

MEMPHIS CITY SCHOOLS

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal year ended June 30, 2010

**Memphis City Schools
Memphis, Tennessee**

**Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2010**

Prepared by:
Memphis City Schools
Department of Finance

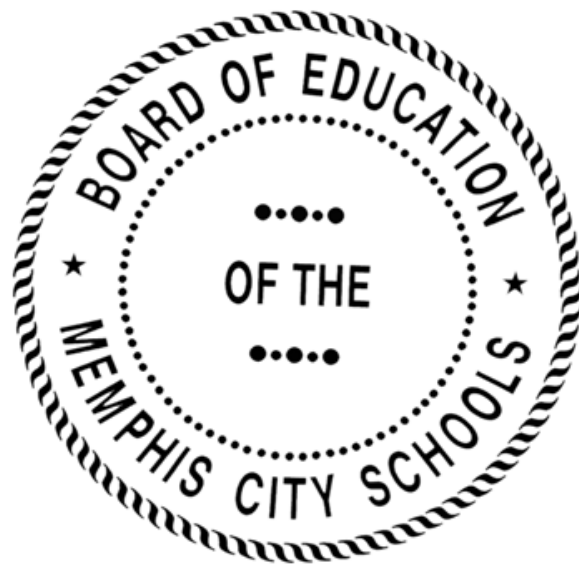


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Introductory Section

Introductory Section



**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance

Memphis City Schools, Tennessee



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Jeffrey R. Enns

Date May 6, 2010

Introductory Section



This Certificate of Excellence in Financial Reporting is presented to

BOARD OF EDUCATION OF THE MEMPHIS CITY SCHOOLS

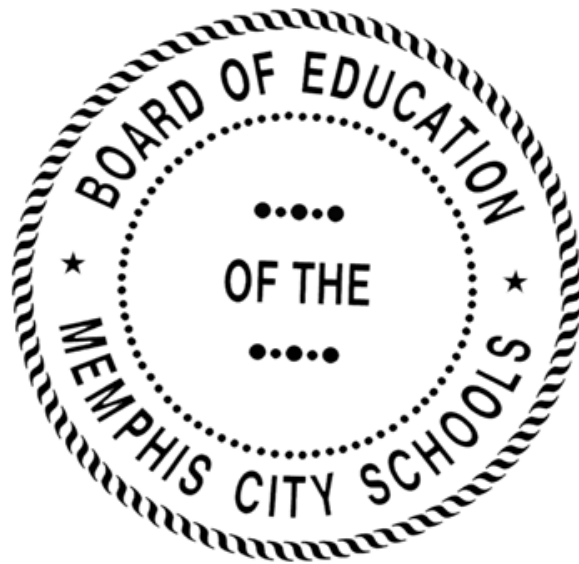
For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director





December 29, 2010

Citizens and Board of Commissioners
Memphis City Schools
Memphis, TN

We are hereby submitting the Comprehensive Annual Financial Report (CAFR) of the Memphis City Schools (the School District) for the fiscal year (FY) ended June 30, 2010. State and federal statutes require that the School District issue annual financial reports and that these reports be audited by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the CAFR and all appropriate disclosures for FY ended June 30, 2010 in an effort to provide information on the financial condition of the School District for all interested parties.

The School District's financial statements have been audited by Watkins Uiberall, PLLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the School District for the FY ended June 30, 2010, are free of material misstatement. The independent audit consisted of reviewing, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion, suggesting that the School District's financial statements for the FY ended June 30, 2010, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Department of Finance of Memphis City Schools.

In addition, the School District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget's (OMB) Circular A-133, *"Audits of States, Local Governments, and Non-profit Organizations."* The standards governing single audit engagements require the independent auditor to report on both the fair presentation of the financial statements and on the School District's internal controls and compliance with legal requirements, especially concerning the administration of federal awards. Information related to this single audit, including a schedule of federal financial assistance and the independent auditors reports on the internal control structure and on compliance with applicable laws and regulations, is included in this report.

The Comprehensive Annual Financial Report includes all funds and consists of three sections. The Introductory Section includes this transmittal letter and information regarding the School District's structure and officials. The Financial Section provides the School District's financial statements, along with notes and supplementary information. The Statistical Section contains 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.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in



conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE MEMPHIS CITY SCHOOLS

The Board of Education of the Memphis City Schools is 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). The district is governed by a nine-member Board of Commission that is elected by the citizens of Memphis. The Board members elect a member to serve as President and a member to serve as Vice President of the Board for one year terms.

Memphis City Schools is Tennessee's largest school district and the 23rd largest public school system in the nation. The student population is approximately 107,041 students in pre-K, K-12 and charter schools. The student demographics is 86 percent African American, 8 percent white and 6 percent other races and nationalities. The district is comprised of a total of 209 schools which includes a number of charter schools, career and technology centers, special education centers and alternative schools; thirty seven (37) schools are Optional Schools or offer Optional Programs that provide parents choices in selecting a public education that best fits their child's talents and abilities. In addition Memphis City Schools has 175 pre-kindergarten classes within 45 community partner locations.. The majority of MCS schools are accredited by the Southern Association of Colleges and Schools. The district employs over 7,000 teachers.

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

Our strategic goals are centered on student achievement, accountability, parent and community involvement, healthy youth development and diversity.

Our core beliefs and commitments are 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

The City of Memphis was incorporated in 1826. The City currently occupies a land area of 340.5 square miles and serves a population of 679,052 according to just recently released 2010 census data.

Known worldwide as Memphis: America's Aerotropolis Memphis is the U.S.' 3rd-largest rail center behind Chicago and St. Louis. It's one of five U.S. cities with service from five Class one railroads - BNSF, Canadian National, CSX, Norfolk Southern and Union Pacific. More than two-thirds of all international freight tons and 85% of its value move in and out of Memphis by rail. In addition, Memphis has the 2nd largest inland port on the Mississippi River and 4th-largest in the U.S., the largest spot cotton-trading market in the world, home of the FedEx World Hub, major hubs for UPS and DHL and home to the world's busiest cargo airport for more than 17 years. ¹

A key contributor to the stability of the Memphis and Shelby county economy is its industry and job diversity. Government, trade, healthcare services, hospitality and warehousing, transportation and utilities are all mainstays of the regional economy. The City is conveniently located within 600 miles of most major cities and commercial markets in the United States. As a result of its central location and access to the interstate, Mississippi River, rail and airport, the city is a major hub for distribution. Product lines manufactured and distributed from Memphis include Nike athletic apparel and footwear; medical devices from industry leaders like Medtronic, Johnson & Johnson and Smith & Nephew; computers and electronics for brand leaders like Hewlett-Packard, Flextronics, Sharp, Brother and Honeywell; Thompson Technicolor and Gibson's Memphis guitar factory. ¹

Based on the most recent (May 2010) Bureau of Labor report, the Memphis economy is still contracting on a year-over-year basis. But there are signs that the metro area's economic horizon is gradually beginning to brighten.

Since the beginning of the year, the River City has added 6,400 jobs, compared to a drop of 4,000 during the first five months of 2009. Across major sectors, while year-to-date job growth has been concentrated in government (+3,300), there has been a modest strengthening of employment in transportation and trade (+1,200); leisure and hospitality (+1,000); and manufacturing (+900). Although unemployment in the Memphis metro area is still in double digits (10.2%), the steady pattern of job growth since the beginning of the year has caused it to retreat from the 20-year record high level of 11.2% that it reached at the beginning of 2010. The most recent Conference Board Help Wanted Online Data series reported that the number of

¹ Memphis Chamber of Commerce, March 2010, www.memphischamber.com, "Bragging Rights"



new help wanted ads in Memphis was up 18.6% year-over-year in June; the total number of help wanted ads increased by 21% over the same period last year. The latest Manpower Employment Outlook Survey noted that Memphis area employers expect to hire at a “healthy pace during the third quarter,” with 18% of interviewed firms planning to add staff compared to the 7% who were planning to reduce their payrolls. While the net percentage of firms planning to add staff (+11%) in Q3/2010 is down compared to the second quarter (+17%), it is well above the year-ago net percentage of -3%. The Memphis economy is showing signs of improvement, but it is clearly not yet in full recovery mode.²

EDUCATIONAL PROGRAMS

The 2009–10 fiscal year focused on six major areas: 1) a pre-K to third-grade learning continuum that gets students off to a strong start in their school careers; 2) a focus on fourth grade, where so many of our students, especially African American boys, disengage from school; 3) increased attention to Algebra in the fifth grade as the state rolls rigorous math standards down into elementary grades; 4) middle-school initiatives that engage students in positive social networks at the time they experience the developmental need for belonging; 5) implementing high school redesign plans in 14 “weak promoting” high schools that will be organized around career-themed academies; and 6) the creation of a “University Corridor” in feeder patterns in the heart of the city to connect students along a pre-K through 16 continuum of excellence in education, soon to be a model for the nation.

Over the course of the year, we developed and deployed the pre-K through Grade 3 early learning continuum and instituted standards-based reporting across the district for students in kindergarten and first grade. We provided professional development opportunities for fourth grade teachers to learn more about best practices for engaging students in learning. Across the curriculum, and especially in fifth grade, professional development for math teachers is a major emphasis. Middle school students got email accounts through Gagggle.com and were specifically identified for participation in technology project roll-outs. Freshman Academies were implemented in all high schools across the district. High School Redesign projects were deployed in 14 schools and supported in other Striving School Zone (SSZ) schools with Race to the top dollars.

In ways large and small, the district made substantial strides in 2009–10 to better serve students and the community by keeping a keen focus on our strategic goals:

Goal 1: Student Achievement — to accelerate the academic performance of all students, we continued to focus on new pre-K classrooms and are at a place where now more than 4,100 children are receiving pre-K services either directly from MCS or through one of our partner organizations, more than 4,000 pre-K students, parents and siblings participated in the annual Pre-K Express held at the Cook Convention Center; twenty-eight classrooms participated in Kindergarten–Grade 1 and Grade 2–Grade 3 looping where teachers followed their children to the next grade; we built new digital science labs across the district incorporating state of the art technology into our science education program; the first-ever ArtsFest was held at the Board Office involving hundreds of students from across the district; we broke all of our own previous records for jurors in ThinkShow!, with more than 10,000 volunteers participating in the fall and

² Reed Construction Data, July 8, 2010, [Construction Forecasts](#), John Clinkard, based on the (May 201) Bureau of Labor Report



spring events; more than 6,000 students attended the second annual Career and College Expo at the Cook Convention Center in February 2010; we took another bite out of the overage for grade “fault line” with reductions in all grade levels targeted; we increased the number of Advanced Placement and dual enrollment course offerings and saw participation by Black and Hispanic students increase; we recorded a two-percent increase in the 12th grade graduation rate to 87%; we developed an International Baccalaureate (IB) feeder pattern to prepare students for the Program at Ridgeway High School; we celebrated the graduation of more than 300 students from MCS Prep Academies; and most importantly we implemented a new K-12 curriculum that aligns with the expectations of the coming Common Core State Standards.

Goal 2: Accountability — in collaboration with the Board, we laid a foundation for a new system of performance management and system-wide improvement with the development of a district Data Dashboard supported by policies that govern its use. We strengthened the district’s financial accountability system by following strict accounting practices that once again received a clean bill of health from external fiscal auditors. For our sound fiscal practices, our district received recognition for Excellence in Reporting for our Comprehensive Annual Financial Report for fiscal year ended June 30, 2009. In addition, we achieved millions of dollars in efficiencies by doing what many critics said couldn’t be accomplished: improved services in healthcare for our employees and transportation for our students for less money through contracts with new vendors.

Goal 3: Parent and Community Engagement — we built and strengthened family and community partnerships throughout the year with Demand Parent Summits that exceeded our ambitious goal of 1,200 participants — 1,344 parents participated during February’s meetings across the four regions of the district. In addition more than 50 business and community leaders helped guide our teacher effectiveness work by serving on the TEI Advisory Board.

Goal 4: Healthy Youth Development — to promote student leadership and healthy youth in our community, we re-booted our four regional school-based health clinics which served 4,182 students in their first year of operation. Partnership with Well Child, Inc. — in the clinics and through their school-based Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program — had the direct result of providing medical services for 29,855 students during the 2009–10 school year.

Goal 5: Safety — with the help of partners like the MPD and community agencies across the city, we continued the important work of creating a safe environment for all students and staff. Due in large part to programs like the School House Adjustment Program Enterprise (SHAPE) and the Gang Reduction Assistance for Saving Society’s Youth (GRASSY) program, the number of MCS students arrested and put on the criminal justice system track — instead of remaining on the graduation track — has declined substantially. Referrals to Juvenile Court were down 22% and the serious targeted incidents ratio declined from 34.3 per thousand students in the prior year to 24.3. The collaborative work of MCS and the Shelby County Juvenile Court on these programs is quickly becoming viewed as a national model: MCS highlighted this emerging work at the 2010 Disproportionate Minority Contact (DMC) Regional Conference, held in collaboration with the Tennessee Commission on Children and Youth.

Goal 6: Diversity — we have been responsive to the needs of our increasingly diverse student body and community. The 2009–10 school year marked the first time that the number of Hispanic students in MCS elementary and middle schools was larger than the number of white students. The district’s first dual-language program opened at Treadwell Elementary to begin to respond to this emerging trend. Our work to provide diversity training for all staff members was very positive: nearly 1,000 staff members completed on-line coursework on a nationally-recognized curriculum during a pilot test that began in late spring 2010. This program is designed to provide staff with various problem solving techniques and academic strategies for engaging all students, regardless of race, background, or prior achievement levels.



We have ambitious goals for 2010-11 which include:

- 1) **Teaching and learning for college- and career-ready performance levels** — we will focus professional development resources for teachers and leaders to understand and their performance against some of the most rigorous standards in the country. We will provide Developmental Reading for thousands of high school students to increase literacy skills that are so important for being college and career ready. We will ensure that all students have a graduation plan (EdPlan) beginning in the 8th grade that charts a course for high school success using the EXPLORE and PLAN as important check-ins along the way. In addition, we will provide ACT test preparation for all 11th grade students through our partnership with Kaplan in the modified block schedule.
- 2) **Teacher Effectiveness Initiative/Support for teachers** — we will continue in Year 2 of our intensive partnership work with the Gates Foundation to meet milestones for piloting observation rubrics, developing and implementing each component of the Teacher Evaluation Metric (TEM), expanding the communications strategy around the project, and continuing with the Measures of Effective Teaching (MET) project.
- 3) **Striving School Zones/Achievement School District** — we will successfully implement the reform plan for our most fragile schools, providing supports for teachers and principals during the first year of the roll-out;
- 4) **Safety** — we will continue to positively influence school culture and drive lead indicators such as serious targeted incidents down.
- 5) **Operations efficiencies** — we will conduct a series of thorough business system review meetings with the Board and report district progress.
- 6) **Develop and implement a recovery plan** with the City for the \$57 million in past-due funding.
- 7) **Performance-based management across the district** — during the 2010–11 school year, we will implement a leading-edge performance-based management and accountability system across Memphis City Schools where evidence and results are tracked, measured, and reported quarterly.

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 has total net assets of \$957 million, a decrease of approximately \$147.2 million from fiscal year 2009.

Internal Control

To provide a reasonable basis for making these representations, management of the School District has established a comprehensive internal control framework that is 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 has been 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.

Cash Management and Investments

The Board of Commissioners of the Memphis City Schools supports and authorizes a safe and sound investment program. Such a program is critical for securing a maximum yield to supplement other district revenues for the support of educational programs. The investment policy of Memphis City Schools defines the parameters within which funds can be invested. Investments must comply with the policy and must always be in compliance with state and federal laws. It is the practice of the District to pursue an active cash management program that stresses safety of principal and interest while generating favorable rates of return. The program is maintained in such a fashion so as to provide a sufficient level of liquidity to support anticipated expenditures without subjecting the District to material, unfavorable fluctuations of market and interest rate risk.

Risk Management and Financing

The Division of Risk Management has the overall responsibility for the health, comfort and learning environment of students and staff. (DRM) objectives include preserving the assets of the Memphis City Schools from the consequences of accidental or other losses that are financially catastrophic and could impair the Board's ability to provide educational and community services. DRM ensures risks that are likely to have a significant impact on the achievement of key Board objectives are identified and effectively mitigated. Additional objectives include ensuring business continuity plans and school emergency plans are prioritized and maintained in MCS and that guidelines for insured and self-insured programs are established. A Schedule of Insurance and Insurance Services is provided in the Statistical Section of this report.

Fund Accounting

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

Budgetary Controls

Annual budgets are 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 serves as the foundation for the School District's financial planning and control. Enrollment projections which drive staffing and expenditure allocations for local schools are developed in December in order to begin the budgeting process. Budgets are 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 is presented to the Superintendent and the Internal Budget Committee for review. After review by the Superintendent and Internal Budget Committee, the proposed budget is then reviewed by the Board of Commissioners. The budget is then adopted by the full Board of Commissioners and approved by the City of Memphis. The approval of the annual budget by the Board provides authorization to the Superintendent and the administrative staff to expend any or all of the amounts appropriated to the limit of each separate fund for the specific budget year. Any increase to the total budget must be resubmitted to the Board of Commissioners and the City of Memphis for approval.



In order to be fiscally accountable, the budget development process focuses on the re-engineering of processes and realignment of functional assignments for greater efficiency and improved performance. Functional cost centers are charged with implementing measures for continuous improvement and seeking new revenue generators. A prudent review of alternative funding sources is emphasized to maximize and consolidate all resources. Funding levels are reviewed to ensure compliance with federal and state maintenance of efforts. An activist approach is taken in the budget development process. Typically, a deep midyear review is performed on each function's current year expenditures and operations to guide the development of the budget. Management then determines if funds should be realigned or redirected to another area. All line item costs are substantiated as adding value to the school district or meeting state and federal mandates. Each budget is scrutinized for potential cost savings. Additional dollars to support the Academic Agenda are approved in certain cost centers whenever offset by efficiency savings in another cost center.

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

REVISED AND NEWLY ADOPTED FINANCIAL POLICIES

Procurement /Accounts Payable – The policy was revised to improve transactional activity involving the purchase of goods and services above and below a determined dollar amount. The amendment was adopted to improve accounts payable processing of small dollar invoices and to facilitate emergency purchases within the internal control policies and procedures implemented by MCS.

Fixed Assets – The purpose of this policy is to describe the process for the sale/disposal of MCS surplus personal property. An amendment was added to further describe the process for surplus school computers. The equipment shall be properly sanitized prior to disposal or release and properly documented to prevent unauthorized release of sensitive and/ or confidential information that may be stored on that equipment and other electronic media.

Contract Requirements, Approval and Signatory Authority – the purpose of this policy is to identify when written contracts are required and the person(s) and/or body authorized to approve and sign contracts and other documents legally obligating MCS. This policy applies to all written contracts or any other written documents which legally obligate MCS, including its schools or employees acting on behalf of the district to perform any service, pay any monies or participate in any venture or endeavor.

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the City of Memphis for its comprehensive annual financial report for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.



Memphis City Schools also received the Certificate of Excellence for Financial Reporting from the Association of School Business Officials International (ASBO). We have included this award in recognition of the importance of fiscal policies on our ability to educate our students.

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 nonschool district personnel who assisted in the preparation of this report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Kriner Cash'.

Kriner Cash, Ed.D.
Superintendent of Schools

A handwritten signature in blue ink, appearing to read 'Pamela Anstey'.

Pamela Anstey
Chief Financial Officer

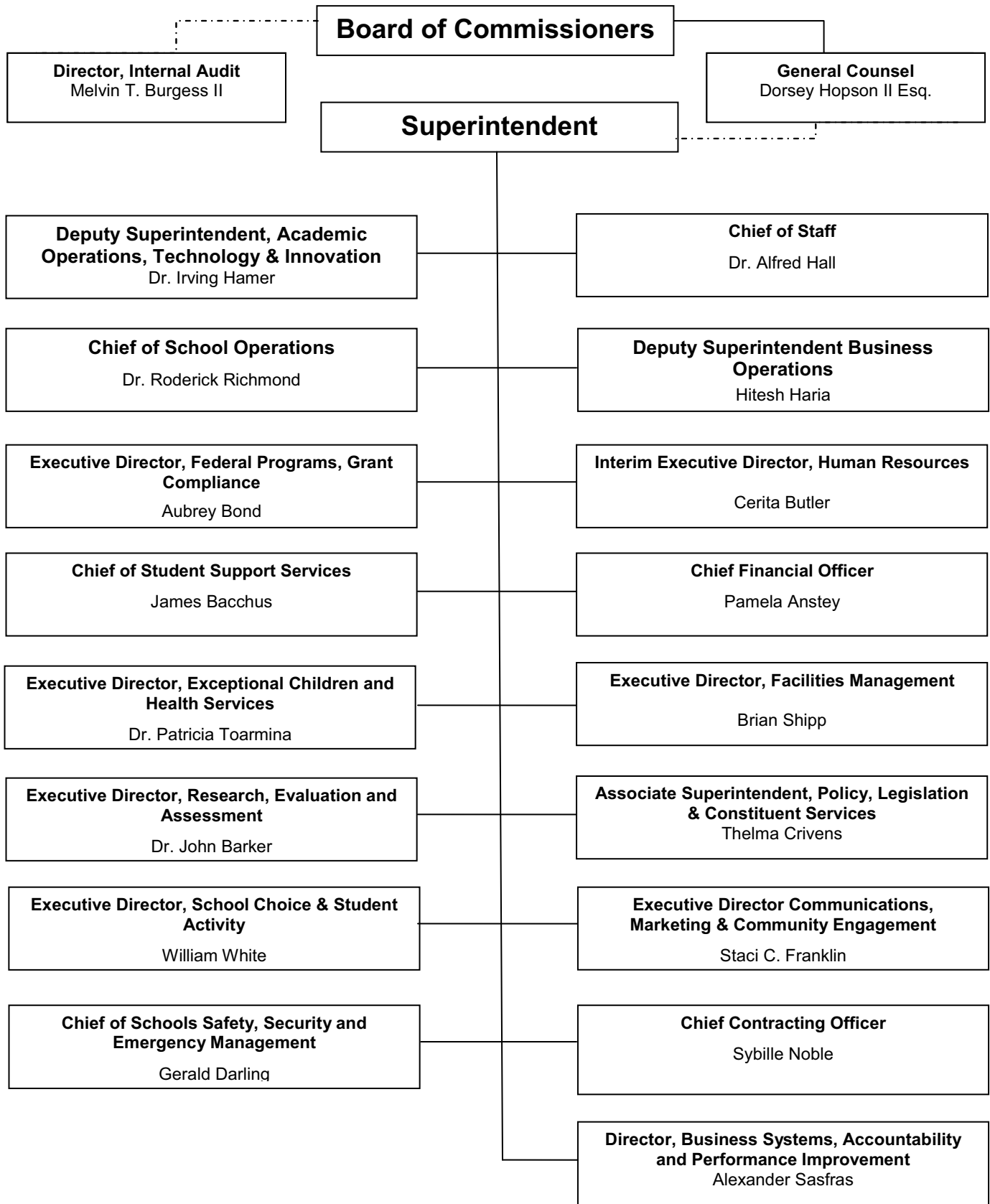
A handwritten signature in blue ink, appearing to read 'Nancy Richie'.

Nancy Richie
Executive Director, Fiscal Services

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MEMPHIS CITY SCHOOLS ORGANIZATIONAL CHART

June 30, 2010



**List of Officials
June 30, 2010**

Board of Education

District 4 (President)
District 1 (Vice President)
District 2
District 3
District 5
District 6
District 7
At-Large Position 2
At-Large Position 1

Mr. Martavius D. Jones
Ms. Stephanie Gatewood
Ms. Betty J. Mallot
Ms. Patrice J. Robinson
Dr. Jeff Warren
Dr. Sharon A. Webb
Ms. Tomeka Hart
Dr. Kenneth T. Whalum, Jr.
Dr. Freda Williams

Cabinet

Superintendent
Director, Internal Audits
General Counsel
Deputy Superintendent, Academic Operations,
Technology & Innovation
Deputy Superintendent, Business Operations
Chief of School Operations
Executive Director, Federal Programs, Grant & Compliance
Chief of Student Support
Executive Director, Exceptional Children and Health Services
Executive Director, Research, Evaluation and Assessment
Executive Director, School Choice & Student Activity
Chief of School Safety, Security and Emergency
Management
Chief of Staff
Interim Executive Director, Human Resources
Chief Financial Officer
Executive Director, Facilities Management
Associate Superintendent, Policy, Legislation
and Constituent Services
Executive Director, Communications,
Marketing & Community Engagement
Chief Contracting Officer
Director, Business Systems, Accountability and
Performance Improvement

Dr. Kriner Cash
Melvin T. Burgess II
Dorsey Hopson II Esq.

Dr. Irving Hamer
Hitesh Haria
Dr. Roderick Richmond
Aubrey Bond
James Bacchus
Dr. Patricia Toarmina
Dr. John Barker
William White

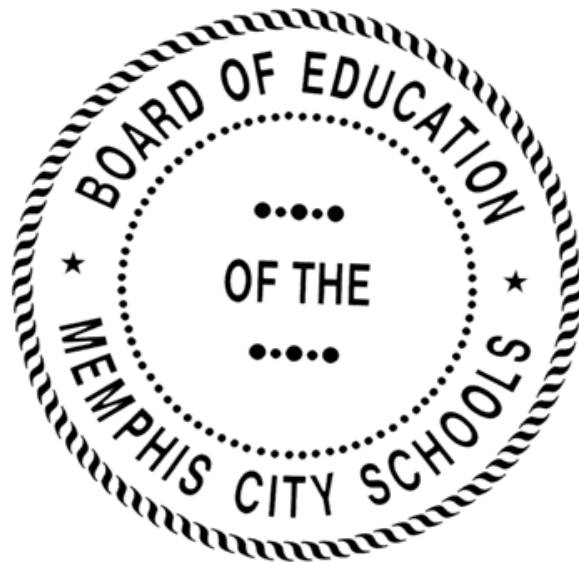
Gerald Darling
Dr. Alfred L. Hall
Cerita Butler
Pamela Anstey
Brian Shipp

Thelma Crivens

Staci C. Franklin
Sybille Noble

Alexander Sasfras

Financial Section





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

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www.wucpas.com

INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members of the Board
of Education of the Memphis City Schools
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, 2010, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 remaining fund information of the Board of Education of the Memphis City Schools, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the general fund and special revenue – categorically aided fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2010, except as stated in the last paragraph as to which the date is August 22, 2011, on our consideration of the Board's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 36 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

In accordance with *Government Auditing Standards*, the report on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters dated December 28, 2010, has been reissued due to the omission of two federal programs on the schedule of expenditures of federal, state and other awards. Since program CFDA 84.394 was considered major, additional audit procedures were performed. The changes to the previously issued report dated December 28, 2010, were as follows: 1) program CFDA 84.394 was added to the schedule of expenditures of federal, state and other awards and to the schedule of findings and questioned costs; 2) program CFDA 10.579 – ARRA was added to the schedule of expenditures of federal, state and other awards; 3) CFDA 84.377A as stated on the December 28, 2010 report was changed on the schedule of findings and questioned costs to reflect the proper CFDA number of 84.010A.

Watkins Mikusall, PLLC

Memphis, Tennessee

December 28, 2010

(Except as noted in the last paragraph above,
as to which the date is August 22, 2011)

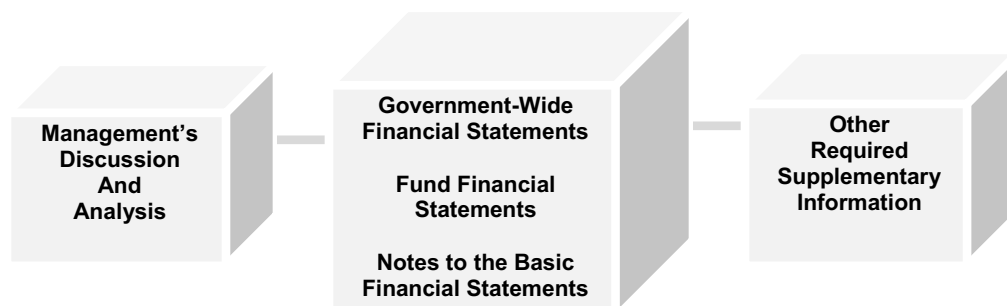
As management of Memphis City Schools, we offer readers of the school district's financial statements this narrative overview and analysis of the financial activities of Memphis City Schools for the fiscal year ended June 30, 2010. Comparative financial information is reported for the fiscal year ended June 30, 2009. 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, 2010 by \$957.3 million (net assets).
- Net assets decreased from fiscal year 2009 by \$142.7 million or 12.97% primarily due to the OPEB annual required contribution (ARC).
- As a result of the ARC, the school district's unrestricted liabilities exceeded its unrestricted assets by \$124.4 million for the year.
- At June 30, 2010, the school district's general operating fund balance was \$94.9 million or 10.99% of total general fund expenditures.
- Unreserved, undesignated fund balance for the General Fund was \$76.7 million or 8.89% of total General Fund expenditures, an increase of \$4.8 million from the previous year. Of this amount, \$50.0 million is available to balance future budgets.
- Fund balance in the Capital Projects fund was \$77.7 million, or 120.76% of expenditures, which was a decrease of \$43.7 million for the year.
- Fund balance in the Categorically Aided fund was \$12.1 million, or 7.03% of expenditures, which was a decrease of \$3.2 million for the year.
- Fund balance for the Food Service fund was \$18.8 million, or 36.52% of total expenditures for the year, which was an increase of \$4.7 million for the year.

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.



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 assets* provides information on all of the assets and liabilities of the whole school district with the difference between the two reported as *net assets*, using the accrual basis of accounting used by most private sector companies. Over time, increases or decreases in net assets may serve as a useful indicator of how we did financially during the year.

The *statement of activities* presents information showing how the school district's net assets changed during the most recent fiscal year. All changes in net assets 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 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 you 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, Capital Projects Fund, and Categorically Aided Fund. The Categorically Aided Fund is comprised of two categories – federal and non-federal. The school district has one non-major fund, which is Food Service.

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 self-insurance health 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 assets 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, 2010 and 2009 by \$957,327,164 and \$1,100,056,820 respectively.

Condensed Statement of Net Assets

	2010	2009	Percentage Change 2010 - 2009
Assets			
Current and Other Assets	\$ 459,457,645	\$ 501,704,227	(8.42%)
Capital Assets	976,789,514	941,472,461	3.75%
Total Assets	1,436,247,159	1,443,176,688	(0.48%)
Liabilities			
Long-term Liabilities	314,960,931	208,307,994	51.20%
Other Liabilities	163,959,064	134,811,874	21.62%
Total Liabilities	478,919,995	343,119,868	39.58%
Net Assets			
Invested in Capital Assets, Net of Related Debt	973,058,977	936,757,714	3.88%
Restricted	108,622,115	150,809,366	(27.97%)
Unrestricted	(124,353,928)	12,489,740	(1095.65%)
Total Net Assets	\$ 957,327,164	\$ 1,100,056,820	(12.97%)

Capital assets (e.g., land, buildings, machinery, equipment and construction in progress) are the largest portion (68.01%) 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 8.66% of the capital assets. Total debt (including post employment benefits and compensating absences) owed by the school district is 65.76% of total liabilities with 99.08% of the debt due after one year. A major portion of the liabilities is in unearned revenue that is an offset of receivables due from Shelby County, other governments and stimulus funds, to finance the district's capital projects.

