDEA Part B-High Cost	84.027A	2013	920,935	
Comprehensive Plan for Providing Special Education Services - IDEA Part B 08.01	84.027A	08.01	24,239,846	(1,213,477)
Comprehensive Plan for Providing Special Education Services - IDEA Part B 11.01	84.027A	11.01	24,469,702	942,605
Comprehensive Plan for Providing Special Education Services - IDEA Part B 12.01	84.027A	12.01	24,088,715	952,949
Comprehensive Plan for Providing Special Education Services - IDEA Part B 13.01	84.027A	13.01	23,602,806	
IDEA Discretionary- Suspension Reduction for HS SWD - Exceptional Children 13.01	84.027A	13.01	123,323	
IDEA Discretionary- Suspension Reduction for HS SWD - Exceptional Children 12.01	84.027A	12.01	164,000	11,871
Total 84.027A				693,948
Comprehensive Plan for Providing Special Education Services - IDEA Part B - ARRA 10.01	84.391	10.01	25,204,149	(16,178)
Total 84.391				(16,178)

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Receipts	Transfers In	Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2013
214,883		193,381			-
214,883	-	193,381	-	-	-
153,882		135,626			4,561
160,667		143,249			(3,055)
314,549	-	278,875	-	-	1,506
23,094		102,597			79,503
267,749		150,351			-
28,829					-
319,672	-	252,948	-	-	79,503
186,263		223,287			37,024
418,595		345,456			-
40,385		27,123			-
645,243	-	595,866	-	-	37,024
1,262,181		1,309,749			47,568
104,221		69,387			-
		3,127			-
1,366,402	-	1,382,263	-	-	47,568
2,860,749	-	2,703,333	-	-	165,601
		22,107			22,107
		1,257			1,257
		1,448			4,220
36,936		134,010			52,205
36,936	-	158,822	-	-	79,789
17,490,071		8,014,200			-
55,321,369		69,278,444			13,957,075
4,550,937		835,958			-
1,920,307		1,508,029			602,263
79,282,684	-	79,636,631	-	-	14,559,338
		83,828			83,828
-	-	83,828	-	5,389	-
				5,389	83,828
-	-			144,996	-
				144,996	-
		37,924			37,924
920,935		920,935			-
					(1,213,477)
3,040,843		2,098,238			-
3,472,428		3,421,855			902,376
17,972,908		19,938,234			1,965,326
57,588		136,854			79,266
41,694		29,823			-
25,506,396	-	26,583,863	-	-	1,771,415
		16,178			-
-	-	16,178	-	-	-

