



Board of Education of Collierville Schools

**Independent Auditor's Report, Financial Statements,
and Supplementary Information**

June 30, 2023




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Introductory Section

**Board of Education of Collierville Schools
Board of Officials
June 30, 2023**

Board Chairman
Wright Cox

Board Members
Wanda Chism
Wanda Gibbs
Keri Blair
Paul Childers

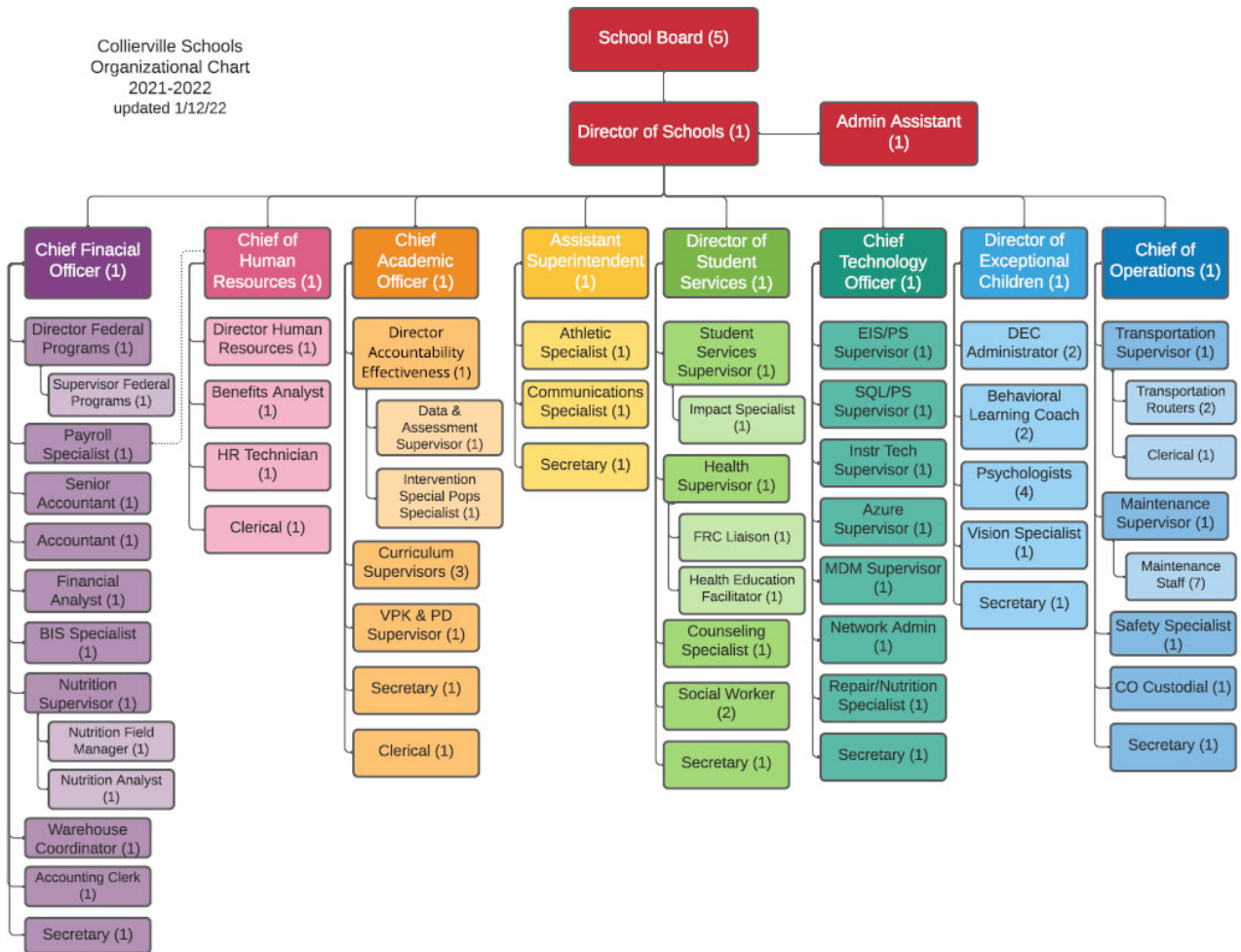
COLLIERVILLE SCHOOLS EXECUTIVE STAFF

Superintendent
Gary Lilly

Assistant Superintendent	Jeff Jones
Chief Financial Officer	Anita Floyd
Chief Academic Officer	Leigh Anne Rainey
Chief of Human Resources	Cecelia Booker
Chief Technology Officer	Lisa Higgins
Chief of Operations	Thomas Daugherty

**Board of Education of Collierville Schools
Organizational Chart**

**Board of Education of Collierville Schools
Organizational Chart
June 30, 2023**



Financial Section

Independent Auditor's Report

Board of Education of Collierville Schools
Collierville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Board of Education of Collierville Schools (the "Schools"), which are collectively a division of the Town of Collierville, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Board of Education of Collierville Schools as of June 30, 2023, and the respective changes in financial position and budgetary comparison for the general purpose fund and all annually adopted major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Board of Education of Collierville Schools, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of Collierville Schools' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of Collierville Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Board of Education of Collierville Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matters

As discussed in Note 1, the financial statements of the Board of Education of Collierville Schools are intended to present the financial position and the changes in financial position of only the governmental activities, each major fund, and aggregate remaining fund information of the Town of Collierville, Tennessee that is attributable to the transactions of the Board of Education of Collierville Schools. They do not purport to, and do not present fairly the financial position of the Town of Collierville, Tennessee as of June 30, 2023, the changes in its financial position, or budgetary comparisons, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and certain pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of Collierville Schools' basic financial statements. The other supplementary information sections, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards and related notes are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal and state awards and the other supplementary information, as listed in the table of contents, are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and management's corrective action plan but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools' internal control over financial reporting and compliance.

FORVIS,LLP

**Memphis, Tennessee
December 14, 2023**

**Board of Education of Collierville Schools
Management's Discussion and Analysis
June 30, 2023**

Introduction

The discussion and analysis of the Board of Education of Collierville Schools ("Collierville Schools" or "Schools") financial performance provides an overview of the Schools' financial activities for the fiscal year ended June 30, 2023. The intent of this management discussion and analysis is to look at the Schools' financial performance; readers should also review the financial statements and notes to the financial statements to enhance their understanding of Collierville Schools' financial performance.

The Management's Discussion and Analysis ("MD&A") is an element of the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial highlights

Key financial highlights for the fiscal year ended June 30, 2023, are as follows:

- Total Net Position increased from \$189.3 million in 2022 to \$194.5 million in 2023, primarily due to the increase in the net pension asset.
- Total revenue realized in 2023 was \$123.4 million, an increase of \$1.4 million from 2022. This is explained by the increases in the Shared Revenue – Taxes area of the general fund.
- Expenses totaled \$118.2 million in 2023 with 58% of this amount reflected in the Instruction category. Instruction expenses increased \$9.3 million over the prior year.
- The district has an outstanding debt to Shelby County Schools in the amount of \$1.5 million and made a payment in the current fiscal year of \$507,819. Other post-employment benefits liability was determined by the actuary to be \$23.6 million. The net pension asset was determined by the actuary to be \$12.8 million.
- Ending governmental fund balances totaled \$40.2 million for fiscal year 2023, an increase of \$4.3 million from fiscal year 2022. Approximately 76% of this total amount, \$30.8 million, is unassigned in the general purpose fund.

Overview of financial statements

This discussion and analysis is intended to serve as an introduction to the Schools' basic financial statements. The basic financial statements comprise three components: 1) district-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.

District-wide financial statements

The district-wide financial statements are designed to provide readers with a broad overview of Schools' finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the Schools' assets, deferred inflows of resources, liabilities, and deferred outflow of resources, with the remainder reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Schools is improving or deteriorating.

**Board of Education of Collierville Schools
Management’s Discussion and Analysis
June 30, 2023**

The Statement of Activities presents information showing how net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Collierville Schools, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

All Collierville Schools’ activities are reported in governmental funds (general purpose, capital projects, federal projects, and other), which focus on how money flows in and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of Schools’ general operations and the basic services it provides.

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.

District-wide financial analysis

The Statement of Net Position for 2023 has been summarized and compared with net position for 2022.

(in millions)

	Governmental Activities	
	2023	2022
ASSETS		
Current and other assets	\$ 62.4	\$ 90.7
Capital assets	<u>169.1</u>	<u>172.0</u>
Total assets	<u>\$ 231.5</u>	<u>\$ 262.7</u>
Deferred outflows of resources	<u>\$ 17.8</u>	<u>\$ 19.4</u>
LIABILITIES		
Long-term liabilities outstanding	\$ 26.7	\$ 36.7
Other liabilities	<u>6.9</u>	<u>6.2</u>
Total liabilities	<u>\$ 33.6</u>	<u>\$ 42.9</u>
Deferred inflows of resources	<u>\$ 21.1</u>	<u>\$ 49.9</u>
NET POSITION		
Net investment in capital assets	\$ 165.4	\$ 167.5
Restricted	13.7	8.3
Unrestricted	<u>15.4</u>	<u>13.5</u>
Total net position	<u>\$ 194.5</u>	<u>\$ 189.3</u>

**Board of Education of Collierville Schools
Management's Discussion and Analysis
June 30, 2023**

The Statement of Activities for 2023 and 2022 summarized below:

(in millions)

	<u>2023</u>	<u>2022</u>
Governmental activities:		
Program revenues:		
Operating grants & contributions	\$ 69.2	\$ 72.3
Charges for services	2.1	0.5
Capital grants & contributions	1.5	2.1
General revenues:		
Taxes	47.5	45.1
Other revenues	<u>3.1</u>	<u>2.0</u>
Total revenue	<u>\$ 123.4</u>	<u>\$ 122.0</u>
Expenses:		
Instruction	\$ 69.5	\$ 60.2
Support services	12.3	9.9
Administration	10.2	11.7
Plant operations & maintenance	13.6	8.7
Student transportation	2.9	2.7
Technology	2.6	1.5
Food service	2.8	3.1
Co-curricular	4.2	3.2
Interest charges	<u>0.1</u>	<u>0.2</u>
Total expenses	<u>\$ 118.2</u>	<u>\$ 101.2</u>
Increase in net position	\$ 5.2	\$ 20.8
Net position, beginning of year	<u>189.3</u>	<u>168.5</u>
Net position, end of year	<u>\$ 194.5</u>	<u>\$ 189.3</u>

Revenues

Collierville Schools' total revenue was \$123.4 million in 2023, an increase of \$1.4 million over the 2022 fiscal year. Operating Grants and contributions totaled \$69.2 million. BEP revenue totaled \$48.7 million, an increase of \$2.1 million over the prior fiscal year. The additional BEP revenue accounted for most of the total increase in Collierville Schools' revenue for 2023.

Expenses

Expenses totaled \$118.2 million for the 2023 fiscal year, an increase from 2022 in the amount of \$17.0 million. The bulk of the increase was in the instruction and the operation and maintenance of plant areas. The district continued expending funds for operating and maintenance items in the ESSER grants in the 2023 fiscal year. Expenditures included such items as HVAC systems replacements at schools, and MERV filter replacements. The instruction area expenses consisted primarily of teachers' salaries and benefits, the outright purchase of computer devices, and the purchase of student desks and sound system improvements. CS also expended funds in the Innovative HS Grant for flight simulators. More was spent on these types of items in the 2023 fiscal year, causing a net increase in these areas.

**Board of Education of Collierville Schools
Management's Discussion and Analysis
June 30, 2023**

The table shown below presents the total and net cost of the major activities of Collierville Schools for 2023 and 2022: instruction, support services, administration, operation and maintenance of plant, student transportation, technology, food services, co-curricular, and interest charges.

(Amounts expressed in millions of dollars)

	Total Cost of Services 2023	Net Cost of Services 2023
	<u>2023</u>	<u>2023</u>
Expenses:		
Instruction	\$ 69.5	\$ 26.1
Support services	12.3	4.9
Administration	10.2	4.1
Operation and maintenance of plant	13.6	9.6
Student transportation	2.9	1.0
Technology	2.6	0.1
Food service	2.8	(0.7)
Co-curricular	4.2	0.2
Interest charges	<u>0.1</u>	<u>0.1</u>
Total expenses	<u>\$ 118.2</u>	<u>\$ 45.4</u>
	Total Cost of Services 2022	Net Cost of Services 2022
	<u>2022</u>	<u>2022</u>
Expenses:		
Instruction	\$ 60.2	\$ 11.0
Support services	9.9	2.8
Administration	11.7	6.2
Operation and maintenance of plant	8.7	5.1
Student transportation	2.7	0.9
Technology	1.5	(0.7)
Food service	3.1	1.0
Co-Curricular	3.2	(0.2)
Interest charges	<u>0.2</u>	<u>0.2</u>
Total expenses	<u>\$ 101.2</u>	<u>\$ 26.3</u>

**Board of Education of Collierville Schools
Management's Discussion and Analysis
June 30, 2023**

Net cost of services is the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost shows the financial burden on the Collierville taxpayers by each activity. The total cost of governmental services in 2023 was \$118.2 million. Federal and State grants, subsidized programs, charges for services, and contributions financed \$72.8 million of the cost. The local town and state taxpayers financed the remainder of Collierville Schools' costs, which was \$45.4 million for 2023. This amount is \$19.1 million more than the prior year.

Financial analysis of school's funds

Collierville Schools ended fiscal year 2023 with strong fund balances in its governmental funds. The combined balance of all governmental funds was \$40.2 million. Approximately 76% of the total fund balance is unassigned.

The remainder of the fund balance was primarily restricted and assigned for capital projects and education. The restricted portion for education was for spending in the areas of school nutrition, and student activity funds. Funds were assigned for future specific spending in the areas of OPEB and capital projects. Overall, Collierville Schools maintained adequate cash balances and ended the year with a strong financial position.

General purpose fund budgetary highlights

The general fund budget was amended five times during the year. Total revenues were \$1.5 million less than originally anticipated, and \$4.6 million more than the prior year. Several factors contributed to the increase in 2023. Local Option Sales Tax totaled \$15.9 million for 2023. This was a \$1.3 million increase over the prior year. BEP revenue totaled \$48.7 million which was a \$2.1 million increase over the prior year. Property taxes totaled approximately \$0.7 million more than in 2022. Wheel Tax revenue totaled approximately \$2.4 million which was \$0.8 million more than in 2022.

General purpose fund expenditures budget

Actual general fund expenditures totaled \$97.8 million which is 6% less than the final 2023 budget. Much of the variance can be attributed to less expenditures in all support services areas than were anticipated at the outset. The same can be said of the benefits expenditures as these were also less than anticipated.

General purpose fund - fund balance

The fund balance in the general purpose fund totaled \$34.0 million in 2023. Should Collierville Schools ever need to budget a deficit to fund the next school year's operations, the State BEP requires a reserve equal to 3% of the subsequent year's budgeted expenses to be held in fund balance. Any remaining fund balance above this amount can be appropriated for use in the subsequent fiscal year. As Collierville Schools has not budgeted for a deficit for fiscal year 2024, no amounts have been reserved in fund balance and thus remain in the unassigned fund balance of the general purpose fund.

Capital projects fund

Collierville Schools uses capital projects funds to account for school construction and improvement projects, which are financed primarily through Town and Shelby County bond issues. In fiscal year 2023, work was completed on the Collierville Elementary gymnasium project. Other completed projects consisted of the window replacement project at CES, and the gymnasium floor project at SFES. Additionally, work started on the renovation of the U of M building for the new Central Office for the district.

**Board of Education of Collierville Schools
Management’s Discussion and Analysis
June 30, 2023**

Capital assets

Collierville Schools’ investment in capital assets for its governmental activities as of June 30, 2023 amounted to \$169.1 million (net of accumulated depreciation). This investment in capital assets included land, buildings, improvements, equipment, and furniture.

Capital Assets, net of depreciation are as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 8.4	\$ 8.4
Construction in progress	1.5	1.1
Equipment and furniture	14.7	17.1
Buildings and improvements	143.2	145.4
RTU Subscription Assets	<u>1.3</u>	<u>0.0</u>
Total	<u>\$ 169.1</u>	<u>\$ 172.0</u>

Long-term obligations

Collierville Schools is fiscally dependent on the Town for the issuance of debt for its capital projects. However, Collierville Schools does have a long-term obligation for the settlement of litigation related to the creation of the Collierville Schools municipal school district. As of June 30, 2023, Collierville Schools still owed \$1.5 million to Shelby County Schools payable through fiscal year 2026. The district entered into a financing agreement in 2022 with a net obligation due of \$848,724 as of June 30, 2023. The district also entered into a subscription-based IT arrangement in 2023 with a net obligation due of \$805,704 as of June 30, 2023.

Factors bearing on Collierville Schools’ future

Collierville Schools has an obligation to the citizens of the Town of Collierville, Tennessee to provide a quality education to all their students, preparing them for a life of scholarship, integrity, and service. The Town of Collierville, nestled in the southeast corner of Shelby County, is not landlocked like other municipalities in the Memphis metropolitan area and is expected to see continued growth over the decades to come.

On July 26, 2022, the Collierville Schools Board of Education authorized MGT Consulting to conduct a district growth and facilities study for the purpose of long-range planning. On June 27, 2023, MGT presented the results of their study to the Board of Education, along with recommendations to address ongoing issues of enrollment growth and building capacity. Based upon MGT’s findings and data-informed recommendations, the Board of Education directed the superintendent on July 18, 2023, to commence the rezoning planning process for the 2024-25 school year.