Governmental Activities. Governmental activities during fiscal year 2010 decreased the school district's net assets by \$142,729,656 or 12.97% of total net assets as compared to a decrease of \$64,906,203 or 5.57% during fiscal year 2009. The primary factor for the decrease can be attributed to the accounting requirements of GASB No. 45 requiring the recognition of actual and long-term expenditures for post employment benefits.

Management Discussion and Analysis

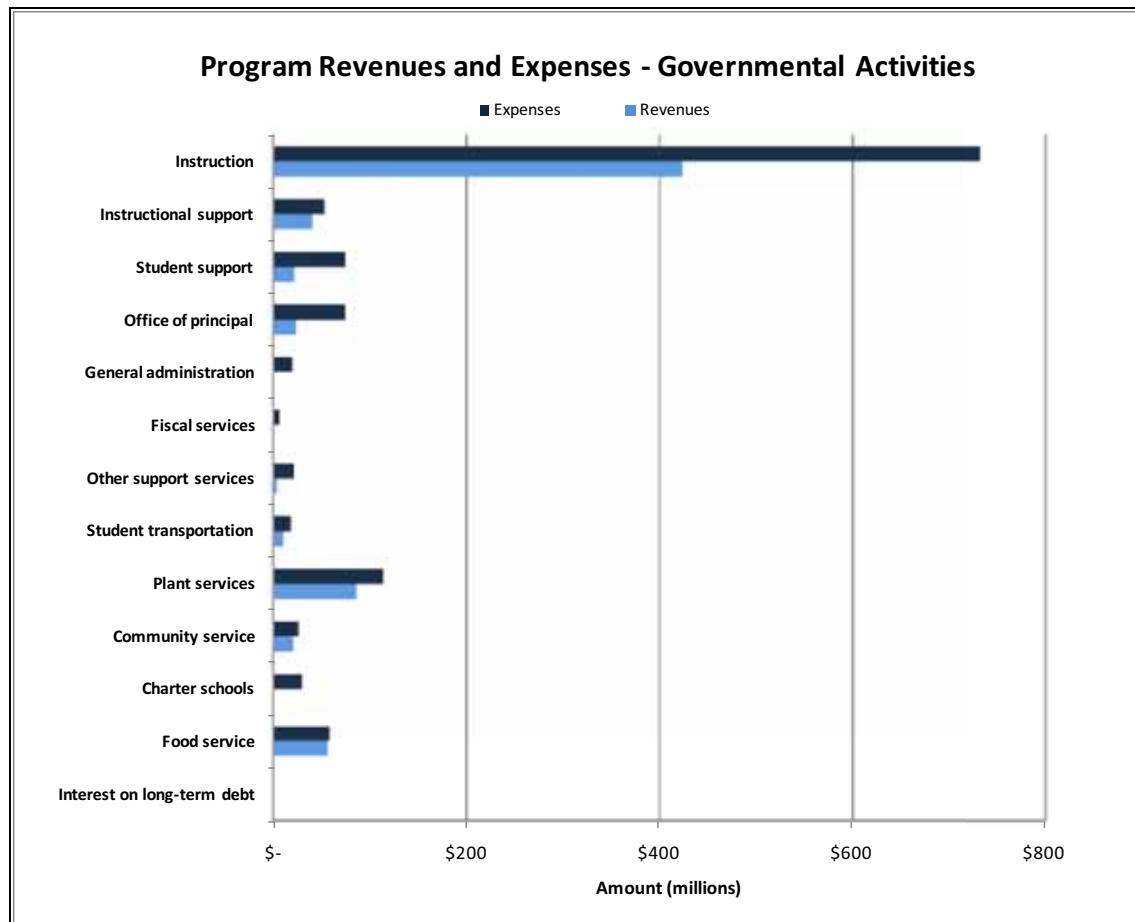
Board of Education of the Memphis City Schools

Condensed Statement of Changes in Net Assets

	2010	As Restated 2009	Percentage Change 2010 - 2009
Revenues			
Program Revenues:			
Charges for services	\$ 13,189,148	\$ 11,751,619	12.23%
Operating grants and contributions	652,733,163	626,948,698	4.11%
Capital grants and contributions	20,203,939	43,961,102	(54.04%)
General Revenues:			
Grants and contributions not restricted to specific programs	397,586,788	431,868,041	(7.94%)
Unrestricted investment earnings	1,046,650	4,982,165	(78.99%)
Total revenues	<u>1,084,759,688</u>	<u>1,119,511,625</u>	<u>(3.10%)</u>
Expenses			
Instruction	734,000,182	708,121,695	3.65%
Instructional support	52,892,233	50,966,149	3.78%
Student support	74,230,338	76,691,113	(3.21%)
Office of principal	74,376,588	74,741,072	(0.49%)
General administration	19,347,129	16,455,040	17.58%
Fiscal services	6,226,788	4,901,550	27.04%
Other support services	21,440,590	22,635,727	(5.28%)
Student transportation	18,010,747	23,774,521	(24.24%)
Plant services	113,515,845	119,084,877	(4.68%)
Community service	25,843,653	24,360,092	6.09%
Charter schools	29,490,799	21,372,840	37.98%
Food service	58,108,794	53,777,037	8.06%
Interest on long-term debt	5,658	11,115	(49.10%)
Total expenses	<u>1,227,489,344</u>	<u>1,196,892,828</u>	<u>2.56%</u>
Increase (decrease) in net assets	(142,729,656)	(77,381,203)	84.45%
Special items:			
Debt forgiveness	-	12,475,000	(100.00%)
Total changes in net assets	(142,729,656)	(64,906,203)	119.90%
Net assets - beginning	<u>1,100,056,820</u>	<u>1,164,963,023</u>	<u>(5.57%)</u>
Net assets - ending	<u>\$ 957,327,164</u>	<u>\$ 1,100,056,820</u>	<u>(12.97%)</u>

2009 Restated to allocate loss on disposal of assets and retiree benefits by function

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.

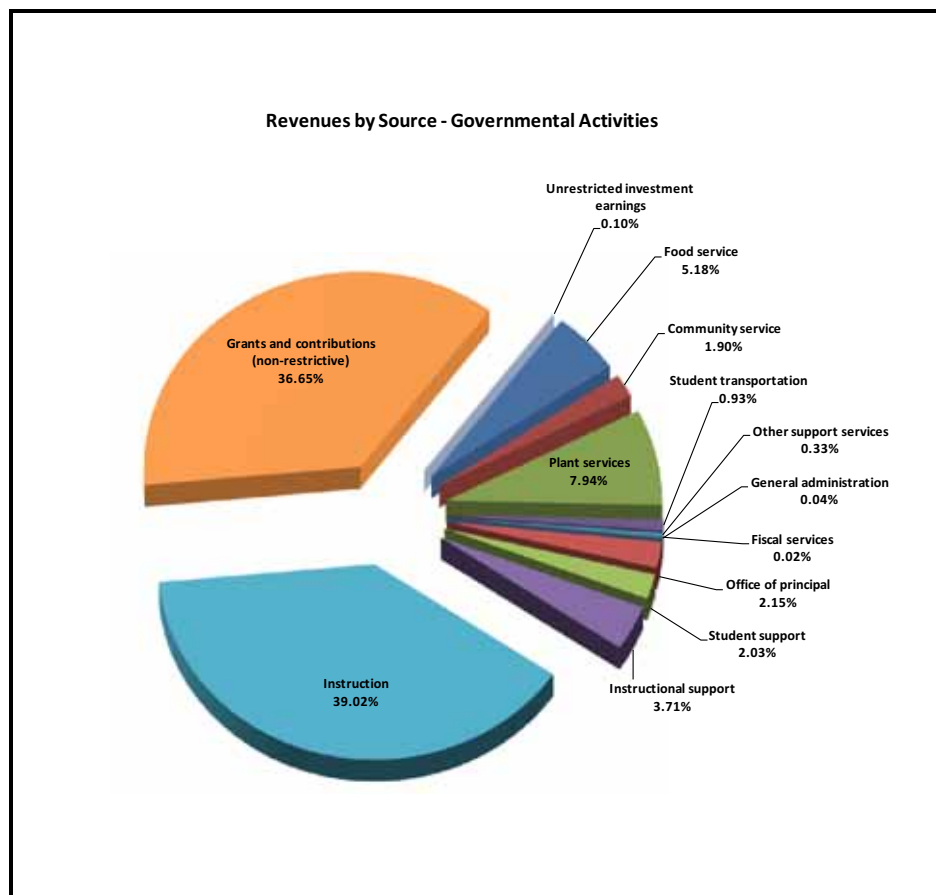


- Instructional expenses include activities directly linked to the teaching of pupils and the interaction between the teacher and pupil. The components include regular, exceptional children, alternative, vocational and adult instruction.
- Instructional support includes the activities involved in assisting 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 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 expenditures of the district. Fifteen charter schools were active in fiscal year 2010.
- 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 29.80% of the governmental activities. A breakdown of revenues by source is presented below.

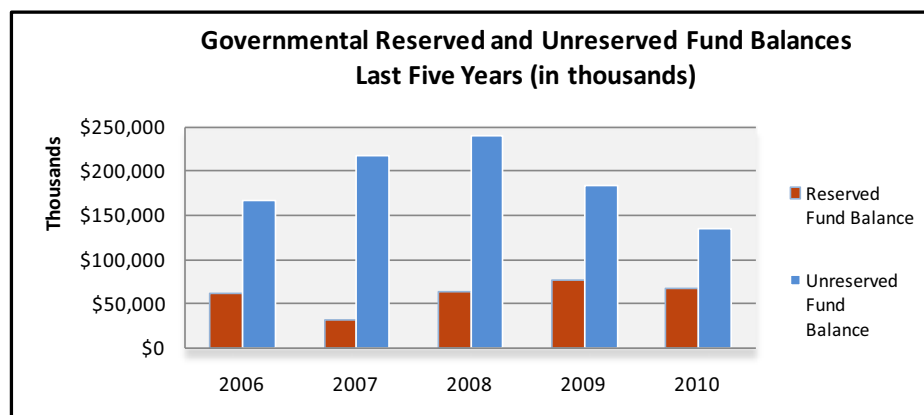


Financial Analysis of the Government's Funds

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, unreserved 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, 2010 and 2009, the school district's governmental funds reported combined ending fund balances of \$203,527,814 and \$261,748,487 respectively, a decrease of \$58,220,673 in 2010 when compared with 2009. Approximately 37.70% of this total amount is comprised of unrestricted fund balance. The remainder of the fund balance is reserved or designated and is not available for new spending based on commitments 1) to liquidate contracts and purchase orders of the prior period (\$56.8 million); 2) to recognize the capital restriction due to the ownership of the district's assets held in inventories accounted for under the consumption method (\$11.2 million); 3) to provide funds for self coverage in the case of an unusual legal claim for which the district is not insured (\$2.0 million); 4) to recognize the capital restriction of anticipated funding needs for capital projects (\$34.6 million); and 5) to fund programs restrictive in nature (\$22.2 million). Reserve funds for contracts and purchase orders for all funds decreased by \$11.5 million from the previous year; whereas, reserve funds held for inventories increased by \$1.9 million.



Major Funds

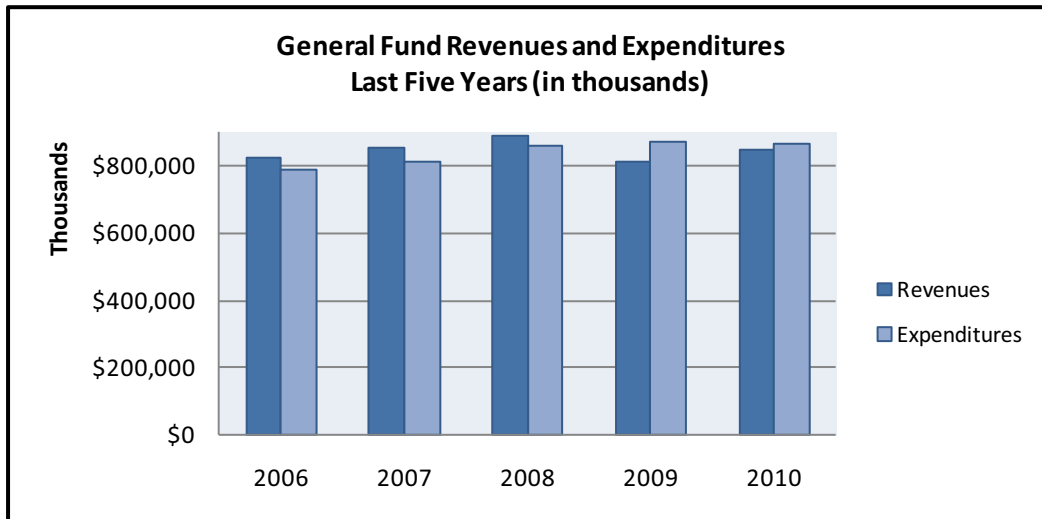
General Fund

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 unreserved, undesignated fund balance was approximately \$76.7 million or 8.89% of total fund expenditures, while total fund balance represents 10.99% of that same amount. The fund balance decreased by \$16.0 million as a result of the loss in funding due to the dispute with the City of Memphis and a decrease in County revenues, which is linked to a drop in enrollment from the previous year.

General Fund revenues increased by \$33.4 million and expenditures decreased by \$7.7 million from the previous year (GAAP basis). The major reason for the increase in revenue is due to the Chancery Court ruling that the City of Memphis is required to continue its funding to the school district according to state law and the maintenance of effort requirements. That ruling was upheld when the Tennessee State Supreme Court declined to hear the City of Memphis'

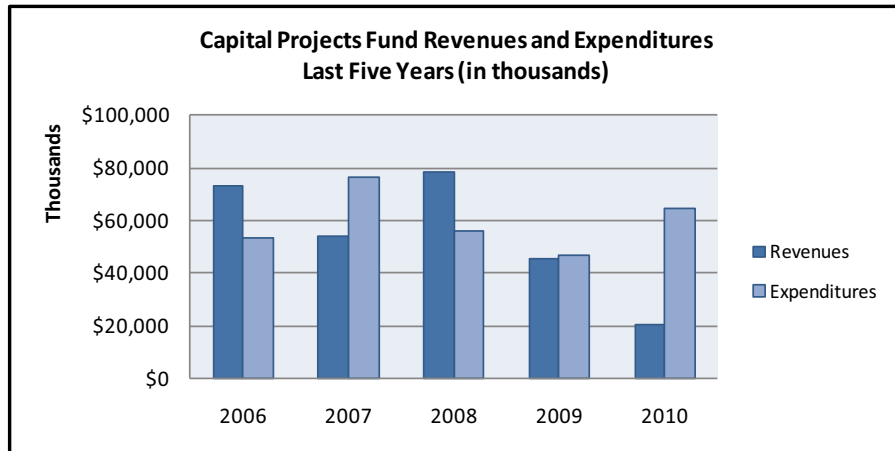
appeal. The City paid \$40 of the \$50 million owed the district and deferred paying the remaining \$10 million until the 2010-11 school year. Changes in County and State revenues are a direct result of the drop in enrollment of 1,405 students. During the course of the year, budgets were amended and spending restrictions enacted to plan for the loss in revenues.



Capital Projects Fund

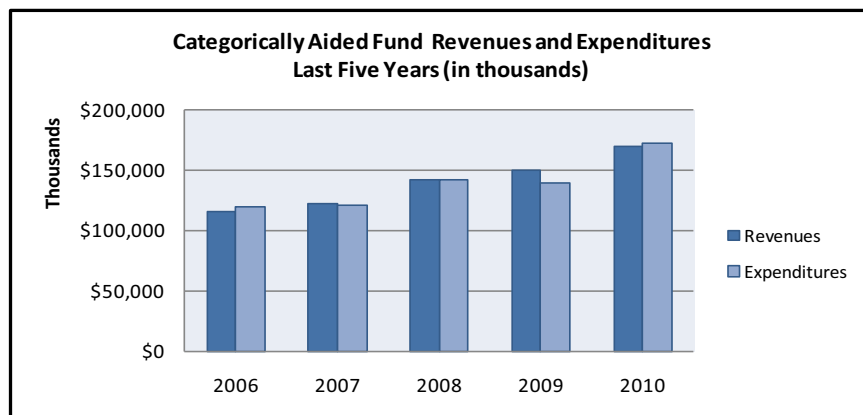
The Capital Projects Fund accounts for transactions related to resources obtained and used for the acquisition, construction or improvement of capital facilities. The available fund balance was decreased by \$43.7 million or 68.01% of total fund expenditures.

Capital Projects Fund revenues decreased by \$25.2 million and expenditures increased by \$17.8 million (GAAP basis). The major reasons for these changes are that revenues are received from the county government according to bond issuances for county-wide school construction and previous long-range funding agreements. Therefore, Memphis City Schools' revenue receipts are in tandem with Shelby County Schools' construction requirements. The district was awarded \$41,720,000 in federal stimulus funds as Qualified School Construction Bonds (QSCB) that must be spent within three years. Revenues are received on a reimbursement basis. Only \$3.2 million was spent by the end of the year. The bond debt will be repaid by Shelby County Government. The district received a small amount of unanticipated FEMA funding as reimbursement for previous storm damage. Local revenue sources included interest earnings on short-term investments held in the Tennessee Local Government Investment Pool (LGIP). Twenty-three projects were completed during the fiscal year in an effort to provide a positive and safe learning environment.



Categorically Aided Fund

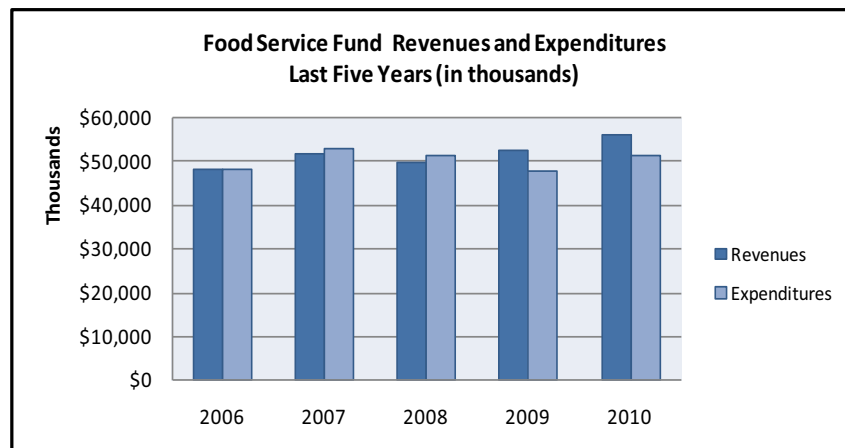
The Categorically Aided Fund accounts for restricted funds received from various agencies, state and federal governments that are to be spent for specific purposes, based on contractual agreements or grant applications. The available fund balance decreased by \$3.2 million from the previous year. Categorical fund balances are restricted and are either reserved for future program needs or encumbered commitments. Revenues increased by \$18.9 million and expenditures increased by \$33.0 million (GAAP basis). The increases are attributable to receipt of approximately \$88.8 million in grant funds from the American Recovery and Reinvestment Act of 2009 and \$92 million awarded from the Gates Foundation. These grants cover a time span of two to seven years.



Non-Major Fund

Food Service Fund

The Food Service Fund is the only non-major fund. A separate fund is used to designate cafeteria transactions of preparing and serving regular and incidental meals, lunches, and snacks in connection with school functions. Revenue is provided primarily from governmental agencies, which is restricted for the cafeterias. The fund balance increased by \$4.7 million from the previous year. Revenues increased by \$3.8 million and expenditures increased by \$3.8 million. Revenues increase proportionately to a change in the federal meal reimbursement rate and are based on the number of meals served. Expenditure increases are a result of increased labor and food cost.



Proprietary Funds

The school district's proprietary funds 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 decreased by \$3.8 million from losses realized during the year in the Insurance Fund. The school district elected to change the administrative service provider and plan coverage beginning January 2010. The district experienced increased claims costs due to the mid-year conversion and the original provider's plan pay out.

General Fund Budgetary Highlights

The school district planned to use \$9.9 million of unreserved, undesignated fund balance during the year. However, \$16.0 million was required, which was a direct result of the funding dispute between the City of Memphis and the school district, leaving a balance of \$76.7 million. Of this amount, \$50.0 million is available for future appropriation.

General operating revenues were less than budget estimates by \$17.6 million. Of this amount, \$10 million is attributable to the decision by the City of Memphis to defer this revenue to the 2010-11 school year. County revenues were based on gross proceeds before trustee commission for collection fees of \$6.0 million was withheld. These costs are accounted for in the General administration function. County 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 estimated percentage used for budgeting was 68.70%. The actual rate was 68.67%.

Actual day student enrollment of 107,041, based on the 40-day end-of-month membership count, was up 1,462 students from projected enrollment figures of 105,579. Actual enrollment dropped 1,405 students from the previous year. The weighted full-time equivalent average daily attendance (WFTEADA) county revenue percentage was 68.67%, down from 69.22% during fiscal year 2009. Enrollment has fallen since fiscal year 2005.

The loss in State funding from Career Ladder and Extended Contract revenues was offset with a corresponding decrease in expense and was budget neutral. A decrease in federal revenues set aside from Permissive Use was also matched by a decrease in expenditures due to timing in the notification of the funds.

The district implemented \$19.8 million of key initiatives that were specifically designed to provide a lift in academic achievement. Actual instructional and school related expenses for the year varied from the budgets due to the drop in enrollment. Those budgets are developed based on projected enrollment by school by grade with enrollment being the cost driver. The district implemented transportation routing efficiencies and cost savings during the year; however, the savings were not totally realized due to the necessity of adding additional bus routes related to student safety issues that led to a cost overrun of \$1.7 million. Plant services realized savings of \$2.9 million, primarily related to lower utility cost.

The school district had a total of fifteen charter schools with an aggregate budget of \$30.7 million. In accordance with state law, \$29.5 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, 2010 amounts to \$976.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment. Overall capital assets increased \$35.3 million from fiscal year 2009 to fiscal year 2010. Overall accumulated depreciation decreased by \$21.5 million.

Condensed Statement of Capital Assets

	Governmental Activities		Percentage Change
	2010	2009	2010 - 2009
Land	\$ 34,699,701	\$ 34,250,316	1.31%
Buildings and improvements	802,832,197	826,561,041	(2.87%)
Machinery and Equipment	54,694,705	49,818,187	9.79%
Construction in progress	84,562,911	30,842,917	174.17%
Total	<u>\$ 976,789,514</u>	<u>\$ 941,472,461</u>	<u>3.75%</u>

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 \$984,211 during fiscal year 2010 with no new additions. During fiscal year 2009, total debt for the school district decreased by \$13,454,298 with no new additions to debt. Included in this 2009 amount is the special item of forgiveness of debt by the City of Memphis in the amount of \$12,475,000.

Condensed Statement of Outstanding Debt

	Governmental Activities		Percentage Change
	2010	2009	2010 - 2009
Due to Federal Government	\$ 229,433	\$ 575,915	(60.16%)
Due to State of Tennessee	3,501,103	4,048,487	(13.52%)
Capital Lease Obligations	-	90,345	(100.00%)
Total	<u>\$ 3,730,536</u>	<u>\$ 4,714,747</u>	<u>(20.88%)</u>

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

Economic Factors and Next Year's Budgets

The Board of Commissioners of Memphis City Schools adopted a fiscal year 2011 General Fund budget in the amount of \$891,717,277 including transfers to charter schools. Seven new charter schools will open, bringing the total number of charter schools to twenty-two, with an aggregate budget of \$45.2 million. The Board of Commissioners approved the planned use of \$9.1 million in unreserved fund balance to balance the operating budget. In fiscal year 2010, the District was awarded a \$92 million grant from the Bill & Melinda Gates Foundation for the purpose of increasing teacher effectiveness. The Teacher Effectiveness Initiative Grant requires

a district and community match for sustainability over time. In fiscal year 2011, \$2.9 million was set aside to begin funding the match requirement.

The fiscal year 2011 General Fund Operating budget includes the opening of two new schools, Chimneyrock and Riverwood Elementary. Riverwood Elementary is a newly constructed school in the Northeast Region that will provide classroom space to take in students from the Chimneyrock/Berryhill annexation areas. Chimneyrock Elementary is an existing school that was previously part of the Shelby County School system. The Chimneyrock area was annexed by the City of Memphis eight years ago and Shelby County Schools continued to educate the students until the district could accommodate them.

The Grizzlies Academy, a downtown high school created and funded by the Memphis NBA team to help some of the city's most vulnerable students will close, a victim of economic and other circumstances. The closing of the Grizzlies Academy ends a seven-year partnership that started with the goal of helping students two years behind catch up and graduate.

The District will merge two schools, Caldwell and Guthrie Elementary Schools. Caldwell students will move to the new Guthrie, and the school will be renamed to Caldwell-Guthrie Elementary.

River City High School of Leadership and Community Service opened in Caldwell Elementary in 2007 for students who prefer a small-school environment. Fewer than 90 high school students attended River City. With the merging of Caldwell into Guthrie Elementary, River City High School closed at the end of the 2010 school year. The students will return to their assigned high schools or seek other options.

Student enrollment is the primary driver of instruction and school expenditure budgets. The expenditure budget is basically a level service budget with reductions of approximately \$48.3 million from the initial proposed budget. The reductions include changes to service delivery, such as converting Spanish textbooks to electronic delivery and changes to reform initiatives such as eliminating the budget for the International School and reducing the number of digital labs to be implemented in fiscal year 2010-11. In addition, the district implemented a reduction in force and eliminated 584 positions.

Shelby County funding of public education is based on an appropriated budget of \$361,288,000 that caps the amount both school districts can receive by adjusting proceeds from wheel taxes. Education's share of property tax levy is expected to remain at \$1.98 per \$100 of assessed property value. Based on the funding cap, total educational funding is expected to remain flat for several years. The district's share of the appropriation will be impacted by the weighted full-time equivalent average daily attendance (WFTEADA) figures that are calculated between Memphis City Schools and Shelby County Schools. Memphis City Schools' 40 day end-of-month enrollment is expected to increase slightly from 107,041 to 107,917 day students. The projected enrollment includes approximately 1,029 new students that will attend Chimneyrock Elementary School. The district's WFTEADA percentage is expected to remain relatively flat at 68.7% due to the inclusion of Chimneyrock students. This has been factored into projected revenues that Memphis City Schools will generate for the year. Sales tax proceeds are expected to remain level from the 2010 budget as we are seeing slight improvements in the economy.

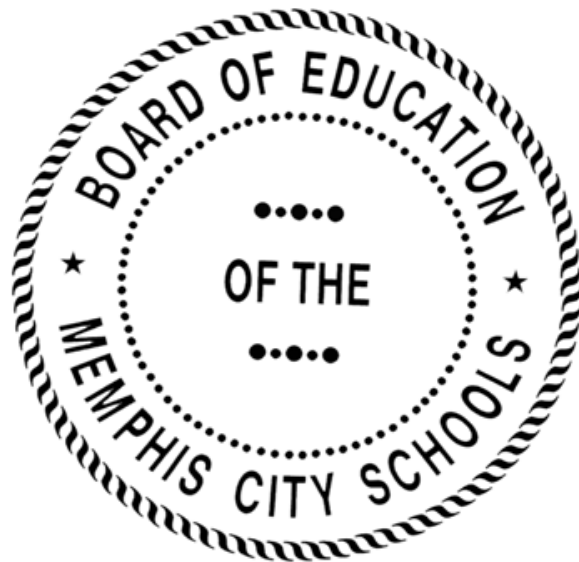
The Memphis City Council voted to approve Memphis City Schools' budget provided that the revenues budgeted from all City of Memphis sources shall not exceed \$78,275,806 in the aggregate. In fiscal year 2009, the City Council approved a reduction of \$.6371 in the tax rate for education reducing the tax rate for education to 19 cents. A lawsuit was filed with the Chancery Court contesting the legality of the reduction. The Court found that the City was obligated to provide funding. The Court's decision effectively means that the City of Memphis owes the district \$57.4 million for the 2008-09 school year. The district is negotiating a repayment plan with the City of Memphis.

The City of Memphis filed suit against Memphis City Schools stating that previous Councils did not have the legal authority to award gratuitously to the school district \$50 million in bond funds that were used to build new schools in newly annexed areas and for ADA renovation projects.

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.

Basic Financial Statements



STATEMENT OF NET ASSETS
June 30, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 231,438,051
Investments	30,007,447
Due from other governments	182,707,871
Other receivables	4,059,307
Inventories	11,244,969
Capital assets, not being depreciated	119,262,612
Capital assets, being depreciated, net	857,526,902
Total assets	<u>1,436,247,159</u>
Liabilities	
Accounts payable and other accrued liabilities	93,427,290
Insurance claims payable	15,995,724
Unearned revenue	54,536,050
Long-term liabilities:	
Due within one year	2,882,814
Due in more than one year	312,078,117
Total liabilities	<u>478,919,995</u>
Net Assets	
Invested in capital assets, net of related debt	973,058,977
Restricted for :	
Capital projects	77,670,147
Contracted grant programs	12,148,613
Food service	18,803,355
Unrestricted	<u>(124,353,928)</u>
Total net assets	<u><u>\$ 957,327,164</u></u>

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

STATEMENT OF ACTIVITIES
For the year ended June 30, 2010

Functions/Programs	Expenses	Charges for Services
Governmental activities:		
Instruction	\$ 734,000,182	\$ 1,106,202
Instructional support	52,892,233	-
Student support	74,230,338	-
Office of principal	74,376,588	-
General administration	19,347,129	-
Fiscal services	6,226,788	-
Other support services	21,440,590	-
Student transportation	18,010,747	-
Plant services	113,515,845	-
Community service	25,843,653	-
Charter schools	29,490,799	-
Food service	58,108,794	12,082,946
Interest on long-term debt	5,658	-
Total governmental activities	<u>\$ 1,227,489,344</u>	<u>\$ 13,189,148</u>

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 Assets
Operating Grants and Contributions	Capital Grants and Contributions	Total
\$ 422,088,017	\$ -	\$ (310,805,963)
40,225,527	-	(12,666,706)
21,992,321	-	(52,238,017)
23,364,548	-	(51,012,040)
470,605	-	(18,876,524)
170,483	-	(6,056,305)
3,567,146	-	(17,873,444)
10,125,677	-	(7,885,070)
65,953,972	20,203,939	(27,357,934)
20,657,967	-	(5,185,686)
-	-	(29,490,799)
44,116,900	-	(1,908,948)
-	-	(5,658)
<u>\$ 652,733,163</u>	<u>\$ 20,203,939</u>	<u>(541,363,094)</u>
General revenues:		
Grants and contributions not restricted to specific programs		397,586,788
Unrestricted investment earnings		1,046,650
Total general revenues and special items		<u>398,633,438</u>
Changes in net assets		<u>(142,729,656)</u>
Net assets - beginning		1,100,056,820
Net assets - ending		<u><u>\$ 957,327,164</u></u>

**GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2010**

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

	General Fund	Capital Projects	Special Revenue Categorically Aided Fund	Other Funds Food Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 103,057,648	\$ 76,321,465	\$ 11,650,101	\$15,588,870	\$ 206,618,084
Investments	30,007,447	-	-	-	30,007,447
Due from Shelby County	23,035,703	16,842,000	152,154	-	40,029,857
Due from other governments	67,416,393	40,405,634	25,901,988	1,214,069	134,938,084
Other receivables	281,810	-	3,486,051	31,636	3,799,497
Inventories	7,724,056	-	-	3,520,913	11,244,969
Due from other funds	15,051,842	-	-	-	15,051,842
Total assets	246,574,899	133,569,099	41,190,294	20,355,488	441,689,780
Liabilities and Fund Balances					
Liabilities					
Accounts payable and other accrued liabilities	78,542,239	7,625,551	7,813,365	1,552,133	95,533,288
Due to other funds	11,489	-	15,013,482	-	15,024,971
Deferred revenues	73,115,472	48,273,401	6,214,834	-	127,603,707
Total liabilities	151,669,200	55,898,952	29,041,681	1,552,133	238,161,966
Fund balances					
Reserved for:					
Inventory encumbrances	350,822	-	-	2,282,999	2,633,821
Other encumbrances	8,097,897	43,112,119	2,973,463	-	54,183,479
Inventories	7,724,056	-	-	3,520,913	11,244,969
Unreserved, designated for:					
Commitments and contingencies	2,000,000	-	-	-	2,000,000
Unreserved, undesignated reported in:					
General fund	76,732,924	-	-	-	76,732,924
Capital projects fund	-	34,558,028	-	-	34,558,028
Special revenue funds	-	-	9,175,150	12,999,443	22,174,593
Total fund balances	94,905,699	77,670,147	12,148,613	18,803,355	203,527,814
Total liabilities and fund balances	\$ 246,574,899	\$ 133,569,099	\$ 41,190,294	\$ 20,355,488	\$ 441,689,780

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 ASSETS
June 30, 2010**

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

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

Total fund balances - total governmental funds	\$ 203,527,814
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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	\$ 1,531,803,667	
Less accumulated depreciation	<u>(555,014,153)</u>	976,789,514

An internal service fund is used by the Board's management to charge the costs of insurance and unemployment claims to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.