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2013

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount	Accrued (Deferred) Revenue at June 30, 2012
U.S. Department of Education Passed Through-Continued				
Comprehensive Plan for Providing Special Education Services - Preschool Incentive 07.01	84.173	07.01	219,747	22,877
Comprehensive Plan for Providing Special Education Services - Preschool Incentive 13.01	84.173	13.01	152,120	
Comprehensive Plan for Providing Special Education Services - Preschool Incentive 12.01	84.173	12.01	158,400	12,879
Comprehensive Plan for Providing Special Education Services - Preschool Incentive 11.01	81.173	11.01	156,380	(8,146)
Total 84.173				27,610
Race To The Top 11.01	84.395	S395A100032	17,231,572	(1,032,049)
Race To The Top 12.01	84.395	S395A100032	22,156,777	4,603,757
Race To The Top 13.01	84.395	S395A100032	15,053,933	
ELA Pilot Common Core	84.395	N/A	5,000	
Tennessee First To The Top - TCASN-Hamilton-ARRA	84.395	N/A	67,994	1,948
Tennessee First To The Top - TCASN-Hamilton-ARRA	84.395	N/A	68,821	
Tennessee First To The Top - TCASN-Trezevant Careers and Tech-ARRA	84.395	N/A	40,000	19,229
Tennessee First To The Top - TCASN-Kingsbury-ARRA	84.395	N/A	40,000	
Tennessee First To The Top - Teacher Residency 11.01	84.395	TPCGP-TIT-1	500,000	
Tennessee First To The Top - Teacher Residency 12.01	84.395	TPCGP-TIT-1	500,000	185,212
Tennessee First To The Top - Teacher Residency 13.01	84.395	TPCGP-TIT-1	602,000	
Tennessee First To The Top - Principal Residency 11.01	84.395	TPCGP-TIIP-4	499,131	110,974
Tennessee First To The Top - Principal Residency 12.01	84.395	TPCGP-TIIP-4	298,104	
Tennessee First To The Top - Principal Residency 13.01	84.395	TPCGP-TIIP-4	1,007,115	
Tennessee First To The Top - Rewards 13.01-ARRA	84.395	S395A100032	102,000	
Tennessee First To The Top - Renewal Schools 13.01-ARRA	84.395	S395A100032	883,176	
Tennessee First To The Top - Renewal Schools 12.01-ARRA	84.395	S395A100032	827,102	(62,570)
Tennessee First To The Top - Renewal Schools 11.01-ARRA	84.395	S395A100032	653,803	(7,639)
Tennessee First To The Top - Focus Schools I 11.01-ARRA	84.395	S395A100032	96,000	
Tennessee First To The Top - Focus Schools II 11.01-ARRA	84.395	S395A100032	87,000	6,491
Total 84.395				3,825,353
Education Jobs Fund	84.410	S410A100043	23,582,153	191,578
Total 84.410				191,578
Vocational Program Improvement-Project Lead the Way	84.048A	N/A	98,805	(680)
Vocational Program Improvement 13.01	84.048A	13.01	2,256,092	
Vocational Program Improvement 12.01	84.048A	12.01	2,572,279	270,836
Vocational Program Improvement 05.01	84.048A	05.01	3,159,242	(26,146)
Vocational Program Improvement 06.01	84.048A	06.01	4,269,983	(126,866)
Vocational Program Improvement 11.01	84.048A	11.01	2,752,393	(163,660)
Vocational Program Improvement 07.01	84.048A	07.01	3,184,183	(145,901)
Vocational Program Improvement 08.01	84.048A	08.01	3,222,980	(21,888)
Vocational Program Improvement 09.01	84.048A	09.01	2,895,611	(28,703)
Vocational Program Improvement 10.01	84.048A	10.01	3,067,863	330,246
Total 84.048A				87,238
Homeless Children and Youth 13.01	84.196A	S196A110044	160,000	
Homeless Children and Youth 12.01	84.196A	001-12-1-008	160,000	44,171
Total 84.196A				44,171
Charter Schools	84.282A	N/A	550,000	
Total 84.282A				-
Twenty First Cent. Community Learning 2013	84.287C	192-10-4-021	835,400	
Twenty First Cent. Community Learning 12.01	84.287C	192-08-5-006	679,000	176,635
Twenty First Cent. Community Learning 12.01	84.287C	192-10-3-021	388,000	74,815
Total 84.287C				251,450
Title II-D Enhancing Education Through Technology 11.01	84.318X	11.01	215,072	64,589
Total 84.318X				64,589
Advance Placement	84.330C	N/A	70,749	
Total 84.330C				-
School Improvement-ARRA 12.01	84.388A	S388A090043A	6,215,858	2,184,547
School Improvement-ARRA 11.01	84.388A	S388A090043A	8,640,227	(45,320)
School Improvement 2013-ARRA	84.388A	S388A090043A	5,547,840	
School Improvement 2012-ARRA	84.388A/84.377A	S388A090043A/S377A090043A	4,714,457	
School Improvement 2010-ARRA 10.01	84.388A	N/A	7,000,000	(250,163)
Total 84.388A				1,889,064

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Receipts	Transfers In	Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2013
	22,877				-
116,397		128,058			11,661
30,262		17,383			-
146,659	22,877	8,146			-
		153,587	-	-	11,661
		303,106			(728,943)
10,760,538		6,565,697			408,916
7,200,098		11,613,176			4,413,078
2,500		2,500			-
53,673		51,725			-
1,636		2,996			1,360
29,598		10,369			-
23,656		25,010			1,354
34,813		34,813			-
304,758		119,546			-
214,816		454,557			239,741
110,974					-
116,500	181,604	298,104			-
159,704		553,502			393,798
12,365		89,147			76,782
266,450		531,331			264,881
201,441		264,011			-
7,629		15,268			-
38,647		32,156			-
19,539,796	181,604	20,967,014	-	-	5,070,967
263,188		71,610			-
263,188	-	71,610	-	-	-
				680	-
1,692,069		1,671,031			(21,038)
982,300		711,464			-
				26,146	-
				126,866	-
		163,660			-
		145,901			-
		21,888			-
		28,703			-
	330,246				-
2,674,369	330,246	2,742,647	-	153,692	(21,038)
					-
56,607		131,301			74,694
91,826		47,655			-
148,433	-	178,956	-	-	74,694
550,000		550,000			-
550,000	-	550,000	-	-	-
					-
501,263		711,859			210,596
226,253		49,618			-
106,610		31,795			-
834,126	-	793,272	-	-	210,596
131,410		66,821			-
131,410	-	66,821	-	-	-
					-
70,749		70,749			-
70,749	-	70,749	-	-	-
					-
2,184,547		45,320			-
4,280,109		6,734,564			2,454,455
1,717,530		2,927,820			1,210,290
		250,163			-
8,182,186	-	9,957,867	-	-	3,664,745