Dr. Gary Lilly, Superintendent of Collierville Schools, will be leaving the district to take the role of Executive Director of the Tennessee Organization of School Superintendents (TOSS). His new position will start on January 1, 2024. His replacement has not been named at this time.

For the first time in over thirty years, the State of Tennessee revised the public school funding formula. As a result, the old BEP model was replaced by the Tennessee Investment in Student Achievement (TISA) formula. TISA is expected to empower each student to read proficiently by third grade, prepare each high school graduate for postsecondary success, and provide resources needed to all students to ensure they succeed.

Collierville Schools will continue to maximize all financial resources available to provide a quality education for all its students.

**Board of Education of Collierville Schools
Management's Discussion and Analysis
June 30, 2023**

Requests for information

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of CS' finances and to show Collierville Schools' accountability for the funds received. Additional details and/or questions can be requested by mail at the following address:

Collierville Schools
Chief Financial Officer
145 West Poplar Avenue
Collierville, Tennessee 38017

Board of Education of Collierville Schools
Statement of Net Position – Governmental Activities
June 30, 2023

ASSETS

Cash	\$ 37,191,140
Receivables:	
Town of Collierville	57,237
Other governments	10,281,693
Other	231,576
Prepaid assets	13,192
Inventory	49,550
Capital assets not being depreciated	9,863,682
Capital assets being depreciated, net	159,212,557
Trust investment	1,764,440
Net pension asset	12,783,581
	<hr/>
Total assets	231,448,648

DEFERRED OUTFLOWS OF RESOURCES

Actuarial losses - OPEB	2,176,115
Actuarial losses - pension	11,358,370
Pension contributions submitted after measurement date	4,083,637
Changes in proportion of net pension liability	139,578
	<hr/>
Total deferred outflows of resources	17,757,700

LIABILITIES

Accounts payable and accrued liabilities	6,657,056
Unearned revenue	179,608
Long-term obligations	
Due within one year	1,640,847
Due in more than one year	1,493,625
Net pension liability	7,161
OPEB liability:	
Due in more than one year	23,599,192
	<hr/>
Total liabilities	33,577,489

DEFERRED INFLOWS OF RESOURCES

Actuarial gains - OPEB	18,349,063
Actuarial gains - pension	2,742,136
	<hr/>
Total deferred inflows of resources	21,091,199

NET POSITION

Net investment in capital assets	165,941,767
Restricted:	
Trust Investment	1,764,440
Net pension asset	10,041,445
Child nutrition	1,776,432
Discretionary Grants	169,873
Unrestricted	14,843,703
	<hr/>
Total net position	\$ 194,537,660

See accompanying notes.

Board of Education of Collierville Schools
Statement of Activities – Governmental Activities
Year Ended June 30, 2023

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
					Governmental Activities
Functions/Programs:					
Instruction	\$ 69,599,211	\$ 201,208	\$ 41,698,481	\$ 1,509,229	\$ (26,190,293)
Support services	12,373,282	-	7,515,961	-	(4,857,321)
Administration	10,005,311	-	5,922,308	-	(4,083,003)
Operation and maintenance of plant	13,617,967	-	4,052,212	-	(9,565,755)
Student transportation	2,921,973	-	1,903,855	-	(1,018,118)
Technology	2,579,876	-	2,497,081	-	(82,795)
Food service	2,823,515	1,940,323	1,569,027	-	685,835
Co-curricular	4,198,024	-	4,022,974	-	(175,050)
Interest charges	103,768	-	-	-	(103,768)
Total	\$ 118,222,927	\$ 2,141,531	\$ 69,181,899	\$ 1,509,229	(45,390,268)
General revenues:					
Shared revenues - taxes					47,571,672
Other revenues					3,059,730
Total general revenues					50,631,402
Change in net position					5,241,134
Net position, beginning of year					189,296,526
Net position, end of year					\$ 194,537,660

Board of Education of Collierville Schools
Balance Sheet – Governmental Funds
June 30, 2023

	General Purpose Fund	Student Activity Funds	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Funds	Capital Projects Funds	Total Governmental Funds
ASSETS							
Cash	\$ 30,985,229	\$ 1,385,604	\$ -	\$ 1,918,447	\$ 136,784	\$ 2,765,076	\$ 37,191,140
Receivables:							
Other governments	7,087,172	-	2,828,684	-	240,801	125,036	10,281,693
Other	231,576	-	-	-	-	-	231,576
Due from other funds	1,958,240	-	-	-	-	-	1,958,240
Due from Town of Collierville	57,237	-	-	-	-	-	57,237
Trust investment	1,764,440	-	-	-	-	-	1,764,440
Prepaid assets	13,192	-	-	-	-	-	13,192
Inventory	-	21,477	-	28,073	-	-	49,550
Total assets	\$ 42,097,086	\$ 1,407,081	\$ 2,828,684	\$ 1,946,520	\$ 377,585	\$ 2,890,112	\$ 51,547,068
LIABILITIES							
Accounts payable and accrued liabilities	\$ 5,521,876	\$ -	\$ 991,780	\$ 17,282	\$ 31,501	\$ 94,617	\$ 6,657,056
Due to other funds	-	-	1,836,904	-	121,336	-	1,958,240
Total liabilities	5,521,876	-	2,828,684	17,282	152,837	94,617	8,615,296
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,563,297	-	-	124,733	54,875	-	2,742,905
FUND BALANCES							
Nonspendable	13,192	21,477	-	28,073	-	-	62,742
Restricted	1,766,703	1,385,604	-	1,776,432	169,873	-	5,098,612
Assigned	1,440,313	-	-	-	-	2,795,495	4,235,808
Unassigned	30,791,705	-	-	-	-	-	30,791,705
Total fund balances	34,011,913	1,407,081	-	1,804,505	169,873	2,795,495	40,188,867
Total liabilities, deferred inflows of resources, and fund balances	\$ 42,097,086	\$ 1,407,081	\$ 2,828,684	\$ 1,946,520	\$ 377,585	\$ 2,890,112	\$ 51,547,068

See accompanying notes.

Board of Education of Collierville Schools
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
Year Ended June 30, 2023

Total fund balance – governmental funds	\$ 40,188,867
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in funds.	169,076,239
Some revenues or expenditures reported in the statement of activities are not yet available or expensed and therefore are not reported as revenue or expenses in governmental funds.	2,563,297
The net pension asset resulted from the excess of trust assets over total pension liabilities, the net of which is reported as net pension asset, deferred outflows of resources, and deferred inflows of resources in the statement of net position. These amounts are not available for use in the current period; therefore, are not reported in the funds.	25,615,869
The net other postemployment benefits (OPEB) liability resulted from the excess the OPEB liability over trust asset, the net of which is reported as net OPEB liability, deferred outflows of resources, and deferred inflows of resources in the statement of net position. These amounts are not payable in the current period; therefore, are not reported in the funds.	(39,772,140)
The liability for the litigation settlement is not due and payable in the current period; therefore, is not reported in the funds.	(1,480,044)
Financing liability and subscription liability are not due and payable in the current period; therefore, is not reported in the funds.	<u>(1,654,428)</u>
Total net position – governmental activities	<u><u>\$ 194,537,660</u></u>

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023

	<u>General Purpose Fund</u>	<u>Student Activity Funds</u>	<u>Federal Projects Fund</u>	<u>School Nutrition Fund</u>	<u>Discretionary Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues:							
Shared revenue - county taxes	\$ 31,109,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,109,354
Shared revenue - other local taxes	16,284,904	-	-	-	-	-	16,284,904
Federal funds	-	-	14,360,451	1,292,403	-	-	15,652,854
State funds	48,818,676	-	-	32,675	654,720	-	49,506,071
General contributions from Town of Collierville	-	-	-	-	-	1,266,530	1,266,530
General contributions from Shelby County	-	-	-	-	-	242,699	242,699
Charges for services	201,208	-	-	1,940,323	-	-	2,141,531
Co-curricular	-	4,022,974	-	-	-	-	4,022,974
Other revenue	2,982,046	-	-	-	77,684	-	3,059,730
Total revenues	99,396,188	4,022,974	14,360,451	3,265,401	732,404	1,509,229	123,286,647
Expenditures:							
Instructional programs:							
Regular education program	48,355,358	-	3,055,825	-	177,955	-	51,589,138
Special education program	7,651,704	-	1,895,363	-	-	-	9,547,067
Vocational education program	1,369,041	-	587,613	-	-	-	1,956,654
Alternative education program	197,860	-	5,514	-	-	-	203,374
Support services	6,770,393	-	5,061,268	-	541,621	-	12,373,282
General administration	447,288	-	-	-	-	-	447,288
School administration	8,516,845	-	-	-	-	-	8,516,845
Business administration	3,162,998	-	111,284	-	35,204	-	3,309,486
Operation and maintenance of plant	7,265,207	-	9,055	-	-	-	7,274,262

See accompanying notes.

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023

(Continued)

	General Purpose Fund	Student Activity Funds	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Capital Projects Fund	Total Governmental Funds
Student transportation	2,917,790	-	4,183	-	-	-	2,921,973
Capital outlays	6,047,525	-	3,126,557	240,579	33,810	1,266,528	10,714,999
Technology	4,170,023	-	-	-	-	-	4,170,023
Co-curricular	-	4,198,024	-	-	-	-	4,198,024
Food service	-	-	-	2,823,515	-	-	2,823,515
Total expenditures	96,872,032	4,198,024	13,856,662	3,064,094	788,590	1,266,528	120,045,930
Excess (deficit) of revenues over (under) expenditures before transfers	2,524,156	(175,050)	503,789	201,307	(56,186)	242,701	3,240,717
Other financing sources (uses):							
Subscription agreements issued	1,051,814	-	-	-	-	-	1,051,814
Transfer in	463,436	-	-	-	40,353	-	503,789
Transfer out	-	-	(503,789)	-	-	-	(503,789)
Total other financing sources (uses)	1,515,250	-	(503,789)	-	40,353	-	1,051,814
Net change in fund balance	4,039,406	(175,050)	-	201,307	(15,833)	242,701	4,292,531
Fund balance, beginning of year	29,972,507	1,582,131	-	1,603,198	185,706	2,552,794	35,896,336
Fund balance, end of year	\$ 34,011,913	\$ 1,407,081	\$ -	\$ 1,804,505	\$ 169,873	\$ 2,795,495	\$ 40,188,867

Board of Education of Collierville Schools
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balance, total governmental funds \$ 4,292,531

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

Governmental funds report capital outlays as expenditures and financing agreements are reported as other financing sources. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and financing agreements are reported as liabilities.

Capital outlays capitalized	4,371,294
Depreciation expense	(8,296,092)
Other financing sources for subscription agreements	1,487,824
Disposal for capital assets	(482,872)

The issuance of lease and subscription liabilities provides current financial resources to governmental funds, while the repayment of the principal of lease and subscription liabilities consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of leases.

898,145

Some revenues or expenditures reported in the statement of activities are not yet available or expensed and therefore are not reported as revenue or expenses in governmental funds.

177,414

Contributions made to pension plans after the measurement date (June 30, 2021) will not be recognized as an increase (decrease) in the net pension asset (liability) until the following measurement date (June 30, 2022), which will be used to report the net pension liability in the next fiscal year.

4,083,637

Pension benefit (expense) represents the costs of benefits accrued in the current year, net of changes in deferred outflows and inflows of resources. This expense is not an expenditure of the funds, and, therefore, has not been recorded as a change in net fund balance in the fund financial statements.

(990,423)

Other post-employment benefit (expense) represents the costs of benefits accrued in the current year, net of changes in deferred outflows and inflows of resources. This expense is not an expenditure of the funds, and; therefore, has not been recorded as a change in net fund balance in the fund financial statements.

(772,569)

The liability for the litigation settlement is not due and payable in the current period and, therefore, is not reported in the funds.

472,245

Change in net position of governmental activities \$ 5,241,134

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Purpose Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes:				
Real and personal	\$ 23,735,344	\$ 24,059,344	\$ 23,928,189	\$ (131,155)
Circuit court	313,004	313,004	142,575	(170,429)
TPSC tax	1,745,329	1,745,329	1,632,508	(112,821)
MLGW in lieu of tax	248,235	248,235	177,224	(71,011)
Other payments in lieu of tax	282,831	282,831	271,135	(11,696)
Wheel tax	2,000,105	2,000,105	2,371,982	371,877
Business tax	3,300	3,300	3,066	(234)
Municipal tax	2,582,675	2,582,675	2,582,675	-
	<u>30,910,823</u>	<u>31,234,823</u>	<u>31,109,354</u>	<u>(125,469)</u>
Other local taxes:				
Local option sales tax	12,800,000	14,800,000	15,944,797	1,144,797
Mixed drink tax	233,522	255,522	340,107	84,585
	<u>13,033,522</u>	<u>15,055,522</u>	<u>16,284,904</u>	<u>1,229,382</u>
Federal revenues:				
Special education - grants to states	5,000	-	-	-
	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
State educational revenues:				
Basic education program	48,285,000	48,285,000	48,726,261	441,261
Career ladder program	100,282	91,282	92,415	1,133
	<u>48,385,282</u>	<u>48,376,282</u>	<u>48,818,676</u>	<u>442,394</u>
Charges for services:				
Tuition	211,100	211,100	201,208	(9,892)
	<u>211,100</u>	<u>211,100</u>	<u>201,208</u>	<u>(9,892)</u>
Other revenue:				
Other local revenue	6,000	2,000	-	(2,000)
Insurance recovery	10,000	10,000	92,522	82,522
Investment income	22,000	351,000	335,735	(15,265)
Lease/rental	20,000	20,000	-	(20,000)
Miscellaneous refunds	737,500	742,073	676,434	(65,639)
Booster refunds	-	165,427	248,141	82,714
Damages recovered from individuals	1,000	1,000	-	(1,000)
Tech replacement fines	7,000	17,000	17,085	85
Device fees	300,000	259,000	204,703	(54,297)
Refund -IRS	-	7,500	7,132	(368)
Sale of equipment	800,000	1,401,000	1,400,294	(706)
	<u>1,903,500</u>	<u>2,976,000</u>	<u>2,982,046</u>	<u>6,046</u>
Total revenues	<u>94,449,227</u>	<u>97,853,727</u>	<u>99,396,188</u>	<u>1,542,461</u>

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Purpose Fund
Year Ended June 30, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures:				
Instruction - regular:				
Personnel	44,784,754	47,135,205	44,892,593	2,242,612
Contractual	2,017,930	2,017,930	1,906,612	111,318
Supplies	2,010,550	2,132,384	1,955,856	176,528
Other	33,000	33,000	-	33,000
Expenditure reimbursement	(500,000)	(607,000)	(399,703)	(207,297)
	<u>48,346,234</u>	<u>50,711,519</u>	<u>48,355,358</u>	<u>2,356,161</u>
Instruction - alternative:				
Personnel	233,691	233,691	174,129	59,562
Contractual	40,000	40,000	22,544	17,456
Supplies	6,000	6,000	1,187	4,813
Other	2,000	2,000	-	2,000
	<u>281,691</u>	<u>281,691</u>	<u>197,860</u>	<u>83,831</u>
Instruction - special education:				
Personnel	7,618,364	7,613,364	7,528,772	84,592
Contractual	92,000	92,000	83,073	8,927
Supplies	43,600	48,600	39,859	8,741
	<u>7,753,964</u>	<u>7,753,964</u>	<u>7,651,704</u>	<u>102,260</u>
Instruction - vocational:				
Personnel	1,354,962	1,423,962	1,343,859	80,103
Contractual	5,000	5,000	4,575	425
Supplies	38,000	38,000	20,607	17,393
	<u>1,397,962</u>	<u>1,466,962</u>	<u>1,369,041</u>	<u>97,921</u>
General administration:				
Attendance:				
Personnel	343,893	343,893	336,874	7,019
Contractual	70,000	70,000	66,084	3,916
Supplies	1,000	1,000	718	282
In-service/staff development	5,250	5,250	1,222	4,028
	<u>420,143</u>	<u>420,143</u>	<u>404,898</u>	<u>15,245</u>
Health services:				
Personnel	-	5,901	2,925	2,976
Contractual	-	50,000	38,679	11,321
Supplies	-	1,500	786	714
	<u>-</u>	<u>57,401</u>	<u>42,390</u>	<u>15,011</u>
Total general administration	<u>420,143</u>	<u>477,544</u>	<u>447,288</u>	<u>30,256</u>

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Purpose Fund
Year Ended June 30, 2023

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Support services:				
Support - other student support:				
Personnel	2,387,421	2,563,521	2,525,569	37,952
Contractual	103,450	95,450	90,891	4,559
Supplies	1,500	1,500	-	1,500
In-service/staff development	23,500	23,500	6,944	16,556
	<u>2,515,871</u>	<u>2,683,971</u>	<u>2,623,404</u>	<u>60,567</u>
Support - regular instruction:				
Personnel	2,042,105	2,087,854	1,943,054	144,800
Contractual	23,000	19,000	3,989	15,011
Supplies	103,800	103,800	95,560	8,240
In-service/staff development	95,000	95,000	35,743	59,257
Other Charges	9,000	13,000	12,866	134
Expenditure reimbursement	(40,000)	(45,000)	-	(45,000)
	<u>2,232,905</u>	<u>2,273,654</u>	<u>2,091,212</u>	<u>182,442</u>
Support - alternative instruction:				
In-service/staff development	2,500	2,500	-	2,500
	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Support - special education:				
Personnel	1,983,016	2,026,016	1,936,267	89,749
Contractual	112,300	112,300	98,387	13,913
Supplies	7,900	7,900	7,827	73
In-service/staff development	15,345	15,345	13,296	2,049
	<u>2,118,561</u>	<u>2,161,561</u>	<u>2,055,777</u>	<u>105,784</u>
Total support services	<u>6,869,837</u>	<u>7,121,686</u>	<u>6,770,393</u>	<u>351,293</u>
School administration:				
Board of education:				
Personnel	1,046,492	1,046,492	993,935	52,557
Contractual	185,750	216,500	164,677	51,823
Supplies	600	600	49	551
Insurance	384,850	345,350	316,457	28,893
In-service/staff development	15,000	15,000	12,869	2,131
Other charges	529,569	529,569	517,345	12,224
	<u>2,162,261</u>	<u>2,153,511</u>	<u>2,005,332</u>	<u>148,179</u>
Office of the superintendent:				
Personnel	373,885	381,885	385,532	(3,647)
Contractual	27,945	28,345	22,459	5,886
Supplies	3,500	3,500	1,315	2,185
In-service/staff development	10,000	10,000	3,710	6,290
Other charges	42,900	42,500	37,311	5,189
	<u>458,230</u>	<u>466,230</u>	<u>450,327</u>	<u>15,903</u>

See accompanying notes.