9,727,118

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 at year-end consist of:

Notes payable	\$ 3,730,536	
Post employment benefits	302,265,974	
Compensated absences (vacation)	<u>6,858,424</u>	(312,854,934)

Other long-term assets of Shelby County and the City of Memphis are not available to pay for current-period expenditures, and, therefore are deferred by the entities. Recognition of the income from Shelby County and the City of Memphis increases the Board's receivable from the entities.

80,137,652

Total net assets - governmental activities

\$ 957,327,164

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, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	General Fund	Capital Projects	Special Revenue Categorically Aided Fund	Other Funds Food Service Fund	Total Governmental Funds
Revenues					
City of Memphis	\$ 63,846,224	\$ -	\$ -	\$ -	\$ 63,846,224
Shelby County	343,003,183	16,010,980	-	-	359,014,163
State of Tennessee	426,370,994	-	13,181,700	540,873	440,093,567
Federal Government	11,654,447	3,185,124	135,826,617	43,576,027	194,242,215
Other local sources	2,643,765	1,380,669	20,584,606	12,107,915	36,716,955
					-
Total revenues	<u>847,518,613</u>	<u>20,576,773</u>	<u>169,592,923</u>	<u>56,224,815</u>	<u>1,093,913,124</u>
Expenditures					
Current:					
Instruction	508,835,010	-	108,002,080	-	616,837,090
Instructional support	20,845,996	-	26,063,417	-	46,909,413
Student support	59,365,876	-	4,744,341	-	64,110,217
Office of principal	57,174,237	-	6,768,083	-	63,942,320
General administration	12,369,921	-	3,105,140	-	15,475,061
Fiscal services	5,393,981	-	-	-	5,393,981
Other support services	18,190,211	-	1,624,502	-	19,814,713
Student transportation	17,673,021	-	166,710	-	17,839,731
Plant services	100,846,346	-	1,017,021	-	101,863,367
Community service	2,079,240	-	21,290,505	-	23,369,745
Charter school	29,490,799	-	-	-	29,490,799
Retiree benefits	30,297,529	-	-	-	30,297,529
Food service	-	-	-	51,482,077	51,482,077
Debt Service:					
Principal	984,210	-	-	-	984,210
Interest	5,658	-	-	-	5,658
Capital outlay	-	64,317,886	-	-	64,317,886
Total expenditures	<u>863,552,035</u>	<u>64,317,886</u>	<u>172,781,799</u>	<u>51,482,077</u>	<u>1,152,133,797</u>
Excess (deficiency) of revenues over expenditures	<u>(16,033,422)</u>	<u>(43,741,113)</u>	<u>(3,188,876)</u>	<u>4,742,738</u>	<u>(58,220,673)</u>
Fund balance - July 1, 2009	<u>110,939,121</u>	<u>121,411,260</u>	<u>15,337,489</u>	<u>14,060,617</u>	<u>261,748,487</u>
Fund balance - June 30, 2010	<u>\$ 94,905,699</u>	<u>\$ 77,670,147</u>	<u>\$ 12,148,613</u>	<u>\$ 18,803,355</u>	<u>\$ 203,527,814</u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**
For the year ended June 30, 2010

**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	\$ (58,220,673)
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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.

Capital outlay	\$ 85,506,223	
Depreciation expense	<u>(46,911,318)</u>	38,594,905

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.

(3,277,852)

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 assets and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:

984,210

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.

(108,672,356)

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 long-term compensated absences totaled:

833,740

An internal service fund is used by the Board's management to charge the costs of insurance and unemployment claims to the individual funds. The net revenue of the internal service fund is reported with governmental activities.

(3,818,194)

Recognition of earned deferred 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.

(9,153,436)

Change in net assets of governmental activities	\$ <u>(142,729,656)</u>
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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, 2010**

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenues				
City of Memphis	\$ 78,275,806	\$ 78,275,806	\$ 63,846,224	\$ (14,429,582)
Shelby County	344,083,284	344,083,284	343,003,183	(1,080,101)
State of Tennessee	426,519,500	427,548,184	426,370,994	(1,177,190)
Federal Government	6,409,979	12,661,493	11,654,447	(1,007,046)
Other local sources	9,795,585	2,515,387	2,643,765	128,378
Total revenues	<u>865,084,154</u>	<u>865,084,154</u>	<u>847,518,613</u>	<u>(17,565,541)</u>
Expenditures				
Current:				
Instruction	505,835,248	516,821,292	506,736,602	10,084,690
Instructional support	21,695,185	20,979,291	20,173,968	805,323
Student support	60,178,753	60,960,397	58,433,934	2,526,463
Office of principal	56,736,806	57,520,181	57,172,839	347,342
General administration	12,684,852	12,612,975	12,350,269	262,706
Fiscal services	5,556,957	5,351,733	5,088,943	262,790
Other support services	19,750,808	16,762,292	14,940,067	1,822,225
Student transportation	15,367,797	15,719,562	17,373,990	(1,654,428)
Plant services	105,275,126	103,234,105	100,277,322	2,956,783
Community service	2,131,900	2,098,678	1,974,752	123,926
Charter schools	37,548,313	30,701,239	29,490,799	1,210,440
Retiree benefits	31,255,233	31,255,233	30,297,529	957,704
Debt Service:				
Principal	984,210	984,210	984,210	-
Interest	<u>7,823</u>	<u>7,823</u>	<u>5,658</u>	<u>2,165</u>
Total expenditures	<u>875,009,011</u>	<u>875,009,011</u>	<u>855,300,882</u>	<u>19,708,129</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (9,924,857)</u>	<u>\$ (9,924,857)</u>	(7,782,269)	<u>\$ 2,142,588</u>
Change in reserve for encumbrances			<u>(8,251,153)</u>	
Net change in fund balances (GAAP basis)			(16,033,422)	
Fund balance - July 1, 2009			<u>110,939,121</u>	
Fund balance - June 30, 2010			<u>\$ 94,905,699</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, 2010**

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenues				
State of Tennessee	\$ 12,717,986	\$ 13,388,531	\$ 12,286,927	\$ (1,101,604)
Federal Government	103,403,067	208,249,000	139,653,970	(68,595,030)
Other local sources	18,686,998	21,417,253	20,588,887	(828,366)
Total revenues	134,808,051	243,054,784	172,529,784	(70,525,000)
Expenditures				
Current:				
Instruction	77,705,466	161,201,123	108,319,393	52,881,730
Instructional support	18,665,341	36,375,374	28,124,244	8,251,130
Student support	6,897,886	7,731,306	6,793,062	938,244
Office of principal	4,537,664	9,375,333	7,311,168	2,064,165
General administration	56,357	6,522,855	3,109,639	3,413,216
Other support services	2,577,878	2,973,539	1,533,142	1,440,397
Student transportation	5,258,112	6,475,281	164,296	6,310,985
Plant services	853,809	1,039,388	946,422	92,966
Community service	18,790,976	21,097,963	20,532,972	564,991
Total expenditures	135,343,489	252,792,162	176,834,338	75,957,824
Excess (deficiency) of revenues over expenditures	\$ (535,438)	\$ (9,737,378)	(4,304,554)	\$ 5,432,824
Change in reserve for encumbrances			1,115,678	
Net change in fund balances (GAAP basis)			(3,188,876)	
Fund balance - July 1, 2009			15,337,489	
Fund balance - June 30, 2010			\$ 12,148,613	

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

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2010**

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

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Cash and cash equivalents	\$ 24,819,967
Receivable from state	669,936
Other receivables	259,810
Due from general fund	<u>11,489</u>
Total assets	<u>25,761,202</u>
Liabilities	
Current liabilities:	
Insurance claims and premiums payable	15,995,724
Due to general fund	<u>38,360</u>
Total liabilities	<u>16,034,084</u>
Net Assets	
Unrestricted	<u><u>\$ 9,727,118</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 ASSETS
For the year ended June 30, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Governmental Activities - Internal Service Funds
Operating Revenues	
Employee contributions	\$ 33,868,995
Board contributions	97,944,782
Medicare	<u>1,447,872</u>
Total operating revenues	133,261,649
Operating Expenses	
Claims incurred	126,026,053
Life insurance premiums	3,519,506
Administrative expenses	<u>7,612,696</u>
Total operating expenses	<u>137,158,255</u>
Operating loss	(3,896,606)
Nonoperating Revenues	
Interest income	<u>78,412</u>
Change in net assets	(3,818,194)
Total net assets - July 1, 2009	<u>13,545,312</u>
Total net assets - June 30, 2010	<u><u>\$ 9,727,118</u></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, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Governmental Activities - Internal Service Funds
<hr/>	
Cash Flows From Operating Activities	
Receipts for interfund services provided	\$ 99,393,695
Receipts from employees	33,868,995
Payments for life insurance premiums	(3,519,506)
Payments for insurance and unemployment claims	<u>(139,766,153)</u>
Net cash provided by operating activities	(10,022,969)
Cash Flows From Investing Activities	
Interest received	<u>78,412</u>
Increase in cash and cash equivalents	(9,944,557)
Cash and cash equivalents at beginning of year	<u>34,764,524</u>
Cash and cash equivalents at end of year	<u><u>\$ 24,819,967</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (3,896,606)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in assets and liabilities:	
Receivables	1,041
Accrued liabilities	<u>(6,127,404)</u>
Net cash provided by operating activities	<u><u>\$ (10,022,969)</u></u>

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

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Pension Trust Fund	Agency Fund
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 15,442	\$ 7,020,406
Receivable from State of Tennessee	29,666	-
Other receivables	-	417,810
Investments, at fair value:		
Short-term securities	96,743	721,417
Common stocks	1,021,561	-
Corporate bonds	<u>1,320,887</u>	<u>-</u>
Total Investments	2,439,191	721,417
Inventories	<u>-</u>	<u>73,950</u>
 Total assets	 <u>2,484,299</u>	 <u>8,233,583</u>
 Liabilities		
Accounts payable	-	573,139
Due to student general fund	-	5,432,599
Due to student groups	<u>-</u>	<u>2,227,845</u>
 Total liabilities	 <u>-</u>	 <u>8,233,583</u>
 Net Assets		
Held in trust for pension benefits	<u>\$ 2,484,299</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 ASSETS**

For the year ended June 30, 2010

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

	Pension Trust Fund
Additions	
Contributions:	
State reimbursements for benefit payments and insurance premiums	\$ 180,680
Investment Earnings:	
Interest income	102,881
Net appreciation (depreciation) in fair value of investments	275,288
Net investment loss	378,169
Total additions	558,849
Deductions	
Benefit payments	633,553
Administrative expenses	24,445
Total deductions	657,998
Change in net assets	(99,149)
Net Assets	
July 1, 2009	2,583,448
June 30, 2010	\$ 2,484,299

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 assets 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, and expenditures/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:

General Fund

The General Fund accounts for funds to operate and maintain all public schools in the City of Memphis. It is used to account for all financial resources except those required to be accounted for in another fund.

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, which are to be spent for specified purposes based upon contractual agreements. 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. 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.

Internal Service Funds

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

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

Measurement Focus

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

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

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- 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, the 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 collected by the City of Memphis and Shelby County but not yet remitted to the Board.
- b. Grants and subsidies from other governments, to the extent measurable and available.
- c. Interest earned on investments as of year-end.

The proprietary fund 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.

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—Reserved" 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 and 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 (Consumption Method) except food items, which are expensed when used. 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 \$.187 of the total city property tax levy, which is \$3.20 per \$100 of assessed value. The Shelby County tax levy of \$4.02 per \$100 of assessed value included \$1.98 for both the city and county schools. Distribution of Shelby County funds was based on the average daily attendance of each system, approximately 68.67% for the City of Memphis Schools and 31.33% 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.

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.

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 Assets. 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 a long-term obligation in the government-wide 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).

Equity Classifications

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Proprietary fund equity is classified the same as in the governmental-wide financial statements.

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 at June 30, 2010 consist of the following:

Demand deposits	\$ 25,861,609
Investments in state's local government investment pool	205,576,442
	<u>\$ 231,438,051</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 Treasurer of the State of Tennessee. Whenever the Board 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. 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, 2010, the bank balance of the Board's demand deposits was \$41,794,510. 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.

NOTE 3 – INVESTMENTS

Investments as of June 30, 2010, are recorded at market value and consist of the following:

<u>Investment Type</u>	<u>General Fund</u>	<u>Retirement Fund</u>	<u>Student Activity Fund</u>	<u>Total</u>	<u>Weighted Average Maturity in Years</u>
Common stocks	\$ -	\$ 1,021,561	\$ -	\$ 1,021,561	-
Corporate bonds	-	1,320,887	-	1,320,887	3.66
US Gov mortgage backed securities	2,212,077	-	-	2,212,077	0.99
Short term investments	27,795,370	96,743	721,417	28,613,530	-
	<u>\$ 30,007,447</u>	<u>\$ 2,439,191</u>	<u>\$ 721,417</u>	<u>\$ 33,168,055</u>	

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 are approximately as follows as of June 30, 2010:

Aaa	27.48%
Aa2	0.00%
Aa3	0.32%
Aa1	0.00%
A1	0.00%
A2	1.03%
A3	0.67%
Baa1	0.41%
Baa2	1.29%
Baa3	0.34%
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

Payables as of year end for the School District's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate are as follows:

	General Fund	Capital Projects Fund	Categorically Aided Fund	Food Service Fund	Internal Service Funds	Fiduciary Funds
Accounts payable	\$ 7,687,797	\$ 7,534,831	\$ 3,321,346	\$ 1,364,995	\$ -	\$ 573,139
Accrued payroll and payroll deductions	69,142,327	59,892	4,175,071	141,031	-	-
Accrued vacation	1,712,115	30,828	316,948	46,107	-	-
Total	<u>\$ 78,542,239</u>	<u>\$ 7,625,551</u>	<u>\$ 7,813,365</u>	<u>\$ 1,552,133</u>	<u>\$ -</u>	<u>\$ 573,139</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, 2010, the Board is indebted for outstanding general long-term obligations (excluding accrued vacation) with interest rates of 0%. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

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

Years Ending June 30	Principal	Interest	Total
2011	\$ 776,817	\$ -	\$ 776,817
2012	547,384	-	547,384
2013	547,384	-	547,384
2014	547,383	-	547,383
2015	547,384	-	547,384
2016-2019	764,184	-	764,184
	<u>\$ 3,730,536</u>	<u>\$ -</u>	<u>\$ 3,730,536</u>

The following is a summary of changes in general long-term obligations for the year June 30, 2010:

	Balance July 1, 2009	Additions	Payments and Retirements	Balance June 30, 2010	Due Within One Year
Due To Federal Government	\$ 575,915	\$ -	\$ 346,482	\$ 229,433	\$ 229,433
Due to State of Tennessee	4,048,487	-	547,384	3,501,103	547,384
Capital Lease Obligations	90,345	-	90,345	-	-
	<u>4,714,747</u>	<u>-</u>	<u>984,211</u>	<u>3,730,536</u>	<u>776,817</u>
Post Employment Benefits	193,593,618	144,180,542	35,508,186	302,265,974	-
Compensated Absences	9,999,629	1,272,257	2,307,465	8,964,421	2,105,997
	<u>\$ 208,307,994</u>	<u>\$ 145,452,799</u>	<u>\$ 38,799,862</u>	<u>\$ 314,960,931</u>	<u>\$ 2,882,814</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 government fund types as they are earned, to the extent that such benefits would normally be expected to be taken during the next year.

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 defined benefit plan. The accounting records are maintained and pension benefits are processed by employees of the Board. The Board paid benefits of \$452,873 (net of reimbursements from the state) for employees covered by the Local Plan for the year ended June 30, 2010.

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 did not make a contribution for the year ended June 30, 2010.

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 amounted to \$180,680 during the year ended June 30, 2010.

The Local Plan accumulated benefits and net assets as of December 31, 2009 (the date of latest actuarial valuation report) were as follows:

Actuarial present value of accumulated plan benefits	\$2,517,963
Net assets available for benefits (market value)	\$2,674,047

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

B. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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.treasury.state.tn.us/tcrs/PS/.

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, 2010 was 9.04% 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, 2010, Memphis City Schools' annual pension cost of \$13,872,839 to TCRS was equal to Memphis City Schools' required and actual contributions. The required contribution was determined as part of the July 1, 2007 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 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), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 3.0 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 five-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, 2007 was 8 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

4. Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	\$13,872,839	100.00%	\$ -
6/30/09	\$13,835,468	100.00%	\$ -
6/30/08	\$13,852,828	100.00%	\$ -

5. Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 86.06% funded. The actuarial accrued liability for benefits was \$442.200 million, and the actuarial value of assets was \$380.540 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$61.660 million. The covered payroll (annual payroll of active employees covered by the plan) was \$140.720 million, and the ratio of the UAAL to the covered payroll was 43.82%.

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

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 www.treasury.state.tn.us/tcrs/Schools.

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, 2010 was 6.42% 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, 2010, 2009, and 2008 were \$29,906,025, \$29,695,233, \$28,069,910, 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, 2010, 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, 2010 and 2009 costs were \$30,297,529 and \$30,007,304 for 5,660 and 5,804 retirees, respectively.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Board received certain revenue from the City of Memphis during the year ended June 30, 2010. This revenue consisted of the Board's share of property taxes collected by the City of Memphis (see Note 1). This revenue amounted to \$22,412,848 for property taxes. Property taxes due from the City were \$515,358 at June 30, 2010. In addition the chancery court ruled that the city owes the school district its full share of the previous rate or approximately \$55.1 million. That ruling was upheld when the Tennessee State Supreme Court declined to hear the City of Memphis' appeal. The school district recorded this amount as deferred revenue and an additional \$10 million owed for fiscal year 2010 at the fund level.

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance July 1, 2009	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2010
Capital assets, not being depreciated:					
Land	\$ 34,250,316	\$ 51,707	\$ 397,678	\$ -	\$ 34,699,701
Construction in Progress	30,842,917	(8,587,496)	62,307,490	-	84,562,911
Total capital assets, not being depreciated	65,093,233	(8,535,789)	62,705,168	-	119,262,612
Capital assets, being depreciated:					
Buildings and Improvements	1,244,689,341	8,535,789	3,540,438	(5,786,865)	1,250,978,703
Machinery and Equipment	208,165,900	-	19,260,617	(65,864,165)	161,562,352
Total capital assets, being depreciated	1,452,855,241	8,535,789	22,801,055	(71,651,030)	1,412,541,055
Less accumulated depreciation:					
Buildings and improvements	(418,128,300)	-	(32,708,456)	2,690,250	(448,146,506)
Machinery and Equipment	(158,347,713)	-	(14,202,862)	65,682,928	(106,867,647)
Total accumulated depreciation	(576,476,013)	-	(46,911,318)	68,373,178	(555,014,153)
Capital assets being depreciated, net	876,379,228	8,535,789	(24,110,263)	(3,277,852)	857,526,902
Total capital assets, net	\$ 941,472,461	\$ -	\$ 38,594,905	\$ (3,277,852)	\$ 976,789,514

Depreciation expense was charged to governmental functions as follows:

Instruction	\$	38,595,220
Instructional support		1,192,473
Student support		146,035
Office of principal		462,118
General administration		2,935,919
Fiscal services		26,817
Other support services		61,098
Plant services		1,298,667
Community service		50,810
Food service		2,142,161
Total depreciation expense	\$	<u>46,911,318</u>

The estimated cost to complete construction in progress at June 30, 2010 is approximately \$42,169,154.

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 designated \$2,000,000 of the General Fund's unreserved fund balance for any future transportation and 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 designation 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, 2010, the Board has entered into new school construction and renovation contracts totaling \$21,041,446.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2010, 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, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Categorically Aided	\$ 15,013,482
	Internal Service	38,360
		<u>\$ 15,051,842</u>
Internal Service	General	<u>\$ 11,489</u>

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

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.

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 for which the government carries commercial insurance. The government established a limited risk management program for group health insurance. 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. These interfund premiums are used to reduce the amount of claims expenditure reported in the internal service fund. There have been no reductions in insurance coverage or settlements, which exceeded insurance coverage for any previous year.

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>2010</u>	<u>2009</u>
Unpaid claims, beginning of fiscal year	\$ 20,322,489	\$ 18,308,742
Incurred claims (including IBNRs)	124,007,015	126,060,091
Claim payments	<u>(128,825,422)</u>	<u>(124,046,344)</u>
	<u>\$ 15,504,082</u>	<u>\$ 20,322,489</u>

No annuity contracts have been purchased for claims liabilities.

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. For the year ended June 30, 2010, total funds remitted to the charter schools totaled \$29,490,799.

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 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

Memphis City Schools (the School Board) administers the Memphis City Schools' Retiree Medical and Prescription Drug Plan (the Plan) as a single-employer defined benefit Other Post Employment Benefit plan (OPEB). The Plan provides for continuation of medical and life insurance benefits for certain retirees and their spouses and can be amended by action of the School Board subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

B. FUNDING POLICY

The obligations of the plan members, employers and other entities are established by action of the School Board pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the retiree's length of service and whether single or family coverage is elected. The School Board currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. Memphis City Schools funds on a cash basis as benefits are paid. The costs of administering the plan are paid by the School Board. No assets have been segregated and restricted to provide postretirement benefits.

C. ACCOUNTING POLICY

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

D. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Memphis City Schools annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). Memphis City Schools has engaged an actuary to calculate the ARC and related information per the provisions of GASB 45 for employers in plans with more than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (UAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of Memphis City Schools' annual OPEB cost, the amount actually contributed to the plan, and the School District's net OPEB obligation of the Retiree Health and Life Plan at June, 30, 2010, and the preceding two years:

<u>Annual OPEB Cost</u>	Fiscal Year Ending June 30		
	2010	2009	2008
Normal Cost	\$ 84,073,207	\$ 77,845,562	\$ 76,986,776
Amortization of UAL	54,239,929	48,722,422	44,801,986
Interest	5,532,525	5,062,719	4,871,550
ARC	143,845,661	131,630,703	126,660,312
Interest on OPEB Obligation	7,743,745	3,848,828	-
Adjustment to ARC	(7,408,864)	(3,563,729)	-
OPEB Expense	144,180,542	131,915,802	126,660,312
NET OPEB contributions made during the fiscal year	(35,508,186)	(34,542,876)	(30,439,620)
Increase in Net OPEB Obligation	108,672,356	97,372,926	96,220,692
Net OPEB Obligation, beginning of year	193,593,618	96,220,692	-
Net OPEB Obligation, end of year	<u>\$ 302,265,974</u>	<u>\$ 193,593,618</u>	<u>\$ 96,220,692</u>
Percentage of expense contributed	24.6%	26.2%	24.0%

E. FUNDED STATUS AND FUNDING PROGRESS

As of June 30, 2010, the actuarial accrued liability for benefits was \$1,534,912,045, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$615,999,912, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 249.17%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, 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.

F. METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to the point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following assumptions were made:

i. Measurement Date

July 1, 2008

ii. Investment Return (or Discount Rate) as of June 30, 2009

Four percent (4%) per year compounded annually. This is the rate used to discount future benefit liabilities into today's dollars.

iii. Mortality Table

The RP Mortality Tables for Males and Females projected to 2015, combined healthy, no collar were used.

Mortality Assumption
Annual Death Rate Per 1,000 Participants

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.259	0.150
25	0.323	0.168
30	0.412	0.227
35	0.717	0.402
40	0.957	0.563
45	1.239	0.882
50	1.628	1.296
55	2.718	2.409
60	5.297	4.689
65	10.309	9.003

v. Withdrawal from Service

Withdrawal from Service follows select rates of 15% in the first year of service and 12% in the second, TCRS teacher's ultimate male and female withdrawal rates assumptions.

WITHDRAWAL TERMINATION		
Annual Rates of Termination per Per 100 Participants		
<u>Age</u>	<u>Male</u>	<u>Female</u>
20	9.7%	10.5%
25	8.4%	9.9%
30	6.2%	7.7%
35	3.9%	5.1%
40	2.2%	2.7%
45	1.4%	1.3%
50	1.8%	1.5%
55	3.4%	3.7%
60	5.0%	5.0%
65	0.0%	0.0%

v. Opt-out Rates

One hundred percent (100%) of future retirees are assumed to elect medical coverage. Ninety seven percent (97%) of future retirees are assumed to elect life insurance coverage.

vi. Medicare

Medicare Is expected to continue to cover the same portion of costs as it currently does. Retirees may participate in the Basic Plan PPO for pre-Medicare and Medicare eligible medical coverage.

Memphis City Schools receives a monthly subsidy (Medigap) from the State for all certificated Medicare eligible retirees based on service as follows:

<u>Years of Service</u>	<u>Monthly Subsidy</u>
30 or more	\$50.00
At least 20, less than 30	\$37.50
At least 15,less than 20	\$25.00
Less than 15	\$0.00

vii. Marriage Rates

Twenty-five percent (25%) of the retirees are assumed to cover a spouse under the medical plan. Females are assumed to be three years younger than males.

viii. Health Care Trend Factors

The trend rate of incurred claims represents the rate of increase in employer claim payments. Health care costs are assumed to increase in accordance with the following schedule:

Years Beginning 7/1	Medical Annual Rates of Increase	Dental Annual Rates of Increase
2009	7.90%	5.90%
2010	7.70%	5.80%
2011	7.60%	5.70%
2012	7.40%	5.60%
2013	7.30%	5.50%
2014	7.20%	5.40%
2015	7.00%	5.30%
2016	6.90%	5.20%
2017	6.80%	5.10%
2018	6.60%	5.00%
2019	6.40%	5.00%
2020	6.20%	4.90%
2021	6.00%	4.90%
2022	5.80%	4.80%
2023	5.60%	4.80%
2024	5.40%	4.70%
2025	5.20%	4.70%
2026	5.00%	4.60%
2027	4.80%	4.60%
2028+	4.50%	4.50%

ix. Salary Scale

Salaries are assumed to increase 3.5% per year.

x. Retirement Rates

TCRS teachers' retirement rates assumption. Upon reaching age 60 and 15 years of service, the retirement rate is assumed to increase by 8.0% in that year. Upon 30 years of service before age 60, the retirement rate is assumed to increase by 12.5% in that year. Employees are assumed to retire in accordance with the following schedule:

<u>Age</u>	<u>Male and Female</u>	<u>Age</u>	<u>Male and Female</u>
50	6.5%	60	15.0%
51-52	7.0%	61	20.0%
53	8.5%	62	26.0%
54	9.0%	63	19.5%
55	10.0%	64	24.0%
56	12.0%	65	37.5%
57	13.5%	66	30.5%
58	14.0%	67-69	28.5%
59	14.5%	70+	100.0%

xi. Change in Assumptions

n/a

xii. Change in Plan Provisions

n/a

xiii. Method Used to Determine Actuarial Value of Assets

Not applicable. The plan is currently unfunded.

xiv. Amortization Method

The unfunded actuarial liability is amortized as level percent of pay.

xv. Amortization Period

In developing the annual required contribution, the amortization period is 30 years beginning July 1, 2007

xvi. Period Open or Closed

Memphis City Schools' annual required contribution was developed using period closed. With a closed amortization period, the amortization period is counted from one date and declines to zero (in 30 years). With an open amortization period, the amortization period is recalculated each time a new valuation is performed. There is a belief that an open amortization period is appropriate for amortization of unfunded liabilities arising from actuarial gains or losses, but that a closed amortization period is appropriate for amortization of liabilities relating to past underfunding of OPEB obligations because it

would take Memphis City Schools substantially longer to amortize its liabilities using an open amortization period rather than closed.

G. ALLOCATION OF POST EMPLOYMENT BENEFITS

Memphis City Schools' allocations of their OPEB liability to the schools' functions/programs are as follows:

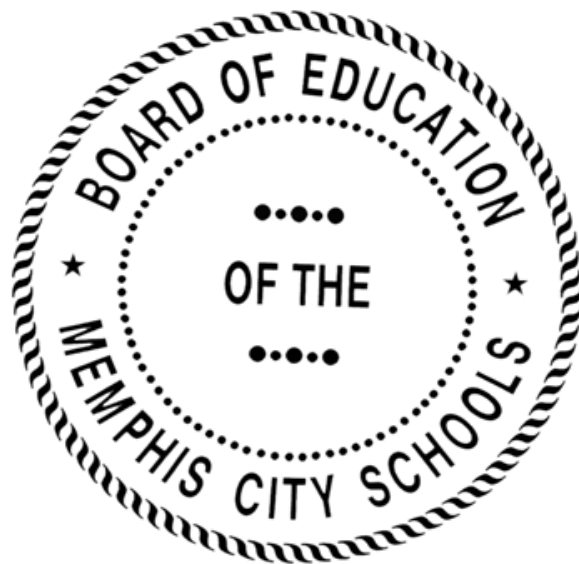
Government Activities:	
Instruction	\$ 74,414,616
Instructional support	3,645,469
Student support	7,586,271
Office of principal	7,548,085
General administration	637,584
Fiscal services	613,419
Other support services	1,190,913
Student transportation	130,156
Plant services	7,757,285
Community service	1,844,158
Food service	<u>3,304,400</u>
Total government activities OPEB expense	<u>\$ 108,672,356</u>

NOTE 14 – SUBSEQUENT EVENT

On December 20, 2010, the Board of Commissioners of the Memphis City Schools approved a resolution to surrender its charter. A referendum must be presented to the citizens of Memphis within 45 to 60 days for an election to either accept or reject the charter surrender. If the citizens of Memphis vote to accept the surrender, the election results must be certified. Upon certification the entity of Memphis City Schools would no longer exist and would become consolidated with Shelby County Schools.

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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	\$ 405,918	\$ 45,481	88.80%	\$ 131,901	34.48%
7/1/2009	380,539	442,198	61,659	86.06%	140,724	43.82%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial method was a change made during the year of the 2007 actuarial valuation, therefore only the two most recent valuations are presented.