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2013

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount	Accrued (Deferred) Revenue at June 30, 2012
U.S. Department of Education Passed Through-Continued				
Title III-English Language Acquisition 11.01	84.365A	11.01	1,154,410	(1,986)
Title III-English Language Acquisition 12.01	84.365A	12.01	1,125,077	179,275
Title III-English Language Acquisition 13.01	84.365A	13.01	1,126,660	
Total 84.365A				177,289
Title II-A Teacher and Principal Training & Recruiting 13.01	84.367A	13.01	6,554,731	
Title II-A Teacher and Principal Training & Recruiting 11.01	84.367A	11.01	8,249,748	(784)
Title II-A Teacher and Principal Training & Recruiting 12.01	84.367A	12.01	6,431,406	2,000,422
Total 84.367A				1,999,638
Learn & Serve 08.01	94.004	009-08-2-009	131,278	(39)
Learn & Serve 09.01	94.004	31701-11077	131,278	(5,558)
Learn & Serve 10.01	94.004	GG-10-30185	131,278	(6,598)
Learn & Serve 11.01	94.004	GG1030185-01	80,000	3,943
Total 94.004				(8,252)
Tn Department of Human Services- Exceptional Children Vocational Rehabilitation 10.01	84.126	GG-08-22118-00	66,350	211
Tn Department of Human Services- Exceptional Children Vocational Rehabilitation 11.01	84.126	GG 08-22118	68,000	(275)
Tn Department of Human Services- Exceptional Children Vocational Rehabilitation 12.01	84.126	GG 08-22118	68,000	10,703
Tn Department of Human Services- Exceptional Children Vocational Rehabilitation 13.01	84.126	Z13-70515	68,000	
Tn Department of Human Services- Exceptional Children Vocational Rehabilitation 08.01	84.126	GG-08-22118-00	60,608	(211)
Tn Department of Human Services- Exceptional Children Vocational Rehabilitation 06.01	84.126	GG-04-10251-02	58,558	(4,005)
Total 84.126				6,423
Subtotal U.S. Department of Education Passed Through				23,246,830
Total U.S. Department of Education				23,569,847
U.S. Department of Health and Human Services				
Passed Through State Department of Human Services				
Teen Pregnancy and Parenting Success	93.500	CA-1213951	578,535	32,990
HRSA School Clinic Equipment	93.501	C12CS21931	499,167	104,508
Total 93.501				137,498
TN Department of Human Services- Families First 08.01	93.558	GG-03-10139	228,000	(8,990)
TN Department of Human Services- Families First 11.01	93.558	GG-09-25644-02	231,282	(216)
Total 93.558				(9,206)
U.S. Department of Health and Human Services				
Passed Through Center For Disease Control				
Improving The Health, Education and Well-being of Young People 07.01	93.938	U87/CCU422661-05	451,578	60,769
Improving Health Education and Well-being of Young People 11.01	93.938	5U87DP001215-04	142,193	(2,637)
Improving Health Education and Well-being of Young People 12.01	93.938	5U87DP001215-05	234,418	(35,277)
Minority HIV 11.01	93.938	3U87DP001215-03W1	117,936	(10,647)
Total 93.938				12,208
Total U.S. Department of Health and Human Services				140,500
Total Federal Awards				24,227,932

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Receipts	Transfers In	Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2013
		1,986			-
335,379		156,104			-
670,215		886,270			216,055
1,005,594	-	1,044,360	-	-	216,055
		764,313			656,703
107,610		5,421,521			-
5,420,737		1,581,693			-
3,582,115		7,767,527			-
9,110,462	-		-	-	656,703
		39			-
		5,558			-
		6,598			-
3,943		12,195			-
3,943	-		-	-	-
	211				-
		275			-
10,704		40,672			40,671
39,610		43,569			3,959
		211			-
		4,005			-
50,314	211	88,732	-	-	44,630
147,537,245	534,938	150,944,659	-	304,077	26,423,383
150,397,994	534,938	153,647,992	-	304,077	26,588,984
		451,010			371,477
112,523		152,370			-
256,878	-	603,380	-	-	371,477
369,401	-		-	-	
		8,990			-
		216			-
-	-	9,206	-	-	-
	60,769				-
		2,637			-
166,991		234,312			32,044
		10,647			-
166,991	60,769	247,596	-	-	32,044
536,392	60,769	860,182	-	-	403,521
208,793,496	595,758	212,513,440	-	380,264	27,580,008