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Purpose Fund
Year Ended June 30, 2023

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Office of the principal:				
Personnel	6,264,940	6,264,940	6,017,961	246,979
In-service/staff development	74,000	74,000	43,225	30,775
	<u>6,338,940</u>	<u>6,338,940</u>	<u>6,061,186</u>	<u>277,754</u>
Total school administration	<u>8,959,431</u>	<u>8,958,681</u>	<u>8,516,845</u>	<u>441,836</u>
Business administration:				
Fiscal services:				
Personnel	746,880	748,060	732,416	15,644
Contractual	196,413	195,233	1,230,652	(1,035,419)
Supplies	9,375	9,375	7,483	1,892
In-service/staff development	30,900	30,900	24,703	6,197
Other charges	400	400	64	336
	<u>983,968</u>	<u>983,968</u>	<u>1,995,318</u>	<u>(1,011,350)</u>
Human resources:				
Personnel	646,212	651,212	542,494	108,718
Contractual	67,600	62,600	30,386	32,214
Supplies	9,500	9,500	8,283	1,217
In-service/staff development	40,200	40,200	24,873	15,327
	<u>763,512</u>	<u>763,512</u>	<u>606,036</u>	<u>157,476</u>
Central and other:				
Personnel	447,351	447,351	412,116	35,235
Contractual	61,600	92,200	90,487	1,713
Supplies	19,250	18,100	17,912	188
In-service/staff development	38,000	21,050	17,458	3,592
Other charges	32,750	23,750	23,671	79
	<u>598,951</u>	<u>602,451</u>	<u>561,644</u>	<u>40,807</u>
Total business administration	<u>2,346,431</u>	<u>2,349,931</u>	<u>3,162,998</u>	<u>(813,067)</u>
Operation and maintenance:				
Operation of plant:				
Personnel	875,609	875,609	802,316	73,293
Contractual	2,668,000	2,668,000	2,526,681	141,319
Supplies	2,170,000	2,170,000	2,047,291	122,709
Insurance	250,000	250,000	255,211	(5,211)
In-service/staff development	1,000	1,000	30	970
Other charges	34,000	34,000	20,726	13,274
	<u>5,998,609</u>	<u>5,998,609</u>	<u>5,652,255</u>	<u>346,354</u>

See accompanying notes.

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Purpose Fund
Year Ended June 30, 2023

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Maintenance of plant:				
Personnel	985,403	985,403	943,634	41,769
Contractual	684,500	684,500	654,548	29,952
Supplies	2,000	2,000	1,350	650
In-service/staff development	15,100	12,600	2,050	10,550
Other charges	16,000	16,000	11,370	4,630
	<u>1,703,003</u>	<u>1,700,503</u>	<u>1,612,952</u>	<u>87,551</u>
Total operation and maintenance	<u>7,701,612</u>	<u>7,699,112</u>	<u>7,265,207</u>	<u>433,905</u>
Transportation:				
Personnel	370,177	370,177	343,357	26,820
Contractual	4,161,497	3,972,897	2,530,576	1,442,321
Supplies	550,700	558,200	546,291	11,909
In-service/staff development	3,300	3,300	1,599	1,701
Other charges	3,200	3,200	771	2,429
Expenditure reimbursement	(498,000)	(511,000)	(504,804)	(6,196)
	<u>4,590,874</u>	<u>4,396,774</u>	<u>2,917,790</u>	<u>1,478,984</u>
Technology:				
Personnel	2,798,300	2,799,065	2,705,217	93,848
Contractual	803,055	790,705	610,792	179,913
Supplies	719,050	754,050	678,816	75,234
In-service/staff development	79,100	79,100	74,646	4,454
Other charges	102,000	108,500	100,552	7,948
	<u>4,501,505</u>	<u>4,531,420</u>	<u>4,170,023</u>	<u>361,397</u>
Total education	<u>93,169,684</u>	<u>95,749,284</u>	<u>90,824,507</u>	<u>4,924,777</u>
Capital outlay:				
Contractual	115,000	204,652	30,600	174,052
Capital outlay	6,532,651	6,932,084	6,016,925	915,159
Total capital outlay	<u>6,647,651</u>	<u>7,136,736</u>	<u>6,047,525</u>	<u>1,089,211</u>
Total expenditures	<u>99,817,335</u>	<u>102,886,020</u>	<u>96,872,032</u>	<u>6,013,988</u>
Excess (deficit) of revenues over (under) expenditures before transfers	<u>(5,368,108)</u>	<u>(5,032,293)</u>	<u>2,524,156</u>	<u>7,556,449</u>
Other financing sources (uses):				
Subscription agreements issued	-	-	1,051,814	1,051,814
Transfers in	-	111,071	463,436	352,365
Planned use of fund balance	5,368,108	4,921,222	-	(4,921,222)
	<u>5,368,108</u>	<u>5,032,293</u>	<u>1,515,250</u>	<u>(3,517,043)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,039,406</u>	<u>\$ 4,039,406</u>
Fund balance, at July 1, 2022			<u>29,972,507</u>	
Fund balance, at June 30, 2023			<u>\$ 34,011,913</u>	

See accompanying notes.

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Federal Projects Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal funds	\$ 24,110,418	\$ 25,300,103	\$ 14,360,451	\$ (10,939,652)
Total revenue	<u>24,110,418</u>	<u>25,300,103</u>	<u>14,360,451</u>	<u>(10,939,652)</u>
Expenditures:				
Regular Education-Title:				
Personnel	743,289	894,850	731,372	163,478
Contractual	37,000	60,250	56,485	3,765
Supplies	239,718	380,630	303,468	77,162
Other	-	14,475	14,475	-
	<u>1,020,007</u>	<u>1,350,205</u>	<u>1,105,800</u>	<u>244,405</u>
Regular Education-ESSER 2:				
Personnel	479,058	283,178	261,890	21,288
Contractual	-	164,502	164,502	-
Supplies	122,000	152,446	134,168	18,278
	<u>601,058</u>	<u>600,126</u>	<u>560,560</u>	<u>39,566</u>
Regular Education-ESSER 3:				
Personnel	3,253,332	3,173,332	1,233,197	1,940,135
Contractual	-	-	-	-
Supplies	109,500	189,500	99,268	90,232
	<u>3,362,832</u>	<u>3,362,832</u>	<u>1,332,465</u>	<u>2,030,367</u>
Regular Education-ARP Homeless:				
Other	4,000	4,000	-	4,000
	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Regular Education-Literacy Training Stipend:				
Personnel	47,000	57,000	57,000	-
	<u>47,000</u>	<u>57,000</u>	<u>57,000</u>	<u>-</u>
Alternative Education-Title:				
Personnel	5,657	5,657	5,514	143
	<u>5,657</u>	<u>5,657</u>	<u>5,514</u>	<u>143</u>
Special Education-ESSER 3:				
Personnel	23,268	23,268	2,472	20,796
Supplies	11,232	11,232	1,997	9,235
	<u>34,500</u>	<u>34,500</u>	<u>4,469</u>	<u>30,031</u>
Special education-IDEA part b:				
Personnel	1,547,872	1,702,487	1,596,213	106,274
Contractual	59,557	69,557	35,313	34,244
Supplies	6,500	99,825	55,044	44,781
	<u>1,613,929</u>	<u>1,871,869</u>	<u>1,686,570</u>	<u>185,299</u>

See accompanying notes.

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Federal Projects Fund
Year Ended June 30, 2023

(Continued)

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Special education-ARP IDEA part b:				
Personnel	219,914	186,720	178,319	8,401
Contractual	5,625	5,625	5,625	-
Supplies	3,144	6,144	6,144	-
	<u>228,683</u>	<u>198,489</u>	<u>190,088</u>	<u>8,401</u>
Special education-IDEA Preschool:				
Personnel	3,539	10,979	2,310	8,669
Contractual	3,981	9,642	9,642	-
Supplies	8,137	8,137	2,284	5,853
	<u>15,657</u>	<u>28,758</u>	<u>14,236</u>	<u>14,522</u>
Special education-ARP IDEA Preschool:				
Contractual	337	337	-	337
Supplies	1,498	1,498	-	1,498
	<u>1,835</u>	<u>1,835</u>	<u>-</u>	<u>1,835</u>
Vocational education-CTE Perkins:				
Personnel	-	2,583	2,037	546
Supplies	51,373	55,861	55,817	44
Other Charges	-	14,008	10,000	4,008
	<u>51,373</u>	<u>72,452</u>	<u>67,854</u>	<u>4,598</u>
Vocational education-Innov High School:				
Personnel	166,245	132,145	128,461	3,684
Contractual	12,000	221,000	220,910	90
Supplies	390,211	71,976	67,338	4,638
	<u>568,456</u>	<u>425,121</u>	<u>416,709</u>	<u>8,412</u>
Vocational education-Innov School Models:				
Personnel	165,530	165,530	-	165,530
Supplies	208,401	212,401	100,800	111,601
In-service/staff development	36,000	36,000	2,250	33,750
Other Charges	1,029,269	1,029,269	-	1,029,269
	<u>1,439,200</u>	<u>1,443,200</u>	<u>103,050</u>	<u>1,340,150</u>
Total instruction	<u>8,994,187</u>	<u>9,456,044</u>	<u>5,544,315</u>	<u>3,911,729</u>
Support services:				
Other student support-Title:				
Personnel	414,444	249,495	246,355	3,140
Supplies	7,500	8,614	8,614	-
	<u>421,944</u>	<u>258,109</u>	<u>254,969</u>	<u>3,140</u>

**Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Federal Projects Fund
Year Ended June 30, 2023**

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Other student support-CTE Perkins:				
Contractual	15,258	7,990	7,990	-
In-service/staff development	19,888	20,825	20,765	60
	<u>35,146</u>	<u>28,815</u>	<u>28,755</u>	<u>60</u>
Other student support-Innov HS:				
Contractual	500,000	650,000	649,796	204
Supplies	1,000	-	-	-
In-service/staff development	10,000	22,235	22,235	-
	<u>511,000</u>	<u>672,235</u>	<u>672,031</u>	<u>204</u>
Other student support-Epidemiology				
Personnel	196,920	86,437	85,461	976
Contractual	-	77,258	76,520	738
	<u>196,920</u>	<u>163,695</u>	<u>161,981</u>	<u>1,714</u>
Other student support-ESSER 3:				
Personnel	162,135	162,135	73,941	88,194
	<u>162,135</u>	<u>162,135</u>	<u>73,941</u>	<u>88,194</u>
Other student support-Resilient School				
Personnel	82,421	82,421	79,824	2,597
Supplies	15,000	15,000	14,951	49
	<u>97,421</u>	<u>97,421</u>	<u>94,775</u>	<u>2,646</u>
Other student support-ARP Homeless:				
Contractual	20,000	20,000	-	20,000
Other	14,451	14,451	608	13,843
	<u>34,451</u>	<u>34,451</u>	<u>608</u>	<u>33,843</u>
Health Services-Epidemiology & Lab Capacity:				
Personnel	1,368,280	1,439,551	1,399,732	39,819
Contractual	1,000	963	555	408
Supplies	8,000	3,500	2,714	786
In-service/staff devel	4,000	-	-	-
Other	2,000	4,505	4,505	-
	<u>1,383,280</u>	<u>1,448,519</u>	<u>1,407,506</u>	<u>41,013</u>
Instruction support-title:				
Personnel	908,629	974,346	927,442	46,904
Contractual	30,500	29,136	17,581	11,555
Supplies	60,922	140,385	105,675	34,710
In-service/staff devel	312,198	484,552	342,162	142,390
	<u>1,312,249</u>	<u>1,628,419</u>	<u>1,392,860</u>	<u>235,559</u>

**Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Federal Projects Fund
Year Ended June 30, 2023**

(Continued)

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Instruction support-ESSER 2:				
In-service/staff devel	-	10,000	6,228	3,772
	-	10,000	6,228	3,772
Instruction support-Resilient School:				
Contractual	891	891	497	394
In-service/staff devel	19,000	19,000	5,386	13,614
	19,891	19,891	5,883	14,008
Instruction support-ESSER 3:				
Personnel	281,616	281,616	143,592	138,024
Supplies	60,645	60,645	29,900	30,745
	342,261	342,261	173,492	168,769
Instruction support-TN All Corp:				
Contractual	507,057	507,057	507,057	-
	507,057	507,057	507,057	-
Instruction support-Math Imp Grant:				
Contractual	71,250	71,250	71,250	-
	71,250	71,250	71,250	-
Instruction support-ARP Homeless:				
Personnel	4,735	4,735	-	4,735
	4,735	4,735	-	4,735
Instruction support-Early Literacy Network:				
Contractual	40,000	40,000	40,000	-
	40,000	40,000	40,000	-
Special education support-IDEA part b:				
Personnel	117,360	133,430	122,739	10,691
Contractual	22,000	45,000	9,500	35,500
In-service/staff development	10,000	89,108	29,341	59,767
	149,360	267,538	161,580	105,958
Special education support-ARP IDEA:				
Contractual	-	1,000	822	178
	-	1,000	822	178
Special education support-IDEA Preschool:				
In-service/staff development	10,512	14,335	7,530	6,805
	10,512	14,335	7,530	6,805
Total support services	5,299,612	5,771,866	5,061,268	710,598

See accompanying notes.

**Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Federal Projects Fund
Year Ended June 30, 2023**

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Business administration:				
Fiscal Services-ESSER 3:				
Personnel	<u>65,909</u>	<u>65,909</u>	<u>65,084</u>	<u>825</u>
	<u>65,909</u>	<u>65,909</u>	<u>65,084</u>	<u>825</u>
Fiscal Services-Fiscal Pre-Monitoring:				
Contractual	<u>46,200</u>	<u>46,200</u>	<u>46,200</u>	<u>-</u>
	<u>46,200</u>	<u>46,200</u>	<u>46,200</u>	<u>-</u>
Total business administration	<u>112,109</u>	<u>112,109</u>	<u>111,284</u>	<u>825</u>
Operation and maintenance:				
Operation of Plant-ESSER 2:				
Supplies	<u>29,637</u>	<u>9,637</u>	<u>9,055</u>	<u>582</u>
	<u>29,637</u>	<u>9,637</u>	<u>9,055</u>	<u>582</u>
Total operation and maintenance	<u>29,637</u>	<u>9,637</u>	<u>9,055</u>	<u>582</u>
Transportation-Title:				
Contractual	<u>5,000</u>	<u>9,735</u>	<u>1,710</u>	<u>8,025</u>
	<u>5,000</u>	<u>9,735</u>	<u>1,710</u>	<u>8,025</u>
Transportation-Innov Schools Models:				
Contractual	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Transportation-ARP Homeless:				
Other	<u>3,930</u>	<u>3,930</u>	<u>-</u>	<u>3,930</u>
	<u>3,930</u>	<u>3,930</u>	<u>-</u>	<u>3,930</u>
Transportation-IDEA Part B				
Contractual	<u>7,407</u>	<u>25,000</u>	<u>2,473</u>	<u>22,527</u>
	<u>7,407</u>	<u>25,000</u>	<u>2,473</u>	<u>22,527</u>
Total transportation	<u>26,337</u>	<u>48,665</u>	<u>4,183</u>	<u>44,482</u>

**Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Federal Projects Fund
Year Ended June 30, 2023**

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Capital:				
Capital expenditures	<u>8,771,019</u>	<u>8,936,876</u>	<u>3,126,557</u>	<u>5,810,319</u>
Total expenditures	<u>23,232,901</u>	<u>24,335,197</u>	<u>13,856,662</u>	<u>10,478,535</u>
Excess (deficiency) of revenues over expenditures before transfers	<u>877,517</u>	<u>964,906</u>	<u>503,789</u>	<u>(461,117)</u>
Other financing uses:				
Transfers out	<u>(912,931)</u>	<u>(1,012,288)</u>	<u>(503,789)</u>	<u>508,499</u>
Total other financing sources (uses)	<u>(912,931)</u>	<u>(1,012,288)</u>	<u>(503,789)</u>	<u>508,499</u>
Net change in fund balances	<u>\$ (35,414)</u>	<u>\$ (47,382)</u>	<u>-</u>	<u>\$ 47,382</u>
Fund balance, at July 1, 2022			<u>-</u>	
Fund balance, at June 30, 2023			<u>\$ -</u>	