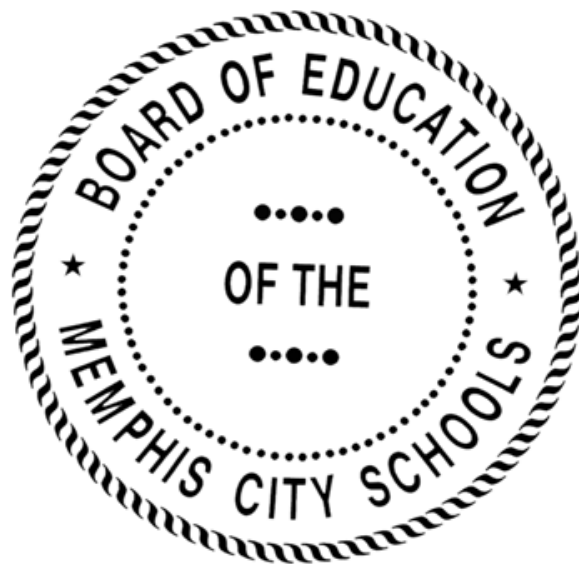
Post Retirement Benefits

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)
6/30/2008	\$ -	\$ 1,348,490	\$ 1,348,490	0.00%	\$ 593,393	227.25%
6/30/2009	-	1,424,341	1,424,341	0.00%	602,977	236.22%
6/30/2010	-	1,534,912	1,534,912	0.00%	616,000	249.17%

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.

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COMBINING INFORMATION INTERNAL SERVICE FUNDS



COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Group Insurance Fund	Unemployment Fund	OPEB Fund	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 24,596,191	\$ 223,776	\$ -	\$ 24,819,967
Due from general fund	11,489	-	-	11,489
Receivable from state	669,936	-	-	669,936
Receivable from other	259,810	-	-	259,810
Total assets	25,537,426	223,776	-	25,761,202
Liabilities				
Current Liabilities:				
Insurance claims and premiums payable	15,847,270	148,454	-	15,995,724
Due to general fund	38,360	-	-	38,360
Total liabilities	15,885,630	148,454	-	16,034,084
Net Assets				
Unrestricted	\$ 9,651,796	\$ 75,322	\$ -	\$ 9,727,118

See independent auditor's report

**COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the year ended June 30, 2010**

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

	Group Insurance Fund	Unemployment Fund	OPEB Fund	Total
Operating Revenues				
Employee contributions	\$ 27,004,812	\$ -	\$ 6,864,183	\$ 33,868,995
Board contributions	67,181,258	2,119,521	28,644,003	97,944,782
Medicare	1,447,872	-	-	1,447,872
Total operating revenues	95,633,942	2,119,521	35,508,186	133,261,649
Operating Expenses				
Claims incurred	91,713,971	1,971,038	32,341,044	126,026,053
Life insurance premiums	3,137,430	-	382,076	3,519,506
Administrative expenses	4,827,630	-	2,785,066	7,612,696
Total operating expenses	99,679,031	1,971,038	35,508,186	137,158,255
Operating income	(4,045,089)	148,483	-	(3,896,606)
Nonoperating Revenues				
Interest income	78,005	407	-	78,412
Change in net assets	(3,967,084)	148,890	-	(3,818,194)
Net Assets				
July 1, 2009	13,618,880	(73,568)	-	13,545,312
June 30, 2010	\$ 9,651,796	\$ 75,322	\$ -	\$ 9,727,118

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COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended June 30, 2010

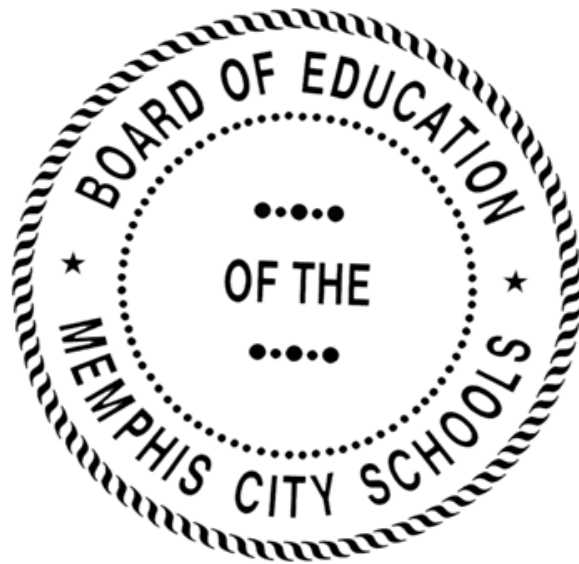
BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Group Insurance Fund	Unemployment Fund	OPEB Fund	Total
Cash Flows From Operating Activities				
Receipts for interfund services provided	\$ 68,630,171	\$ 2,119,521	\$ 28,644,003	\$ 99,393,695
Receipts from employees	27,004,812	-	6,864,183	33,868,995
Payments for life insurance premiums	(3,137,430)	-	(382,076)	(3,519,506)
Payments for insurance and unemployment claims	<u>(102,644,797)</u>	<u>(1,995,246)</u>	<u>(35,126,110)</u>	<u>(139,766,153)</u>
Net cash provided by operating activities	(10,147,244)	124,275	-	(10,022,969)
Cash Flows From Investing Activities				
Interest received	<u>78,005</u>	<u>407</u>	<u>-</u>	<u>78,412</u>
Increase in cash and cash equivalents	(10,069,239)	124,682	-	(9,944,557)
Cash and cash equivalents at beginning of year	<u>34,665,430</u>	<u>99,094</u>	<u>-</u>	<u>34,764,524</u>
Cash and cash equivalents at end of year	<u>\$ 24,596,191</u>	<u>\$ 223,776</u>	<u>\$ -</u>	<u>\$ 24,819,967</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating gain (loss)	\$ (4,045,089)	\$ 148,483	\$ -	\$ (3,896,606)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Changes in assets and liabilities:				
Receivables	1,041	-	-	1,041
Accrued liabilities	<u>(6,103,196)</u>	<u>(24,208)</u>	<u>-</u>	<u>(6,127,404)</u>
Net cash provided by operating activities	<u>\$ (10,147,244)</u>	<u>\$ 124,275</u>	<u>\$ -</u>	<u>\$ (10,022,969)</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, 2010

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
Assets				
Cash and cash equivalents	\$ 6,991,411	\$ 24,444,065	\$ 24,415,070	\$ 7,020,406
Investments	722,155	1,413	2,151	721,417
Other receivables	651,500	417,810	651,500	417,810
Inventories	87,915	309,238	323,203	73,950
Total assets	<u>\$ 8,452,981</u>	<u>\$ 25,172,526</u>	<u>\$ 25,391,924</u>	<u>\$ 8,233,583</u>
Liabilities				
Accounts payable	\$ 316,113	\$ 573,139	\$ 316,113	573,139
Due to student general fund	5,305,487	6,013,345	5,886,233	5,432,599
Due to student groups	2,831,381	18,442,514	19,046,050	2,227,845
Total liabilities	<u>\$ 8,452,981</u>	<u>\$ 25,028,998</u>	<u>\$ 25,248,396</u>	<u>\$ 8,233,583</u>

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**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the year ended June 30, 2010**

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenues				
State of Tennessee	\$ 600,000	\$ 600,000	\$ 540,873	\$ (59,127)
Federal Government	43,485,380	43,485,380	43,576,027	90,647
Other local sources	11,964,620	11,964,620	12,107,915	143,295
Total revenues	56,050,000	56,050,000	56,224,815	174,815
Expenditures				
Current				
Labor	26,535,417	26,535,417	25,006,657	1,528,760
Food	21,705,400	21,375,400	19,762,137	1,613,263
Supplies	2,000,000	2,000,000	1,904,412	95,588
Equipment	1,500,000	1,482,000	1,092,705	389,295
Other	4,309,000	4,657,000	4,210,342	446,658
Total expenditures	56,049,817	56,049,817	51,976,253	4,073,564
Excess (deficiency) of revenues over expenditures	\$ 183	\$ 183	4,248,562	\$ 4,248,379
Change in reserve for encumbrances			494,176	
Net change in fund balances (GAAP basis)			4,742,738	
Fund balance - July 1, 2009			14,060,617	
Fund balance - June 30, 2010			\$ 18,803,355	

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, 2010**

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenues				
Shelby County	\$ -	\$ -	\$ 16,010,980	\$ 16,010,980
Federal Government	-	-	3,185,124	3,185,124
Other local sources	-	-	1,380,669	1,380,669
Total revenues	-	-	20,576,773	20,576,773
Expenditures				
Capital Outlay	115,365,563	115,365,563	61,498,341	53,867,222
Total expenditures	115,365,563	115,365,563	61,498,341	53,867,222
Excess (deficiency) of revenues over expenditures	<u>\$ (115,365,563)</u>	<u>\$ (115,365,563)</u>	(40,921,568)	<u>\$ 74,443,995</u>
Change in reserve for encumbrances			(2,819,545)	
Net change in fund balances (GAAP basis)			(43,741,113)	
Fund balance - July 1, 2009			121,411,260	
Fund balance - June 30, 2010			<u>\$ 77,670,147</u>	

See independent auditor's report

SCHEDULE OF GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
June 30, 2010

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	\$ 84,562,911	\$ -	\$ -	\$ 85,012,296
Instruction	30,892,905	-	1,106,224,487	104,969,817	1,242,087,209
Instructional support	-	-	17,908,158	3,082,382	20,990,540
Student support	1,782	-	3,577,119	354,549	3,933,450
Office of principal	3,564	-	16,296,987	256,148	16,556,699
General administration	3,262,220	-	35,512,224	30,088,609	68,863,053
Fiscal services	-	-	-	464,580	464,580
Other support services	-	-	-	416,158	416,158
Student transportation	-	-	164,142	-	164,142
Plant services	63,112	-	4,330,986	8,015,589	12,409,687
Community service	-	-	-	522,052	522,052
Food service	26,733	-	66,964,600	13,392,468	80,383,801
Totals	<u>\$ 34,699,701</u>	<u>\$ 84,562,911</u>	<u>\$ 1,250,978,703</u>	<u>\$ 161,562,352</u>	<u>\$ 1,531,803,667</u>
Accumulated depreciation:					
Instruction	\$ -	\$ -	\$ 390,805,145	\$ 68,728,995	\$ 459,534,140
Instructional support	-	-	7,164,851	317,514	7,482,365
Student support	-	-	1,205,149	48,394	1,253,543
Office of principal	-	-	6,014,481	92,664	6,107,145
General administration	-	-	16,602,059	24,137,288	40,739,347
Fiscal services	-	-	-	26,817	26,817
Other support services	-	-	-	61,098	61,098
Student transportation	-	-	164,142	-	164,142
Plant services	-	-	2,910,332	2,191,353	5,101,685
Community service	-	-	-	50,810	50,810
Food service	-	-	23,280,347	11,212,714	34,493,061
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 448,146,506</u>	<u>\$ 106,867,647</u>	<u>\$ 555,014,153</u>
Net book value:					
Unallocated	\$ 449,385	\$ 84,562,911	\$ -	\$ -	\$ 85,012,296
Instruction	30,892,905	-	715,419,342	36,240,822	782,553,069
Instructional support	-	-	10,743,307	2,764,868	13,508,175
Student support	1,782	-	2,371,970	306,155	2,679,907
Office of principal	3,564	-	10,282,506	163,484	10,449,554
General administration	3,262,220	-	18,910,165	5,951,321	28,123,706
Fiscal services	-	-	-	437,763	437,763
Other support services	-	-	-	355,060	355,060
Plant services	63,112	-	1,420,654	5,824,236	7,308,002
Community service	-	-	-	471,242	471,242
Food service	26,733	-	43,684,253	2,179,754	45,890,740
Totals	<u>\$ 34,699,701</u>	<u>\$ 84,562,911</u>	<u>\$ 802,832,197</u>	<u>\$ 54,694,705</u>	<u>\$ 976,789,514</u>

See independent auditor's report

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the year ended June 30, 2010

Function	Cost				Balance June 30, 2010
	Balance July 1, 2009	Reclassifications	Additions	Disposals and Adjustments	
Unallocated					
Land	\$ -	\$ 51,707	\$ 397,678	\$ -	\$ 449,385
Construction in Progress	30,842,917	(8,587,496)	62,307,490	-	84,562,911
Totals	30,842,917	(8,535,789)	62,705,168	-	85,012,296
Instruction					
Land	30,892,905	-	-	-	30,892,905
Buildings and Improvements	1,100,540,529	7,762,163	3,049,431	(5,127,636)	1,106,224,487
Machinery and Equipment	118,755,625	-	8,541,072	(22,326,880)	104,969,817
Totals	1,250,189,059	7,762,163	11,590,503	(27,454,516)	1,242,087,209
Instructional support					
Buildings and Improvements	17,823,705	39,269	45,184	-	17,908,158
Machinery and Equipment	54,174	-	3,028,956	(748)	3,082,382
Totals	17,877,879	39,269	3,074,140	(748)	20,990,540
Student support					
Land	1,782	-	-	-	1,782
Buildings and Improvements	3,577,288	10,542	1,238	(11,949)	3,577,119
Machinery and Equipment	217	-	354,405	(73)	354,549
Totals	3,579,287	10,542	355,643	(12,022)	3,933,450
Office of principal					
Land	3,564	-	-	-	3,564
Buildings and Improvements	16,187,856	115,962	79,234	(86,065)	16,296,987
Machinery and Equipment	195,028	-	76,106	(14,986)	256,148
Totals	16,386,448	115,962	155,340	(101,051)	16,556,699
General administration					
Land	3,262,220	-	-	-	3,262,220
Buildings and Improvements	35,616,871	-	-	(104,647)	35,512,224
Machinery and Equipment	69,990,983	-	25,268	(39,927,642)	30,088,609
Totals	108,870,074	-	25,268	(40,032,289)	68,863,053
Fiscal services					
Machinery and Equipment	12,723	-	464,580	(12,723)	464,580
Totals	12,723	-	464,580	(12,723)	464,580
Other support services					
Machinery and Equipment	-	-	416,158	-	416,158
Totals	-	-	416,158	-	416,158
Student transportation					
Buildings and Improvements	164,142	-	-	-	164,142
Totals	164,142	-	-	-	164,142
Plant services					
Land	63,112	-	-	-	63,112
Buildings and Improvements	3,976,016	307,411	231,641	(184,082)	4,330,986
Machinery and Equipment	6,391,010	-	5,190,890	(3,566,311)	8,015,589
Totals	10,430,138	307,411	5,422,531	(3,750,393)	12,409,687
Community service					
Machinery and Equipment	-	-	522,052	-	522,052
Totals	-	-	522,052	-	522,052
Food service					
Land	26,733	-	-	-	26,733
Buildings and Improvements	66,802,934	300,442	133,710	(272,486)	66,964,600
Machinery and Equipment	12,766,140	-	641,130	(14,802)	13,392,468
Totals	79,595,807	300,442	774,840	(287,288)	80,383,801
Grand Totals					
Land	\$ 34,250,316	\$ 51,707	\$ 397,678	\$ -	\$ 34,699,701
Construction in progress	30,842,917	(8,587,496)	62,307,490	-	84,562,911
Buildings and Improvements	1,244,689,341	8,535,789	3,540,438	(5,786,865)	1,250,978,703
Machinery and Equipment	208,165,900	-	19,260,617	(65,864,165)	161,562,352
Totals	\$ 1,517,948,474	\$ -	\$ 85,506,223	\$ (71,651,030)	\$ 1,531,803,667

See independent auditor's report

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

Accumulated Depreciation					
Balance July 1, 2009	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2010	Net book value June 30, 2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 449,385
-	-	-	-	-	84,562,911
-	-	-	-	-	85,012,296
-	-	-	-	-	30,892,905
364,725,747	-	28,513,974	(2,434,576)	390,805,145	715,419,342
80,853,480	-	10,081,246	(22,205,731)	68,728,995	36,240,822
445,579,227	-	38,595,220	(24,640,307)	459,534,140	782,553,069
6,265,984	-	898,867	-	7,164,851	10,743,307
24,207	-	293,606	(299)	317,514	2,764,868
6,290,191	-	1,192,473	(299)	7,482,365	13,508,175
-	-	-	-	-	1,782
1,113,186	-	97,670	(5,707)	1,205,149	2,371,970
102	-	48,365	(73)	48,394	306,155
1,113,288	-	146,035	(5,780)	1,253,543	2,679,907
-	-	-	-	-	3,564
5,640,562	-	414,720	(40,801)	6,014,481	10,282,506
51,036	-	47,398	(5,770)	92,664	163,484
5,691,598	-	462,118	(46,571)	6,107,145	10,449,554
-	-	-	-	-	3,262,220
15,725,200	-	900,776	(23,917)	16,602,059	18,910,165
62,012,110	-	2,035,143	(39,909,965)	24,137,288	5,951,321
77,737,310	-	2,935,919	(39,933,882)	40,739,347	28,123,706
12,723	-	26,817	(12,723)	26,817	437,763
12,723	-	26,817	(12,723)	26,817	437,763
-	-	61,098	-	61,098	355,060
-	-	61,098	-	61,098	355,060
164,142	-	-	-	164,142	-
164,142	-	-	-	164,142	-
-	-	-	-	-	63,112
2,836,938	-	128,956	(55,562)	2,910,332	1,420,654
4,555,207	-	1,169,711	(3,533,565)	2,191,353	5,824,236
7,392,145	-	1,298,667	(3,589,127)	5,101,685	7,308,002
-	-	50,810	-	50,810	471,242
-	-	50,810	-	50,810	471,242
-	-	-	-	-	26,733
21,656,541	-	1,753,493	(129,687)	23,280,347	43,684,253
10,838,848	-	388,668	(14,802)	11,212,714	2,179,754
32,495,389	-	2,142,161	(144,489)	34,493,061	45,890,740
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,699,701
-	-	-	-	-	84,562,911
418,128,300	-	32,708,456	(2,690,250)	448,146,506	802,832,197
158,347,713	-	14,202,862	(65,682,928)	106,867,647	54,694,705
\$ 576,476,013	\$ -	\$ 46,911,318	\$ (68,373,178)	\$ 555,014,153	\$ 976,789,514

DEBT INFORMATION**SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS**

For the year ended June 30, 2010

Description/ Maturity Date	Interest Rate	Original Issue	Outstanding July 1, 2009
Due to Federal Government:			
September 1990 to May 2010	0.00	\$ 835,821	\$ 46,434
April 1991 to May 2011	0.00	1,002,051	111,338
April 1992 to November 2011	0.00	2,259,895	208,582
April 1993 to November 2011	0.00	2,138,906	209,561
Due to State of Tennessee			
June 2002 to 2016	0.00	6,651,638	3,325,821
June 2004 to 2018	0.00	1,084,000	722,666
Capital Lease Obligations	4.62-7.50	19,518,612	90,345
Total		<u>33,490,923</u>	<u>4,714,747</u>
Accrued Vacation			9,999,629
Post Employment Benefits			<u>193,593,618</u>
Total Long-term Obligations		<u>\$ 33,490,923</u>	<u>\$ 208,307,994</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, 2010</u>	<u>Current Portion</u>
\$ -	\$ (46,434)	\$ -	\$ -
-	(55,669)	55,669	55,669
-	(125,551)	83,031	83,031
-	(118,828)	90,733	90,733
-	(475,117)	2,850,704	475,117
-	(72,267)	650,399	72,267
-	(90,345)	-	-
-	(984,211)	3,730,536	776,817
1,272,257	(2,307,465)	8,964,421	2,105,997
144,180,542	(35,508,186)	302,265,974	-
\$ 145,452,799	\$ (38,799,862)	\$ 314,960,931	\$ 2,882,814

DEBT INFORMATION
SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS
PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2010

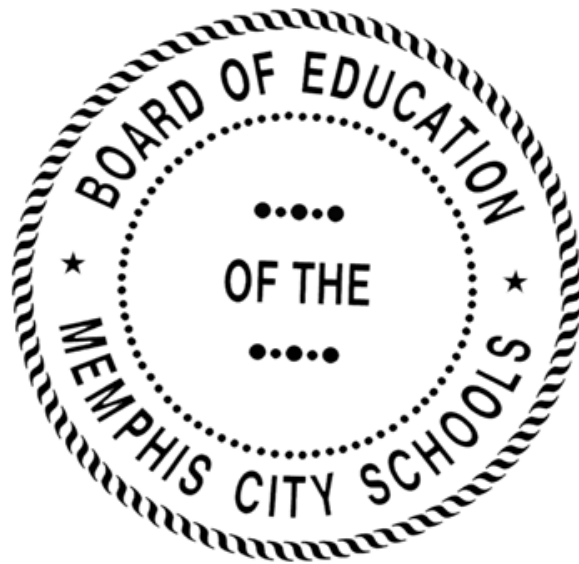
BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

Year Ending June 30,	Due to Federal Government	Due to State of Tennessee	Total
Principal:			
2011	\$ 229,433	\$ 547,384	\$ 776,817
2012	-	547,384	547,384
2013	-	547,384	547,384
2014	-	547,383	547,383
2015	-	547,384	547,384
2016-2019	-	764,184	764,184
Total	<u>\$ 229,433</u>	<u>\$ 3,501,103</u>	<u>\$ 3,730,536</u>

Interest:			
2011	\$ -	\$ -	\$ -
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016-2019	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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. The School District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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Financial Trends

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

Net Assets	2010	2009	2008 (1)	2007 (1)
Invested in capital assets, net of related debt	\$ 973,058,977	\$ 936,757,714	\$ 916,385,792	\$ 860,547,479
Restricted for:				
Capital projects	77,670,147	121,411,260	122,200,719	99,367,776
Contracted grant programs	12,148,613	15,337,489	4,389,012	4,904,318
Food service	18,803,355	14,060,617	9,303,232	10,613,411
Unrestricted	(124,353,928)	12,489,740	112,684,268	172,157,446
	<u>\$ 957,327,164</u>	<u>\$ 1,100,056,820</u>	<u>\$ 1,164,963,023</u>	<u>\$ 1,147,590,430</u>

Note: Government-wide financial statements were first presented in 2002.

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

Source: Memphis City Schools Financial Statements

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

2006	2005	2004	2003	2002
<u>\$ 809,782,772</u>	<u>\$ 783,600,956</u>	<u>\$ 788,064,346</u>	<u>\$ 756,464,277</u>	<u>696,053,497</u>
121,717,438	102,580,606	62,455,820	36,900,931	41,187,006
3,729,746	7,674,425	6,843,148	9,665,161	11,598,696
11,685,133	11,850,896	10,127,574	7,969,049	16,898,854
<u>117,659,144</u>	<u>80,677,052</u>	<u>73,869,061</u>	<u>65,855,270</u>	<u>74,648,549</u>
<u>\$ 1,064,574,233</u>	<u>\$ 986,383,935</u>	<u>\$ 941,359,949</u>	<u>\$ 876,854,688</u>	<u>\$ 840,386,602</u>

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
FINANCIAL TRENDS

Statement of Activities

Period ended June 30

	<u>2010</u>	<u>2009 (2)</u>	<u>2008 (1)</u>	<u>2007 (1)</u>
Expenses				
Governmental activities:				
Instruction	\$ 734,000,182	\$ 708,121,695	\$ 682,571,711	\$ 578,251,512
Instructional support	52,892,233	50,966,149	52,798,664	17,889,649
Student support	74,230,338	76,691,113	64,138,195	44,365,201
Office of principal	74,376,588	74,741,072	67,223,970	59,127,097
General administration	19,347,129	16,455,040	15,885,317	11,653,191
Fiscal Services	6,226,788	4,901,550	5,537,339	3,811,443
Other support services	21,440,590	22,635,727	16,899,236	28,183,639
Student transportation	18,010,747	23,774,521	24,294,600	22,368,704
Plant services	113,515,845	119,084,877	125,376,436	107,077,285
Community service	25,843,653	24,360,092	16,467,024	3,397,725
Charter schools	29,490,799	21,372,840	16,109,720	13,933,886
Retiree benefits	-	-	29,196,999	27,394,427
Food service	58,108,794	53,777,037	55,895,458	53,970,382
Interest on long-term debt	5,658	11,115	623,825	718,293
Loss on disposal of assets	-	-	395,594	1,057,097
Depreciation - unallocated	-	-	-	34,680,611
Total government expenses	<u>1,227,489,344</u>	<u>1,196,892,828</u>	<u>1,173,414,088</u>	<u>1,007,880,142</u>
Revenues				
Governmental activities:				
Charges for services				
Instruction	1,106,202	1,003,025	918,752	1,248,953
Food service	<u>12,082,946</u>	<u>10,748,594</u>	<u>9,684,093</u>	<u>38,947,508</u>
Total charges for services	13,189,148	11,751,619	10,602,845	40,196,461
Operating grants and contributions:				
Instruction	422,088,017	408,743,150	415,904,817	393,538,653
Instructional support	40,225,527	34,069,225	39,988,178	14,972,122
Student support	21,992,321	21,295,079	18,952,372	15,142,696
Office of principal	23,364,548	29,792,143	19,893,485	22,442,638
Office of superintendent	-	-	-	-
General administration	470,605	70,690	190,734	320,931
Fiscal Services	170,483	15,797	251,519	469,207
Other support services	3,567,146	3,522,073	3,320,972	8,492,088
Student transportation	10,125,677	10,004,822	10,924,480	7,798,236
Plant services	65,953,972	57,220,677	55,187,381	47,992,653
Community service	20,657,967	20,584,995	12,381,480	141,727
Food service	<u>44,116,900</u>	<u>41,630,047</u>	<u>40,099,491</u>	<u>13,491,421</u>
Total operating grants and contributions	652,733,163	626,948,698	617,094,909	524,802,372
Capital grants and contributions				
Plant services	<u>20,203,939</u>	<u>43,961,102</u>	<u>74,999,483</u>	-
Total capital grants and contributions	20,203,939	43,961,102	74,999,483	-
General Revenues and Special Items				
Grants and contributions not restricted to specific programs	397,586,788	431,868,041	446,868,907	512,176,796
Unrestricted investment earnings	1,046,650	4,982,165	11,639,030	13,720,710
Forgiveness of debt	-	12,475,000	-	-
Donation of building	-	-	-	-
Total general revenues and special items	<u>398,633,438</u>	<u>449,325,206</u>	<u>458,507,937</u>	<u>525,897,506</u>
Total government revenues	<u>1,084,759,688</u>	<u>1,131,986,625</u>	<u>1,161,205,174</u>	<u>1,090,896,339</u>
Change in Net Assets	<u>\$ (142,729,656)</u>	<u>\$ (64,906,203)</u>	<u>\$ (12,208,914)</u>	<u>\$ 83,016,197</u>

Note: Government-wide financial statements were first presented in 2002.

(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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 567,986,093	\$ 578,080,978	\$ 521,460,666	\$ 497,509,974	\$ 478,471,807
18,341,917	15,599,438	19,797,632	21,513,512	20,997,833
43,106,817	44,959,361	51,763,722	48,851,354	46,477,592
54,439,128	55,752,601	48,431,668	48,039,203	44,038,572
18,025,973	7,092,168	8,897,956	5,663,369	5,128,526
3,269,359	2,929,128	2,880,879	3,201,263	3,223,003
25,818,514	21,542,503	18,427,800	19,081,012	14,213,138
21,668,113	22,112,253	19,277,777	17,785,505	16,823,986
108,191,586	104,539,344	103,409,902	111,419,138	100,196,546
-	-	-	-	-
9,290,018	5,092,268	1,862,777	-	-
25,164,742	23,047,685	20,498,205	17,761,484	16,976,394
52,490,602	46,715,493	46,444,269	53,696,137	43,738,716
2,001,990	1,729,469	1,828,191	1,785,989	1,851,287
1,951,548	1,336,234	-	-	-
32,640,462	33,884,821	27,998,871	23,813,326	18,199,091
<u>984,386,862</u>	<u>966,179,557</u>	<u>892,980,315</u>	<u>870,121,266</u>	<u>810,336,491</u>
1,430,538	-	-	-	-
<u>37,953,830</u>	<u>36,308,052</u>	<u>34,197,189</u>	<u>32,944,775</u>	<u>-</u>
39,384,368	36,308,052	34,197,189	32,944,775	-
370,969,766	381,155,342	353,470,078	323,786,192	291,745,007
13,754,809	1,201,805	1,068,273	630,508	2,674,845
14,689,810	21,152,029	26,575,121	20,685,152	25,105,303
18,760,873	20,871,373	13,672,503	12,362,467	12,229,129
-	1,856,321	-	-	-
1,470,751	436,200	222,507	128,389	51,627
460,659	663,816	317,030	158,515	-
11,362,350	8,824,519	5,468,698	1,751,587	920,893
6,745,313	7,125,683	6,676,519	5,426,408	5,664,053
45,344,382	41,970,778	39,321,042	37,430,888	36,967,137
-	-	-	-	-
<u>10,210,611</u>	<u>11,871,208</u>	<u>12,265,709</u>	<u>12,534,134</u>	<u>46,257,786</u>
493,769,324	497,129,074	459,057,480	414,894,240	421,615,780
-	-	-	-	-
-	-	-	-	-
520,112,758	474,474,474	463,174,415	456,967,516	467,261,578
9,310,710	3,291,943	1,056,492	1,782,821	2,756,600
-	-	-	-	-
-	-	-	-	1,385,600
<u>529,423,468</u>	<u>477,766,417</u>	<u>464,230,907</u>	<u>458,750,337</u>	<u>471,403,778</u>
1,062,577,160	1,011,203,543	957,485,576	906,589,352	893,019,558
<u>\$ 78,190,298</u>	<u>\$ 45,023,986</u>	<u>\$ 64,505,261</u>	<u>\$ 36,468,086</u>	<u>\$ 82,683,067</u>

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
FINANCIAL TRENDS

General Revenues and Total Changes in Net Assets
Period ended June 30

	<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>
Net (expense)/revenue:			
Total primary government net expense	\$ (541,363,094)	\$ (514,231,409)	\$ (470,716,851)
General revenues and other changes in net assets:			
Governmental activities:			
Grants and contributions not restricted to specific programs	397,586,788	431,868,041	446,868,907
Unrestricted investment earnings	1,046,650	4,982,165	11,639,030
Special item - forgiveness of debt	-	12,475,000	-
Special item - donation of building	-	-	-
Total primary government	<u>398,633,438</u>	<u>449,325,206</u>	<u>458,507,937</u>
Changes in net assets:			
Total primary government	<u>\$ (142,729,656)</u>	<u>\$ (64,906,203)</u>	<u>\$ (12,208,914)</u>

Note: Government-wide financial statements were first presented in 2002.