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2013

Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount	Accrued (Deferred) Revenue at June 30, 2012
State Awards				
State Department of Education				
Internet Connectivity	N/A	2013	346,729	
Family Resource Center	N/A	2012	88,835	
Family Resource Center	N/A	2013	88,835	
Safe Schools Act of 1998	N/A	2012	494,300	
Safe Schools Act of 1998	N/A	2013	505,200	
Coordinated School Health - 2013	N/A	2013	506,331	
Coordinated School Health - 2012	N/A	2012	355,000	
Early Childhood Education- Pilot/State	N/A	2012	9,897,418	2,171,320
Early Childhood Education- Pilot/State	N/A	2013	9,910,229	
Lottery for Education: AfterSchool Programs	119-12-02-039	2013	1,125,970	
Lottery for Education: AfterSchool Programs	119-11-01-039	2012	1,223,880	
Vocational Technical Education Incentive Grant 2005 05.01	N/A	N/A	20,000	(360)
				<u>2,170,960</u>
State Department of Health				
Project Diabetes Grant 11.01	N/A	34351-08911	250,000	70,796
				<u>70,796</u>
Tennessee Arts Commission				
Fine Arts Grant	N/A	N/A	4,300	-
				<u>-</u>
Total State Awards				2,241,756
Total Federal, State and Other Awards				<u>\$ 26,469,688</u>

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

<u>Receipts</u>	<u>Transfers In</u>	<u>Disbursements</u>	<u>Refunds to Grantors/ Other</u>	<u>Transfers Out</u>	<u>Accrued (Deferred) Revenue at June 30, 2013</u>
346,729		346,729			-
57,099		57,099			-
51,419		51,419			-
438,536		438,536			-
186,063		186,063			-
131,934		131,934			-
102,284		102,284			-
2,058,733	112,587				-
8,047,238		10,641,105			2,593,867
719,404		719,404			-
882,352		882,352			-
13,021,791	112,587	13,556,925	-	360	2,593,867
70,678	118				-
70,678	118				-
4,300		4,300			-
4,300		4,300			-
13,096,769	112,705	13,561,225	-	360	2,593,867
\$ 221,890,265	\$ 708,463	\$ 226,074,665	\$ -	\$ 380,624	\$ 30,173,875

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BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards (the schedule) has been generally prepared on the accrual basis of accounting. The purpose of the schedule is to present a summary of those activities represented by Board of Education of the Memphis City Schools for the year ended June 30, 2013, which have been financed by the U.S. Government (federal awards). For the purpose of the schedule, federal awards include all of federal assistance and procurement relationships entered into directly and indirectly with the Board of Education of the Memphis City Schools. It is not intended to and does not present either the financial position or the changes in net assets of Board of Education of the Memphis City Schools. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

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.

REVENUE AND EXPENDITURE RECOGNITION

Revenue is recognized when earned by the organization using the accrual method of accounting.

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

FOOD DONATION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2013, the Board of Education of Memphis City Schools had food commodities totaling \$247,613 in inventory.

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Board of Education of the Memphis City Schools.
2. No significant deficiencies relating to the audit of the Board's financial statements are reported.
3. No instances of noncompliance material to the financial statements of the Board of Education of the Memphis City Schools were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for the Board of Education of the Memphis City Schools expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any audit findings related to major programs that are required to be reported under OMB Circular A-133.
7. The programs tested as major programs included:
 - U.S. Department of Agriculture, School Breakfast Program, CFDA No. 10.553
 - U.S. Department of Agriculture, National School Lunch Program, CFDA No. 10.555
 - U.S. Department of Education, Title I Grants to Local Education Agencies, CFDA No. 84.010
 - U.S. Department of Education, School Improvement Grants, CFDA No. 84.388 – ARRA
 - U.S. Department of Education, Special Education Grants to States, CFDA No. 84.027
 - U.S. Department of Education, Special Education Preschool Grants, CFDA No. 84.173
 - U.S. Department of Education, Race to the Top, CFDA No. 84.395 – ARRA
 - U.S. Department of Education, Improving Teacher Quality State Grants, CFDA No. 84.367
8. The threshold for distinguishing Types A and B programs was \$3,000,000.
9. The Board of Education of the Memphis City 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, 2013

**BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

NONE