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – School Nutrition Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal funds	\$ 1,712,367	\$ 1,319,282	\$ 1,292,401	\$ (26,881)
State revenue	20,000	32,675	32,675	-
Charges for services	1,589,300	1,999,710	1,940,325	(59,385)
Total revenue	<u>3,321,667</u>	<u>3,351,667</u>	<u>3,265,401</u>	<u>(86,266)</u>
Expenditures:				
Personnel	1,508,067	1,508,067	1,373,333	134,734
Travel	600	600	337	263
Contractual	73,000	87,500	71,292	16,208
Supplies	1,505,000	1,552,750	1,374,760	177,990
In-service/staff development	2,000	4,250	3,994	256
Other charges	2,000	2,000	867	1,133
Expense reimbursement	(3,000)	(3,000)	(1,068)	(1,932)
Total expenditures	<u>3,087,667</u>	<u>3,152,167</u>	<u>2,823,515</u>	<u>328,652</u>
Capital:				
Capital expenditures	<u>234,000</u>	<u>244,000</u>	<u>240,579</u>	<u>3,421</u>
Total expenditures	<u>3,321,667</u>	<u>3,396,167</u>	<u>3,064,094</u>	<u>332,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(44,500)</u>	<u>201,307</u>	<u>245,807</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>201,307</u>	<u>\$ 201,307</u>
Fund balance, at July 1, 2022			<u>1,603,198</u>	
Fund balance, at June 30, 2023			<u>\$ 1,804,505</u>	

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Discretionary Grants Fund
Year Ended June 30, 2023

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal funds	\$ -	\$ 89,249	\$ -	\$ (89,249)
State funds	-	669,381	654,720	(14,661)
Other local revenue	-	277,470	77,684	(199,786)
Total revenue	-	1,036,100	732,404	(303,696)
Expenditures:				
Personnel	-	15,994	2,904	13,090
Supplies	-	195,309	175,051	20,258
Total instructional	-	211,303	177,955	33,348
Health services:				
Personnel	-	63,995	62,851	1,144
Other contracted services	-	8,979	4,006	4,973
Supplies	-	21,385	13,662	7,723
In-service/staff development	-	9,815	9,531	284
Other charges	-	2,080	150	1,930
	-	106,254	90,200	16,054
Support services:				
Contractual		77,015	35,440	41,575
Supplies		58,470	15,810	42,660
In-service/staff development		28,713	4,675	24,038
Other charges	-	107,505	46,426	61,079
	-	271,703	102,351	169,352
Regular instructional support:				
Personnel		121,240	117,719	3,521
Contractual	-	30,403	29,388	1,015
Supplies	-	15,237	10,288	4,949
In-service/staff development	-	39,006	25,476	13,530
Other charges	-	11,123	11,056	67
	-	217,009	193,927	23,082

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Discretionary Grants Fund
Year Ended June 30, 2023

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Early childhood education - VPK:				
Personnel	-	190,137	190,137	-
Other Charges	-	209	209	-
	-	190,346	190,346	-
Total support services	-	785,312	576,824	208,488
Capital:				
Capital expenditures	-	39,485	33,811	5,674
	-	39,485	33,811	5,674
Total expenditures	-	1,036,100	788,590	247,510
Excess (deficiency) of revenues over (under) expenditures before transfers	-	-	(56,186)	(56,186)
Other financing sources:				
Transfers in	-	-	40,353	40,353
Total other financing sources (uses)	-	-	40,353	40,353
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(15,833)	<u>\$ (15,833)</u>
Fund balance, at July 1, 2022			185,706	
Fund balance, at June 30, 2023			<u>\$ 169,873</u>	

Board of Education of Collierville Schools
Statement of Fiduciary Net Position – OPEB
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 23,398
Investments:	
Fixed income	971,540
Domestic equities	1,008,604
International equities	348,403
Structured Investments	173,455
	<hr/>
Total investments	2,502,002
	<hr/>
Total assets	2,525,400
	<hr/>

NET POSITION

Total net position restricted for post employment benefits other than pensions	\$ 2,525,400
	<hr/> <hr/>

Board of Education of Collierville Schools
Statement of Changes in Fiduciary Net Position – OPEB
Year Ended June 30, 2023

Additions:	
Employer contributions	\$ 1,201,780
Investment income (loss):	
Net increase in fair value of investment	180,218
Interest and dividends	62,252
	<hr/>
Total investment income	242,470
	<hr/>
Total additions	1,444,250
	<hr/>
Deductions:	
Benefit payments	901,780
Administrative expense	8,826
	<hr/>
Total deductions	910,606
	<hr/>
Change in net position	533,644
Net position restricted for post employment benefits other than pensions:	
Beginning of year	1,991,756
	<hr/>
End of year	<u>\$ 2,525,400</u>

1. Summary of Significant Accounting Policies

In April 2013, Governor Bill Haslam approved House Bill 1288 allowing for the creation of six new municipal school districts in Shelby County. The voters of Collierville, Tennessee, and five other municipalities, approved the creation of a separate municipal school district in a special referendum held in July 2013. In June 2014, the Shelby County Board of Education transferred the operations of the eight schools operating within the Town of Collierville, Tennessee to the Collierville Schools municipal school district. The municipal school district's first year of full operations began with 2014-2015 school year.

The Board of Education of Collierville Schools ("Collierville Schools" or the "Schools") complies with accounting principles generally accepted in the United States of America ("GAAP") as codified by Governmental Accounting Standards Board ("GASB") Statement No. 62, *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The accounting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

(A) Determination of the reporting entity

Collierville Schools is a collection of five special revenue funds, a capital projects fund, and one fiduciary fund of the Town of Collierville, Tennessee (the "Town"). Accordingly, the accounts and transactions reported in the accompanying financial statements are included in the Town's Comprehensive Annual Financial Report. Collierville Schools is governed by a five-member Board of Education; however, matters which may financially obligate the Town must also be approved by the Board of Mayor and Aldermen of the Town.

(B) Basis of presentation

District-wide financial statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information about Collierville Schools as a whole. These statements include the financial activities of the Schools.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements. The result of these eliminations is a more accurate reporting of the Schools' overall revenues and expenses from its activities.

Governmental fund financial statements

The governmental fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. The Schools' governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the district-wide financial statements. Collierville Schools has elected to present all of its funds as major funds.

The major funds of the financial reporting entity are described below:

Governmental funds

General Purpose Fund

The General Purpose Fund, as the primary operating fund, is used to account for all financial resources except those required to be accounted for in another fund.

Student Activity Funds

The student activity fund accounts for all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school. Each school maintains its own bank account and records related to their student activities.

Federal Projects Fund

The Federal Projects Fund relates to resources obtained and used under certain federal and state programs and to other sources upon which legal restrictions are imposed.

School Nutrition Fund

The School Nutrition Fund is used for operating child nutrition programs only. The School Nutrition Fund includes grant proceeds that are legally restricted to expenditures for the specific purpose of child nutrition.

Discretionary Grants Fund

The Discretionary Grants Fund is used to account for all grant financial resources except those required to be accounted for in the Federal Projects Fund or School Nutrition Fund. These are not federal in nature, but rather are derived from local and state entities.

Capital Projects Fund

The Capital Projects Fund relates to resources obtained and used for the acquisition, construction or improvement of capital facilities. The primary funding source is bond proceeds from the Town.

Fiduciary fund

OPEB Trust Fund

The School reports the operations of the other post-employment benefits (“OPEB”), a fiduciary component unit in the Fiduciary Fund Financial Statements. As further discussed in Note 10, the OPEB trust fund provides health benefits for qualified employees and retired employees. The trust fund is a legally separate entity and the resources of the trust fund cannot be used to finance the School’s operations. The School is committed to making contributions to the trust, and therefore assumes a financial burden for the trust fund and thus has financial accountability. As a result, the activity of the fiduciary fund is presented as a fiduciary component unit. The assets in the trust are held for only for the School employees’ benefit.

(C) Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement focus

The district-wide financial statements are reported using the economic resources measurement focus. Accordingly, all of the Schools' assets and liabilities, including capital assets and long-term pension liabilities, along with deferred inflows and outflows of resources, are included in the accompanying statement of net position. The statement of activities presents changes in net position.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflow of resources, liabilities, and deferred inflow of resources 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.

Basis of accounting

The district-wide statement of net position and statement of activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which 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.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Schools, are property taxes and other local taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

(D) Budgeting and budgetary control

General purpose and federal projects funds' revenue and expenditures are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the operations of the Schools. The budgetary basis of accounting differs from generally accepted accounting principles because encumbrances have been recorded as expenditures. The original budget and all subsequent amendments to the budget are approved by the Board of Education of Collierville Schools as well as the Board of Mayor and Alderman of the Town. The student activity funds, capital projects fund, the school nutrition fund, and the discretionary grants fund are not legally required to adopt an annual budget.

(E) Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Schools' deposits may not be returned to it. Although Collierville Schools has not adopted a formal deposit policy, its policy is to fully collateralize bank deposits in excess of federally insured amounts. Note 2 summarizes the Schools' exposure to custodial credit risk.

(F) Investments

The School's fiduciary fund investments are held by a third party trust in the name of the School. Investments are reported at fair value. The investment portfolio is managed to maintain the preservation of the principal of those funds within the portfolio and to maximize the return on investments while remaining within prudent financial management. Additionally, the School utilizes an advisor to select appropriate investment choices.

(G) Fair value measurements

Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

- Level 1** - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.
- Level 2** - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- Level 3** - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the School's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost which approximates fair value.

(H) Receivables

Receivables consist primarily of grant funds receivable from the federal government and the State of Tennessee, property taxes receivables from Shelby County, and funds due from the Town for capital projects.

(I) Shared revenues

Collierville Schools recognizes its share of real and personal property taxes, sales taxes, and other local taxes as revenue in the fiscal year collected by the State of Tennessee, Shelby County, or the Town, as applicable. Collierville Schools does not have any taxing authority. Consequently, the Schools rely on a share of real and personal property taxes collected by Shelby County (the "County"). The County tax levy of \$3.39 per \$100 of assessed value includes \$1.587 for both the county schools and the municipal schools of Shelby County.

Distribution of the \$1.587 to the county schools and the municipal school districts is based on the average daily attendance of each system. Approximately 76.00% and 24.00% was distributed to Shelby County Schools and the municipal school districts of Shelby County, respectively.

(J) Inventory

Inventory consists of food supplies and is presented at the lower of cost or net realizable value. Inventory is charged to operations when consumed using average cost.

(K) Interfund transactions

Interfund receivables and payables

During the course of operations, numerous transactions occur that may result in amounts owed between individual funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables are eliminated in the statement of net position.

Interfund transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. Transfers between funds are used to ensure current operations and programs are not interrupted. For the purpose of the statement of activities, all transfers between individual governmental funds have been eliminated.

(L) Capital assets

Capital assets, which include land, buildings, equipment and furniture, and construction in progress, are reported in the district-wide financial statements. Capital assets are defined by policy as assets with an initial, individual cost of \$5,000 or more with a useful life of more than one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Gifts or contributions of capital assets, including intangible assets, are recorded at acquisition value when received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed over the remaining useful lives of the related capital assets using the straight-line method of depreciation. Estimated useful lives are as follows:

Building and Building improvements	25 to 50 years
Furniture and equipment	5 to 20 years
Right-to-Use Assets	2 to 6 years

(M) Right to use lease and subscription assets

The Board has recorded right to use lease and subscription assets as a result of implementing Governmental Accounting Standards Board Statement No. 87, Leases ("GASB 87") and Governmental Accounting Standards Board Statement No. 96, Subscription Based Information Technology Arrangements ("GASB 96"). The right to use assets (RTU) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The RTU assets are amortized on a straight-line basis over the life of the related lease. Subscription based information technology arrangements (SBITAs) are contracts that convey the control of the right to use software, alone or in combination with tangible assets, as specified in a contract for the subscription term in an exchange or exchange-like transaction. The subscription term is the period of time that Collierville Schools has a noncancellable right to use the underlying asset. SBITA assets and liabilities are reported at present value using the Collierville Schools' incremental borrowing rate unless otherwise noted in the contract terms. SBITA assets are recorded within capital assets and SBITA liabilities are reported within long-term obligations on the Statements of Net Position. The amortization of the discount is recorded as interest expense in the statement of activities.

(N) Deferred outflows/inflows of resources

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

(O) Long-term obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

(P) Compensated absences

Employees of Collierville Schools are granted sick and annual leave in varying amounts in accordance with administrative policies. Upon termination or retirement, employees are paid full value for any accrued annual leave earned not to exceed the maximum annual leave as set forth by the personnel policy. Employees may accumulate sick leave, but upon termination or retirement, no payment shall be made for unused sick leave. Instead, sick leave is applied to an employee's credited service for pension plan purposes.

Vested or accumulated annual leave for terminated or retired employees that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are maintained separately and represents a reconciling item between the fund and district-wide presentation.

Vested or accumulated annual leave of governmental funds is recorded only if the leave has matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement). Vested or accumulated annual leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

(Q) Grants and contributions

Grants and contributions from Federal, State and local governments and private individuals and enterprises are received for payment of costs related to various program costs. Grant revenue is recorded when all applicable eligibility requirements are met. Contributions are recorded when received.

(R) Retirement plans

Collierville Schools maintains four defined benefit retirement plans sponsored by the Tennessee Consolidated Retirement System. See Note 9 for more information on each plan.

(S) Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position, and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the actuaries. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. Investments are reported at fair value.

(T) Postemployment benefits other than pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the School's OPEB Plan and additions to/deductions from the School's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, The OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and other cash equivalents, which are reported at cost.

(U) Application of restricted resources

Collierville Schools applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

(V) Net position

Collierville Schools recognizes the difference between its assets plus deferred outflows of resources less liabilities and deferred inflows of resources as net position in the district-wide financial statements. Net position categories include:

Investment in capital assets

Investment in capital assets consists of capital assets net of accumulated depreciation.

Restricted

Restricted net position is comprised of assets bound by constraints on resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted

The remaining balance of the net amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital or the restricted components of net position.

(W) Fund balance

Governmental fund balance is reported in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The governmental fund type classifies fund balance as follows:

Nonspendable

Nonspendable fund balance consists of funds that cannot be spent due to their form (e.g. inventories) or funds that legally or contractually must be maintained intact.

Restricted

Restricted fund balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed

Committed fund balance consists of funds that are set aside for a specific purpose by the Schools' highest level of decision-making authority (Board of Education). Formal action, in the form of an ordinance by the Board of Education, to establish, modify or rescind a commitment must be taken by the end of the fiscal year.

Assigned

Assigned fund balance consists of funds that are set aside with the intent to be used for a specific purpose by the Schools' highest level of decision making authority or a body or official that has been given the authority to assign funds. At this time, the Director of Schools has retained the authorization to assign fund balance.

Unassigned

Unassigned fund balance consists of excess funds that have not been classified in the previous four categories. The General Purpose Fund is the only fund that reports a positive unassigned fund balance amount. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

When expenditures involve funds in more than one fund balance classification, the Schools' policy is to spend amounts from the expenditure's most restricted source first.

Minimum fund balance policy

In order to maintain and protect the long-term financial capacity of Collierville Schools, total fund balance designated for education in the General Purpose Fund is maintained at a level not less than required by Tennessee Code Annotated (TCA) 49-3-352. The provisions of the Minimum Fund Balance Policy do not qualify for reservation as committed or assigned fund balance and have been included as a portion of the unassigned fund balance.

(X) Accounting changes

GASB issued Statement No. 96, Subscription Based Information Technology Arrangements, in May 2020, effective for reporting periods beginning after June 15, 2022. The objective of this statement is to better meet the information needs of the financial statement users by establishing uniform accounting and financial reporting requirements for subscription-based IT arrangements (SBITA), improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

2. Cash and Cash Equivalents

Bank deposits, consistent with statutes enacted by the State of Tennessee, are covered by federal depository insurance or are collateralized by a multiple financial institution collateral pool administered by the Treasurer of the State of Tennessee.

Deposits of the primary government on June 30, 2023, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks	\$ 41,275,928	\$ 37,191,140

A summary of the primary government's bank deposits as of June 30, 2023, is as follows:

Insured	\$ 250,000
Collateralized by the Bank Collateral Pool of the State of Tennessee	<u>41,025,928</u>
Total cash and cash equivalents	<u>\$ 41,275,928</u>

Cash and cash equivalents of \$23,398 at June 30, 2023, in the OPEB fund are held in a money market fund.

3. Receivables from Other Governments

Receivables from other governments as of June 30, 2023, for Collierville Schools' individual major funds are as follows:

	<u>General Purpose Fund</u>	<u>Federal Projects Fund</u>	<u>School Nutrition Fund</u>	<u>Discretionary Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Federal and state grants	\$ -	\$ 2,828,864	\$ -	\$ 240,801	\$ -	\$ 3,069,485
Shelby County	<u>7,087,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,036</u>	<u>7,212,208</u>
Total	<u>\$ 7,087,172</u>	<u>\$ 2,828,684</u>	<u>\$ -</u>	<u>\$ 240,801</u>	<u>\$ 125,036</u>	<u>\$10,281,693</u>

4. Investments

General Purpose Fund Investments

The School is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The School Department has placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. The assets are not used to pay current benefits but could be used as necessary in the future for the School's hybrid retirement plans. Trust funds are not subject to the claims of general creditors of the School.

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

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

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The following table summarizes fair value disclosures and measurements on June 30, 2023:

	<u>Total</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments at fair value:				
Domestic equities	\$ 546,976	\$ 546,976	\$ -	\$ -
Developed Market International Equity	247,022	247,022	-	-
Emerging Market International Equity	70,578	70,578	-	-
Domestic Fixed Income	352,888	-	352,888	-
Short-term securities	17,644	-	17,644	-
Real estate	176,444	-	-	176,444
	1,411,552	<u>\$ 864,576</u>	<u>\$ 370,532</u>	<u>\$ 176,444</u>
Investments at amortized cost using the NAV Private Equity and Strategic Lending	<u>352,888</u>			
	<u>\$ 1,764,440</u>			

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes so to be represented in the table above.