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

Source: Memphis City Schools Financial Statements

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

<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ (442,881,309)	\$ (451,233,170)	\$ (432,742,431)	\$ (399,725,646)	\$ (422,282,251)	\$ (388,720,711)
512,176,796	520,112,758	474,474,474	463,174,415	456,967,516	467,261,578
13,720,710	9,310,710	3,291,943	1,056,492	1,782,821	2,756,600
-	-	-	-	-	-
-	-	-	-	-	1,385,600
<u>525,897,506</u>	<u>529,423,468</u>	<u>477,766,417</u>	<u>464,230,907</u>	<u>458,750,337</u>	<u>471,403,778</u>
<u>\$ 83,016,197</u>	<u>\$ 78,190,298</u>	<u>\$ 45,023,986</u>	<u>\$ 64,505,261</u>	<u>\$ 36,468,086</u>	<u>\$ 82,683,067</u>

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

	2010	2009	2008	2007	2006
General fund:					
Reserved	\$ 16,172,775	\$ 24,484,234	\$ 36,222,165	\$ 15,992,687	\$ 11,444,525
Unreserved	78,732,924	86,454,887	131,809,721	119,485,455	80,672,711
Total general fund	<u>94,905,699</u>	<u>110,939,121</u>	<u>168,031,886</u>	<u>135,478,142</u>	<u>92,117,236</u>
All other governmental funds:					
Reserved	51,889,595	53,218,963	27,054,602	16,339,034	51,174,527
Unreserved, reported in:					
Capital project funds	34,558,028	75,479,596	100,084,699	88,372,082	81,638,607
Special revenue funds	22,174,492	22,110,807	8,753,662	10,174,389	4,319,183
Total all other governmental funds	<u>108,622,115</u>	<u>150,809,366</u>	<u>135,892,963</u>	<u>114,885,505</u>	<u>137,132,317</u>
Total fund balance	<u>\$ 203,527,814</u>	<u>\$ 261,748,487</u>	<u>\$ 303,924,849</u>	<u>\$ 250,363,647</u>	<u>\$ 229,249,553</u>

Source: Memphis City Schools Financial Statements

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

2005	2004	2003	2002	2001
\$ 12,381,913	\$ 14,119,159	\$ 12,709,075	\$ 18,879,184	\$ 15,251,314
41,407,351	32,256,250	32,152,188	34,657,396	31,423,971
<u>53,789,264</u>	<u>46,375,409</u>	<u>44,861,263</u>	<u>53,536,580</u>	<u>46,675,285</u>
17,263,475	14,073,836	17,527,258	50,982,174	75,887,139
96,863,160	57,464,265	27,578,802	-	-
<u>7,979,292</u>	<u>7,888,441</u>	<u>10,920,800</u>	<u>21,302,525</u>	<u>20,468,230</u>
122,105,927	79,426,542	56,026,860	72,284,699	96,355,369
<u>\$ 175,895,191</u>	<u>\$ 125,801,951</u>	<u>\$ 100,888,123</u>	<u>\$ 125,821,279</u>	<u>\$ 143,030,654</u>

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
FINANCIAL TRENDS

Governmental Funds Revenues and Expenditures

Last ten fiscal years ending June 30

	2010	2009	2008	2007
Revenues				
City of Memphis	\$ 63,846,224	\$ 24,938,425	\$ 93,447,593	\$ 94,953,106
Shelby County	359,014,163	393,336,811	427,157,650	404,761,012
State of Tennessee	440,093,567	444,945,321	439,583,328	390,744,627
Federal Government	194,242,215	150,531,130	161,940,350	142,716,545
Other local sources	36,716,955	49,282,029	39,723,825	48,991,312
Other Financing Sources				
Proceeds from other financing sources	-	-	-	-
Special Items				
Donation of building and land	-	-	-	-
Total revenues and other financing sources	<u>1,093,913,124</u>	<u>1,063,033,716</u>	<u>1,161,852,746</u>	<u>1,082,166,602</u>
Expenditures				
Current:				
Instruction	616,837,090	578,767,411	591,201,043	587,812,824
Instructional support	46,909,413	44,990,921	48,082,608	18,119,498
Student support	64,110,217	67,929,672	60,462,091	45,077,637
Office of principal	63,942,320	65,234,708	60,466,773	59,127,097
General administration	15,475,061	12,536,518	11,476,772	14,419,230
Fiscal services	5,393,981	4,239,110	5,074,012	3,490,099
Other support services	19,814,713	21,074,786	17,370,700	23,113,575
Student transportation	17,839,731	23,703,209	24,245,767	22,368,704
Plant services	101,863,367	108,788,505	118,252,061	107,195,020
Community service	23,369,745	21,927,730	16,061,491	133,253
Charter school	29,490,799	21,372,840	16,109,720	13,933,886
Retiree benefits	30,297,529	30,007,304	29,196,999	27,394,427
Food service	51,482,077	47,653,904	51,173,901	53,650,982
Debt Service:				
Principal	984,210	979,298	2,671,652	7,834,561
Interest	5,658	11,115	623,825	718,293
Capital outlay	64,317,886	55,993,047	55,822,129	76,663,422
Transfers Out				
Transfer to Insurance fund				
Total expenditures and other financing uses	<u>1,152,133,797</u>	<u>1,105,210,078</u>	<u>1,108,291,544</u>	<u>1,061,052,508</u>
Net change in fund balances	<u>\$ (58,220,673)</u>	<u>\$ (42,176,362)</u>	<u>\$ 53,561,202</u>	<u>\$ 21,114,094</u>

Source: Memphis City Schools Financial Statements

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

2006	2005	2004	2003	2002	2001
\$ 99,058,216	\$ 86,503,709	\$ 85,104,565	\$ 81,013,472	\$ 97,525,729	\$ 145,010,196
417,992,016	387,746,229	375,291,225	373,090,712	362,912,520	330,076,301
359,525,920	349,073,679	325,042,008	316,268,006	300,283,509	295,115,283
152,680,121	163,418,394	146,959,115	111,147,880	99,376,291	91,642,548
33,320,887	25,545,532	25,088,662	25,069,282	25,972,335	29,658,762
-	-	-	-	-	4,958,919
-	-	-	-	1,385,600	-
<u>1,062,577,160</u>	<u>1,012,287,543</u>	<u>957,485,575</u>	<u>906,589,352</u>	<u>887,455,984</u>	<u>896,462,009</u>
571,058,427	583,496,452	548,066,298	508,345,993	476,688,921	443,229,595
18,372,021	15,557,028	20,260,736	21,582,844	20,898,078	18,022,604
43,124,019	44,935,126	52,028,353	48,890,972	46,420,589	41,217,477
54,439,128	55,752,601	48,431,668	48,039,203	44,038,572	40,816,297
14,050,629	8,141,493	5,240,453	4,962,845	4,789,695	4,560,254
3,269,359	2,929,128	2,880,879	3,201,263	3,223,003	3,114,438
25,947,531	21,360,744	20,412,531	19,378,151	13,785,616	15,157,116
21,668,113	22,112,253	19,277,777	17,785,505	16,823,986	15,731,593
108,035,726	104,323,507	103,915,773	111,362,933	99,968,727	94,043,324
-	-	-	-	-	-
9,290,018	5,092,268	1,862,777	-	-	-
25,164,742	23,047,685	20,498,205	17,761,484	16,976,394	13,006,293
52,164,459	46,439,967	46,126,895	53,420,610	43,445,534	39,503,449
6,979,679	6,976,837	6,864,781	6,801,527	8,730,463	9,106,953
2,001,990	1,729,469	1,828,191	1,785,989	1,851,287	1,924,149
53,656,958	20,299,745	34,876,431	68,203,189	103,577,746	217,151,457
				3,446,745	
<u>1,009,222,799</u>	<u>962,194,303</u>	<u>932,571,748</u>	<u>931,522,508</u>	<u>904,665,356</u>	<u>956,584,999</u>
<u>\$ 53,354,361</u>	<u>\$ 50,093,240</u>	<u>\$ 24,913,827</u>	<u>\$ (24,933,156)</u>	<u>\$ (17,209,372)</u>	<u>\$ (60,122,990)</u>

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
FINANCIAL TRENDS

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

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

Fiscal Year	Unreserved general fund balance	Expenditures and other uses	Unreserved general fund balance as percentage of expenditures and other uses
2001	\$ 31,423,971	\$ 637,821,215	4.93%
2002	34,657,396	686,442,208	5.05%
2003	32,152,188	721,655,684	4.46%
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%

Source: Memphis City Schools Financial Statements

Revenue Capacity

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

REVENUE CAPACITY

Assessed Value and Estimated Actual Value of Taxable Property

Last ten fiscal years ending June 30

Fiscal Year	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
2001	\$ 3,840,642,800	\$ 15,362,571,200	\$ 4,076,629,418	\$ 10,359,736,580	\$ 1,003,553,475	\$ 3,340,403,600
2002	3,825,350,400	15,301,401,600	3,980,384,369	10,112,159,800	1,054,764,970	3,511,817,900
2003	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	4,239,511,575	16,958,206,300	3,971,880,085	10,096,505,900	997,752,815	3,321,838,600
2005	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	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	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	5,199,303,925	20,797,215,700	4,320,668,495	11,005,511,900	1,037,557,855	3,455,649,100
2009	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	5,359,781,600	21,439,126,400	4,743,781,550	12,089,810,000	1,133,365,185	3,774,783,400
Percentage of Total						
2001	39.60%	50.41%	42.04%	33.99%	10.35%	10.96%
2002	39.17%	50.05%	40.76%	33.08%	10.80%	11.49%
2003	41.14%	52.03%	40.25%	32.35%	10.31%	10.85%
2004	42.43%	53.33%	39.75%	31.75%	9.98%	10.45%
2005	43.84%	54.79%	39.35%	31.28%	9.27%	9.65%
2006	44.03%	55.06%	38.36%	30.50%	9.35%	9.74%
2007	45.17%	56.19%	37.74%	29.88%	9.07%	9.40%
2008	45.64%	56.55%	37.93%	29.93%	9.11%	9.40%
2009	44.37%	55.10%	39.65%	31.32%	9.70%	10.03%
2010	44.47%	55.27%	39.36%	31.17%	9.40%	9.73%

(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		
\$ 776,925,512	\$ 1,412,591,840	\$ 9,697,751,205	\$ 30,475,303,220	31.82%	3.3700
904,397,490	1,644,359,073	9,764,897,229	30,569,738,373	31.94%	3.2304
846,729,349	1,539,507,907	10,200,919,453	32,265,193,507	31.62%	3.2304
783,789,116	1,425,034,756	9,992,933,591	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%	3.2304
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%	3.4332
775,027,935	1,409,141,700	12,341,760,825	39,750,992,810	31.05%	3.2500
816,425,195	1,484,409,445	12,053,353,530	38,788,129,245	31.07%	3.1957
8.01%	4.64%	100.00%	100.00%		
9.27%	5.38%	100.00%	100.00%		
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%		
7.32%	4.12%	100.00%	100.00%		
6.28%	3.55%	100.00%	100.00%		
6.77%	3.83%	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						
Fiscal Year	City	County	Total	City Allocation to School District	County Allocation to Schools	Memphis City Schools Percent of County Allocation
2001	\$ 3.37	\$ 3.54	\$ 6.91	\$ 0.895	\$ 1.68	71.80%
2002	3.23	3.79	7.02	0.858	2.03	71.90%
2003	3.23	3.79	7.02	0.858	2.03	71.35%
2004	3.23	4.04	7.27	0.858	2.03	70.69%
2005	3.23	4.04	7.27	0.858	2.03	72.10%
2006	3.43	4.04	7.47	0.827	2.02	71.51%
2007	3.43	4.04	7.47	0.827	2.02	70.82%
2008	3.43	4.04	7.47	0.827	2.02	69.57%
2009	3.25	4.04	7.29	0.190	2.02	69.22%
2010	3.20	4.02	7.22	0.187	1.98	68.67%

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
\$ 284,214,898	\$ 447,808,677	\$ 732,023,575
314,190,509	549,355,956	863,546,465
308,292,650	555,311,765	863,604,415
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

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

Name of Taxpayer	2010	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Federal Express	\$ 416,493,826	3.46%
Bell South Telecommunications	106,678,551	0.89%
Wolfchase Galleria, LTD	60,006,960	0.50%
Cargill, Inc.	31,218,490	0.26%
Delta Airlines, Inc. (Northwest)	26,432,693	0.22%
BNSF Railway Company	26,314,885	0.22%
Pinnacle Airlines, Inc.	25,686,283	0.21%
HRLP Crescent Center LLC	23,425,880	0.19%
Shopping Center Associates	21,990,080	0.18%
AT & T Mobility LLC	21,918,007	0.18%
Total Assessed Valuation of Top 10 Taxpayers	760,165,655	6.31%
Balance of Assessed Valuation	11,293,187,875	93.69%
	<u>\$ 12,053,353,530</u>	<u>100.00%</u>

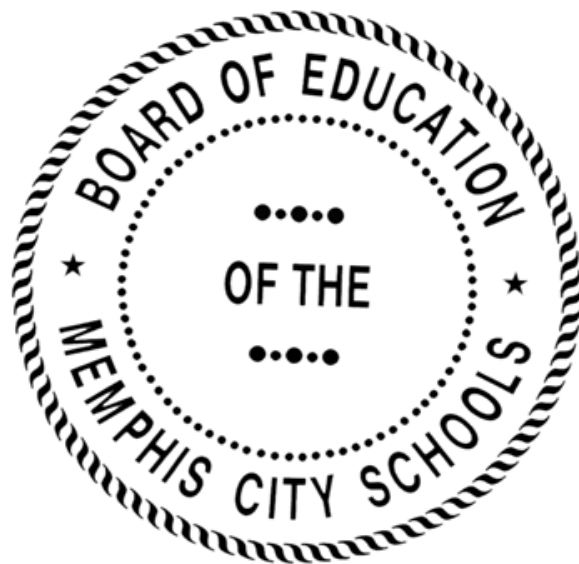
Source: City of Memphis Finance Department

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

2001		
Name of Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Federal Express	\$ 352,498,952	3.63%
Bell South Telecommunications	148,611,496	1.53%
Wolfchase Galleria, LTD	61,304,080	0.63%
Baptist Memorial Hospital	64,436,292	0.66%
AMISUB (St. Francis Hospital) Inc.	36,956,840	0.38%
Belz Enterprises	28,955,985	0.30%
Northwest Airlines, Inc.	26,373,063	0.27%
Shopping Center Associates	25,575,640	0.26%
Williams Refining LLC	25,069,810	0.26%
Trizechalhn TBI Clark Towerr LLC	22,000,000	0.23%
	791,782,158	8.16%
	8,905,969,047	91.84%
	<u>\$ 9,697,751,205</u>	<u>100.00%</u>

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Debt Capacity



STATISTICAL AND OTHER INFORMATION (UNAUDITED)

DEBT CAPACITY

Outstanding Debt by Type

Last ten fiscal years ending June 30

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

Fiscal year	Governmental activities				Total primary government	Percentage of personal income	Per capita
	City of Memphis	Environmental Protection Agency	State of Tennessee QZAB	Capital leases			
2001	\$ 46,633,971	\$ 4,077,139	\$ 2,217,266	\$ 10,877,022	\$ 63,805,398	0.18%	\$ 94
2002	41,241,577	3,579,464	8,503,673	8,290,686	61,615,400	0.16%	91
2003	35,787,387	3,081,789	7,654,011	5,590,650	52,113,837	0.14%	77
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

Sources:

District Annual Financial Statements

City of Memphis 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
2001	\$ 48,851,237	\$ 9,697,751,205	0.50%	\$ 30,475,303,220	0.16%	676,087	\$72
2002	49,745,250	9,764,897,229	0.51	30,569,738,373	0.16	674,478	74
2003	43,441,398	10,200,919,453	0.43	32,265,193,507	0.13	673,120	65
2004	37,072,341	9,992,933,591	0.37	31,801,585,556	0.12	671,929	55
2005	31,655,233	11,108,643,960	0.28	35,550,324,536	0.09	672,277	47
2006	25,101,273	11,156,091,653	0.23	35,682,730,905	0.07	677,345	37
2007	18,493,255	11,369,792,425	0.16	36,554,762,536	0.05	674,028	27
2008	17,070,872	11,392,568,556	0.15	36,776,628,120	0.05	669,651	25
2009	4,048,487	12,341,760,825	0.03	39,750,992,810	0.01	676,640	6
2010	3,501,103	12,053,353,530	0.03	38,788,129,245	0.01	676,640	5

Sources:

District Annual Financial Statements

City of Memphis Annual Financial Statements

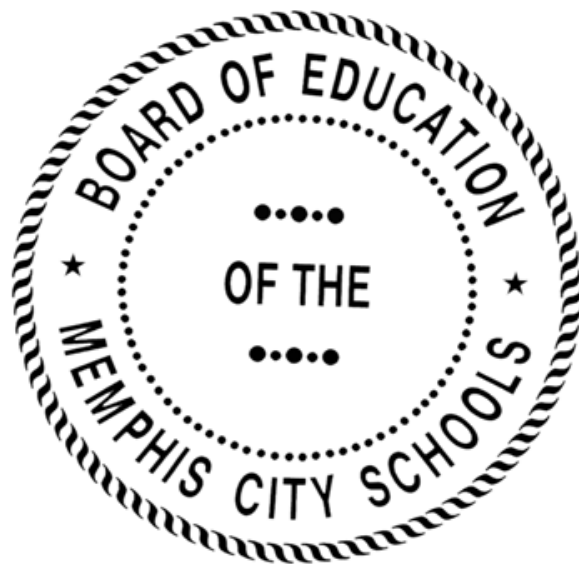
STATISTICAL AND OTHER INFORMATION (UNAUDITED)**DEBT CAPACITY****Percentage of Debt Service to****Non-Capital Expenditures****Last ten fiscal years ending June 30****BOARD OF EDUCATION OF THE****MEMPHIS CITY SCHOOLS**

Fiscal Year	Debt Service Expenditures	Non-Capital Expenditures	Percentage of Debt Service to Non-Capital Expenditures
2001	\$ 11,031,102	\$ 724,897,165	1.52%
2002	10,581,750	507,170,256	2.09%
2003	8,587,516	841,956,380	1.02%
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%

Source: Memphis City Schools Financial Statements

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Demographic and Economic Information



STATISTICAL AND OTHER INFORMATION (UNAUDITED)**DEMOGRAPHIC AND ECONOMIC INFORMATION****Demographic and Economic Statistics****Last ten fiscal years ending June 30****BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS**

Fiscal Year	Population	Personal income (in thousands)	Per Capita Personal Income	Median Age	Unemployment Rate
2000	650,100	\$34,458,835	\$28,518	31.6	3.8
2001	676,087	36,241,448	39,839	Not Available	4.1
2002	674,478	37,395,712	30,557	Not Available	5.2
2003	673,120	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	33.0	5.2
2009	676,640	50,093,990	38,577	33.8	10.0

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	2010	
	Employees	Percentage of Total City Employment
Federal Express Corporation	32,000	5.81%
Memphis City Schools	16,184	2.94%
United States Government	14,600	2.65%
Tennessee State Government	9,000	1.63%
Methodist Le Bonheur Healthcare	8,442	1.53%
Memphis City Government	7,080	1.29%
Baptist Memorial Healthcare Corp.	6,470	1.17%
Shelby County Government	6,100	1.11%
Wal-Mart Stores, Inc.	6,000	1.09%
Shelby County Schools	5,200	0.94%
Total	111,076	20.16%

Source: City of Memphis Finance Department

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

Name of Employer	2001	
	Employees	Percentage of Total City Employment
Federal Express Corporation	30,000	5.11%
United States Government	14,860	2.53%
Memphis City Schools	14,000	2.39%
Methodist Healthcare	11,000	1.87%
Baptist Memorial Health Care Corp.	8,295	1.41%
Memphis City Government	6,588	1.12%
Shelby County Government	6,145	1.05%
Wal-Mart Stores, Inc.	5,123	0.87%
University of Tennessee	4,004	0.68%
Shelby County Schools	4,000	0.68%
AutoZone, Inc.	4,000	0.68%
Total	108,015	18.39%

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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
2001	136,761	\$ 728,402,440	\$ 5,326	-	N/A
2002	137,013	790,505,860	5,770	8.33	\$ 810,336,491
2003	135,236	854,731,803	6,320	9.55	870,121,266
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

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

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

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

Cost per pupil	Percentage change	Teaching staff	Pupil-teacher ratio
N/A	-	7,224	18.93
\$ 5,914	N/A	N/A	N/A
6,434	8.79	7,438	18.18
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

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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
2001	136,761	71.85%	53,588	28.15%
2002	137,013	71.94%	53,453	28.06%
2003	135,236	71.35%	54,310	28.65%
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%

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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Full Time Staff				
Officials/Administration/Management	92	77	N/A	80
Principals	193	186	N/A	192
Assistant Principals, Teachers	-	-	N/A	-
Assistant Principals, Non-Teachers	161	198	N/A	195
Elementary Classroom Teachers	2,661	3,023	N/A	3,197
Secondary Classroom Teachers	2,385	3,013	N/A	3,121
Other Classroom Teachers	1,981	1,212	N/A	1,001
Guidance	249	214	N/A	224
Psychological	71	67	N/A	68
Librarian/Audiovisual	178	155	N/A	160
Consultants/Supervisors	51	54	N/A	54
Other Professional	473	493	N/A	382
Teachers Aides	1,458	1,365	N/A	1,218
Technicians	187	136	N/A	145
Clerical/Secretarial	783	750	N/A	724
Service Workers	1,691	1,974	N/A	2,004
Skilled Crafts	205	221	N/A	249
Laborers Unskilled	<u>117</u>	<u>113</u>	N/A	<u>107</u>
Totals	12,936	13,251		13,121
Part-Time Staff				
Professional Instructional	52	92	N/A	56
All Others	<u>3,093</u>	<u>2,838</u>	N/A	<u>3,247</u>
Totals	3,145	2,930		3,303
New Hires				
Officials/Administration/Management	13	5	N/A	4
Principals/Assistant Principals	13	7	N/A	80
Classroom Teachers	1,040	934	N/A	1,066
Other Professionals	96	90	N/A	68
Non Professionals	<u>1,505</u>	<u>1,065</u>	N/A	<u>1,219</u>
Totals	2,667	2,101	N/A	2,437

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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
N/A	92	N/A	89	N/A	91
N/A	185	N/A	176	N/A	170
N/A	-	N/A	-	N/A	2
N/A	161	N/A	161	N/A	154
N/A	3,501	N/A	3,699	N/A	3,729
N/A	3,045	N/A	2,873	N/A	2,667
N/A	1,006	N/A	866	N/A	828
N/A	244	N/A	141	N/A	146
N/A	61	N/A	67	N/A	64
N/A	167	N/A	98	N/A	102
N/A	54	N/A	49	N/A	42
N/A	382	N/A	500	N/A	501
N/A	1,134	N/A	835	N/A	1,760
N/A	163	N/A	174	N/A	136
N/A	748	N/A	628	N/A	660
N/A	1,938	N/A	1,943	N/A	2,075
N/A	228	N/A	216	N/A	214
N/A	<u>125</u>	N/A	<u>167</u>	N/A	<u>161</u>
	13,234		12,682		13,502
N/A	108	N/A	111	N/A	368
N/A	<u>4,031</u>	N/A	<u>4,110</u>	N/A	<u>2,253</u>
-	4,139	-	4,221	-	2,621
N/A	11	N/A	3	N/A	7
N/A	7	N/A	3	N/A	7
N/A	753	N/A	465	N/A	604
N/A	42	N/A	39	N/A	95
N/A	<u>603</u>	N/A	<u>404</u>	N/A	<u>176</u>
N/A	1,416	N/A	914	N/A	889

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

School/Building	2010	2009	2008	2007
A. B. Hill ES (1909)				
Square Feet	79,293	79,293	79,293	79,293
Classrooms	41	41	41	41
Design Capacity	860	860	860	860
Enrollment	351	383	387	479
A. Maceo Walker MS (2003)				
Square Feet	136,523	136,523	136,523	136,523
Classrooms	58	58	58	58
Design Capacity	1175	1175	1175	1175
Enrollment	637	772	786	928
Administration Building (1960)				
Square Feet	58,154	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 (1964)				
Square Feet	139,338	139,338	139,338	139,338
Classrooms	37	37	37	37
Design Capacity	725	725	725	725
Enrollment	344	346	331	504
Alcy ES (1970)				
Square Feet	60,313	60,313	60,313	60,313
Classrooms	41	41	41	41
Design Capacity	600	600	600	600
Enrollment	284	262	296	343
Alton ES (1969)				
Square Feet	55,934	55,934	55,934	55,934
Classrooms	30	30	30	30
Design Capacity	600	600	600	600
Enrollment	366	419	423	410
American Way MS (2003)				
Square Feet	140,500	140,500	140,500	140,500
Classrooms	45	45	45	45
Design Capacity	1150	1150	1150	1150
Enrollment	1050	1014	1,083	1,061
Avon-Lennox ES (1955)				
Square Feet	33,242	33,242	33,242	33,242
Classrooms	23	23	23	23
Design Capacity	96	96	96	96
Enrollment	62	72	77	80
B.T. Washington HS (1949)				
Square Feet	234,819	234,819	234,819	234,819
Classrooms	63	63	63	63
Design Capacity	950	950	950	950
Enrollment	573	649	747	690
Balmoral ES (1970)				
Square Feet	See Ridgeway/Balmoral			38,940
Classrooms	See Ridgeway/Balmoral			Open Classroom
Design Capacity				400
Enrollment				349
Bellevue MS (1928)				
Square Feet	93,972	93,972	93,972	93,972
Classrooms	52	52	52	52
Design Capacity	725	725	725	725
Enrollment	539	546	515	523

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

2006	2005	2004	2003	2002	2001
79,293	79,293	79,293	79,293	79,293	79,293
41	41	41	41	41	41
860	860	860	860	860	860
508	498	559	575	601	564
136,523	136,523	136,523	136,523	136,523	136,523
58	58	58	58	58	58
1175	1175	1175	1175	1175	1175
988	1,050	1,177	1,126		
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	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	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
605	678	724	712	796	723
60,313	60,313	60,313	60,313	60,313	60,313
41	41	41	41	41	41
600	600	600	600	600	600
392	441	434	480	497	539
55,934	55,934	55,934	55,934	55,934	55,934
30	30	30	30	30	30
600	600	600	600	600	600
468	487	468	511	555	659
140,500	140,500	140,500	140,500		
45	45	45	45		
1150	1150	1150	1150		
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
91	101	86	81	73	107
234,819	234,819	234,819	234,819	234,819	234,819
63	63	63	63	63	63
950	950	950	950	950	950
684	594	587	565	546	533
38,940	38,940	38,940	38,940	38,940	38,940
Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom
400	400	400	400	400	400
335	377	318	350	327	380
93,972	93,972	93,972	93,972	93,972	93,972
52	52	52	52	52	52
725	725	725	725	725	725
526	519	520	577	600	725

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

School/Building	2010	2009	2008	2007
Berclair ES (1953)				
Square Feet	46,139	46,139	46,139	46,139
Classrooms	19	19	19	19
Design Capacity	560	560	560	560
Enrollment	537	510	503	352
Bethel Grove ES (1932)				
Square Feet	54,324	54,324	54,324	54,324
Classrooms	28	28	28	28
Design Capacity	580	580	580	580
Enrollment	295	346	358	382
Bond Building (1984)				
Square Feet	212,000	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	29	29	29	29
Design Capacity	560	560	560	560
Enrollment	304	314	279	322
Brownsville Rd ES (1966)				
Square Feet	66,545	66,545	66,545	66,545
Classrooms	36	36	36	36
Design Capacity	880	880	880	880
Enrollment	647	604	655	732
Bruce ES (1999)				
Square Feet	49,443	49,443	49,443	49,443
Classrooms	28	28	28	28
Design Capacity	740	740	740	740
Enrollment	468	445	423	519
Caldwell ES (1959)				
Square Feet	104,656	104,656	104,656	104,656
Classrooms	67	67	67	67
Design Capacity	1280	1280	1280	1280
Enrollment	253	276	325	331
Carnes ES (1905)				
Square Feet	85,104	85,104	85,104	85,104
Classrooms	53	53	53	53
Design Capacity	740	740	740	740
Enrollment	300	314	333	336
Carver HS (1956)				
Square Feet	167,048	167,048	167,048	167,048
Classrooms	49	49	49	49
Design Capacity	1075	1075	1075	1075
Enrollment	575	703	704	701
Central HS (1915)				
Square Feet	304,000	304,000	304,000	304,000
Classrooms	86	86	86	86
Design Capacity	1775	1775	1775	1775
Enrollment	1726	1708	1,736	1,450
Charjean ES (1950)				
Square Feet	39,352	39,352	39,352	39,352
Classrooms	23	23	23	23
Design Capacity	480	480	480	480
Enrollment	413	431	372	296

Continued from Prior Page

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

2006	2005	2004	2003	2002	2001
46,139 19 560 490	46,139 19 560 448	46,139 19 560 460	46,139 19 560 422	46,139 19 560 428	46,139 19 560 370
54,324 28 580 397	54,324 28 580 411	54,324 28 580 438	54,324 28 580 458	54,324 28 580 527	54,324 28 580 562
212,000 N/A Not Available Administration	212,000 N/A Not Available Administration	212,000 N/A Not Available Administration	212,000 N/A Not Available Administration	212,000 N/A Not Available Administration	212,000 N/A Not Available Administration
52,991 29 560 428	52,991 29 560 390	52,991 29 560 402	52,991 29 560 803	52,991 29 560 836	552,991 29 560 747
66,545 36 880 741	66,545 36 880 733	66,545 36 880 697	66,545 36 880 717	66,545 36 880 701	66,545 36 880 754
49,443 28 740 562	49,443 28 740 536	49,443 28 740 508	49,443 28 740 559	49,443 28 740 607	49,443 28 740 652
104,656 67 1280 411	104,656 67 1280 432	104,656 67 1280 586	104,656 67 1280 691	104,656 67 1280 750	104,656 67 1280 813
85,104 53 740 506	85,104 53 740 524	85,104 53 740 540	85,104 53 740 624	85,104 53 740 628	85,104 53 740 646
167,048 49 1075 666	167,048 49 1075 685	167,048 49 1075 649	167,048 49 1075 648	167,048 49 1075 681	167,048 49 1075 870
304,000 86 1775 1,349	264,654 70 1775 1,298	264,654 70 1775 1,271	264,654 70 1775 1,204	264,654 70 1775 1,255	264,654 70 1775 1,227
39,352 23 480 307	39,352 23 480 319	39,352 23 480 367	39,352 23 480 368	39,352 23 480 361	39,352 23 480 398

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

School/Building	2010	2009	2008	2007
Cherokee ES (1951)				
Square Feet	61,286	61,286	61,286	61,286
Classrooms	34	34	34	34
Design Capacity	860	860	860	860
Enrollment	400	439	492	567
Chickasaw MS (1970)				
Square Feet	138,044	138,044	138,044	138,044
Classrooms	30	30	30	30
Design Capacity	775	775	775	775
Enrollment	467	442	490	521
Coleman ES (1910)				
Square Feet	49,538	49,538	49,538	49,538
Classrooms	28	28	28	28
Design Capacity	640	640	640	640
Enrollment	487	549	590	638
Colonial MS (1954)				
Square Feet	108,550	108,550	108,550	108,550
Classrooms	49	49	49	49
Design Capacity	1100	1100	1100	1100
Enrollment	1109	1110	1,111	1,001
Cordova ES (2002)	Includes Middle School enrollment in early years			
Square Feet	88,164	88,164	88,164	88,164
Classrooms	38	38	38	38
Design Capacity	920	920	920	920
Enrollment	777	724	760	752
Cordova HS (1997)				
Square Feet	278,000	278,000	278,000	278,000
Classrooms	112	112	112	112
Design Capacity	1,800	1,800	1,800	1,800
Enrollment	2,043	2,046	1,966	2,315
Cordova MS (1993)	Was K-8 until elementary school built in 2002-03			
Square Feet	145,000	145,000	145,000	145,000
Classrooms	56	56	56	56
Design Capacity	1,550	1,550	1,550	1,550
Enrollment	1,148	1,108	1,167	1,125
Corning ES (1967)				
Square Feet	47,114	47,114	47,114	47,114
Classrooms	20	20	20	20
Design Capacity	460	460	460	460
Enrollment	409	405	359	389
Coro Lake ES (1974)				
Square Feet	40,147	40,147	40,147	40,147
Classrooms	20	20	20	20
Design Capacity	380	380	380	380
Enrollment	162	179	216	206
Corry MS (1959)				
Square Feet	101,247	101,247	101,247	101,247
Classrooms	42	42	42	42
Design Capacity	850	850	850	850
Enrollment	336	344	414	448
Craigmont HS (1978)				
Square Feet	324,517	324,517	324,517	324,517
Classrooms	103	103	103	103
Design Capacity	1,450	1,450	1,450	1,450
Enrollment	1,124	1,155	1,412	1,337