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

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

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

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

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

For further information concerning the School's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at https://treasury.tn.gov/Portals/0/Documents/Retirement/CAFR%20Reports/2022/2022TCRSReport_Full%20Report.pdf.

Fiduciary investments

Disclosures concerning the investments held by the trust that are reported at fair value are presented below. Fair value has been determined based on the School's assessment of available market information and appropriate valuation methodologies. The following table summarizes fair value disclosures and measurements at June 30, 2023:

	<u>Fair Value Measurements at Reporting Date Using</u>			
		Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Investments:				
Fixed income	\$ 971,540	\$ 971,540	\$ -	\$ -
Structured investments	173,455	-	-	173,455
Domestic equities	1,008,604	1,008,604	-	-
International equities	<u>348,403</u>	<u>348,403</u>	-	-
	<u>\$ 2,502,002</u>	<u>\$ 2,328,547</u>	<u>\$ -</u>	<u>\$ 173,455</u>

Prices for investment securities such as mutual funds are readily available in the active markets in which those securities are traded, and the resulting fair values are categorized as Level 1. There are no observable inputs for Level 3 structured investments, which represent certain principal-at-risk securities that are valued by the issuer based on the underlying indices and assumptions on the payment of contingent interest. On June 30, 2023, these securities had maturities in 2025 and 2026.

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

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School does not have the ability to limit the credit ratings of individual investments made by the trust.

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Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investment in a single issuer. School places no limit on the amount the trust may invest in one issuer.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the School to pay retirement benefits of the School's employees.

5. Interfund Transactions

During the year, interfund amounts payable to the General Purpose Fund represents amounts advanced to the payable funds to cover short-term cash flow requirements.

Transfers during the year were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Federal Projects Fund	General Fund	\$ 463,436
Federal Projects Fund	Discretionary Fund	<u>40,353</u>
Total transfers		<u>\$ 503,789</u>

Transfers are used to offset cash advances from the General Purpose Fund during outstanding billing periods for federal funds and discretionary funds.

The composition of interfund balances as of June 30, 2023 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
MAJOR FUNDS:		
General purpose fund:		
Discretionary fund	\$ 121,336	\$ -
Federal projects fund	<u>1,836,904</u>	<u>-</u>
	<u>1,958,240</u>	<u>-</u>
Federal projects fund:		
General purpose fund	<u>-</u>	<u>1,836,904</u>
Discretionary fund:		
General purpose fund	<u>-</u>	<u>121,336</u>
Total	<u>\$ 1,958,240</u>	<u>\$ 1,958,240</u>

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6. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Restated July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Governmental activities:					
Capital assets not being Depreciated/Amortized:					
Land	\$ 8,413,365	\$ -	\$ -	\$ -	\$ 8,413,365
Construction in progress	1,104,539	4,371,294	-	(4,025,516)	1,450,317
Total capital assets not being depreciated/ amortized	<u>9,517,904</u>	<u>4,371,294</u>	<u>-</u>	<u>(4,025,516)</u>	<u>9,863,682</u>
Other capital assets:					
Equipment	36,485,897	-	(158,647)	1,608,042	37,935,292
Buildings	187,248,851	-	(577,673)	2,417,474	189,088,652
Leased assets	40,298	-	-	-	40,298
Subscription-based assets	<u>299,682</u>	<u>1,188,142</u>	<u>-</u>	<u>-</u>	<u>1,487,824</u>
Total other capital assets at historical cost	<u>224,074,728</u>	<u>1,188,142</u>	<u>(736,320)</u>	<u>4,025,516</u>	<u>228,552,066</u>
Less accumulated Depreciation/amortization for:					
Equipment	19,412,261	3,952,412	(122,509)	-	23,242,164
Buildings	41,850,063	4,188,339	(130,939)	-	45,907,463
Leased assets	34,541	5,757	-	-	40,298
Subscription-based assets	<u>-</u>	<u>149,584</u>	<u>-</u>	<u>-</u>	<u>149,584</u>
Total accumulated Depreciation/amortization	<u>61,296,865</u>	<u>8,296,092</u>	<u>(253,448)</u>	<u>-</u>	<u>69,339,509</u>
Other capital assets, net	<u>162,777,863</u>	<u>(7,107,950)</u>	<u>(482,872)</u>	<u>4,025,516</u>	<u>159,212,557</u>
Governmental activities:					
Capital assets, net	<u>\$ 172,295,767</u>	<u>\$ (2,736,656)</u>	<u>\$ (482,872)</u>	<u>\$ -</u>	<u>\$ 169,076,239</u>

Depreciation/amortization expense of \$8,296,092 was charged to the instruction function of the general purpose fund.

7. Accounts Payable and Other Accrued Liabilities

Payables as of year-end for Collierville Schools' individual major funds are as follows:

	<u>General Purpose Fund</u>	<u>Federal Projects Fund</u>	<u>School Nutrition Fund</u>	<u>Discretionary Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Accounts payable	\$ 538,138	\$ 720,489	\$ 875	\$ 16,782	\$ 94,617	\$ 1,370,901
Accrued payroll	<u>4,983,738</u>	<u>271,291</u>	<u>16,407</u>	<u>14,719</u>	<u>-</u>	<u>5,286,155</u>
Total	<u>\$ 5,521,876</u>	<u>\$ 991,780</u>	<u>\$ 17,282</u>	<u>\$ 31,501</u>	<u>\$ 94,617</u>	<u>\$ 6,657,056</u>

8. General Long-Term Obligations

Bond obligations

Collierville Schools has no long-term bond debt as the Board of Education is fiscally dependent on the Town of Collierville, Tennessee for the issuance of debt for its capital projects.

Litigation settlement

In fiscal 2014, the Town’s citizens approved a referendum authorizing the creation of Collierville Schools. The County Commission of Shelby County, Tennessee sued the Town, and other municipalities, alleging that the Town’s effort to create its own municipal school district was illegal; whereas, the Town denied the allegation. In January 2014, the parties entered a settlement agreement to resolve all claims and contentions between the parties. As a condition of the settlement, Collierville Schools agreed to pay the Shelby County Board of Education twelve annual payments of \$507,819 for total of \$6,093,828. The Schools recorded this settlement obligation based on the present value of the obligation using an imputed interest rate of 2.2%. Future payments under the litigation settlement are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 507,819
2025	507,819
2026	<u>507,819</u>
Total payments	1,523,457
Less amount representing interest	<u>(43,413)</u>
Net litigation settlement obligation	<u>\$ 1,480,044</u>

The total interest expense incurred for the year was \$43,413.

Financing obligations

Collierville Schools entered into financing agreements for computer equipment to be used in the classrooms. One agreement is currently outstanding at June 30, 2023, with a balance outstanding of \$ 848,724. The equipment has a total book value, calculated at the net present value of the payments at inception of \$2,490,176 and accumulated depreciation of \$1,660,117 as of June 30, 2023.

Leases

The Board has entered into an agreement to lease warehouse space. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payment as of the date of adoption.

The agreement was executed on September 1, 2019, to lease warehouse space and requires monthly escalating payments. The lease liability is measured as a discount rate of .4660%, which is the School’s estimated incremental borrowing rate at the date of adoption. The beginning balance, as restated on July 1, 2021, was \$40,298. \$34,501 was paid during the year. At June 30, 2023, the outstanding balance was \$0. All lease liabilities are current as of the end of the fiscal year.

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Subscription based information technology arrangements

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based IT arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

For the year ending June 30, 2023, subscription-based IT arrangement asset activity is recorded in Note 5, and subscription-based IT arrangement liability activity is recorded above.

Collierville Schools has SBITAs for software-related assets with contract terms ranging from 2 to 6 years, when including applicable extensions. There were no payments recorded in the current period that were not included in the measurement of the subscription-based IT arrangement liability, no commitments prior to the commencement of the subscription-based IT arrangement contracts, and no subscription-based IT arrangement impairments as of June 30, 2023.

Collierville Schools has various subscription-based information technology arrangements, the terms of which expire in various years through 2029. The subscriptions were measured based upon the incremental borrowing rate at commencement of the subscription-based IT arrangement term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

The following table summarizes the SBITA principal and interest payments as of June 30, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 309,488	\$ 12,566	\$ 322,054
2025	242,257	17,121	259,378
2026	<u>253,959</u>	<u>8,518</u>	<u>262,477</u>
Total Future Payments	<u>\$ 805,704</u>	<u>\$ 38,205</u>	<u>\$ 843,909</u>

Long-term debt activity for the year ended June 30, 2023 was as follows:

	<u>Restated Balance July 1, 2022</u>	<u>New Borrowings</u>	<u>Principal Repayments</u>	<u>Balance June 30, 2023</u>	<u>Due Within the Year</u>
Settlement liability	\$ 1,952,289	\$ -	\$ (472,245)	\$ 1,480,044	\$ 482,635
Financing agreements:					
2020	867,019	-	(867,019)	-	-
2022	<u>1,679,757</u>	-	<u>(831,033)</u>	<u>848,724</u>	<u>848,724</u>
	2,546,776	-	(1,698,052)	848,724	848,724
Subscription arrangements:					
2022	299,682	-	(78,774)	220,908	74,787
2023	<u>-</u>	<u>1,051,814</u>	<u>(467,018)</u>	<u>584,796</u>	<u>234,701</u>
	<u>299,682</u>	<u>1,051,814</u>	<u>(545,792)</u>	<u>805,704</u>	<u>309,488</u>
	<u>\$ 4,798,747</u>	<u>\$ 1,051,814</u>	<u>\$ (2,716,089)</u>	<u>\$ 3,134,472</u>	<u>\$ 1,640,847</u>

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans sponsored by the Tennessee Consolidated Retirement System (“TCRS”) and additions to/deductions from each plan’s fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. Investments are reported at fair value.

Pension plans

Collierville Schools participates in the following pension plans administered by the Tennessee Consolidated Retirement System:

Teacher Legacy Pension Plan – Teachers with membership in TCRS prior to June 30, 2014 are included in this plan. The plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members and retirees. The plan is a cost sharing multiple-employer pension plan.

Teacher Retirement Plan – Teachers with membership in TCRS beginning July 1, 2014 are included in this plan. The plan is a hybrid plan which features both a defined contribution element and a pension plan element. The plan is a cost sharing multiple-employer pension plan.

Legacy Public Employee Retirement Plan – Certain administrative employees with membership in TCRS prior to June 30, 2014 are included in this plan, which is maintained separately from the Town of Collierville’s plan. This plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members. This is an agent multiple-employer pension plan.

Hybrid Employee Retirement Plan – Certain administrative employees with membership in TCRS beginning July 1, 2014 are include in the plan, which is maintained separately from the Town of Collierville’s plan. This plan is a hybrid plan which features both a defined contribution element and a pension plan element. The Plan is an agent multiple-employer pension plan.

(A) Teacher legacy pension plan

General Information about the Pension Plan

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

Benefits provided – Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit, or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive years average compensation and the member's service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions – Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Collierville Schools for the year ended June 30, 2023 to the Teacher Legacy Pension Plan were \$2,986,415 which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension assets – At June 30, 2023, Collierville Schools reported an liability (asset) of (\$12,432,409) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Collierville Schools' proportion of the net pension liability was based on Collierville Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, Collierville Schools' proportion was 1.013728 percent. The proportion measured as of June 30, 2021 was 1.023418 percent.

Negative pension expense – For the year ended June 30, 2023, Collierville Schools recognized pension expense (negative pension expense) of \$128,549 related to the Teacher Legacy Pension Plan.

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Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2023, Collierville Schools reported deferred outflows of resources and deferred inflows of resources related to the Teacher Legacy Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,045,085	\$ 2,100,700
Changes in assumptions	7,788,306	-
Net difference between projected and actual earnings on pension plan investments	212,588	-
Changes in proportion of net pension liability (asset)	122,150	25,934
LEA's contributions subsequent to the measurement date of June 30, 2022	<u>2,986,415</u>	<u>(not applicable)</u>
Total	<u>\$ 13,154,544</u>	<u>\$ 2,126,634</u>

Collierville Schools' employer contributions of \$2,986,415 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset for the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ 1,253,000
2025	2,352,678
2026	(2,125,998)
2027	6,561,816
2028	-
Thereafter	-

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

Actuarial assumptions – The total pension liability in the June 30, 202 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:²

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.125 percent

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

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The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns were used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and TCRS investment policy target allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the three factors described above.

Discount rate – The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate – The following presents Collierville Schools’ proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Collierville Schools’ proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount (6.75%)</u>	<u>1% Increase (7.75%)</u>
Collierville Schools’ proportionate share of the net pension liability (asset)	\$ 24,624,318	\$ (12,432,409)	\$ (43,298,202)

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

Payable to the Pension Plan – At June 30, 2023, Collierville School’s reported a payable of \$470,644 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

(B) Teacher retirement plan

General Information about the Pension Plan

Plan description – The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by COLLIERVILLE MUNICIPAL SCHOOLS with memberships in TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014 but will continue providing benefits to existing members and retirees. The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits provided – Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member’s age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions – Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023 to the Teacher Retirement Plan were \$507,353 which is 2.86 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension assets – At June 30, 2023, Collierville Schools reported an (asset) of (\$273,651) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial value of that date. Collierville Schools’ proportion of the net pension asset was based on Collierville Schools’ share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, Collierville Schools’ proportion was 0.903362 percent. The proportion measured as of June 30, 2021 was 0.867437 percent.

Pension expense – For the year ended June 30, 2023, Collierville Schools recognized pension expense of \$377,009.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2023, Collierville Schools reported deferred outflows of resources related to the Teacher Retirement Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Resources</u>
Differences between expected and actual experience	\$ 14,963	\$ 166,260
Net difference between projected and actual earnings on pension plan investments	86,256	-
Changes in assumptions	320,569	-
Changes in proportion of net pension liability (asset)	17,428	110,245
LEA’s contributions subsequent to the measurement date of June 30, 2022	<u>507,353</u>	<u>(not applicable)</u>
Total	<u>\$ 946,569</u>	<u>\$ 276,505</u>

Collierville School’s employer contributions of \$507,353, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized an increase of net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ (3,449)
2025	(2,570)
2026	(16,744)
2027	133,493
2028	6,118
Thereafter	45,863

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

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Actuarial assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the three factors described above.

Discount rate – The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the proportionate share of net pension liability (assets) to changes in the discount rate – The following presents Collierville Schools’ proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Collierville Schools’ proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current</u> <u>Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
Collierville Schools’ proportionate share of the net pension liability (asset)	\$ 1,436,509	\$ (273,651)	\$ (1,522,594)

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

Payable to the pension plan – At June 30, 2023, Collierville School’s reported a payable of \$142,072 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

401(k) plan – The Plan provides a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Plan is managed by TCRS. The defined contribution assets are deposited into the State’s 401(k) plan where the employee manages the investments within the 401(k) plan. Public school teachers are automatically enrolled, with opt-out feature, to contribute 2% of their salaries to the defined contribution (401(k)) portion of the Plan. Contributions are made on a tax-deferred basis. The School is required to contribute 5% of their salaries, which amounts to \$886,377 as June 30, 2023.

C) Legacy public employee retirement plan

General Information about the Pension Plan

Plan description – Employees of Collierville Schools Board of Ed are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided – Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members of the Legacy Public Employee Retirement Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and included projected service credits. A variety of death benefits are available under various eligibility criteria.

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Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms – At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	55
Active employees	<u>82</u>
	<u><u>184</u></u>

The School Board closed the plan to new employees hired after July 31, 2014.

Contributions – Contributions are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Support personnel and non-teachers contribute 5 percent of their salary. The Local Education Agencies (LEAs) makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, employer contributions to the Legacy Public Employee Retirement Plan were \$353,859 based on a rate of 10.36 percent of covered payroll. By law, employer contributions for the Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. The employer’s ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net pension liability (asset) Collierville Board of Education’s net pension liability (asset) was measured as June 30, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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Changes of assumptions - In 2021, the following assumptions were changed: decreased inflation rate from 2.50 to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate – The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Asset:

	<u>(a)</u> <u>Total Pension Liability</u>	<u>(b)</u> <u>Plan Fiduciary Net Position</u>	<u>(a) – (b)</u> <u>Net Pension Asset</u>
Balance at June 30, 2021	\$ 5,835,125	\$ 6,674,655	\$ (839,530)
Changes for the year			
Service cost	547,985	-	547,985
Interest	427,417	-	427,417
Difference between expected and actual experience	131,379	-	131,379
Changes in assumptions	-	-	-
Contributions - employer	-	347,160	(347,160)
Contributions - employees	-	184,660	(184,660)
Net investment income	-	(263,409)	263,409
Benefit payments, including refunds of employee contributions	(101,999)	(101,999)	-
Administrative expense	-	(8,321)	8,321
Other changes	-	-	-
	<u>1,004,782</u>	<u>158,091</u>	<u>846,691</u>
Net changes			
Balance at June 30, 2022	<u>\$ 6,839,907</u>	<u>\$ 6,832,746</u>	<u>\$ 7,161</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate -The following presents the net pension liability (asset) of the Political Subdivision Pension Plan calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 - percentage-point lower (5.75 percent) or 1 - percentage-point higher (6.75 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
Political Subdivision Pension Plan net pension liability (asset)	<u>\$ 1,002,760</u>	<u>\$ 7,161</u>	<u>\$ (815,276)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense – For the year ended June 30, 2023, the Legacy Public Employee Retirement Plan recognized pension expense of \$349,070.

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Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2023, Collierville Schools reported deferred outflows of resources related to the Legacy Public Employee Retirement from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 173,520	\$ 245,247
Net difference between projected and actual earnings on pension plan investments	50,113	-
Changes in assumptions	239,103	-
Contributions subsequent to the measurement date of June 30, 2022	<u>353,859</u>	<u>(not applicable)</u>
Total	<u>\$ 816,595</u>	<u>\$ 245,247</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<u>Year Ended June 30,</u>	
2024	\$ 20,426
2025	28,634
2026	22,794
2027	145,635
2028	-
Thereafter	-

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

Payable to the Pension Plan – At June 30, 2022, Collierville School’s reported a payable of \$43,323 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

D) Hybrid employee retirement plan

General Information about the Pension Plan

Plan description – Employees of Collierville Schools Hybrid with Cost Cutting are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided – Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members of the Hybrid Employee Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member’s age and service credit total 90. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member’s age and service credit total 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees covered by benefit terms – At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	121
Active employees	<u>203</u>
	<u><u>325</u></u>

Contributions – Contributions are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Employees contribute 5 percent of salary. The Hybrid Employee Retirement Plan makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions are required to be paid. TCRS may intercept the state shared taxes if required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023 to the plan were \$236,010 which is 2.92 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension liabilities assets – The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial value as of that date.

Actuarial assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.08%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the three factors described above.

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Discount rate – The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Collierville Schools Hybrid with Cost Controls will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability (asset):

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) – (b) Net Pension Asset
Balance at June 30, 2020	\$ 1,866,374	\$ 2,171,186	\$ (304,812)
Changes for the year			
Service cost	431,637	-	431,637
Interest	154,395	-	154,395
Difference between expected and actual experience	25,187	-	25,187
Changes in assumptions	-	-	-
Contributions - employer	-	149,904	(149,904)
Contributions - employees	-	345,407	(345,407)
Net investment income	-	(91,750)	91,750
Benefit payments, including refunds of employee contributions	(21,362)	(21,362)	-
Administrative expense	-	(19,633)	19,633
Other changes	-	-	-
Net changes	<u>589,857</u>	<u>362,566</u>	<u>227,291</u>
Balance at June 30, 2021	<u>\$ 2,456,231</u>	<u>\$ 2,533,752</u>	<u>\$ (77,521)</u>

Sensitivity of the net pension liability (assets) to changes in the discount rate – The following presents the net pension liability (asset) of the Hybrid Employee Retirement Plan with Cost Controls using the discount rate of 6.75 percent, as well as what Collierville Schools’ proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1- percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Collierville Schools’ proportionate share of the net pension liability (asset)	<u>\$ 462,696</u>	<u>\$ (77,521)</u>	<u>\$ (499,419)</u>

Pension expense - For the year ended June 30, 2023, Collierville Schools recognized pension expense of \$135,735.

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Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, Collierville Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 245,914	\$ 93,750
Net difference between projected and actual earnings on pension plan investments	38,318	-
Changes in assumptions	143,635	-
LEA's contributions subsequent to the measurement date of June 30, 2022	<u>236,010</u>	<u>(not applicable)</u>
Total	<u>\$ 663,877</u>	<u>\$ 93,750</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<u>Year Ended June 30,</u>	
2024	\$ 38,364
2025	38,674
2026	33,394
2027	91,675
2028	40,166
Thereafter	91,843

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

Payable to the pension plan – At June 30, 2023, Collierville School's reported a payable of \$47,812 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

401(k) plan – The Plan provides a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Plan is managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Public school teachers are automatically enrolled, with opt-out feature, to contribute 2% of their salaries to the defined contribution (401(k)) portion of the Plan. Contributions are made on a tax-deferred basis. The School is required to contribute 5% of their salaries, which amounts to \$404,221 as June 30, 2023.

10. Post-employment Healthcare Benefits

Plan Description

Plan administration – The Collierville Schools Board of Education participates in the Tennessee School Boards Association OPEB Trust (“TSBA OPEB Trust”). On March 10, 2015 the Collierville Schools Board of Education approved a retiree healthcare plan to be administered by the TSBA OPEB Trust to be effective April 14, 2015. The School administers the Collierville Schools Employee Benefits Plan (“CSEBP”)—a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (“OPEB”).

Management of the CSEBP is vested in the TSBA Board of Trustees (TSBA Board), which consists of seven (7) members – five (5) appointed by the governing boards of the participating members of the Trust, and the Executive Director and President of the Tennessee School Board Association are an ex-officio members.

Employees who retire from the School and qualify for TCRS Service Retirement under the Tennessee Consolidated Retirement System may be eligible for post-retirement health benefits. Eligible employees must complete fifteen (15) years of continuous service with Collierville Schools. Those who are former employees of Shelby County Schools or Memphis City Schools must have fifteen (15) years of continuous service Collierville, Shelby County, and/or Memphis City Schools prior to retirement. Eligible employees must be enrolled in a Collierville Schools health insurance plan for one (1) year immediately before the retirement date.

Plan membership – At June 30, 2023, participants consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	92
Inactive employees entitled to but not yet receiving benefits	61
Active employees	<u>746</u>
	<u><u>899</u></u>

Benefits provided – The CSEBP provides healthcare for retirees and their eligible dependents. Retirees who are eligible to retire under TCRS guidelines, have 15 consecutive years of service with Collierville Schools, and were hired before September 1, 2019, may continue to participate in the School’s plan options that are available to active employees for life. Post-65 retirees can enroll in a third-party Advantage Plan.

Benefits and premiums are set by the Board of Education. The Board is authorized to (1) add, change or end any coverage offered, (2) change or discontinue benefits, (3) establish premiums and (4) change the rules for eligibility at any time, for any reason.

Contributions – For the year ended June 30, 2023, the School contributed \$1,201,780 to the OPEB plan. The amount contributed is based on an actuarial valuation and available funds for the year. For the year ended June 30, 2023, the School’s average contribution rate was 1.9 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

Investments

Investment policy – TSBA OPEB Trust’s policy in regard to the allocation of invested assets is established and may be amended by the TSBA OPEB Trust Board of Trustees by a majority vote of its members. It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. TSBA OPEB Trust’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

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Rate of return - For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 11.64 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Net OPEB liability

Actuarial assumptions - Actuarial valuations of an ongoing postemployment benefits plan involve 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 following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive postemployment benefits (the plan as understood by the employer and retirees) 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 retirees to that point. The actuarial 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 total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	June 30, 2023
Actuarial Valuation date	July 1, 2023
Actuarial valuation method	Entry age normal level percent of salary
Discount rate	6.50%
Expected long-term rate of return on plan assets	6.50%
Health care cost trend rate	7.5% decreasing 0.5% per year to an ultimate 4.5% in 2030 and thereafter
Inflation rate	3.0%
Mortality	Various SOA Pub-2010 Mortality Table fully generational using Scale MP-2020

Change in assumptions: In 2023, the following assumptions were changed: decreased discount rate and investment rate of return from 6.60% to 6.50%.

The long-term expected rate of return on plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Equity	42.00%	8.20%
International Equity	18.00%	7.10%
Emerging Market	5.00%	8.40%
Fixed Income	<u>35.00%</u>	<u>3.90%</u>
Total	<u>100%</u>	<u>6.50%</u>

Discount rate - The School's funding policy is to pay for the pay-go cost out of the General Purpose fund and partially fund the Actuarially Determined Contribution. The final equivalent single discount rate for this year's valuation is 6.50% based on the assumption that the trust is eventually expected to be sufficient to finance all future benefit payments.

The components of the net OPEB liability of the School at June 30, 2023, were as follows:

	<u>(a) Total OPEB Liability</u>	<u>(b) Plan Fiduciary Net Position</u>	<u>(a) – (b) Net OPEB Liability (Asset)</u>
Balance at June 30, 2022	\$ 34,147,898	\$ 1,991,756	\$ 32,156,142
Changes for the year:			
Service cost	1,924,068	-	1,924,068
Interest	2,351,466	-	2,351,466
Difference between expected and actual experience	(12,672,332)	-	(12,672,332)
Changes in assumptions	1,275,272	-	1,275,272
Contributions- employer	-	1,201,780	(1,201,780)
Net investment income	-	242,470	(242,470)
Benefit payments, including refunds of employee contributions	(901,780)	(901,780)	-
Administrative expense	-	(8,826)	8,826
Net changes	<u>(8,023,306)</u>	<u>533,644</u>	<u>(8,556,950)</u>
Balance at June 30, 2023	<u>\$ 26,124,592</u>	<u>\$ 2,525,400</u>	<u>\$ 23,599,192</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net OPEB liability	\$ 26,928,466	\$ 23,599,192	\$ 20,793,491

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Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point than the current healthcare cost trend rates:

	<u>1% Decrease (6.5% decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)</u>	<u>1% Increase (8.5% decreasing to 5.5%)</u>
Net OPEB liability	\$ 20,231,168	\$ 23,599,192	\$ 27,760,386

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB expense – For the year ended June 30, 2023, the plan had OPEB expense of \$1,974,349.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2023, the School reported deferred outflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 55,839	\$ 15,937,919
Changes of assumptions	2,069,865	2,411,144
Net difference between projected and actual earnings on OPEB plan investments	<u>50,411</u>	<u>-</u>
Total	<u>\$ 2,176,115</u>	<u>\$ 18,349,063</u>

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

<u>Year Ended June 30,</u>	
2024	\$ (2,331,554)
2025	(2,649,147)
2026	(1,536,057)
2027	(1,626,291)
2028	(1,605,980)
Thereafter	(6,423,919)

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11. Fund balances

Following is more detailed information on the governmental fund balances:

	General Purpose Funds	Student Activity Funds	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Capital Projects Fund	Total Governmental Fund
Fund Balance:							
Non-spendable:							
Inventory	\$ -	\$ 21,477	\$ -	\$ 28,073	\$ -	\$ -	\$ 49,550
Prepaid expenses	13,192	-	-	-	-	-	13,192
Restricted:							
Education	2,263	-	-	-	169,873	-	172,136
Nutrition	-	-	-	1,776,432	-	-	1,776,432
Trust investment	1,764,440	-	-	-	-	-	1,764,440
Student activities	-	1,385,604	-	-	-	-	1,385,604
Assigned:							
Capital projects	-	-	-	-	-	2,795,495	2,795,495
OPEB contributions	1,440,313	-	-	-	-	-	1,440,313
Unassigned	<u>30,791,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,791,705</u>
Total fund balance	<u>\$34,011,913</u>	<u>\$ 1,407,081</u>	<u>\$ -</u>	<u>\$ 1,804,505</u>	<u>\$ 169,873</u>	<u>\$ 2,795,495</u>	<u>\$40,188,867</u>

12. Risk Management

Collierville Schools maintains commercial insurance to cover significant losses for all major programs related to property and liability. For insured programs, there have been no significant reductions in insurance coverage during the year. Settlement amounts have not exceeded insurance coverage for the past three years.

Effective July 1, 2014, Collierville Schools entered into an Interlocal Health Benefit Plan Trust Agreement (the "Interlocal Health Plan") with several of the other local municipalities in order to reduce costs of benefit plan administration and lower premium rates. The Interlocal Health Plan is accounted for under a pooling of risk arrangement. As such, Collierville Schools is only liable for their portion of plan premiums plus any outstanding capital requirements from the Interlocal Health Plan. The liability for any IBNR claims is borne by the Interlocal Health Plan and not by the individual members. Total premiums paid to the Interlocal Health Plan for the year ended June 30, 2023 were \$11,268,536.

13. Commitments and Contingencies

At June 30, 2023, Collierville Schools was obligated under uncompleted contracts for approximately \$39,485. The cost represents architect fees for the renovation of the new central office for Collierville Schools.

Board of Education of Collierville Schools
Notes to Financial Statements
June 30, 2023

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Schools carries commercial insurance. In 2023, there were no material liability claims made by the school and settled claims resulting from these risks have not exceeded commercial limits in any of the past three years.

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the School. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

Required Supplementary Information

Board of Education of Collierville Schools
Schedule of Proportionate Share of Net Pension Liability (Asset)
– Teacher Legacy Pension Plan of TCRS
Years Ended June 30, *

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of net pension asset	1.013728%	1.023418%	1.020689%	1.014989%	0.935380%	0.916457%	0.909980%	0.806559%	0.010312%
Proportionate share of the net pension (asset) liability	\$ (12,432,409)	\$ (44,142,479)	\$ (7,783,508)	\$ (10,435,910)	\$ (3,291,522)	\$ (299,849)	\$ 5,686,872	\$ 330,394	\$ (1,676)
Covered payroll	\$ 33,361,524	\$ 33,638,051	\$ 33,973,901	\$ 34,044,269	\$ 32,754,587	\$ 32,375,060	\$ 32,848,484	\$ 30,193,596	\$ 404,757
Proportionate share of the net asset as a percentage of covered	-37.27%	-131.23%	-22.91%	-30.65%	-10.05%	-0.93%	17.31%	1.09%	-0.41%
Plan fiduciary net position as a percentage of the total pension liability	104.42%	116.13%	103.09%	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

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

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Board of Education of Collierville Schools
Schedule of Contributions* – Teacher Legacy Pension Plan of TCRS
Years Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required	\$ 2,986,415	\$ 3,436,198	\$ 3,449,727	\$ 3,611,136	\$ 3,559,959	\$ 2,974,058	\$ 2,928,624	\$ 2,969,500	\$ 2,729,499	\$ 35,942
Contributions in relation to the contractually required contribution	<u>2,986,415</u>	<u>3,436,198</u>	<u>3,449,727</u>	<u>3,611,136</u>	<u>3,559,959</u>	<u>2,974,058</u>	<u>2,928,624</u>	<u>2,969,500</u>	<u>2,729,499</u>	<u>35,942</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$34,350,135	\$33,361,524	\$33,638,051	\$33,973,901	\$34,044,269	\$32,754,587	\$32,375,060	\$32,848,484	\$30,193,596	\$ 404,757
Contributions as a percentage of covered payroll	8.69%	10.30%	10.26%	10.63%	10.46%	9.08%	9.05%	9.04%	9.04%	8.88%

*GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed

Change in assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Board of Education of Collierville Schools
Schedule of Proportionate Share of Net Pension Asset
– Teacher Retirement Plan of TCRS
Years Ended June 30, *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of net pension asset	0.903362%	0.867437%	0.817590%	0.865494%	0.748652%	0.634966%	0.473838%	0.438730%
Proportionate share of the net pension asset	\$ (273,651)	\$ (939,618)	\$ (464,916)	\$ (488,559)	\$ (339,535)	\$ (167,525)	\$ (49,328)	\$ (17,650)
Covered payroll	\$ 15,467,054	\$ 12,357,702	\$ 10,332,669	\$ 9,085,252	\$ 6,542,299	\$ 4,188,789	\$ 2,084,918	\$ 911,572
Proportionate share of the net pension asset as a percentage of covered payroll	-1.77%	-7.60%	-4.50%	-5.38%	-5.19%	-4.00%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	104.55%	121.53%	116.52%	123.07%	126.97%	126.81%	121.88%	127.46%

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

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB 68 website for prior year's data, if needed

Board of Education of Collierville Schools
Schedule of Contributions – Teacher Retirement Plan of TCRS
Years Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required	\$ 507,353	\$ 310,077	\$ 252,885	\$ 209,442	\$ 177,679	\$ 106,689	\$ 166,701	\$ 52,190	\$ 22,789
Contributions in relation to the to the contractually required contribution	<u>507,353</u>	<u>310,077</u>	<u>252,885</u>	<u>209,442</u>	<u>177,679</u>	<u>261,693</u>	<u>166,701</u>	<u>83,396</u>	<u>36,463</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (155,004)</u>	<u>\$ -</u>	<u>\$ (31,206)</u>	<u>\$ (13,674)</u>
Covered payroll	\$ 17,720,154	\$ 15,467,054	\$ 12,357,702	\$ 10,332,669	\$ 9,085,252	\$ 6,542,299	\$ 4,188,789	\$ 2,084,918	\$ 911,572
Contributions as a percentage of covered payroll	2.86%	2.00%	2.05%	2.03%	1.96%	4.00%	3.98%	4.00%	4.00%

In 2022, the School placed the actuarial determined contribution rate (2.00%) of covered payroll into the pension plan and placed 2.00 percent of covered payroll into the Pension Stabilization Reserve Trust

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB 68 website for prior year's data, if needed.