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

2006	2005	2004	2003	2002	2001
61,286	61,286	61,286	61,286	61,286	61,286
34	34	34	34	34	34
860	860	860	860	860	860
585	647	660	671	671	650
138,044	138,044	138,044	138,044	138,044	138,044
30	30	30	30	30	30
775	775	775	775	775	775
691	574	423	483	485	504
49,538	49,538	49,538	49,538	49,538	49,538
28	28	28	28	28	28
640	640	640	640	640	640
681	644	638	569	561	826
108,550	108,550	108,550	108,550	108,550	108,550
49	49	49	49	49	49
1100	1100	1100	1100	1100	1100
932	904	893	911	826	980
88,164	88,164	88,164	88,164	88,164	88,164
38	38	38	38	38	38
920	920	920	920	920	920
761	725	647	646	1,175	1,142
278,000	278,000	278,000	Annexed	Annexed	Annexed
112	112	112			
1,800	1,800	1,800			
2,120	2,053				
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
975	821	655	622		
47,114	47,114	47,114	47,114	47,114	47,114
20	20	20	20	20	20
460	460	460	460	460	460
404	377	411	351	376	416
40,147	40,147	40,147	40,147	40,147	40,147
20	20	20	20	20	20
380	380	380	380	380	380
218	235	238	254	265	274
101,247	101,247	101,247	101,247	101,247	101,247
42	42	42	42	42	42
850	850	850	850	850	850
495	611	618	589	567	539
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
1,435	1,424	1,423	1,278	1,159	1,857

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2010	2009	2008	2007
Craigmont MS (2001)				
Square Feet	148,352	148,352	148,352	148,352
Classrooms	47	47	47	47
Design Capacity	1200	1200	1200	1200
Enrollment	801	869	938	1,048
Cromwell ES (1963)				
Square Feet	45,580	45,580	45,580	45,580
Classrooms	22	22	22	22
Design Capacity	440	440	440	440
Enrollment	513	541	518	448
Crump ES (1999)				
Square Feet	94,000	94,000	94,000	94,000
Classrooms	24	24	24	24
Design Capacity	980	980	980	980
Enrollment	974	1,025	965	1,017
Cummings ES (1961)				
Square Feet	120,729	120,729	120,729	120,729
Classrooms	40	40	40	40
Design Capacity	720	720	720	720
Enrollment	489	433	465	483
Cypress MS (1966)				
Square Feet	216,171	216,171	216,171	216,171
Classrooms	49	49	49	49
Design Capacity	1400	1400	1400	1400
Enrollment	394	407	440	433
Delano ES (1957)				
Square Feet	34,000	34,000	34,000	34,000
Classrooms	14	14	14	14
Design Capacity	320	320	320	320
Enrollment	321	282	287	312
Denver ES (1963)				
Square Feet	47,093	47,093	47,093	47,093
Classrooms	25	25	25	25
Design Capacity	540	540	540	540
Enrollment	298	265	268	284
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	740	740	740	740
Enrollment	410	450	448	465
Douglass ES (1964)				
Square Feet	93,447	93,447	93,447	93,447
Classrooms	39	39	39	39
Design Capacity	920	920	920	920
Enrollment	409	407	390	373
Douglass HS (2008)				
Square Feet	146,568	146,568	146,568	
Classrooms	44	44		
Design Capacity	800	800	800	
Enrollment	636	359		
Downtown ES (2003)				
Square Feet	84,070	84,070	84,070	84,070
Classrooms	45	45	45	45
Design Capacity	900	900	900	900
Enrollment	632	645	668	616

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

2006	2005	2004	2003	2002	2001
148,352	148,352	148,352	148,352	148,352	148,352
47	47	47	47	47	47
1200	1200	1200	1200	1200	1200
1,038	1,100	1,076	1,158	1,130	
45,580	45,580	45,580	45,580	45,580	45,580
22	22	22	22	22	22
440	440	440	440	440	440
536	578	616	649	623	817
94,000	94,000	94,000	94,000	94,000	94,000
24	24	24	24	24	24
980	980	980	980	980	980
1,048	1,072	1,078	953	986	1,384
120,729	120,729	120,729	120,729	120,729	120,729
40	40	40	40	40	40
720	720	720	720	720	720
471	373	351	329	317	418
216,171	216,171	216,171	216,171	216,171	216,171
49	49	49	49	49	49
1400	1400	1400	1400	1400	1400
487	509	589	617	607	485
34,000	34,000	34,000	34,000	34,000	34,000
14	14	14	14	14	14
320	320	320	320	320	320
287	295	322	335	338	338
47,093	47,093	47,093	47,093	47,093	47,093
25	25	25	25	25	25
540	540	540	540	540	540
295	296	304	325	401	431
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
524	587	622	641	650	652
93,447	93,447	93,447	93,447	93,447	93,447
39	39	39	39	39	39
920	920	920	920	920	920
392	395	355	309	374	489
84,070	84,070	84,070	84,070		
45	45	45	45		
900	900	900	900		
653	578	522			

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Summary of Buildings and Sites
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School/Building	2010	2009	2008	2007
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 (1955)				
Square Feet	50,495	50,495	50,495	50,495
Classrooms	26	26	26	26
Design Capacity	600	600	600	600
Enrollment	268	278	313	341
Dunn ES (1952)				
Square Feet	41,233	41,233	41,233	41,233
Classrooms	26	26	26	26
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Charter School	Charter School	Charter School	Charter School
East HS (1948)				
Square Feet	184,610	184,610	184,610	184,610
Classrooms	64	64	64	64
Design Capacity	1,550	1,550	1,550	1,550
Enrollment	1,090	1,058	941	966
East Career & Technology				
Square Feet	See East High	See East High	See East High	See East High
Classrooms				
Design Capacity				
Enrollment				
Egypt ES (1964)				
Square Feet	57,636	57,636	57,636	57,636
Classrooms	46	46	46	46
Design Capacity	780	780	780	780
Enrollment	706	749	727	859
Evans ES (1965)				
Square Feet	67,246	67,246	67,246	67,246
Classrooms	36	36	36	36
Design Capacity	720	720	720	720
Enrollment	628	660	690	646
Fairley ES (1960)				
Square Feet	69,501	69,501	69,501	69,501
Classrooms	33	33	33	33
Design Capacity	780	780	780	780
Enrollment	329	357	392	444
Fairley HS (1970)				
Square Feet	159,169	159,169	159,169	159,169
Classrooms	45	45	45	45
Design Capacity	1,200	1,200	1,200	1,200
Enrollment	879	1,005	1,077	1,123
Fairview MS (1930)				
Square Feet	95,345	95,345	95,345	95,345
Classrooms	26	26	26	26
Design Capacity	875	875	875	875
Enrollment	325	316	337	310
Florida EI (1924)				
Square Feet	69,042	69,042	95,345	95,345
Classrooms	26	26	26	26
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed School	Closed School	Closed School	Closed School

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

2006	2005	2004	2003	2002	2001
3,200 N/A Not Available Administration					
50,495 26 600 308	50,495 26 600 330	50,495 26 600 337	50,495 26 600 379	50,495 26 600 449	50,495 26 600 468
41,233 26 Not Available Closed	41,233 26 Not Available 177	41,233 26 Not Available 171	41,233 26 Not Available 172	41,233 26 Not Available 202	41,233 26 Not Available 234
184,610 64 1,550 1,314	184,610 64 1,550 1,334	184,610 64 1,550 1,348	184,610 64 1,550 1,549	184,610 64 1,550 1,410	184,610 64 1,550 1,546
See East High	See East High	See East High	See East High	See East High	See East High
57,636 46 780 891	57,636 46 780 822	57,636 46 780 817	57,636 46 780 795	57,636 46 780 874	57,636 46 780 897
67,246 36 720 721	67,246 36 720 748	67,246 36 720 701	67,246 36 720 705	67,246 36 720 725	67,246 36 720 999
69,501 33 780 503	69,501 33 780 583	69,501 33 780 551	69,501 33 780 574	69,501 33 780 603	69,501 33 780 570
159,169 45 1,200 1,247	159,169 45 1,200 1,250	159,169 45 1,200 1,148	159,169 45 1,200 1,136	159,169 45 1,200 1,089	159,169 45 1,200 1,026
95,345 26 875 308	95,345 26 875 393	95,345 26 875 385	95,345 26 875 440	95,345 26 875 431	95,345 26 875 454
95,345 26 Not Available Closed School	95,345 26 Not Available Closed School	95,345 26 Not Available Closed School	95,345 26 Not Available Closed School	95,345 26 Not Available Closed School	95,345 26 Not Available Closed School

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Summary of Buildings and Sites
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School/Building	2010	2009	2008	2007
Florida-Kansas ES (2000)				
Square Feet	80,610	80,610	80,610	80,610
Classrooms	46	46	46	46
Design Capacity	940	940	940	940
Enrollment	371	361	384	407
Ford Road ES (1952)				
Square Feet	78,213	78,213	78,213	78,213
Classrooms	45	45	45	45
Design Capacity	900	900	900	900
Enrollment	609	632	599	673
Fox Meadows ES (1965)				
Square Feet	43,032	43,032	43,032	43,032
Classrooms	40	40	40	40
Design Capacity	920	920	920	920
Enrollment	683	750	765	648
Frayser ES (1954)				
Square Feet	42,797	42,797	42,797	42,797
Classrooms	28	28	28	28
Design Capacity	500	500	500	500
Enrollment	450	523	558	522
Frayser HS (1957)				
Square Feet	189,648	189,648	189,648	189,648
Classrooms	62	62	62	62
Design Capacity	1,475	1,475	1,475	1,475
Enrollment	895	970	928	1,227
Gardenview ES (1967)				
Square Feet	55,570	55,570	55,570	55,570
Classrooms	30	30	30	30
Design Capacity	700	700	700	700
Enrollment	460	439	440	499
Geeter MS (1961)				
Square Feet	105,957	105,957	105,957	105,957
Classrooms	34	34	34	34
Design Capacity	900	900	900	900
Enrollment	443	429	563	581
Georgia Avenue ES (1960)				
Square Feet	143,577	143,577	143,577	143,577
Classrooms	77	77	77	77
Design Capacity	1500	1500	1500	1500
Enrollment	506	514	569	584
Georgian Hills ES (1951)				
Square Feet	44,786	44,786	44,786	44,786
Classrooms	23	23	23	23
Design Capacity	520	520	520	520
Enrollment	362	409	391	383
Georgian Hills MS (1959)				
Square Feet	87,069	87,069	87,069	87,069
Classrooms	32	32	32	32
Design Capacity	575	575	575	575
Enrollment	449	457	482	627
Germanshire ES (2001)				
Square Feet	89,228	89,228	89,228	89,228
Classrooms	48	48	48	48
Design Capacity	900	900	900	900
Enrollment	800	816	841	836

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

2006	2005	2004	2003	2002	2001
80,610	80,610	80,610	80,610	80,610	80,610
46	46	46	46	46	46
940	940	940	940	940	940
438	525	541	597	617	637
78,213	78,213	78,213	78,213	78,213	78,213
45	45	45	45	45	45
900	900	900	900	900	900
721	615	657	667	682	716
43,032	43,032	43,032	43,032	43,032	43,032
40	40	40	40	40	40
920	920	920	920	920	920
660	571	559	526	488	
42,797	42,797	42,797	42,797	42,797	42,797
28	28	28	28	28	28
500	500	500	500	500	500
544	627	533	557	552	617
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
1,195	1,288	1,181	1,107	1,104	1,208
55,570	55,570	55,570	55,570	55,570	55,570
30	30	30	30	30	30
700	700	700	700	700	700
602	597	639	724	736	791
105,957	105,957	105,957	105,957	105,957	105,957
34	34	34	34	34	34
900	900	900	900	900	900
641	690	640	667	723	660
143,577	143,577	143,577	143,577	143,577	143,577
77	77	77	77	77	77
1500	1500	1500	1500	1500	1500
601	413	422	605	578	625
44,786	44,786	44,786	44,786	44,786	44,786
23	23	23	23	23	23
520	520	520	520	520	520
340	413	418	424	482	474
87,069	87,069	87,069	87,069	87,069	87,069
32	32	32	32	32	32
575	575	575	575	575	575
670	703	691	669	618	632
89,228	89,228	89,228	89,228	89,228	89,228
48	48	48	48	48	48
900	900	900	900	900	900
796	768	751	732	670	

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Summary of Buildings and Sites
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School/Building	2010	2009	2008	2007
Getwell ES (2001)				
Square Feet	87,025	87,025	87,025	87,025
Classrooms	21	21	21	21
Design Capacity	920	920	920	920
Enrollment	595	692	667	670
Goodlett ES (1964)				
Square Feet	51,813	51,813	51,813	51,813
Classrooms	25	25	25	25
Design Capacity	500	500	500	500
Enrollment	381	362	381	423
Gordon ES (1992)				
Square Feet	62,517	62,517	62,517	62,517
Classrooms	36	36	36	36
Design Capacity	980	980	980	980
Enrollment	346	354	344	326
Graceland ES (1958)				
Square Feet	91,552	91,552	91,552	91,552
Classrooms	44	44	44	44
Design Capacity	900	900	900	900
Enrollment	436	379	433	461
Gragg				
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	70,244	70,244	70,244	70,244
Classrooms	35	35	35	35
Design Capacity	1100	1100	1100	1100
Enrollment	995	950	884	1,043
Grandview Hts. ES (1953)				
Square Feet	59,042	59,042	59,042	59,042
Classrooms	31	31	31	31
Design Capacity	780	780	780	780
Enrollment	528	521	590	625
Graves ES (1953)				
Square Feet	52,321	52,321	52,321	52,321
Classrooms	31	31	31	31
Design Capacity	580	580	580	580
Enrollment	439	572	495	531
Guthrie ES (1914)				
Square Feet	55,031	55,031	55,031	55,031
Classrooms	42	42	42	42
Design Capacity	840	840	840	840
Enrollment	235	255	285	305
Hamilton ES (1964)				
Square Feet	81,740	81,740	81,740	81,740
Classrooms	42	42	42	42
Design Capacity	860	860	860	860
Enrollment	452	512	554	546
Hamilton HS (1972)				
Square Feet	336,151	336,151	336,151	336,151
Classrooms	71	71	71	71
Design Capacity	1,725	1,725	1,725	1,725
Enrollment	1,196	1,334	1,455	1,153

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MEMPHIS CITY SCHOOLS**

2006	2005	2004	2003	2002	2001
87,025	87,025	87,025	87,025	87,025	87,025
21	21	21	21	21	21
920	920	920	920	920	920
593	617	701	782	835	
51,813	51,813	51,813	51,813	51,813	51,813
25	25	25	25	25	25
500	500	500	500	500	500
475	486	485	598	611	1,145
62,517	62,517	62,517	62,517	62,517	62,517
36	36	36	36	36	36
980	980	980	980	980	980
337	414	502	547	578	667
91,552	91,552	91,552	91,552	91,552	91,552
44	44	44	44	44	44
900	900	900	900	900	900
462	534	570	626	758	1,254
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	Not Available	Not Available	Not Available	Not Available	Not Available
Administration	Administration	Administration	Administration	Administration	Administration
70,244	70,244	70,244	70,244	70,244	70,244
35	35	35	35	35	35
1100	1100	1100	1100	1100	1100
1,029	1,029	991	965	961	1,011
59,042	59,042	59,042	59,042	59,042	59,042
31	31	31	31	31	31
780	780	780	780	780	780
671	669	699	856	879	790
52,321	52,321	52,321	52,321	52,321	52,321
31	31	31	31	31	31
580	580	580	580	580	580
519	494	520	515	697	889
55,031	55,031	55,031	55,031	55,031	55,031
42	42	42	42	42	42
840	840	840	840	840	840
319	368	421	482	460	488
81,740	81,740	81,740	81,740	81,740	81,740
42	42	42	42	42	42
860	860	860	860	860	860
536	559	658	695	710	745
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
1,415	1,395	1,549	1,613	1,673	1,679

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School/Building	2010	2009	2008	2007
Hamilton MS (1946)				
Square Feet	136,797	136,797	136,797	136,797
Classrooms	104	104	104	104
Design Capacity	1,600	1,600	1,600	1,600
Enrollment	417	464	554	684
Hanley ES (1960)				
Square Feet	104,224	104,224	104,224	104,224
Classrooms	56	56	56	56
Design Capacity	1160	1160	1160	1160
Enrollment	706	717	748	667
Havenview MS (1960)				
Square Feet	104,745	104,745	104,745	104,745
Classrooms	55	55	55	55
Design Capacity	1100	1100	1100	1100
Enrollment	845	835	778	762
Hawkins Mill ES (1965)				
Square Feet	67,350	67,350	67,350	67,350
Classrooms	36	36	36	36
Design Capacity	720	720	720	720
Enrollment	408	393	450	436
Hickory Ridge ES (2001)				
Square Feet	85,000	85,000	85,000	85,000
Classrooms	44	44	44	44
Design Capacity	920	920	920	920
Enrollment	815	812	810	817
Hickory Ridge MS (2001)				
Square Feet	139,685	139,685	139,685	139,685
Classrooms	49	49	49	49
Design Capacity	1175	1175	1175	1175
Enrollment	909	968	879	891
Hillcrest HS (1962)				
Square Feet	169,973	169,973	169,973	169,973
Classrooms	61	61	61	61
Design Capacity	1,450	1,450	1,450	1,450
Enrollment	804	856	1,026	1,028
Hollywood ES (1933)				
Square Feet	63,341	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	324
Holmes Road ES (2001)				
Square Feet	84,633	84,633	84,633	84,633
Classrooms	34	34	34	34
Design Capacity	920	920	920	920
Enrollment	701	717	708	700
Humes MS (1925)				
Square Feet	131,301	131,301	131,301	131,301
Classrooms	71	71	71	71
Design Capacity	1575	1575	1575	1575
Enrollment	407	470	551	582
Ida B. Wells (1908)	Took over Lauderdale s Took over Lauderdale school building in 2006-07, previously located with			
Square Feet	71,059	71,059	71,059	71,059
Classrooms	10	10	10	10
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	112	91	51	93

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

2006	2005	2004	2003	2002	2001
136,797 104 1,600 754	136,797 104 1,600 820	136,797 104 1,600 842	136,797 104 1,600 909	136,797 104 1,600 894	136,797 104 1,600 648
104,224 56 1160 674	104,224 56 1160 708	104,224 56 1160 679	104,224 56 1160 756	104,224 56 1160 775	104,224 56 1160 739
104,745 55 1100 813	104,745 55 1100 941	104,745 55 1100 914	104,745 55 1100 964	104,745 55 1100 1,027	104,745 55 1100 1,019
67,350 36 720 442	67,350 36 720 514	67,350 36 720 467	67,350 36 720 553	67,350 36 720 663	67,350 36 720 726
85,000 44 920 768	85,000 44 920 796	85,000 44 920 845	85,000 44 920 840	85,000 44 920 928	85,000 44 920
139,685 49 1175 865	139,685 49 1175 888	139,685 49 1175 876	139,685 49 1175 938	139,685 49 1175 981	139,685 49 1175
169,973 61 1,450 1,094	169,973 61 1,450 929	169,973 61 1,450 935	169,973 61 1,450 814	169,973 61 1,450 1,119	169,973 61 1,450 1,103
63,341 34 Not Available 352	63,341 34 Not Available 363	63,341 34 Not Available 438	63,341 34 Not Available 485	63,341 34 Not Available 528	63,341 34 Not Available 531
84,633 34 920 717	84,633 34 920 647	84,633 34 920 623	84,633 34 920 707	84,633 34 920 620	84,633 34 920
131,301 71 1575 684	131,301 71 1575 753	131,301 71 1575 880	131,301 71 1575 921	131,301 71 1575 927	131,301 71 1575 872
in another building					
65	70	73	75	81	79

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

School/Building	2010	2009	2008	2007
Idlewild ES (1903)				
Square Feet	65,025	65,025	65,025	65,025
Classrooms	37	37	37	37
Design Capacity	660	660	660	660
Enrollment	470	453	406	491
Jackson ES (1957)				
Square Feet	44,568	44,568	44,568	44,568
Classrooms	24	24	24	24
Design Capacity	480	480	480	480
Enrollment	357	361	407	454
John P. Freeman MS (1973)				
Square Feet	98,000	98,000	98,000	98,000
Classrooms	38	38	38	38
Design Capacity	725	725	725	725
Enrollment	596	630	643	618
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. Acquired from the county.			
Square Feet	88,867	88,867	88,867	88,867
Classrooms	40	40	40	40
Design Capacity	1,140	1,140	1,140	1,140
Enrollment	1,007	993	1,004	989
Keystone ES (1991)				
Square Feet	84,641	84,641	84,641	84,641
Classrooms	39	39	39	39
Design Capacity	800	800	800	800
Enrollment	509	559	624	478
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	Administration
Kingsbury ES (1959)				
Square Feet	65,250	65,250	65,250	65,250
Classrooms	38	38	38	38
Design Capacity	720	720	720	720
Enrollment	524	561	548	515
Kingsbury MS				
Square Feet	See Kingsbury HS	See Kingsbury HS	See Kingsbury HS	
Classrooms				
Design Capacity	750	750	750	
Enrollment	518	452	501	
Kingsbury HS (1950)				
Square Feet	219,201	219,201	219,201	219,201
Classrooms	98	98	98	98
Design Capacity	1575	1575	1575	1575
Enrollment	1,000	980	853	1,624
Kingsbury Career Technology Center (1976)	Students counted in HS 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				

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

2006	2005	2004	2003	2002	2001
65,025 37 660 490	65,025 37 660 487	65,025 37 660 512	65,025 37 660 586	65,025 37 660 565	65,025 37 660 654
44,568 24 480 394	44,568 24 480 447	44,568 24 480 445	44,568 24 480 458	44,568 24 480 407	44,568 24 480 488
98,000 38 725 588	98,000 38 725 583	98,000 38 725 567	98,000 38 725 580	98,000 38 725 555	98,000 38 725 547
49,000 18 Not Available	49,000 18 Not Available	49,000 18 Not Available	49,000 18 Not Available	49,000 18 Not Available 43	49,000 18 Not Available
88,867 40 1,140 951	88,867 40 1,140 965	88,867 40 1,140	88,867 40 1,140	Annexed	Annexed
84,641 39 800 509	84,641 39 800 491	84,641 39 800 501	84,641 39 800 539	84,641 39 800 521	84,641 39 800 533
102,207 N/A Not Available Administration	102,207 N/A Not Available Administration	102,207 N/A Not Available Administration	102,207 N/A Not Available Administration	102,207 N/A Not Available Administration	102,207 N/A Not Available Administration
65,250 38 720 556	65,250 38 720 540	65,250 38 720 504	65,250 38 720 502	65,250 38 720 602	65,250 38 720 603
219,201 98 1575 1,704	219,201 98 1575 1,741	219,201 98 1575 1,803	219,201 98 1575 1,715	219,201 98 1575 1,646	219,201 98 1575 1,472
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

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2010	2009	2008	2007
Kirby HS (1980)				
Square Feet	327,000	327,000	327,000	327,000
Classrooms	73	73	73	73
Design Capacity	1,750	1,750	1,750	1,750
Enrollment	1,864	1,758	1,560	1,378
Kirby MS (1987)				
Square Feet	69,000	69,000	69,000	69,000
Classrooms	55	55	55	55
Design Capacity	1,275	1,275	1,275	1,275
Enrollment	873	869	861	968
Klondike ES (1939)				
Square Feet	86,773	86,773	86,773	86,773
Classrooms	50	50	50	50
Design Capacity	880	880	880	880
Enrollment	269	300	354	395
Knight Road ES (1959)				
Square Feet	53,093	53,093	53,093	53,093
Classrooms	33	33	33	33
Design Capacity	700	700	700	700
Enrollment	434	429	433	521
Lakeview ES (1959)				
Square Feet	38,793	38,793	38,793	38,793
Classrooms	22	22	22	22
Design Capacity	420	420	420	420
Enrollment	135	175	171	195
Lanier MS (1970)				
Square Feet	135,959	135,959	135,959	135,959
Classrooms	33	33	33	33
Design Capacity	725	725	725	725
Enrollment	431	489	653	664
Larose ES (1963)				
Square Feet	94,426	94,426	94,426	94,426
Classrooms	66	66	66	66
Design Capacity	680	680	680	680
Enrollment	267	269	294	227
Lauderdale ES (1908)	IDA B Wells transferred IDA B Wells transferred to this location-Building in 2006-07.			
Square Feet				71,059
Classrooms				33
Design Capacity				Not Available
Enrollment				206
Lester ES (1955)				
Square Feet	107,896	107,896	107,896	107,896
Classrooms	49	49	49	49
Design Capacity	1130	1130	1130	1130
Enrollment	668	683	829	571
Levi ES (1992)				
Square Feet	71,179	71,179	71,179	71,179
Classrooms	33	33	33	33
Design Capacity	700	700	700	700
Enrollment	411	417	432	448
Lincoln ES (1952)				
Square Feet	77,780	77,780	77,780	77,780
Classrooms	62	62	62	62
Design Capacity	780	780	780	780
Enrollment	201	232	251	287

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

2006	2005	2004	2003	2002	2001
327,000	327,000	327,000	327,000	327,000	327,000
73	73	73	73	73	73
1,750	1,750	1,750	1,750	1,750	1,750
1,370	1,410	1,434	1,400	1,448	1,581
69,000	69,000	69,000	69,000	69,000	69,000
55	55	55	55	55	55
1,275	1,275	1,275	1,275	1,275	1,275
1,147	1,128	1,161	1,172	1,155	1,233
86,773	86,773	86,773	86,773	86,773	86,773
50	50	50	50	50	41
880	880	880	880	880	880
406	436	457	530	539	611
53,093	53,093	53,093	53,093	53,093	53,093
33	33	33	33	33	33
700	700	700	700	700	700
572	559	552	530	545	811
38,793	38,793	38,793	38,793	38,793	38,793
22	22	22	22	22	22
420	420	420	420	420	420
216	205	223	187	179	191
135,959	135,959	135,959	135,959	135,959	135,959
33	33	33	33	33	33
725	725	725	725	725	725
698	638	666	694	804	827
94,426	94,426	94,426	94,426	94,426	94,426
66	66	66	66	66	66
680	680	680	680	680	680
270	273	292	293	364	440
71,059	71,059	71,059	71,059	71,059	71,059
33	33	33	33	33	33
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
176	218	229	273	257	388
107,896	107,896	107,896	107,896	107,896	107,896
49	49	49	49	49	49
1130	1130	1130	1130	1130	1130
481	540	564	588	644	689
71,179	71,179	71,179	71,179	71,179	71,179
33	33	33	33	33	33
700	700	700	700	700	700
493	368	340	389	440	503
77,780	77,780	77,780	77,780	77,780	77,780
62	62	62	62	62	62
780	780	780	780	780	780
303	305	366	365	395	241

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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School/Building	2010	2009	2008	2007
Lincoln MS (1922)				
Square Feet	150,405	150,405	150,405	150,405
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed	Closed	Closed	Closed
Locke Elementary (1953)				
Square Feet	58,460	58,460	58,460	58,460
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Closed	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	428
Lucie E. Campbell ES (2002)				
Square Feet	84,740	84,740	84,740	84,740
Classrooms	45	45	45	45
Design Capacity	920	920	920	920
Enrollment	583	646	711	672
Macon ES (1955)	Per building file, Macon Per building file, Macon ES closed in 2005.			
Square Feet	33,051	33,051	33,051	33,051
Classrooms	18	18	18	18
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				203
Magnolia ES (1950)				
Square Feet	61,866	61,866	61,866	61,866
Classrooms	50	50	50	50
Design Capacity	860	860	860	860
Enrollment	356	372	389	443
Maintenance (1945)				
Square Feet	194,246	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	193,742	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
Manassas HS-Old (1936)				
Square Feet	145,614	145,614	145,614	145,614
Classrooms	N/A	N/A	N/A	N/A
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	N/A	N/A	N/A	N/A
Manassas HS-New (2007)				
Square Feet	151,754	151,754	151,754	151,754
Classrooms	60	60	60	60
Design Capacity	925	925	925	925
Enrollment	605	617	539	397
Manor Lake ES (1971)				
Square Feet	65,640	65,640	65,640	65,640
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	680	680	680	680
Enrollment	308	334	381	381

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

2006	2005	2004	2003	2002	2001
150,405 N/A Not Available Closed	150,405 N/A Not Available Closed	150,405 N/A Not Available Closed	150,405 N/A Not Available Closed	150,405 N/A Not Available Closed	150,405 N/A Not Available Closed
58,460 N/A Not Available Closed	58,460 N/A Not Available 213	58,460 N/A Not Available 226	58,460 N/A Not Available 235	58,460 N/A Not Available 291	58,460 N/A Not Available 282
76,211 33 Not Available 463	76,211 33 Not Available 477	76,211 33 Not Available 480	76,211 33 Not Available 446	76,211 33 Not Available 507	76,211 33 Not Available 578
84,740 45 920 714	84,740 45 920 644	84,740 45 920 600	84,740 45 920	84,740 45 920	
33,051 18 Not Available 301	33,051 18 Not Available 328	33,051 18 Not Available 283	33,051 18 Not Available 291	33,051 18 Not Available 337	33,051 18 322
61,866 50 860 540	61,866 50 860 609	61,866 50 860 637	61,866 50 860 680	61,866 50 860 739	61,866 50 860 701
194,246 N/A Not Available Administration	194,246 N/A Not Available Administration	194,246 N/A Not Available Administration	194,246 N/A Not Available Administration	194,246 N/A Not Available Administration	194,246 N/A Not Available Administration
193,742 N/A Not Available Administration	193,742 N/A Not Available Administration	193,742 N/A Not Available Administration	193,742 N/A Not Available Administration	193,742 N/A Not Available Administration	193,742 N/A Not Available Administration
145,614 80 Not Available 377	145,614 80 Not Available 317	145,614 80 Not Available 350	145,614 80 Not Available 378	145,614 80 Not Available 427	145,614 80 Not Available 533
65,640 Open Classroom 680 360	65,640 Open Classroom 680 343	65,640 Open Classroom 680 409	65,640 Open Classroom 680 499	65,640 Open Classroom 680 488	65,640 Open Classroom 680 475

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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School/Building	2010	2009	2008	2007
Melrose MS (1937)				
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	72	72	72	72
Design Capacity	1,325	1,325	1,325	1,325
Enrollment	1,047	1,257	1,349	1,310
Messick Career & Technology (1930)				
Square Feet	105,118	105,118	105,118	105,118
Classrooms	47	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	53	53	53	53
Design Capacity	1,125	1,125	1,125	1,125
Enrollment	785	927	1,047	1,071
Newberry ES (1970)				
Square Feet	45,170	45,170	45,170	45,170
Classrooms	24	24	24	24
Design Capacity	480	480	480	480
Enrollment	538	513	578	569
Norris ES (1960)				
Square Feet	52,000	52,000	52,000	52,000
Classrooms	24	24	24	24
Design Capacity	500	500	500	500
Enrollment	198	195	206	229
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
North Side HS (1967)				
Square Feet	293,868	293,868	293,868	293,868
Classrooms	74	74	74	74
Design Capacity	1175	1175	1175	1175
Enrollment	608	754	891	999
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 (1994)				
Square Feet	69,000	69,000	69,000	69,000
Classrooms	45	45	45	45
Design Capacity	840	840	840	840
Enrollment	835	746	794	854
Oakhaven ES (1957)				
Square Feet	56,552	56,552	56,552	56,552
Classrooms	31	31	31	31
Design Capacity	820	820	820	820
Enrollment	603	685	715	701