Change in assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Board of Education of Collierville Schools
Schedule of Participation – Legacy Public Employee Retirement Plan of TCRS
Years Ended June 30,

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:								
Service cost	\$ 547,985	\$ 544,338	\$ 618,368	\$ 633,094	\$ 671,753	\$ 669,582	\$ 805,568	\$ 729,290
Interest	427,417	364,779	328,827	266,813	215,749	157,592	114,304	54,690
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between actual and expected experience	131,379	106,366	(304,907)	20,895	(112,617)	8,841	(196,811)	(61,435)
Change of assumptions	-	377,030	-	-	-	51,537	-	-
Benefit payments, including refunds of employee contributions	(101,999)	(88,965)	(55,773)	(45,646)	(18,151)	(12,051)	(7,743)	(192)
Net change in total pension liability	1,004,782	1,303,548	586,515	875,156	756,734	875,501	715,318	722,353
Total pension liability – beginning	5,835,125	4,531,577	3,945,062	3,069,906	2,313,172	1,437,671	722,353	-
Total pension liability – ending (a)	<u>\$ 6,839,907</u>	<u>\$ 5,835,125</u>	<u>\$ 4,531,577</u>	<u>\$ 3,945,062</u>	<u>\$ 3,069,906</u>	<u>\$ 2,313,172</u>	<u>\$ 1,437,671</u>	<u>\$ 722,353</u>
Plan fiduciary net position:								
Contributions – employer	\$ 347,160	\$ 348,532	\$ 430,080	\$ 445,058	\$ 380,282	\$ 477,714	\$ 476,176	\$ 473,757
Contributions – employee	184,660	180,858	231,975	242,462	243,147	257,669	256,837	255,533
Net investment income	(263,409)	1,324,523	218,354	262,560	223,391	207,672	28,921	11,095
Benefit payments, including refunds of employee contributions	(101,999)	(88,965)	(55,773)	(45,646)	(18,151)	(12,051)	(7,743)	-192
Administrative expense	(8,321)	(9,018)	(9,987)	(11,225)	(12,871)	(12,313)	(11,877)	(9,499)
Other	-	-	-	-	-	2,492	-	878
Net change in plan fiduciary net position	158,091	1,755,930	814,649	893,209	815,798	921,183	742,314	731,572
Plan fiduciary net position – beginning	6,674,655	4,918,725	4,104,076	3,210,867	2,395,069	1,473,886	731,572	-
Plan fiduciary net position – ending (b)	<u>\$ 6,832,746</u>	<u>\$ 6,674,655</u>	<u>\$ 4,918,725</u>	<u>\$ 4,104,076</u>	<u>\$ 3,210,867</u>	<u>\$ 2,395,069</u>	<u>\$ 1,473,886</u>	<u>\$ 731,572</u>
Plan's net pension liability (asset) – ending (a) – (b)	<u>\$ 7,161</u>	<u>\$ (839,530)</u>	<u>\$ (387,148)</u>	<u>\$ (159,014)</u>	<u>\$ (140,961)</u>	<u>\$ (81,897)</u>	<u>\$ (36,215)</u>	<u>\$ (9,219)</u>
Plan fiduciary net position as a percentage of the total pension liability	99.90%	114.39%	108.54%	104.03%	104.59%	103.54%	102.52%	101.28%
Covered payroll	\$ 3,693,810	\$ 3,976,252	\$ 4,308,425	\$ 4,615,070	\$ 4,862,948	\$ 5,153,327	\$ 5,154,204	\$ 5,110,652
Plan's net pension liability (asset) as a percentage of covered payroll	0.19%	-21.11%	-8.99%	-3.45%	-2.90%	-1.59%	-0.70%	-0.18%

See independent auditor's report.

**Board of Education of Collierville Schools
Schedule of Participation – Legacy Public Employee Retirement Plan of TCRS
Years Ended June 30, 2022-2015**

(Continued)

Notes to Schedule

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Changes in assumptions: In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

Board of Education of Collierville Schools
Schedule of Contributions – Legacy Public Employee Retirement Plan of TCRS
Years Ended June 30,

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 353,859	\$ 347,218	\$ 348,532	\$ 428,689	\$ 445,058	\$ 380,282	\$ 435,456	\$ 476,176	\$ 473,757
Contributions in relation to the actuarially determined contribution	<u>353,859</u>	<u>347,218</u>	<u>348,532</u>	<u>430,080</u>	<u>445,058</u>	<u>380,282</u>	<u>477,714</u>	<u>476,176</u>	<u>473,757</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,391)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,258)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,415,764	\$ 3,693,810	\$ 3,976,252	\$ 4,308,425	\$ 4,615,070	\$ 4,862,948	\$ 5,153,327	\$ 5,154,204	\$ 5,110,652
Contributions as a percentage of covered payroll	10.36%	9.40%	8.77%	9.98%	9.64%	7.82%	9.27%	9.24%	9.27%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes to Schedule

Valuation date:

Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset valuation method	10-year smoothed within a 20% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of plan investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.125%

Change in assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Board of Education of Collierville Schools
Schedule of Participation – Hybrid Employee Retirement Plan of TCRS
Years Ended June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:								
Service cost	\$ 431,637	\$ 356,819	\$ 312,743	\$ 221,787	\$ 136,737	\$ 88,280	\$ 63,579	\$ 23,680
Interest	154,395	104,047	82,594	52,423	29,427	15,887	7,356	1,776
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between actual and expected experience	25,187	157,472	(133,929)	59,348	69,069	31,785	18,442	9,366
Changes of assumptions	-	174,061	-	-	-	9,654	-	-
Benefit payments, including refunds of employee contributions	(21,362)	(8,661)	(10,511)	(6,206)	-	-	(651)	-
Net change in total pension liability	589,857	783,738	250,897	327,352	235,233	145,606	88,726	34,822
Total pension liability – beginning	1,866,374	1,082,636	831,739	504,387	269,154	123,548	34,822	-
Total pension liability – ending (a)	<u>\$ 2,456,231</u>	<u>\$ 1,866,374</u>	<u>\$ 1,082,636</u>	<u>\$ 831,739</u>	<u>\$ 504,387</u>	<u>\$ 269,154</u>	<u>\$ 123,548</u>	<u>\$ 34,822</u>
Plan fiduciary net position:								
Contributions – employer	\$ 149,904	\$ 108,130	\$ 111,693	\$ 81,588	\$ 127,254	\$ 78,585	\$ 64,046	\$ -
Contributions – employee	345,407	304,604	246,429	212,114	159,069	98,232	60,714	23,680
Net investment income	(91,750)	405,316	57,185	58,863	39,496	25,786	2,127	294
Benefit payments, including refunds of employee contributions	(21,362)	(8,661)	(10,511)	(6,206)	-	-	(651)	-
Administrative expense	(19,633)	(14,704)	(14,785)	(13,325)	(10,048)	(6,702)	(3,774)	(367)
Other	-	-	-	-	-	-	-	(4,285)
Net change in plan fiduciary net position	362,566	794,685	390,011	333,034	315,771	195,901	122,462	19,322
Plan fiduciary net position – beginning	2,171,186	1,376,501	986,490	653,456	337,685	141,784	19,322	-
Plan fiduciary net position-ending (b)	<u>\$ 2,533,752</u>	<u>\$ 2,171,186</u>	<u>\$ 1,376,501</u>	<u>\$ 986,490</u>	<u>\$ 653,456</u>	<u>\$ 337,685</u>	<u>\$ 141,784</u>	<u>\$ 19,322</u>
Plan's net pension liability (asset) – ending (a) – (b)	<u>\$ (77,521)</u>	<u>\$ (304,812)</u>	<u>\$ (293,865)</u>	<u>\$ (154,751)</u>	<u>\$ (149,069)</u>	<u>\$ (68,531)</u>	<u>\$ (18,236)</u>	<u>\$ 15,500</u>
Plan fiduciary net position as a percentage of the total pension liability	103.16%	116.33%	127.14%	118.61%	129.55%	125.46%	114.76%	55.49%
Covered payroll	\$ 6,908,059	\$ 5,748,958	\$ 5,270,168	\$ 4,476,396	\$ 3,181,347	\$ 1,964,624	\$ 1,214,266	\$ 473,607
Plan's net pension liability (asset) as a percentage of covered payroll	-1.12%	-5.30%	-5.58%	-3.46%	-4.69%	-3.49%	-1.50%	3.27%

See independent auditor's report.

**Board of Education of Collierville Schools
Schedule of Participation – Hybrid Employee Retirement Plan of TCRS
Years Ended June 30, 2022-2015**

(Continued)

Notes to Schedule

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

Changes in assumptions: In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

Board of Education of Collierville Schools
Schedule of Contributions - Hybrid Employee Retirement Plan of TCRS
Years Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 236,010	\$ 149,904	\$ 108,130	\$ 111,693	\$ 81,588	\$ 68,399	\$ 46,562	\$ 39,760	\$ -
Contributions in relation to the actuarially determined contribution	<u>236,010</u>	<u>149,904</u>	<u>108,130</u>	<u>111,693</u>	<u>81,588</u>	<u>127,254</u>	<u>78,585</u>	<u>64,046</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,855)</u>	<u>\$ (32,023)</u>	<u>\$ (24,286)</u>	<u>\$ -</u>
Covered payroll	\$ 8,082,654	\$ 6,908,059	\$ 5,748,958	\$ 5,270,168	\$ 4,476,396	\$ 3,181,347	\$ 1,964,624	\$ 1,214,266	\$ 473,607
Contributions as a percentage of covered payroll	2.92%	2.17%	1.88%	2.12%	1.82%	4.00%	4.00%	5.27%	0.00%

In 2023, the School placed the actuarially determined contribution rate (2.92%) of covered payroll into the pension plan and placed 1.08 percent of covered payroll into the Pension This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of

Notes to Schedule

Valuation date:

Actuarially determined contribution rates for 2023 were calculated based on the June 30, 2020 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies By Year
Asset valuation method	10-year smoothed within a 20% corridor to market value
Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of plan investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipate improvement
Cost of living adjustments	2.125%

Change in assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; and decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; and decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent.

See independent auditor's report.

Board of Education Collierville Schools
Schedule of Changes in Net OPEB Liability and Related Ratios
Year Ending June 30, *

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	\$ 1,924,068	\$ 2,231,859	\$ 2,448,390	\$ 66,615	\$ 95,128	\$ 72,072	\$ 191,993
Interest	2,351,466	2,239,705	2,324,098	613,855	571,143	517,593	574,836
Changes in benefit terms	-	-	-	-	-	-	-
Differences between actual and expected experience	(12,672,332)	(2,182,059)	(6,805,372)	(126,741)	335,029	339,998	(521,705)
Changes of assumptions	1,275,272	(2,946,954)	1,617,213	1,308,451	81,285	586,465	(445,884)
Benefit payments	(901,780)	(574,067)	(968,877)	(657,584)	(317,713)	(466,765)	(325,679)
Net change in total OPEB liability	(8,023,306)	(1,231,516)	(1,384,548)	1,204,596	764,872	1,049,363	(526,439)
Total OPEB liability-beginning	34,147,898	35,379,414	36,763,962	8,440,964	7,676,092	6,626,729	7,153,168
Total OPEB liability-ending (a)	<u>\$ 26,124,592</u>	<u>\$ 34,147,898</u>	<u>\$ 35,379,414</u>	<u>\$ 9,645,560</u>	<u>\$ 8,440,964</u>	<u>\$ 7,676,092</u>	<u>\$ 6,626,729</u>
Plan fiduciary net position:							
Contributions - employer	\$ 1,201,780	\$ 774,067	\$ 1,093,877	\$ 782,584	\$ 467,713	\$ 691,765	\$ 525,679
Contributions - member	-	-	-	-	-	-	-
Net investment income (loss)	242,470	(318,371)	472,492	47,275	52,549	91,298	88,623
Benefit payments	(901,780)	(574,067)	(968,877)	(657,584)	(317,713)	(466,765)	(325,679)
Administrative expense	(8,826)	(9,048)	(7,566)	(5,754)	(4,947)	(13,357)	(1,239)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	533,644	(127,419)	589,926	166,521	197,602	302,941	287,384
Plan fiduciary net position - beginning	1,991,756	2,119,175	1,529,249	1,362,728	1,165,126	862,185	574,801
Plan fiduciary net position-ending (b)	<u>\$ 2,525,400</u>	<u>\$ 1,991,756</u>	<u>\$ 2,119,175</u>	<u>\$ 1,529,249</u>	<u>\$ 1,362,728</u>	<u>\$ 1,165,126</u>	<u>\$ 862,185</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 23,599,192</u>	<u>\$ 32,156,142</u>	<u>\$ 33,260,239</u>	<u>\$ 8,116,311</u>	<u>\$ 7,078,236</u>	<u>\$ 6,510,966</u>	<u>\$ 5,764,544</u>
Plan fiduciary net position as a percentage of the total OPEB liability	9.7%	5.8%	6.0%	15.9%	16.1%	15.2%	13.0%
Covered payroll	\$ 63,568,707	\$ 59,430,447	\$ 51,432,938	\$ 57,830,560	\$ 18,853,928	\$ 20,012,457	\$ 19,429,570
Net OPEB liability as a percentage of covered-employee payroll	37.1%	54.1%	64.7%	14.0%	37.5%	32.5%	29.7%

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

* The beginning of year Total OPEB Liability for FY 2020/21 has been restated based on clarifications the actuary received from the Schools related to the Tier structure of retiree health care benefits.

See independent auditor's report.

Board of Education Collierville Schools
Schedule of Contributions – OPEB
Years Ended June 30, *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 4,711,702	\$ 4,923,628	\$ 968,877	\$ 683,208	\$ 658,937	\$ 735,990	\$ 791,692
Contributions in relation to the actuarially determined contribution	1,201,780	774,067	1,093,877	782,584	467,713	691,765	525,679
Contribution deficiency (excess)	<u>\$ 3,509,922</u>	<u>\$ 4,149,561</u>	<u>\$ (125,000)</u>	<u>\$ (99,376)</u>	<u>\$ 191,224</u>	<u>\$ 44,225</u>	<u>\$ 266,013</u>
Covered payroll	\$ 63,568,707	\$ 59,430,447	\$ 51,432,938	\$ 57,830,560	\$ 18,853,928	\$ 20,012,457	\$ 19,429,570
Contributions as a percentage of covered-employee payroll	1.9%	1.3%	2.1%	1.4%	2.5%	3.5%	2.7%

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

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, as of the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age, normal level percentage of salary
Amortization method	Level dollar
Amortization period	24 years
Asset valuation method	Market value of
Inflation	3.00%
Healthcare cost trend rates	7.5% decreasing 0.5% per year to an ultimate 4.5% for 2030 and therefore after. Lower for post-65 employees
Salary increases	Payroll growth including general wage inflation plus merit/ productivity increases from zero to 7.75% based on the TCRS valuation as of June 30, 2020.
Discount rate	6.50%
Investment rate of return	6.50%
Retirement age	Annual retirement rates are based on the TCRS valuation as of June 30, 2021.
Mortality	Various SOA Pub-2010 Mortality Table fully generational using Scale MP-2021

Change in assumptions: In 2020, the following assumptions were changed: decreased healthcare cost trend rates from from 8.00 percent to 7.50 percent; decreased the investment rate of return from 7.50 percent to 6.00 percent; and decreased the discount rate from 7.50 percent to 6.00 percent.

Change in assumptions: In 2021, the following assumptions were changed: increased healthcare cost trend rates from from 7.50 percent to 8.00 percent and updated mortality table from RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2020 to Pub-2010 Mortality Table fully generational using Scale MP-2020.

Change in assumptions: In 2022, the following assumptions were changed: decreased healthcare cost trend rates from 8.00 percent to 7.50 percent; increased discount rate and investment rate of return from 6.00% to 6.60%.

Change in assumptions: In 2023, the discount rate and investment rate of return decreased from 6.60% to 6.65%.

See independent auditor's report.

Board of Education Collierville Schools
Schedule of Investment Returns – OPEB
Year Ending June 30, *

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money - weighted rate of return, net of investment expense	11.64%	-14.57%	29.43%	3.48%	4.36%	8.26%	13.53%

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

Other Supplementary Information

Board of Education of Collierville Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Capital Projects Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions	<u>\$ 1,869,172</u>	<u>\$ 1,765,208</u>	<u>\$ 1,509,229</u>	<u>\$ (255,979)</u>
Total revenue	<u>1,869,172</u>	<u>1,765,208</u>	<u>1,509,229</u>	<u>(255,979)</u>
Expenditures:				
Contractual	186,918	149,000	109,515	39,485
Capital expenditures	<u>1,682,254</u>	<u>1,616,208</u>	<u>1,157,013</u>	<u>459,195</u>
	<u>1,869,172</u>	<u>1,765,208</u>	<u>1,266,528</u>	<u>498,680</u>
Total expenditures	<u>1,869,172</u>	<u>1,765,208</u>	<u>1,266,528</u>	<u>498,680</u>
Excess of revenues over expenditures before transfers	<u>-</u>	<u>-</u>	<u>242,701</u>	<u>242,701</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>242,701</u>	<u>\$ 242,701</u>
Fund balance, at July 1, 2022			<u>2,552,794</u>	
Fund balance, at June 30, 2023			<u>\$ 2,795,495</u>	

Board of Education Collierville Schools
Schedule of Revenues and Expenditures - By Type (Budgetary Basis) - Federal Projects Fund
Year Ended June 30, 2023

	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Consolidated Admin Pool</u>	<u>Title III Immigrant</u>
Revenues	\$ 2,519,205	\$ 215,661	\$ 89,484	\$ 218,849	\$ 114,713	\$ 5,514
Expenditures:						
Regular education program	1,052,584	-	-	53,195	-	-
Alternative Education Program	-	-	-	-	-	5,514
Special education program	-	-	-	-	-	-
Vocational Education Program	-	-	-	-	-	-
Health Services	-	-	-	-	-	-
Other Student Support	247,469	-	-	7,500	-	-
Support services-regular ed	824,453	211,432	88,814	155,698	112,464	-
Support services-special ed	-	-	-	-	-	-
Support services-vocational	-	-	-	-	-	-
Fiscal Services	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-
Transportation	1,710	-	-	-	-	-
Capital outlay	350,890	-	-	2,456	-	-
Total expenditures	<u>2,477,106</u>	<u>211,432</u>	<u>88,814</u>	<u>218,849</u>	<u>112,464</u>	<u>5,514</u>
Excess of revenues over expenditures	<u>42,099</u>	<u>4,229</u>	<u>670</u>	<u>-</u>	<u>2,249</u>	<u>-</u>
Overhead allocation to general fund	<u>(42,099)</u>	<u>(4,229)</u>	<u>(670)</u>	<u>-</u>	<u>(2,249)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Board of Education Collierville Schools
Schedule of Revenues and Expenditures - By Type (Budgetary Basis) - Federal Projects Fund
Year Ended June 30, 2023

(Continued)

	<u>Carl Perkins Basic</u>	<u>ARP Homeless</u>	<u>IDEA Part B</u>	<u>ARP IDEA Part B</u>	<u>IDEA Preschool</u>	<u>ARP IDEA Preschool</u>
Revenues	\$ 98,883	\$ 608	\$ 1,931,530	\$ 239,787	\$ 32,667	\$ -
Expenditures:						
Regular education program	-	-	-	-	-	-
Alternative Education Program	-	-	-	-	-	-
Special education program	-	-	1,686,570	190,088	14,235	-
Vocational Education Program	67,854	-	-	-	-	-
Health Services	-	-	-	-	-	-
Other Student Support	25,919	608	-	-	-	-
Support services-regular ed	-	-	-	-	-	-
Support services-special ed	-	-	161,580	823	7,530	-
Support services-vocational	2,837	-	-	-	-	-
Fiscal Services	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-
Transportation	-	-	2,473	-	-	-
Capital outlay	-	-	3,694	48,876	10,481	-
Total expenditures	<u>96,610</u>	<u>608</u>	<u>1,854,317</u>	<u>239,787</u>	<u>32,246</u>	<u>-</u>
Excess of revenues over expenditures	<u>2,273</u>	<u>-</u>	<u>77,213</u>	<u>-</u>	<u>421</u>	<u>-</u>
Overhead allocation to general fund	<u>(2,273)</u>	<u>-</u>	<u>(77,213)</u>	<u>-</u>	<u>(421)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Board of Education Collierville Schools
Schedule of Revenues and Expenditures - By Type (Budgetary Basis) - Federal Projects Fund
Year Ended June 30, 2023

(Continued)

	FISCAL Pre-Monitor	Math Implement	ESSER 2	ESSER 3	Innovative HS	Innovative Schools
Revenues	\$ 46,200	\$ 71,250	\$ 996,793	\$ 3,544,395	\$ 1,614,757	\$ 333,459
Expenditures:						
Regular education program	-	-	560,560	1,332,486	-	-
Alternative Education Program	-	-	-	-	-	-
Special education program	-	-	-	4,470	-	-
Vocational Education Program	-	-	-	-	416,709	103,050
Health Services	-	-	-	-	-	-
Other Student Support	-	-	-	273,939	672,031	-
Support services-regular ed	-	71,250	6,228	173,492	-	-
Support services-special ed	-	-	-	-	-	-
Support services-vocational	-	-	-	-	-	-
Fiscal Services	46,200	-	-	65,084	-	-
Operation of Plant	-	-	9,055	-	-	-
Transportation	-	-	-	-	-	-
Capital outlay	-	-	343,325	1,597,914	526,017	230,409
Total expenditures	46,200	71,250	919,168	3,447,385	1,614,757	333,459
Excess of revenues over expenditures	-	-	77,625	97,010	-	-
Overhead allocation to general fund	-	-	(77,625)	(97,010)	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Board of Education Collierville Schools
Schedule of Revenues and Expenditures - By Type (Budgetary Basis) - Federal Projects Fund
Year Ended June 30, 2023

(Continued)

	TN All Corp	ELC	Resilient School	Early Literacy Network	Literacy Train Teacher Stipend	Total
Revenues	\$ 507,057	\$ 1,581,981	\$ 100,658	\$ 40,000	\$ 57,000	\$ 14,360,451
Expenditures:						
Regular education program	-	-	-	-	57,000	3,055,825
Alternative Education Program	-	-	-	-	-	5,514
Special education program	-	-	-	-	-	1,895,363
Vocational Education Program	-	-	-	-	-	587,613
Health Services	-	1,407,506	94,775	-	-	1,502,281
Other Student Support	-	161,980	-	-	-	1,389,446
Support services-regular ed	507,057	-	5,883	40,000	-	2,196,771
Support services-special ed	-	-	-	-	-	169,933
Support services-vocational	-	-	-	-	-	2,837
Fiscal Services	-	-	-	-	-	111,284
Operation of Plant	-	-	-	-	-	9,055
Transportation	-	-	-	-	-	4,183
Capital outlay	-	12,495	-	-	-	3,126,557
Total expenditures	507,057	1,581,981	100,658	40,000	57,000	14,056,662
Excess of revenues over expenditures	-	-	-	-	-	303,789
Overhead allocation to general fund	-	-	-	-	-	(303,789)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	-

Board of Education of Collierville Schools
Schedule of Construction in Progress
Year Ended June 30, 2023

	Construction Program Expenditures	Cumulative Construction In Progress as of June 30, 2023
CO (U of M) Renovation	\$ 10,000	\$ 10,000
Window replacement at CES	6,705	-
Sound systems/server/cameras	122,472	-
Malletech	7,719	-
Library desk, front office desk	16,765	-
Conf room table, front office desk	19,064	-
Triangle sail shade	37,367	-
Stage lighting at CHS	10,627	-
Irrigation at TOES	13,430	-
Warehouse	16,700	28,700
RTU for BSE	6,437	-
Flooring for TOES	39,847	-
Clocks for TOES	13,028	-
Shot put vector at CHS	23,573	-
HVAC units for Paul Cox Fieldhouse	8,980	-
MERV 13 filters for schools	61,512	-
Automatic paper towel dispensers	64,091	-
Building automation at WCMS	11,038	-
Polygon structure at Crosswind/Sycamore	206,683	-
HVAC replacement at Sycamore	529,855	-
CHS Addition	951,016	1,246,565
Security access at Sycamore Elem	75,409	-
Acoustical upgrades	35,279	-
Anatomage Table	79,500	-
Flight Simulators	575,237	-
Food Service Equipment	162,432	-
Clock system at BSE	12,343	-
Gym LED Lighting at SFES	18,489	-
Gym Scoreboard at WCMS	66,237	-
Markerboards at CES	62,290	-
Cafeteria Tables at SFES	63,000	-
Window Replacement at CES	104,900	-
Gym Floor at SFES	99,862	-
Dishwasher at TOES	49,999	-
Student Desks and Chairs at CRSW, SFES	208,780	-
Long Range Planning Study (District)	153,752	-
CO (U of M) Renovation	109,515	109,515
Crosswind Renovation	-	55,537
CES Gymnasium	317,361	-
	<u>\$ 4,371,294</u>	<u>\$ 1,450,317</u>
Total	<u>\$ 4,371,294</u>	<u>\$ 1,450,317</u>

See independent auditor's report.

**Board of Education of Collierville Schools
Schedule of Changes in Long-Term Obligations
Year Ending June 30, 2023**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Issue Date	Maturity Date	Outstanding July 1, 2022	Issued During Period	Paid During Period, net of Interest	Outstanding June 30, 2023
Settlement liability	\$ 6,093,828	2.20%	11/1/2014	11/1/2025	\$ 1,952,289	\$ -	\$ (472,245)	\$ 1,480,044
Equipment financing - 2020	2,544,036	2.60%	8/1/2020	8/1/2022	867,019	-	(867,019)	-
Equipment financing - 2022	2,490,177	2.61%	4/18/2022	4/18/2024	1,679,757	-	(831,033)	848,724
					<u>2,546,776</u>	-	(1,698,052)	848,724
Subscription Arrangements-2022	299,682	2.84% - 2.85%	2022	8/31/2026	299,682		(78,774)	220,908
Subscription Arrangements-2023	1,051,814	2.88% -4.27%	2023	4/29/2029		1,051,814	(467,018)	584,796
					<u>299,682</u>	<u>1,051,814</u>	<u>(545,792)</u>	<u>805,704</u>
					<u>\$ 4,798,747</u>	<u>\$ 1,051,814</u>	<u>\$ (2,716,089)</u>	<u>\$ 3,134,472</u>

**Board of Education of Collierville Schools
 Schedule of Changes in Lease Obligations
 Year Ending June 30, 2023**

<u>Description of Leases Payable</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Restated Outstanding July 1, 2022</u>	<u>Issued During Period</u>	<u>Paid and/or Matured During Period</u>	<u>Remeasurements</u>	<u>Outstanding June 30, 2023</u>
Warehouse Building	\$ 40,298	0.47%	September 1, 2019	August 31, 2022	\$ 5,797	\$ -	\$ (5,797)	\$ -	\$ -

See independent auditor's report.

Board of Education of Collierville Schools
Schedule of Long-Term Debt, Principal, and Interest Requirements
Year Ended June 30, 2023

<u>Fiscal Year:</u>	<u>Settlement liability</u>		<u>Financing Lease</u>		<u>Subscriptions</u>		<u>Subscriptions</u>	
	<u>Principal</u>	<u>Interest</u>	<u>2022 Issue Principal</u>	<u>2022 Issue Interest</u>	<u>2022 Issues Principal</u>	<u>2022 Issues Interest</u>	<u>2023 Issues Principal</u>	<u>2023 Issues Interest</u>
2024	\$ 482,635	\$ 25,184	\$ 848,724	\$ 25,036	\$ 74,787	\$ 5,844	\$ 234,701	\$ 6,722
2025	493,253	14,566	-	-	145,856	5,658	96,401	11,463
2026	504,156	3,663	-	-	265	-	253,694	8,518
	<u>\$ 1,480,044</u>	<u>\$ 43,413</u>	<u>\$ 848,724</u>	<u>\$ 25,036</u>	<u>\$ 220,908</u>	<u>\$ 11,502</u>	<u>\$ 584,796</u>	<u>\$ 26,703</u>

Board of Education of Collierville Schools
 Schedule of Operating Transfers
 Year Ended June 30, 2023

	<u>Transfers In</u>	<u>Transfers Out</u>
FUNDS:		
General fund:		
Federal projects fund	\$ 463,436	\$ -
	<u>463,436</u>	<u>-</u>
Federal projects fund:		
Discretionary fund	-	40,353
General fund	-	463,436
	<u>-</u>	<u>503,789</u>
Discretionary fund:		
General fund	40,353	-
	<u>40,353</u>	<u>-</u>
	<u>\$ 503,789</u>	<u>\$ 503,789</u>

Board of Education of Collierville Schools
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023

Federal Assistance Listing Number	Pass-through Entity Identifying Number or Contract Number	Federal Grantor/ Pass-Through Grantor/ Program or Cluster	Expenditures
<u>Federal Awards:</u>			
<u>U.S. Department of Agriculture Programs</u>			
<u>Pass Through Tennessee Department of Education:</u>			
Child Nutrition Cluster:			
10.553	N/A	School Breakfast Program	\$ 134,614
10.555	N/A	National School Lunch Program - non-cash	44,366
10.555	N/A	National School Lunch Program- cash	831,084
10.555	N/A	Child Nutrition Emergency Cost Funds	-
10.555	N/A	Pandemic EBT Local Admin Cost Grant	3,135
10.555	N/A	Rebate of Storage and Distribution Fees	5,220
10.555	N/A	NSLP Supply Chain Assistance Grant	<u>273,982</u>
		Total Child Nutrition Cluster	1,292,401
<u>U.S. Department of Education Programs</u>			
<u>Pass-Through from the Tennessee Department of Education</u>			
84.010	S010A160042	Title I Grants to Local Education Agencies	2,519,205
84.010	S010A160042	Consolidated Administration Pool	<u>114,446</u>
		Total Title I Grants to Local Educational Agencies	2,633,651
84.367	S367A160040	Title II, Part A Improving Teacher Quality State Grants	215,661
84.367	S367A160040	Consolidated Administration Pool	<u>89</u>
		Total Title II, Part A Improving Teacher Quality State Grants	215,750
84.365	S365A170042	Title III Language Instruction	89,484
84.365	S365A170042	Consolidated Administration Pool	89
84.365	S365A170042	Title III Immigrant Grant	<u>5,514</u>
		Total Title III, Language Instruction	95,087
84.424	S424A17004	Title IV Student Support	182,211
84.424	S424A17004	Title I	36,638
84.424	S424A17004	Consolidated Administration Pool	<u>89</u>
		Total Title IV, Student Support	218,938
Special Education Cluster (IDEA):			
84.027	H027A160052	IDEA Part B-Special Education Grants to States	1,931,530
84.173	H173A160095	IDEA-Special Education PreSchool Grants	32,667
84.027X	H027X210052	COVID-19-IDEA	<u>239,787</u>
		Total Special Education Cluster (IDEA)	<u>2,203,984</u>
84.048A	V048A170042	Carl D. Perkins Career and Technical Education Vocational Education Basic Grant to States: Perkins Basic Grant	<u>98,883</u>
		Total Carl D. Perkins Career & Technology	98,883

**Board of Education of Collierville Schools
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023**

(Continued)

Federal Assistance Listing Number	Pass-through Entity Identifying Number or Contract Number	Federal Grantor/ Pass-Through Grantor/ Program or Cluster	Expenditures
84.425D	S425D210047	COVID-19: Elementary and Secondary School Emergency Relief Fund Grants to Local Educational Agencies 2.0	996,793
84.425D	S425D200047	COVID-19: The Coronavirus Aid, Relief And Economic Security Act Grants to Local Educational Agencies	71,250
84.425D	S425D200047	COVID-19: The Coronavirus Aid, Relief And Economic Security Act-Innovative High School Models	1,614,757
84.425D	S425D200047	COVID-19: The Coronavirus Aid, Relief And Economic Security Act-Early Literacy Network Grant	40,000
84.425D	S425D200047	COVID-19: The Coronavirus Aid, Relief and Economic Security Act-Innovative School Models	333,459
84.425D	S425D200047	COVID-19: The Coronavirus Aid, Relief And Economic Security Act-Literacy Training Stipend Grant	57,000
84.425U	S425U210047	COVID-19: American Rescue Plan-ESSER to Local Educational Agencies 3.0	3,544,395
84.425U	S425U210047	COVID-19: American Rescue Plan-Tennessee All Corps	507,057
84.425D	S425U210047	COVID-19: American Rescue Plan-Fiscal Pre-Monitoring Support Grants	46,200
84.425W	S425W210044-21A	COVID-19: American Rescue Plan Act/ESSER -Homeless Children & Youth	608
		Total Education Stabilization Fund	7,211,519
		Total U.S. Department of Education	<u>12,677,812</u>
		<u>U.S. Department of Health and Human Services</u>	
		<u>Pass Through Tennessee Department of Health:</u>	
93.323	N/A	COVID-19: Epidemiology and Laboratory Capacity Grant	1,581,983
		COVID-19: Resilient School Communities Grant	<u>100,658</u>
		Total U.S. Department of Health Programs	1,682,641
		Total Federal Awards	<u>\$ 15,652,854</u>
<u>State Awards:</u>			
		<u>Tennessee Department of Education:</u>	
		Basic Education Program	\$ 48,726,512
		Career Ladder	92,414
		School Nutrition Match	32,675
		Voluntary Pre-K	190,137
		Coordinated School Health	85,447
		Safe Schools	206,085
		Summer Learning Camps	<u>172,801</u>
		Total State Awards	<u>49,506,071</u>
		Total Federal and State Awards	<u>\$ 65,158,925</u>

1. Basis of Presentation

The accompanying schedule of expenditures federal awards includes the federal grant activity of Collierville Schools (the "School"). The information in this financial statement is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Company.

During the year ended June 30, 2023, the School did not pass through any federal funds to subrecipients and there were no loan programs.

2. Summary of Significant Accounting Policies

Expenditures reported on the financial statement are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance

3. Non-Monetary Assistance

Non-monetary assistance is reported in the schedule of expenditures of federal and state awards at the fair market value of the commodities received and disbursed. For the year ended June 30, 2023, the Board of Education of Collierville Schools received food commodities totaling \$44,366.

Compliance

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

Independent Auditor's Report

Board of Education of Collierville Schools
Collierville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the Board of Education of Collierville Schools (the "Schools"), which are collectively a division of the Town of Collierville, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the Schools' basic financial statements, and have issued our report thereon dated December 14, 2023, which contained an emphasis of matter paragraph disclosing that the financial statements of Collierville Schools are intended to present only that portion of the Town that is attributable to the transactions of Collierville Schools. They do not purport to, and do not, present fairly the financial position of the Town as of June 30, 2023, the changes in its financial position, or budgetary comparison for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

FORVIS

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

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

FORVIS,LLP

**Memphis, Tennessee
December 14, 2023**

Report on Compliance for the Major Federal Programs and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of Education of Collierville Schools
Collierville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Board of Education of Collierville Schools' ("Collierville Schools") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Schools' major federal programs for the year ended June 30, 2023. Collierville Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Collierville Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditors' Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of Collierville Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Collierville Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Collierville Schools' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Collierville Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Collierville Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Collierville Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Collierville Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Collierville Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

FORVIS

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

FORVIS,LLP

Memphis, Tennessee

December 14, 2023

**Board of Education of Collierville Schools
Schedule of Findings and Questioned Costs**

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? _yes x_no
Significant deficiency(ies) identified not considered to be material weaknesses? _yes x_none reported
Noncompliance material to financial statements noted? _yes x_no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? _yes x_no
Significant deficiency(ies) identified not considered to be material weaknesses? _yes x_none reported
Type of auditors' report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) _yes x_no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U/84.425W	COVID-19 – Education Stabilization Fund
93.323	COVID-19 – Epidemiology and Laboratory Capacity Grant
84.010	Title I

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

Current Year Finding

None reported

Prior Year Findings

None reported

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Current Year Findings

None reported

**Board of Education of Collierville Schools
Schedule of Findings and Questioned Costs**

Prior Year Findings

2022-001: Material Weakness and Material Noncompliance – Davis-Bacon Wage Rate Requirements

Corrected