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2006	2005	2004	2003	2002	2001
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 1,313	280,000 72 1,325 1,214	280,000 72 1,325 1,281	280,000 72 1,325 1,272	280,000 72 1,325 1,279	280,000 72 1,325 1,108
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 1,125 994	117,630 53 1,125 1,073	117,630 53 1,125 1,205	117,630 53 1,125 1,078	117,630 53 1,125 933	130,806 70 1,125 596
45,170 24 480 572	45,170 24 480 577	45,170 24 480 491	45,170 24 480 502	45,170 24 480 508	45,170 24 480 917
52,000 24 500 290	52,000 24 500 224	52,000 24 500 207	52,000 24 500 244	52,000 24 500 251	52,000 24 500 308
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
293,868 74 1175 1,044	293,868 74 1175 1,137	293,868 74 1175 1,095	293,868 74 1175 1,056	293,868 74 1175 990	293,868 74 1175 904
300,000 N/A Not Available Administration	300,000 N/A Not Available Administration	300,000 N/A Not Available Administration	300,000 N/A Not Available Administration		
69,000 45 840 886	69,000 45 840 850	69,000 45 840 861	69,000 45 840 800	69,000 45 840 741	69,000 45 840 1,016
56,552 31 820 777	56,552 31 820 757	56,552 31 820 818	56,552 31 820 819	56,552 31 820 827	56,552 31 820 823

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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School/Building	2010	2009	2008	2007
Oakhaven HS (1956)				
Square Feet	152,940	152,940	152,940	152,940
Classrooms	53	53	53	53
Design Capacity	700	700	700	700
Enrollment	476	518	718	743
Oakhaven MS				
Square Feet	See Oakhaven HS	See Oakhaven HS		
Classrooms	See Oakhaven HS	See Oakhaven HS		
Design Capacity	450	450		
Enrollment	176	215		
Oakshire ES (1966)				
Square Feet	51,892	51,892	51,892	51,892
Classrooms	32	32	32	32
Design Capacity	620	620	620	620
Enrollment	549	513	478	457
Oakville Mental Health Ctr (1922)				
Square Feet	31,524	31,524	31,524	31,524
Classrooms	13	13	13	13
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	Administration	Administration	Administration	Administration
Orleans ES (1965)				
Square Feet	63,888	63,888	63,888	63,888
Classrooms	31	31	31	31
Design Capacity	620	620	620	620
Enrollment	166	210	258	233
Overton HS (1959)				
Square Feet	177,940	177,940	177,940	177,940
Classrooms	64	64	64	64
Design Capacity	1,625	1,625	1,625	1,625
Enrollment	1,331	1,298	1,335	1,633
Peabody ES (1909)				
Square Feet	53,997	53,997	53,997	53,997
Classrooms	25	25	25	25
Design Capacity	480	480	480	480
Enrollment	400	419	420	442
Pyramid Academy (1940)				
Square Feet	165,486	165,486	165,486	165,486
Classrooms	57	57	57	57
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment	343	549	448	539
Raineshaven ES (1959)				
Square Feet	66,892	66,892	66,892	66,892
Classrooms	29	29	29	29
Design Capacity	680	680	680	680
Enrollment	152	182	336	384
Raleigh-Bartlett ES (1976)				
Square Feet	51,891	51,891	51,891	51,891
Classrooms	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Design Capacity	600	600	600	600
Enrollment	551	534	579	488
Raleigh-Egypt HS (1969)				
Square Feet	145,850	145,850	145,850	145,850
Classrooms	62	62	62	62
Design Capacity	1550	1550	1550	1550
Enrollment	1277	1286	1,315	1,280

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2006	2005	2004	2003	2002	2001
152,940	152,940	152,940	152,940	152,940	152,940
53	53	53	53	53	53
700	700	700	700	700	700
779	772	803	786	819	891
51,892	51,892	51,892	51,892	51,892	51,892
32	32	32	32	32	32
620	620	620	620	620	620
485	563	605	619	639	755
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
293	251	218	234	275	362
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
1,595	1,469	1,386	1,354	1,396	1,352
53,997	53,997	53,997	53,997	53,997	53,997
25	25	25	25	25	25
480	480	480	480	480	480
446	450	410	415	441	471
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
348	429	508	468	111	248
66,892	66,892	66,892	66,892	66,892	66,892
29	29	29	29	29	29
680	680	680	680	680	680
420	447	507	436	666	728
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
524	608	594	686	673	758
145,850	145,850	145,850	145,850	145,850	145,850
62	62	62	62	62	62
1550	1550	1550	1550	1550	1550
1,260	1,236	1,061	989	977	1,018

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

School/Building	2010	2009	2008	2007
Raleigh-Egypt MS (1969)				
Square Feet	102,000	102,000	102,000	102,000
Classrooms	30	30	30	30
Design Capacity	1025	1025	1025	1025
Enrollment	839	868	887	976
Residential Training Center (Unknown)				
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	30	30	30	30
Design Capacity	720	720	720	720
Enrollment	763	727	682	739
Ridgeway/Balmoral ES (1970)				
Square Feet	38,940	38,940	38,940	
Classrooms	Open Classroom	Open Classroom	Open Classroom	
Design Capacity	400	400	400	
Enrollment	298	322	332	
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	283
Ridgeway HS (1970)				
Square Feet	210,000	210,000	210,000	210,000
Classrooms	43	43	43	43
Design Capacity	1500	1500	1500	1500
Enrollment	1327	1342	1,376	1,534
Ridgeway MS (2001)				
Square Feet	143,000	143,000	143,000	143,000
Classrooms	45	45	45	45
Design Capacity	1175	1175	1175	1175
Enrollment	1021	1006	1,051	1,106
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	Not Available	Not Available
Enrollment	85	129	81	45
Riverview ES (1952)				
Square Feet	74,397	74,397	74,397	74,397
Classrooms	48	48	48	48
Design Capacity	820	820	820	820
Enrollment	360	375	394	347
Riverview MS (1967)				
Square Feet	150,850	150,850	150,850	150,850
Classrooms	40	40	40	40
Design Capacity	875	875	875	875
Enrollment	366	345	441	490
Robert R. Church ES (2001)				
Square Feet	81,550	81,550	81,550	81,550
Classrooms	43	43		43
Design Capacity	900	900	900	900
Enrollment	578	679	669	625

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

2006	2005	2004	2003	2002	2001
102,000	102,000	102,000	102,000	102,000	102,000
30	30	30	30	30	30
1025	1025	1025	1025	1025	1025
1,128	1,247	1,306	1,164	1,161	827
40,270	40,270	40,270			
Open Classroom	Open Classroom	Open Classroom			
Not Available	Not Available	Not Available			
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
726	699	719	672	665	668
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
307	290	298	287	284	401
210,000	210,000	210,000	210,000	210,000	210,000
43	43	43	43	43	43
1500	1500	1500	1500	1500	1500
1,602	1,538	1,486	1,429	1,261	1,551
143,000	143,000	143,000	143,000	143,000	143,000
45	45	45	45	45	45
1175	1175	1175	1175	1175	1175
1,145	1,082	1,053	1,023	987	
74,397	74,397	74,397	74,397	74,397	74,397
48	48	48	48	48	48
820	820	820	820	820	820
324	342	386	457	487	444
150,850	150,850	150,850	150,850	150,850	150,850
40	40	40	40	40	40
875	875	875	875	875	875
556	628	651	720	636	491
81,550	81,550	81,550	81,550	81,550	81,550
43	43	43	43	43	43
900	900	900	900	900	900
637	658	753	695	829	

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2010	2009	2008	2007
Ross ES (1976)				
Square Feet	108,162	108,162	108,162	108,162
Classrooms	34	34	34	34
Design Capacity	1020	1020	1020	1020
Enrollment	1,004	1,043	1,022	1,135
Rozelle ES (1914)				
Square Feet	58,750	58,750	58,750	58,750
Classrooms	28	28	28	28
Design Capacity	520	520	520	520
Enrollment	314	316	380	413
Scenic Hills ES (1957)				
Square Feet	48,338	48,338	48,338	48,338
Classrooms	25	25	25	25
Design Capacity	540	540	540	540
Enrollment	342	318	392	417
Sea Isle ES (1955)				
Square Feet	78,863	78,863	78,863	78,863
Classrooms	45	45	45	45
Design Capacity	840	840	840	840
Enrollment	472	434	440	486
Shady Grove ES (1962)				
Square Feet	48,401	48,401	48,401	48,401
Classrooms	24	24	24	24
Design Capacity	500	500	500	500
Enrollment	360	383	344	432
Shannon ES (1959)				
Square Feet	54,522	54,522	54,522	54,522
Classrooms	34	34	34	34
Design Capacity	680	680	680	680
Enrollment	251	326	352	261
Sharpe ES (1954)				
Square Feet	47,130	47,130	47,130	47,130
Classrooms	32	32	32	32
Design Capacity	520	520	520	520
Enrollment	420	412	457	383
Sheffield ES (1970)				
Square Feet	120,832	120,832	120,832	120,832
Classrooms	34	34	34	34
Design Capacity	620	620	620	620
Enrollment	410	432	454	457
Sheffield HS (1966)				
Square Feet	193,236	193,236	193,236	193,236
Classrooms	60	60	60	60
Design Capacity	1,175	1,175	1,175	1,175
Enrollment	853	859	903	967
Sheffield Career & Technology (1976)				
Square Feet	47,000	47,000	47,000	47,000
Classrooms	24	24	24	24
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Shelby Oaks ES (1990)				
Square Feet	74,069	74,069	74,069	74,069
Classrooms	32	32	32	32
Design Capacity	880	880	880	880
Enrollment	886	968	974	984

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

2006	2005	2004	2003	2002	2001
108,162	108,162	108,162	108,162	108,162	108,162
34	34	34	34	34	34
1020	1020	1020	1020	1020	1020
1,154	1,202	1,228	1,278	1,250	1,295
58,750	58,750	58,750	58,750	58,750	58,750
28	28	28	28	28	28
520	520	520	520	520	520
438	417	415	453	448	468
48,338	48,338	48,338	48,338	48,338	48,338
25	25	25	25	25	25
540	540	540	540	540	540
457	478	458	552	528	623
78,863	78,863	78,863	78,863	78,863	78,863
45	45	45	45	45	45
840	840	840	840	840	840
504	516	556	573	534	544
48,401	48,401	48,401	48,401	48,401	48,401
24	24	24	24	24	24
500	500	500	500	500	500
422	416	439	439	329	498
54,522	54,522	54,522	54,522	54,522	54,552
34	34	34	34	34	34
680	680	680	680	680	680
289	354	367	416	400	496
47,130	47,130	47,130	47,130	47,130	47,130
32	32	32	32	32	32
520	520	520	520	520	520
398	400	415	414	475	625
120,832	120,832	120,832	120,832	120,832	120,832
34	34	34	34	34	34
620	620	620	620	620	620
513	512	587	715	783	833
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
913	920	824	1,399	1,406	1,333
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
1,012	930	882	839	839	756

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Summary of Buildings and Sites
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School/Building	2010	2009	2008	2007
Sherwood ES (1950)				
Square Feet	94,516	94,516	94,516	94,516
Classrooms	38	38	38	38
Design Capacity	840	840	840	840
Enrollment	609	624	652	756
Sherwood MS (1957)				
Square Feet	141,952	141,952	141,952	141,952
Classrooms	46	46	46	46
Design Capacity	1,300	1,300	1,300	1,300
Enrollment	711	710	789	998
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	245	231	283	128
Snowden ES (1909)				
Square Feet	174,849	174,849	174,849	174,849
Classrooms	66	66	66	66
Design Capacity	1,510	1,510	1,510	1,510
Enrollment	1,555	1,541	1,586	1,576
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 (1998)				
Square Feet	77,075	77,075	77,075	77,075
Classrooms	40	40	40	40
Design Capacity	800	800	800	800
Enrollment	455	462	489	485
South Side MS (1962)				
Square Feet	254,967	254,967	254,967	
Classrooms	64	64	64	
Design Capacity	1675	1675	1675	
Enrollment	412	412	434	
South Side HS (1962)				
Square Feet				254,967
Classrooms				64
Design Capacity				Not Available
Enrollment				545
Southwest Career & Technology(1976)				
Square Feet	64,201	64,201	64,201	64,201
Classrooms	26	26	26	26
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Spring Hill ES (1956)				
Square Feet	56,356	56,356	56,356	56,356
Classrooms	32	32	32	32
Design Capacity	700	700	700	700
Enrollment	418	430	375	557
Springdale ES (1940)				
Square Feet	44,198	44,198	44,198	44,198
Classrooms	26	26	26	26
Design Capacity	480	480	480	480
Enrollment	293	293	330	253

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

2006	2005	2004	2003	2002	2001
94,516	94,516	94,516	94,518	94,516	94,516
38	38	38	38	38	38
840	840	840	840	840	840
766	775	794	850	801	803
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
1,044	1,095	1,136	1,145	1,133	1,100
74,512	74,512	74,512	74,512	74,512	74,512
Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom	Open Classroom
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
144	170	179	203	125	201
174,849	174,849	174,849	174,849	174,849	174,849
66	66	66	66	66	66
1,510	1,510	1,510	1,510	1,510	1,510
1,523	1,529	1,553	1,527	1,515	1,584
38,663	38,663	38,663	38,663	38,663	38,663
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
77,075	77,075	77,075	77,075	77,075	77,075
40	40	40	40	40	40
800	800	800	800	800	800
500	479	513	531	496	453
254,967	254,967	254,967	254,967	254,967	254,967
64	64	64	64	64	64
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
575	513	581	556	592	689
64,201	64,201	64,201	64,201	64,201	64,201
26	26	26	26	26	26
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
				2	
56,356	56,356	56,356	56,356	56,356	56,356
32	32	32	32	32	32
700	700	700	700	700	700
578	574	657	715	711	803
44,198	44,198	44,198	44,198	44,198	44,198
26	26	26	26	26	26
480	480	480	480	480	480
214	215	245	250	288	321

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Summary of Buildings and Sites
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School/Building	2010	2009	2008	2007
Stafford ES (1964)				
Square Feet	56,216	56,216	56,216	56,216
Classrooms	40	40	40	40
Design Capacity	Not Available	Not Available	Not Available	Not Available
Enrollment				
Teaching & Learning Academy (1958)				
Square Feet	46,339	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	26,640	26,640	26,640	26,640
Classrooms	56	56	56	56
Design Capacity	860	860	860	860
Enrollment	586	665	681	853
Treadwell HS (1948)				
Square Feet	150,690	150,690	150,690	150,690
Classrooms	43	43	43	43
Design Capacity	950	950	950	950
Enrollment	319	540	795	868
Trezevant HS (1960)				
Square Feet	296,765	296,765	296,765	296,765
Classrooms	67	67	67	67
Design Capacity	1,675	1,675	1,675	1,675
Enrollment	897	959	1,008	1,339
Trezevant Career & Technology (1976)				
Square Feet	62,546	62,546	62,456	62,546
Classrooms	25	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	22	22	22	22
Design Capacity	950	950	950	950
Enrollment	386	368	398	445
Vollentine ES (1930)				
Square Feet	44,705	44,705	44,705	44,705
Classrooms	22	22	22	22
Design Capacity	760	760	760	760
Enrollment	351	414	404	380
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	Closed	Closed	Closed	Closed
Wells Station ES (1954)				
Square Feet	69,001	69,001	69,001	69,001
Classrooms	36	36	36	36
Design Capacity	680	680	680	680
Enrollment	659	652	577	580
Westhaven ES (1956)				
Square Feet	67,082	67,082	67,082	67,082
Classrooms	49	49	49	49
Design Capacity	900	900	900	900
Enrollment	443	477	469	414

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2006	2005	2004	2003	2002	2001
56,216 40 Not Available	56,216 40 Not Available 235	56,216 40 Not Available 273	56,216 40 Not Available 273	56,216 40 Not Available 307	56,216 40 Not Available 321
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 56 860 873	26,640 56 860 889	26,640 56 860 1,014	26,640 56 860 1,056	26,640 56 860 1,092	26,640 56 860 1,047
150,690 43 950 853	150,690 43 950 826	150,690 43 950 805	150,690 43 950 833	15,690 43 950 896	150,690 43 950 944
296,765 67 1,675 1,596	296,765 67 1,675 1,468	296,765 67 1,675 1,386	296,765 67 1,675 1,355	296,765 67 1,675 1,435	296,765 67 1,675 1,382
62,546 25 Not Available	62,546 25 Not Available	62,546 25 Not Available	62,546 25 Not Available	62,546 25 Not Available 74	62,546 25 Not Available
150,300 22 950 483	150,300 22 950 540	150,300 22 950 540	150,300 22 950 537	150,300 22 950 503	150,300 22 950 468
44,705 22 760 426	44,705 22 760 438	44,705 22 760 503	44,705 22 760 520	44,705 22 760 576	44,705 22 760 682
43,558 N/A Not Available Closed	43,558 N/A Not Available 234	43,558 N/A Not Available 339	43,558 N/A Not Available 363	43,558 N/A Not Available 407	43,588 28 Not Available 360
69,001 36 680 580	69,001 36 680 541	69,001 36 680 576	69,001 36 680 551	69,001 36 680 535	69,001 36 680 531
67,082 49 900 373	67,082 49 900 381	67,082 49 900 408	67,082 49 900 474	67,082 49 900 588	67,082 49 900 819

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
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Summary of Buildings and Sites
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School/Building	2010	2009	2008	2007
Westside ES (1952)				
Square Feet	49,474	49,474	49,474	49,474
Classrooms	30	30	30	30
Design Capacity	580	580	580	580
Enrollment	402	412	418	497
Westside HS (1958)				
Square Feet				133,852
Classrooms				35
Design Capacity				Not Available
Enrollment				484
Westside MS (1958)				
Square Feet	133,852	133,852	133,852	
Classrooms	35	35	35	
Design Capacity	875	875	875	
Enrollment	415	431	588	
Westwood ES (1962)				
Square Feet	77,428	77,428	77,428	77,428
Classrooms	50	50	50	50
Design Capacity	940	940	940	940
Enrollment	347	381	382	397
Westwood HS (1958)				
Square Feet	181,342	181,342	181,342	181,342
Classrooms	61	61	61	61
Design Capacity	1,275	1,275	1,275	1,275
Enrollment	505	494	457	484
White Station ES (1933)				
Square Feet	38,482	38,482	38,482	38,482
Classrooms	28	28	28	28
Design Capacity	840	840	840	840
Enrollment	594	546	513	720
White Station HS (1952)				
Square Feet	215,878	215,878	215,878	215,878
Classrooms	90	90	90	90
Design Capacity	2,025	2,025	2,025	2,025
Enrollment	2,205	2,122	2,150	2,316
White Station MS (1960,2007)				
Square Feet	144,411	144,411	144,411	144,411
Classrooms	27	27	27	27
Design Capacity	1,325	1,325	1,325	1,325
Enrollment	1,215	1,156	1,099	780
Whitehaven ES (1949)				
Square Feet	49,885	49,885	49,885	49,885
Classrooms	34	34	34	34
Design Capacity	600	600	600	600
Enrollment	345	363	444	495
Whitehaven HS (1931)				
Square Feet	216,056	216,056	216,056	216,056
Classrooms	51	51	51	51
Design Capacity	1,700	1,700	1,700	1,700
Enrollment	2,105	2,056	1,851	1,839
White's Chapel ES (1951)				
Square Feet	49,885	49,885	49,885	49,885
Classrooms	24	24	24	24
Design Capacity	520	520	520	520
Enrollment	167	188	195	211

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MEMPHIS CITY SCHOOLS**

2006	2005	2004	2003	2002	2001
49,474	49,474	49,474	49,474	49,474	49,474
30	30	30	30	30	30
580	580	580	580	580	580
546	647	677	670	759	746
133,852	133,852	133,852	133,852	133,852	133,852
35	35	35	35	35	35
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
556	648	692	693	776	728
77,428	77,428	77,428	77,428	77,428	77,428
50	50	50	50	50	50
940	940	940	940	940	940
474	478	548	588	635	686
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
474	565	773	869	907	1,001
38,482	38,482	38,482	38,482	38,482	38,482
28	28	28	28	28	28
840	840	840	840	840	840
737	733	690	750	727	742
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
2,208	2,078	2,017	1,967	1,871	1,950
81,131	81,131	81,131	81,131	81,131	81,131
27	27	27	27	27	27
1,325	1,325	1,325	1,325	1,325	1,325
794	783	807	878	820	845
49,885	49,885	49,885	49,885	49,885	49,885
34	34	34	34	34	34
600	600	600	600	600	600
534	593	655	641	673	983
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
1,776	1,884	1,832	1,876	1,964	1,964
49,885	49,885	49,885	49,885	49,885	49,885
24	24	24	24	24	24
520	520	520	520	520	520
250	281	279	285	303	316

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2010	2009	2008	2007
Whitney ES (1962)				
Square Feet	71,757	71,757	71,757	71,757
Classrooms	30	30	30	30
Design Capacity	640	640	640	640
Enrollment	422	512	535	554
William H. Brewster (2006)				
Square Feet	95,000	95,000	95,000	95,000
Classrooms	52	52	52	52
Design Capacity	820	820	820	820
Enrollment	618	552	542	451
Willow Oaks ES (1951)				
Square Feet	82,664	82,664	82,664	82,664
Classrooms	40	40	40	40
Design Capacity	820	820	820	820
Enrollment	687	700	738	668
Winchester ES (1960)				
Square Feet	84,214	84,214	84,214	84,214
Classrooms	41	41	41	41
Design Capacity	800	800	800	800
Enrollment	417	476	545	587
Windridge ES (2001)				
Square Feet	84,214	84,214	84,214	84,214
Classrooms	45	45	45	45
Design Capacity	920	920	920	920
Enrollment	767	834	825	859
Wooddale HS (1967)				
Square Feet	234,000	234,000	234,000	234,000
Classrooms	60	60	60	60
Design Capacity	1,500	1,500	1,500	1,500
Enrollment	1,424	1,511	1,736	1,654
Wooddale MS (1970)				
Square Feet	184,760	184,760	184,760	184,760
Classrooms	50	50	50	50
Design Capacity	1,550	1,550	1,550	1,550
Enrollment	885	941	1,082	1,170
Total MCS Buildings				
Square Feet	20,119,504	20,119,504	20,145,717	20,070,298
Classrooms	7,282	7,282	7,282	7,271
Design Capacity	150,821	150,821	150,371	146,271
Enrollment	101,272	104,392	107,649	112,217
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)			307	248
Various Learning Centers & Alternative Schools	1,201	108	209	132
MCS schools on non-MCS property (enrollment)				
Campus Elementary	334	342	342	345
Grizzlies Academy	50	63	71	61
Hollis F. Price Middle College	147	155	151	123
Middle College High	219	231	261	248
Total	750	791	825	777
Charter Schools (enrollment)				
Circles of success	171	141	112	119
City University	377	350	307	238

Continued from Prior Page

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

2006	2005	2004	2003	2002	2001
71,757	71,757	71,757	71,757	71,757	71,757
30	30	30	30	30	30
640	640	640	640	640	640
577	580	575	532	526	539
95,000					
52					
820					
82,664	82,664	82,664	82,664	82,664	82,664
40	40	40	40	40	40
820	820	820	820	820	820
695	690	660	733	663	768
84,214	84,214	84,214	84,214	84,214	84,214
41	41	41	41	41	41
800	800	800	800	800	800
505	428	437	571	779	870
84,214	84,214	84,214	84,214	84,214	84,214
45	45	45	45	45	45
920	920	920	920	920	920
855	831	817	803	712	
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
1,598	1,589	1,588	1,523	1,392	1,457
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
1,318	1,394	1,393	1,196	1,181	1,350
19,784,205	19,646,659	19,646,659	19,328,391	18,579,952	19,143,448
7,281	7,213	7,213	7,101	6,971	6,962
145,346	144,526	144,526	142,726	139,536	138,616
115,655	117,194	115,846	116,754	117,508	116,674
228	180	124	55		
312				319	
346	345	343	346	347	374
72	55	35			
102	61				
246	233	218	210	188	195
766	694	596	556	535	569
97	68	60			
149	116				

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Summary of Buildings and Sites

Last ten fiscal years ending June 30

School/Building	2010	2009	2008	2007
KIPP Diamond (Became a charter school 2009)	313	275		
Memphis Academy of Health Sciences	295	265	296	243
Memphis Academy of Health Science High	180	92		
Memphis Academy of Science & Engineering	743	690	632	540
Memphis Business Academy	240	202	214	105
Memphis Business Academy High	139	80		
Memphis Health Careers Academy	85	79	81	
Power Center	199	121		
Promise Academy	338	227	176	120
Soulsville Academy	300	236	174	117
Southern Avenue	199	158	140	115
Star Academy	239	239	235	195
Yo! Academy				155
Total Charter School Enrollments	3,818	3,155	2,367	1,947
District Total Enrollment	107,041	108,446	111,357	115,321

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

Capacities are currently under full review.

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

2006	2005	2004	2003	2002	2001
264	161	99			
379	252	130			
62					
53					
57					
60					
153	112				
160	117				
1,434	826	289	–	–	–
118,395	118,894	116,855	117,365	118,362	117,243

STATISTICAL AND OTHER INFORMATION (UNAUDITED)
OPERATING INFORMATION
Schedule of Major Insurance Coverage
June 30, 2010

Type	Policy Term	Company
Student Athletic Accident	8/1/2010- 7/31/2011 8/1/2009- 7/31/2010 8/1/2008 - 7/31/2009	Mid South/Monumental Life Mid South/Monumental Life Mid South/Monumental Life
CNC PROPERTY CLAIMS LOSSES- 2009		
Insurance Broker RFB May 2011	11/19/2007-11/18/2011 11/19/2007-11/18/2011 w/ 1 optional extend 9/1/2004 - 9/1/2007	Marsh and Mitchell Marsh and Mitchell Marsh and Mitchell
Property Insurance RFP - January 2011	3/8/2010 - 3/8/2011 3/8/2009 - 3/8/2010	Travelers American International Group/Lexington
Vehicle Insurance RFP - March 2011	5/9/2009 - 5/8/2011 5/9/2008 - 5/8/2009	Progressive Insurance Group New Hampshire Ins. Company
Boiler and Machinery Bid May 2011	10/14/2007-10/14/2010 w/1 optional extend 10/14/2007-10/14/2010 w/1 optional extend	Travelers Travelers
ROTC No RFB Self-insured	9/22/2009 - unlimited 9/22/2006 - 9/22/2009	Self-insured Self-insured
Voluntary Student Insurance	2010-2012 2008-2010 Not bid - not over \$5,000 8/2004-8/2008	United Health Care United Health Care Mega Life and Health
Surety Bond general employees RFB June 2011	9/1/2010 - 8/30/2011 9/1/2009 - 8/30/2010 9/1/2008- 8/30/2009	St. Paul Travelers St. Paul Travelers St. Paul Travelers
Treasurer Bond- Pamela Anstey RFB April 2013	8/31/2010 - 8/30/2013 9/1/2007 - 8/31/2010	Hartford / Mid South Hartford / Mid South
Surety Bond Commissioners RFB Variable by commissioner	9/1/2008-9/1/2011 9/1/2007-9/1/2008	Harris Madden & Powell, Inc Harris Madden & Powell, Inc
Student Field Trip RFB - December 2010	3/18/2009-3/18/2011 3/18/2008-3/18/2009 w/1 optional renewal 3/18/2007 - 3/18/2008 w/ 2 optional renew	Hartford Hartford Hartford
Occupational Physician RFB - 5/1/2011	8/1/2006 - 7/31/2011	Dr. Lloyd Robinson & Associates

Source: School District Risk Management

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

Policy Number	Costs	
TN01	\$167,500	
TN01	\$167,500	
TN01	\$147,125	
	\$58,000	
	\$58,000	
	\$80,000	
	\$691,847.00	
17727796	\$798,223.69	
CTN 00007108-435-9	\$8,734	
RTN 419-67-353	\$8,649	
BAJ -BM21-5946L618-TIL-07	\$64,157	
BAJ -BM21-5946L618-TIL-07	\$60,060	
none	No premium cost	
none	No premium cost	
2006-114684-1	Individual student coverage	
2006-114684-1	Individual student coverage	
2006-114684-1	Individual student coverage	
	\$11 @ student	
104589887	\$4,995	\$500,000 limit
104589887	\$4,995	\$25,000 deductible
104589887	\$4,995	
20BSBES9740	\$30,472	preset for 3 year
20BSBES9740	\$43,412	preset for 3 year
		no deductible
Fidelity&Deposit of Maryland/Zurich	\$1,410	\$25,000 deductible
Fidelity&Deposit of Maryland/Zurich	\$100 @7 + \$355 @ 2 Officers	
20 SR 145507	coverage paid by schools	
20 ETS 422001	coverage paid by schools	
21 ETS 422001	under \$10,000 per year	
	individual coverage \$.65 per student	
No policy	Individual charges	

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Schedule of Surety Bonds

June 30, 2010

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**

Fiscal Year	Regular	Special	High School Certificate	Total
2001	3,791	370	140	4,301
2002	3,933	348	109	4,390
2003	4,202	456	130	4,788
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	N/A	N/A	N/A	N/A

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

Regular Diplomas - Includes Count for honors diplomas

NOTE: 2010 state approved graduation rates not available

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

	2010	2009	2008	2007
Charge per lunch to students:				
Paid Elementary	\$1.75	\$1.75	\$1.50	\$1.50
Paid Secondary	\$2.00	\$2.00	\$1.75	\$1.75
Paid High School	\$2.00	\$2.00	\$1.75	\$1.75
Reduced	\$0.25	\$0.25	\$0.10	\$0.10
Charge per lunch to adults	\$3.50	\$3.50	\$3.00	\$3.00
Number of days served	180	180	180	180
Number of free lunches served	11,685,696	11,518,825	11,507,072	11,836,673
Percent of total lunches served	90.12%	88.08%	87.12%	86.71%
Average number of free lunches served daily	64,921	63,993	63,928	65,759
Number of paid lunches served at reduced price	580,651	744,489	843,409	963,822
Percent of total lunches served	4.48%	5.69%	6.39%	7.06%
Number of paid lunches served at regular price	700,746	814,013	858,372	849,668
Percent of total lunches served	5.40%	6.22%	6.50%	6.22%
Average number of paid lunches served daily:				
At reduced price	3,226	4,136	4,686	5,355
At regular price	3,893	4,522	4,769	4,720
Total number of lunches served	12,967,093	13,077,327	13,208,853	13,650,163
Average number of lunches served daily	72,039	72,652	73,383	75,834

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

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$1.35	\$1.35	\$1.35	\$1.25	\$1.25	\$1.25
\$1.50	\$1.50	\$1.50	\$1.35	\$1.35	\$1.35
\$1.50	\$1.50	\$1.50	\$1.35	\$1.35	\$1.35
\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
\$2.50	\$2.50	\$2.25	\$2.00	\$2.00	\$2.00
180	180	180	180	180	180
12,145,972	12,104,483	11,601,179	11,469,106	11,271,223	10,822,042
86.26%	86.00%	85.74%	84.69%	84.15%	83.49%
67,478	67,247	64,451	63,717	62,618	60,122
1,017,338	1,018,355	995,850	1,039,322	1,027,338	996,398
7.22%	7.23%	7.36%	7.67%	7.67%	7.69%
917,799	952,783	933,111	1,033,726	1,095,686	1,143,157
6.52%	6.77%	6.90%	7.63%	8.18%	8.82%
5,652	5,658	5,533	5,774	5,707	5,536
5,099	5,293	5,184	5,743	6,087	6,351
14,081,109	14,075,621	13,530,140	13,542,154	13,394,247	12,961,597
78,228	78,198	75,167	75,234	74,412	72,009

STATISTICAL AND OTHER INFORMATION (UNAUDITED)

OPERATING INFORMATION

Pupil Transportation

Last ten fiscal years ending June 30

	2010	2009	2008	2007
School Buses				
Type I	379	6	557	552
Type II	-	-	3	6
Total	379	6	560	558
Daily one-way miles traveled for all buses				
From residence to first pick-up	17,509	18,497	17,695	16,043
From first pick-up to last school served	24,148	23,044	23,086	21,208
Total	41,657	41,541	40,781	37,251
Pupils Transported				
Enrolled				
Regular	25,998	26,239	24,281	18,199
Special Education	1,976	2,284	2,601	2,589
ADT 1 1/2 miles +				
Regular	24,760	25,139	23,181	18,199
Special Education	1,976	2,064	2,381	2,589
Number of drivers				
Male	100	107	108	97
Female	245	364	393	363
Injuries				
Treated and released	286	73	33	11
Confined overnight	-	2	-	1
Fatalities				
On board	-	-	-	-
Off board	-	-	-	-
Type Accident				
Property damage	-	-	3	56
Personal injury	45	34	7	12

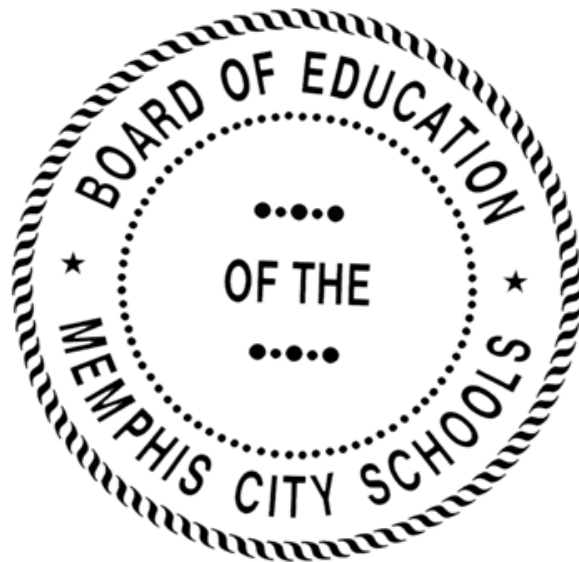
Source: Annual Pupil Transportation Report

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

2006	2005	2004	2003	2002	2001
527	532	449	474	486	459
3	-	51	4	-	77
530	532	500	478	486	536
5,197	5,001	4,765	5,496	4,587	3,250
16,877	15,946	15,111	13,129	11,195	8,854
22,074	20,947	19,876	18,625	15,782	12,104
19,497	19,028	18,180	17,959	16,869	18,017
2,489	2,554	2,672	2,668	2,574	2,530
19,497	16,511	15,332	15,092	14,193	15,392
2,489	2,434	2,315	2,142	2,045	1,958
155	124	116	120	216	114
377	394	339	333	249	304
23	41	57	-	77	7
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
79	68	55	55	24	35
10	7	16	-	11	8

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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 Board
of Education of the Memphis City Schools
Memphis, Tennessee

We have audited 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, 2010, which collectively comprise the Board's basic financial statements and have issued our report thereon dated December 28, 2010. 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.

In accordance with *Government Auditing Standards*, the report dated December 28, 2010, has been reissued due to the omission of two federal programs on the schedule of expenditures of federal, state and other awards. Since program CFDA 84.394 was considered major, additional audit procedures were performed. The changes to the previously issued report dated December 28, 2010, were as follows: 1) program CFDA 84.394 was added to the schedule of expenditures of federal, state and other awards and to the schedule of findings and questioned costs; 2) program CFDA 10.579 – ARRA was added to the schedule of expenditures of federal, state and other awards; 3) CFDA 84.377A as stated on the December 28, 2010 report was changed on the schedule of findings and questioned costs to reflect the proper CFDA number of 84.010A.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

This report is intended solely for the information and use of the Chairman and Members of the Board, management, others within the organization, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Watkins Mikusall, PLLC

Memphis, Tennessee

December 28, 2010

(Except as noted in paragraph 2 above,
as to which the date is August 22, 2011)

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR
A-133**

To the Chairman and Members of the Board
of Education of the Memphis City Schools
Memphis, Tennessee

Compliance

We have audited the compliance of the Board of Education of the Memphis City Schools (the Board) (a component unit of the City of Memphis, Tennessee) 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, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

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. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the 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, 2010.

In accordance with *Government Auditing Standards*, the report dated December 28, 2010, has been reissued due to the omission of two federal programs on the schedule of expenditures of federal, state and other awards. Since program CFDA 84.394 was considered major, additional audit procedures were

performed. The changes to the previously issued report dated December 28, 2010, were as follows: 1) program CFDA 84.394 was added to the schedule of expenditures of federal, state and other awards and to the schedule of findings and questioned costs; 2) program CFDA 10.579 – ARRA was added to the schedule of expenditures of federal, state and other awards; 3) CFDA 84.377A as stated on the December 28, 2010 report was changed on the schedule of findings and questioned costs to reflect the proper CFDA number of 84.010A.

Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, 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 for the purpose of expressing our opinion on compliance 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 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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Chairman and Members of the Board, management, others within the organization, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Memphis, Tennessee

December 28, 2010

(Except as stated in paragraph 4 above,
as to which the date is August 22, 2011)

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, OTHER AWARDS
For the year ended June 30, 2010

Proj #	Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount
Federal Awards				
U.S. Department of Labor Passed Through City of Memphis				
710	WIN GRASSY	17.259	26291	200,000
753	Youth Build Grant		CA106645	114,378
713	Workforce Investment Act - Employment and Training	17.259	24987	923,154
714	Workforce Investment Act - Employment and Training	17.259	26782	1,000,000
695	Workforce Investment Act - Employment and Training	17.259	23693	264,829
696	Workforce Investment Act - Employment and Training	17.259	24988	441,142
697	Workforce Investment Act - Employment and Training	17.259	26202	600,000
	Total 17.259			
State Department of Labor				
124	Food Stamp Employment and Training Program	10.561	GG-08-22987	25,500
156	Food Stamp Employment and Training Program			25,500
	Total 10.561			
Subtotal				
Passed Through State Department of Human Services				
Fund 4	TN DHS - Child Care Food Program	10.558	DP1132862-00	
	Total 10.558			
Subtotal				
Passed Through State Department of Education				
Fund 5	Child Nutrition Equipment ARRA	10.579		190,860
	Total 10.579			
Subtotal				
Tennessee Commission on Children and Youth				
Fund 4	Disproportionate Minority Contracts	16.540	Z09-213579-00	
	Total 16.540			
116	Enforcing Underage Drinking Law	16.727	Z-09-73520-00	41,000
	Total 16.727			

Accrued (Deferred) Revenue at June 30, 2009	Cash Receipts	Transfers In	Cash Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2010
-	64,939	-	136,612	-	-	71,673
-	-	-	23,691	-	-	23,691
234,785	253,057	-	18,272	-	-	-
-	-	-	737,912	-	-	737,912
(49)	-	-	49	-	-	-
104,554	116,744	-	12,242	-	-	52
-	321,222	-	419,879	-	-	98,657
339,290	755,962	-	1,348,657	-	-	931,985
983	-	-	(983)	-	-	-
-	25,500	-	23,398	-	-	(2,102)
983	25,500	-	22,415	-	-	(2,102)
340,273	781,462	-	1,371,072	-	-	929,883
-	481,334	-	481,334	-	-	-
-	481,334	-	481,334	-	-	-
-	481,334	-	481,334	-	-	-
-	190,860	-	190,860	-	-	-
-	190,860	-	190,860	-	-	-
-	190,860	-	190,860	-	-	-
-	131,026	-	131,026	-	-	-
-	131,026	-	131,026	-	-	-
23,855	23,487	368	-	-	-	-
23,855	23,487	368	-	-	-	-

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, OTHER AWARDS
For the year ended June 30, 2010

Proj #	Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount
609	National Security Agency StarTalk	12.901	H98230-10-1-0113	99,028
	Total 12.901			
	U.S. Department of Education			
164	Smaller Learning Communities	84.215L	V215L052168	794,725
169	Smaller Learning Communities	84.215L	V215L052168	798,435
603	Smaller Learning Communities	84.215L	V215L052168	2,364,273
	Total 84.215L			
165	Foreign Language Assistance	84.293B	T293B080036	234,957
162	Foreign Language Assistance	84.293B	T293B100184	273,525
170	Foreign Language Assistance	84.293B	T293B080036	263,453
172	Foreign Language Assistance	84.293B	T293B070061	83,284
	Total 84.293B			
163	Advanced Placement Grant	84.330C	S330C060120	609,386
153	Advanced Placement Grant	84.330C	S330C060120	1,243,726
	Total 84.330C			
118	NCEEP/Gear-Up	None	0209234.002.016-39	24,000
119	Gear-Up	84.334A	P334A060206	2,346,400
120	Gear-Up	84.334A	P334A060206	950,400
171	Gear-Up	84.334A	P334A060206	927,800
	Total 84.334A			
167	Literacy and School Libraries	84.364A	S364A080438	443,936
	Total 84.364A			
517	Striving Readers	84.371A	S371A060098	3,057,891
516	Striving Readers	84.371A	S371A060098	10,345,462
518	Striving Readers	84.371A	S371A060098	2,312,808
	Total 84.371A			
	Passed Through State Department of Education			
Fund 1	Adult Basic Education	84.002	Z-10-218533-00	592,982
	Total 84.002			
530	Improving Basic Programs Operated by LEAs	84.010A	07.01	43,223,338
531	Improving Basic Programs Operated by LEAs	84.010A	08.01	44,702,121
532	Improving Basic Programs Operated by LEAs	84.010A	09.01	52,581,116
533	Improving Basic Programs Operated by LEAs	84.010A	10.01	64,752,810
533-6790	Title I, D	84.010A	10.01	111,160
	Total 84.010			

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

Accrued (Deferred) Revenue at June 30, 2009	Cash Receipts	Transfers In	Cash Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2010
-	-	-	7,143	-	-	7,143
-	-	-	7,143	-	-	7,143
(2,624)	203,909	-	197,606	-	-	(8,927)
-	155,433	-	342,524	-	-	187,091
(131,337)	460,719	-	592,056	-	-	-
(133,961)	820,061	-	1,132,186	-	-	178,164
20,341	196,746	-	176,405	-	-	-
-	-	-	-	-	-	-
-	122,624	-	138,237	-	-	15,613
-	37,766	-	35,847	-	-	(1,919)
20,341	357,136	-	350,489	-	-	13,694
73,104	467,564	-	394,460	-	-	-
(83,746)	215,448	-	299,194	-	-	-
(10,642)	683,012	-	693,654	-	-	-
-	24,000	-	5,750	-	-	(18,250)
(297,236)	151,323	-	448,559	-	-	-
244,825	501,964	-	345,352	-	-	88,213
-	329,727	-	141,639	-	-	(188,088)
(52,411)	1,007,014	-	941,300	-	-	(118,125)
29,301	74,944	-	45,643	-	-	-
29,301	74,944	-	45,643	-	-	-
685,472	2,287,655	-	1,682,812	-	-	80,629
61,217	910,151	-	848,934	-	-	-
-	289,149	-	357,853	-	-	68,704
746,689	3,486,955	-	2,889,599	-	-	149,333
-	592,982	-	592,982	-	-	-
-	592,982	-	592,982	-	-	-
(189,104)	174,529	-	363,633	-	-	-
1,840,046	-	1,840,046	-	-	-	-
5,037,859	16,851,103	-	9,693,086	-	-	(2,120,158)
-	26,920,263	-	37,880,457	-	-	10,960,194
-	79,737	-	196,107	-	-	116,370
6,688,801	44,025,632	1,840,046	48,133,283	-	-	8,956,406

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, OTHER AWARDS
For the year ended June 30, 2010

Proj #	Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount
723	Title I, D - ARRA	84.389	10.01	34,162
537	Improving Basic Programs Operated by LEAs -ARRA	84.389	10.01	57,210,100
	Passed Through State Department of Education--Continued			
128	Exceptional Children YRBS	84.027A	N/A	4,200
700	Exceptional Children AYP	84.027A	N/A	82,819
701	Exceptional Children AYP	84.027A	N/A	145,343
	Total 84.027A			
705	Comprehensive Plan for Providing Special Education	84.027	06.01	24,796,753
529	Comprehensive Plan for Providing Special Education	84.027	07.01	24,362,632
521	Comprehensive Plan for Providing Special Education	84.027	07.21	2,607,638
520	Comprehensive Plan for Providing Special Education	84.027	08.01	24,239,846
524	Comprehensive Plan for Providing Special Education	84.027	08.21	663,222
522	Comprehensive Plan for Providing Special Education	84.027	09.01	25,178,723
523	Comprehensive Plan for Providing Special Education	84.027	10.01	22,438,269
648	IDEA Discretionary- Exceptional Children	84.027	9.01	179,678
130	Raineswood Autism Program	84.027A	N/A	277,000
126	Raineswood Autism Program	84.027A	GG-05-11101-00	276,508
668	Raineswood Autism Program	84.027A	N/A	306,231
	Total 84.027			
525	Comprehensive Plan for Providing Special Education	84.391	10.01	24,976,419
	Total 84.391			
643	Comprehensive Plan for Providing Special Education	84.173	07.01	219,747
645	Comprehensive Plan for Providing Special Education	84.173	09.01	199,720
646	Comprehensive Plan for Providing Special Education	84.173	8.01	17,718
647	Comprehensive Plan for Providing Special Education	84.173	10.01	155,220
	Total 84.029			

Accrued (Deferred) Revenue at June 30, 2009	Cash Receipts	Transfers In	Cash Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2010
-	2,477	-	2,950	-	-	473
-	2,477	-	2,950	-	-	473
-	14,106,500	-	16,626,854	-	-	2,520,354
-	14,106,500	-	16,626,854	-	-	2,520,354
3,988	-	-	-	-	-	3,988
67,885	-	-	-	-	-	67,885
533	5,126	-	4,593	-	-	-
72,406	5,126	-	4,593	-	-	71,873
21,526	-	-	-	-	-	21,526
32,491	-	-	443	-	-	32,934
175	-	-	-	-	-	175
(637,862)	506,459	73,411	-	-	-	(1,217,732)
498,091	663,222	-	165,131	-	-	-
666,585	751,581	-	136,285	-	-	51,289
-	20,110,554	-	20,834,401	-	-	723,847
36,350	176,959	-	177,057	-	-	98
4,270	112,673	-	77,995	-	-	1,672
31,545	-	-	-	-	-	4,270
653,171	22,321,448	73,411	21,391,312	-	-	31,545
						(350,376)
-	17,126,023	-	16,123,078	-	-	(1,002,945)
-	17,126,023	-	16,123,078	-	-	(1,002,945)
22,494	-	-	383	-	-	22,877
12,885	7,769	4,706	-	-	-	410
-	-	-	913	-	-	913
-	134,776	-	150,181	-	-	15,405
35,379	142,545	4,706	151,477	-	-	39,605

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, OTHER AWARDS
For the year ended June 30, 2010

Proj #	Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount
527	Comprehensive Plan for Providing Special Education Total 84.392	84.392	10.01	1,094,464
577	Vocational Program Improvement-Project Lead the Way	84.048A	N/A	98,805
173	Vocational Program Improvement	84.048A	05.01	3,159,242
740	Vocational Program Improvement	84.048A	06.01	4,269,983
573	Vocational Program Improvement	84.048A	07.01	3,184,183
574	Vocational Program Improvement	84.048A	08.01	3,222,980
575	Vocational Program Improvement	84.048A	09.01	2,895,611
576	Vocational Program Improvement Total 84.048	84.048A	10.01	3,134,870
112	NCLB Consolidated Administration 2009	N/A	N/A	1,789,495
113	NCLB Consolidated Administration 2010 Total	N/A	N/A	3,880,988
553	Safe and Drug Free Schools and Communities Total 84.184E	84.184E	Q184E080279	491,308
552	Safe and Drug Free Schools and Communities	84.186A	09.01	663,996
554	Safe and Drug Free Schools and Communities Total 84.186A	84.186A	10.01	658,418
	Passed Through State Department of Education--Continued			
107	Homeless Children and Youth	84.196A	001-09-1-011	160,000
108	Homeless Children and Youth Total 84.196A	84.196A	019-10-2-011	106,320
783	Even Start Program (Parents & Children Learning)	84.213C	N/A	85,000
784	Even Start Program (Parents & Children Learning) Total 84.213C	84.213C	N/A	225,000
	Public Charter Schools Total 84.282A	84.282A	N/A	
610	Twenty First Cent. Community Learning	84.287C	192-08-3-006	700,000
613	Twenty First Cent. Community Learning	84.287C	192-08-4-033	200,000
614	Twenty First Cent. Community Learning	84.287C	192-10-1-021	400,000
596	Twenty First Cent. Community Learning Total 84.287C	84.287C	192-08-1-006	700,000
569	Title V-A Innovative Programs Total 84.298A	84.298A	08.01	272,685

BOARD OF EDUCATION OF THE
MEMPHIS CITY SCHOOLS

Accrued (Deferred) Revenue at June 30, 2009	Cash Receipts	Transfers In	Cash Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2010
-	100,458	-	103,480	-	-	3,022
-	100,458	-	103,480	-	-	3,022
48,267	98,805	-	49,858	-	-	(680)
(26,146)	-	104	-	-	-	(26,250)
(127,168)	-	-	-	-	-	(127,168)
(156,297)	-	-	4,568	-	-	(151,729)
(27,846)	-	-	5,734	-	-	(22,112)
(186,471)	1,067,048	-	1,224,708	-	-	(28,811)
-	2,088,641	-	2,414,986	-	-	326,345
(475,661)	3,254,494	104	3,699,854	-	-	(30,405)
616,075	1,789,495	-	1,170,274	-	-	(3,146)
-	-	-	912,229	-	-	912,229
616,075	1,789,495	-	2,082,503	-	-	909,083
(75,935)	57,901	-	190,335	-	-	56,499
(75,935)	57,901	-	190,335	-	-	56,499
166,975	321,656	-	154,681	-	-	-
-	417,408	-	354,211	-	-	(63,197)
166,975	739,064	-	508,892	-	-	(63,197)
75,901	77,542	-	585	-	1,056	-
-	78,175	-	103,858	-	-	25,683
75,901	155,717	-	104,443	-	1,056	25,683
21,150	29,153	-	8,003	-	-	-
-	115,823	-	188,982	-	-	73,159
21,150	144,976	-	196,985	-	-	73,159
-	1,700,000	-	1,700,000	-	-	-
-	1,700,000	-	1,700,000	-	-	-
-	335,967	-	518,431	-	-	182,464
46,075	56,781	-	10,477	-	-	(229)
-	185,997	-	303,260	-	-	117,263
151,529	220,795	-	67,419	-	-	(1,847)
197,604	799,540	-	899,587	-	-	297,651
63,981	55,172	8,809	-	-	-	-
63,981	55,172	8,809	-	-	-	-

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, OTHER AWARDS
For the year ended June 30, 2010

Proj #	Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount
547	Title II-D Enhancing Education Through Technology	84.318X	09.01	482,816
548	Title II-D Enhancing Education Through Technology	84.318X	10.01	537,722
	Total 84.318			
549	Title II-D Enhancing Education Through Technology -	84.386	10.01	1,349,403
	Total 84.386			
	Passed Through State Department of Education--Continued			
589	School Improvement 2008	84.010A	N/A	5,125,000
591	School Improvement 2009	84.010A	N/A	4,185,000
592	School Improvement 2010	84.010A	N/A	7,000,000
	Total 84.348A			
579	Reading First	84.357	N/A	3,699,000
585	Reading First I	84.357	N/A	1,438,500
587	Reading First II	84.357	GG-05-11186-00	621,879
581	Reading First	84.357	N/A	1,599,117
	Total 84.357			
562	Title III-Immigrant Grant	84.365A	N/A	73,839
565	Title III-English Language Acquisition	84.365A	10.01	1,112,600
566	Title III-English Language Acquisition	84.365A	09.01	981,761
	Total 84.365A			
542	Title II-A Teacher and Principal Training & Recruiting	84.367A	09.01	8,267,468
543	Title II-A Teacher and Principal Training & Recruiting	84.367A	10.01	8,573,999
541	Title II-A Teacher and Principal Training & Recruiting	84.367A	08.01	7,782,914
	Total 84.367A			
109	Homeless Children and Youth - ARRA	84.387	10.01	147,063
	Total 84.387			
Fund 1	BEP-State Stabilization- ARRA	84.394		20,069,900
	Total 84.394			
Fund 1	Extended Contract Program - ARRA	84.397		1,759,100
Fund 1	Family Resource Center - ARRA	84.397		199,800
Fund 1	Internet Connectivity - ARRA	84.397		123,484
Fund 1	Safe Schools Act of 1998 - ARRA	84.397		350,400
Fund 1	Coordinated School Health - ARRA	84.397		355,000
	Total 84.397			
787	Learn & Serve	94.004	009-08-2-009	131,278
788	Learn & Serve	94.004		131,278
789	Learn & Serve	94.004	GG-10-30185	131,278
	Total 94.004			

Accrued (Deferred) Revenue at June 30, 2009	Cash Receipts	Transfers In	Cash Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2010
122,599	124,839	-	7,929	-	-	5,689
-	358,236	-	409,378	-	-	51,142
122,599	483,075	-	417,307	-	-	56,831
-	1,024,665	-	1,070,396	-	-	45,731
-	1,024,665	-	1,070,396	-	-	45,731
747,853	809,022	-	70,464	-	-	9,295
2,041,478	2,206,157	-	2,202,550	-	-	2,037,871
-	653,354	-	3,497,788	-	-	2,844,434
2,789,331	3,668,533	-	5,770,802	-	-	4,891,600
725,071	2,151,414	-	1,426,343	-	-	-
307,247	822,067	-	514,820	-	-	-
-	348,210	-	567,371	-	-	219,161
-	1,038,599	-	1,532,453	-	-	493,854
1,032,318	4,360,290	-	4,040,987	-	-	713,015
-	-	-	41,360	-	-	41,360
-	861,983	-	1,028,848	-	-	166,865
273,557	433,627	-	160,070	-	-	-
273,557	1,295,610	-	1,230,278	-	-	208,225
1,376,226	3,398,117	-	1,634,447	-	-	(387,444)
-	4,616,200	-	5,797,474	-	-	1,181,274
315,488	1,754,977	-	1,576,331	-	-	136,842
1,691,714	9,769,294	-	9,008,252	-	-	930,672
-	63,169	-	84,971	-	-	21,802
-	63,169	-	84,971	-	-	21,802
-	20,069,900	-	20,069,900	-	-	-
-	20,069,900	-	20,069,900	-	-	-
-	1,066,173	-	1,066,173	-	-	-
	151,869	-	151,869	-	-	-
	123,484	-	123,484	-	-	-
	129,800	-	129,800	-	-	-
	211,258	-	211,258	-	-	-
	1,682,584	-	1,682,584	-	-	-
(39)	-	-	-	-	-	(39)
-	105,225	-	97,813	-	-	(7,412)
-	-	-	51,134	-	-	51,134
(39)	105,225	-	148,947	-	-	43,683

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, OTHER AWARDS
For the year ended June 30, 2010

Proj #	Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount
Passed Through State Department of Human Services				
767	Tn Department of Human Services- Exceptional	84.126	GG-08-22118-00	66,350
768	Tn Department of Human Services- Exceptional	84.126	GG-08-22118-00	66,350
766	Tn Department of Human Services- Exceptional	84.126	GG-08-22118-00	60,607
675	Tn Department of Human Services- Exceptional	84.126	GG-04-10251-01	316,868
692	Tn Department of Human Services- Exceptional	84.126	GG-04-10251-02	55,558
	Total 84.126			
Subtotal				
Passed Through State Department of Education				
752	Adult Basic Education-Families First	93.558	Z-07-034244-00	657,328
718	TN Department of Human Services- Families First	93.558	GG-03-10139-04	228,000
719	TN Department of Human Services- Families First	93.558	GG-03-10139	228,000
720	TN Department of Human Services- Families First	93.558	Z-08-023621-00	228,000
721	TN Department of Human Services- Families First	93.558	GG-09-25644-00	228,000
728	TN Department of Human Services- Families First	93.558	GG-03-10139-03	228,000
	Total 93.558			
Passed Through Center For Disease Control				
131	Improving The Health, Education and Well-being of	93.938	U87/CCU422661-05	451,578
707	Improving The Health, Education and Well-being of	93.938	U87/CCU422661-04	468,894
134	Improving The Health, Education and Well-being of	93.938	5U87DP001215-03	284,203
133	Improving The Health, Education and Well-being of	93.938	5U87DP001215-02	337,596
132	Improving The Health, Education and Well-being of	93.938	1U87DP001215-01	284,387
Subtotal				
Total Federal Awards				

Accrued (Deferred) Revenue at June 30, 2009	Cash Receipts	Transfers In	Cash Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2010
9,586	23,904	-	18,832	-	-	4,514
-	53,518	-	63,612	-	-	10,094
3,463	-	-	-	-	-	3,463
2,010	-	-	-	-	-	2,010
(4,005)	-	-	-	-	-	(4,005)
11,054	77,422	-	82,444	-	-	16,076
14,583,553	156,975,146	1,927,444	162,982,710	-	1,056	18,664,729
1,220	-	1,220	-	-	-	-
(27,138)	-	-	-	-	-	(27,138)
(50,331)	-	-	-	-	-	(50,331)
26,462	35,759	6,683	-	-	-	(15,980)
-	169,872	-	225,769	-	-	55,897
20,388	-	-	-	-	-	20,388
(29,399)	205,631	7,903	225,769	-	-	(17,164)
60,769	-	-	-	-	-	60,769
11,771	-	-	-	-	-	11,771
-	-	-	83,120	-	-	83,120
79,496	321,840	-	229,378	-	-	(12,966)
(12,913)	-	29,450	-	-	-	(42,363)
139,123	321,840	29,450	312,498	-	-	100,331
109,724	527,471	37,353	538,267	-	-	83,167
15,033,550	158,284,079	1,964,797	164,892,049	-	1,056	19,677,779

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, OTHER AWARDS
For the year ended June 30, 2010

Proj #	Grantor/Pass Through Grantor/Program Title	Federal Domestic Assistance Number	Grantor Number	Program Award Amount
State and Other Awards				
State Department of Education				
618	Safe School Act of 1998	N/A	08.01	694,900
619	Safe School Act of 1998	N/A	09.01	672,600
655	Early Childhood Education- Lottery Funds 2009	N/A	N/A	2,192,320
641	Early Childhood Education- Pilot/State 2009	N/A	N/A	6,914,239
669	Early Childhood Education- Pilot/State 2009-10	N/A	N/A	7,502,639
653	Early Childhood Education- Lottery Funds 2009-10	N/A	N/A	2,000,000
139	Lottery for Education: AfterSchool Programs	N/A	019-08-03-050	954,400
137	Lottery for Education: AfterSchool Programs Test Prep	N/A	019-09-03-053	50,000
138	Lottery for Education: AfterSchool Programs	N/A	019-09-01-035	1,316,000
715	Lottery for Education: AfterSchool Programs		119-09-02-035	1,316,000
601	Lottery for Education: AfterSchool Programs Charter	N/A	119-09-1-041&046	166,000
602	Lottery for Education: AfterSchool Programs Charter	N/A	119-09-2-041&046	167,500
188	Vocational Technical Education Incentive Grant 2005	N/A	N/A	20,000
102	Family Resource Center	N/A	09-11964	199,800
Subtotal				
Other City of Memphis Awards				
123	Northside Health Co-op	N/A		13,500
125	Northside Health Co-op	N/A		13,500
Subtotal				
Total State and Other Awards				
Total Federal, State and Other Awards				

Accrued (Deferred) Revenue at June 30, 2009	Cash Receipts	Transfers In	Cash Disbursements	Refunds to Grantors/ Other	Transfers Out	Accrued (Deferred) Revenue at June 30, 2010
(178,595)	-	-	178,595	-	-	-
120,523	367,761	-	254,163	-	-	6,925
(229,878)	85,434	-	315,312	-	-	-
(614,223)	486,584	-	1,100,807	-	-	-
-	5,327,456	-	6,973,351	-	-	1,645,895
-	1,565,365	-	1,759,347	-	-	193,982
(7,553)	-	-	7,553	-	-	-
9,027	18,265	-	9,238	-	-	-
360,372	491,912	-	131,021	-	-	(519)
-	636,987	-	967,647	-	-	330,660
59,915	115,733	-	55,818	-	-	-
-	-	-	57,017	-	-	57,017
(360)	-	-	-	-	-	(360)
138,125	138,125	-	-	-	-	-
(342,647)	9,233,622	-	11,809,869	-	-	2,233,600
(342,647)	9,233,622	-	11,809,869	-	-	2,233,600
-	-	-	-	-	-	-
5,670	-	-	-	-	-	5,670
5,670	-	-	-	-	-	5,670
5,670	-	-	-	-	-	5,670
(336,977)	9,233,622	-	11,809,869	-	-	2,239,270
\$ 14,696,573	\$ 167,517,701	\$ 1,964,797	\$ 176,701,918	\$ -	\$ 1,056	\$ 21,917,049

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A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified 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 unqualified 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 Education, Child Nutrition Equipment, CFDA No. 10.579 - ARRA
 - U.S. Department of Education, Title I Grants to Local Education Agencies, CFDA No. 84.010
 - U.S. Department of Education, Title I Grants to Local Education Agencies, CFDA No. 84.389 – ARRA
 - U.S. Department of Education, Title IID Education Tech Grant, CFDA No. 84.386 - ARRA
 - U.S. Department of Education, Title I School Improvement, CFDA No. 84.010A
 - U.S. Department of Education, Title II-A Teacher and Principal Training and Recruiting, CFDA No. 84.367A
 - U.S. Department of Education, Special Education Grants to States, CFDA No. 84.027
 - U.S. Department of Education, Special Education Grants to States, CFDA No. 84.391 – ARRA
 - U.S. Department of Education, Special Education Grants – Preschool, CFDA No. 84.392 - ARRA
 - U.S. Department of Education, Reading First, CFDA No. 84.357
 - U.S. Department of Education, State Fiscal Stabilization Fund, CFDA No. 84.394 – ARRA
 - U.S. Department of Education, State Fiscal Stabilization Fund, CFDA No. 84.397 – ARRA
8. The threshold for distinguishing Types A and B programs was \$5,785,000.

9. The Board of Education of the Memphis City did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

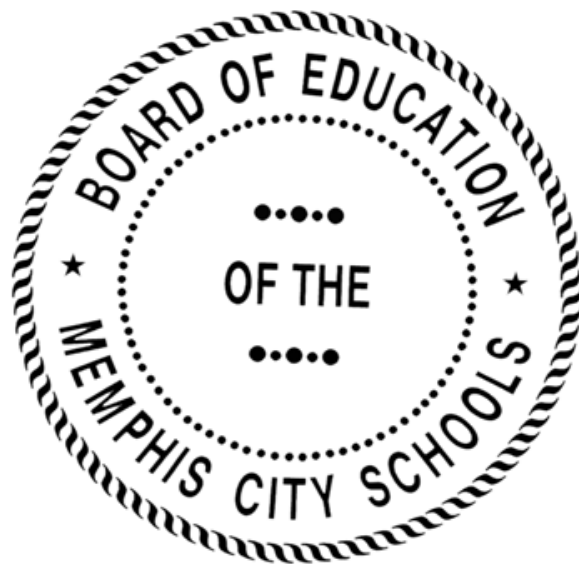
C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

NONE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2010

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

NONE



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