



**Morgan County Schools Regular Monthly Meeting
November 5, 2019 6:00 PM
Morgan County Schools - Central Office**

1. **Prayer**
2. **Pledge**
3. **Good News**
4. **Audience Participation**
5. **MCEA**
6. **Items to add to the Agenda**
7. **Approval of Agenda**
8. **Approval of minutes from October 1, 2019 meeting.**
9. **Consent Agenda**
 - A. Next regular Board Meeting - December 3, 2019 6pm
 - B. Next regular Workshop - November 19, 2019 6pm at Central High School
10. **Recess in recognition of Oakdale School Cafeteria Manager, Kathy Summers, for 20 years of service**
11. **GP Budget Report**
12. **Oakdale Middle School Jr. Beta to attend state conference in Nashville, TN November 23-25.**
13. **Oakdale and Coalfield High Schools Sr. Beta Club to attend state conference in Nashville, TN November 21-23.**
14. **MCCTC request to surplus "Old Tapco Metal Brake and Windy Port-O-Brake"**

15. **Permission for PJ Beta Club to attend State Conference in Nashville, November 23-25, 2019**
16. **Update on Pizza for each of the schools**
17. **Budget Amendments**
18. **Director Search**
19. **Director's Announcements**
 - A. Results of Internal School Funds Audit
 - B. TSBA Conference November 14 - 17
20. **Adjourn**



MORGAN COUNTY SCHOOLS

136 Flat Fork Rd., Wartburg, TN 37887

Ronnie Wilson, Director of Schools
David Treece, Asst. Director of Schools

CENTRAL OFFICE

Phone: (423) 346-6214 • Fax: (423) 346-6043
<http://www.mcsed.net>

Morgan County Schools Regular Monthly Meeting October 1, 2019 6:00 PM Morgan County Schools - Central Office

MEMBERS PRESENT: Attendance Taken at 5:56 PM. Tony Dagley: Present, Ben Jackson: Present, Michael Ledbetter: Present, Glen Moore: Present, Wade Summers: Present, Billy Ward: Present.

1. Prayer

2. Pledge

3. Good News

4. Audience Participation

5. MCEA

6. Items to add to the Agenda

On a motion by Michael Ledbetter and seconded by Tony Dagley the Board voted to Item # 16 to the agenda for approval for Central High School to attend Beta Club Convention in Nashville November 21 - 23. Motion carried.

Tony Dagley: Yea, Ben Jackson: Yea, Michael Ledbetter: Yea, Glen Moore: Yea, Wade Summers: Yea, Billy Ward: Yea

Yea: 6, Nay: 0

7. Approval of Agenda

On a motion by Glen Moore and seconded by Michael Ledbetter the Board voted to approve the agenda. Motion carried.

Tony Dagley: Yea, Ben Jackson: Yea, Michael Ledbetter: Yea, Glen Moore: Yea, Wade Summers: Yea, Billy Ward: Yea

Yea: 6, Nay: 0

8. Approval of minutes from September 3rd meeting

On a motion by Michael Ledbetter and seconded by Tony Dagley the Board voted to approve minutes from the last Board meeting. Motion carried.

Tony Dagley: Yea, Ben Jackson: Yea, Michael Ledbetter: Yea, Glen Moore: Yea, Wade Summers: Yea, Billy Ward: Yea

Yea: 6, Nay: 0

9. Consent Agenda

On a motion by Tony Dagley and seconded by Michael Ledbetter the Board voted to approve the consent agenda as presented.. Motion carried.

Tony Dagley: Yea, Ben Jackson: Yea, Michael Ledbetter: Yea, Glen Moore: Yea, Wade Summers: Yea, Billy Ward: Yea

Yea: 6, Nay: 0

A. Next regular Board Meeting - November 5, 2019 6pm Central Office

B. Next regular Workshop - October 29, 2019 Sunbright School

10. 2019-20 GP Budget Report

11. Approval of Headstart MOU for PreK

On a motion by Glen Moore and seconded by Billy Ward the Board voted to approve the MOU between Morgan County Schools and Headstart. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

12. Request to Surplus Woods mower

On a motion by Tony Dagley and seconded by Billy Ward the Board voted to approve the surplussing of the Woods mower. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

13. Indento-Go Fingerprinting and Background Checks

On a motion by Billy Ward and seconded by Tony Dagley the Board voted to approve the Central Office as a location for Background Checks using Indento Go. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

13. Approval for CES to build a fence on the northwest boundary of grounds.

On a motion by Tony Dagley and seconded by Glen Moore the Board voted to grant permission for Central Elementary to build a fence on the northwest boundary of grounds.. Motion Tabled.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

15. Bus Grant

On a motion by Billy Ward and seconded by Ben Jackson the Board voted to purchase bus with AC and stop cameras with Grant money. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

16. Permission for Central High School to attend Beta Club Convention November 21 - 23, 2019

On a motion by Michael Ledbetter and seconded by Tony Dagley the Board voted to grant permission to Central High School to attend the National Beta Club Convention in Nashville, TN November 21 - 23.. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

17. Budget Amendments

On a motion by Tony Dagley and seconded by Billy Ward the Board voted to approve budget amendments 17 - 32 as presented. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

18. MOU between Morgan County Schools and MCEA

On a motion by Michael Ledbetter and seconded by Tony Dagley the Board voted to approve the MOU between Morgan County Schools and MCEA. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

19. School Board Policy 4.406 Technology Acceptable Use and Internet Safety Guidelines - Second Reading

On a motion by Wade Summers and seconded by Glen Moore the Board voted to approve changes made to School Board Policy 4.406 Technology Acceptable Use and Internet Safety Guidelines on the Second Reading. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

20. School Board Policy 6.312 Use of Personal Communication Devices and Electronics Devices - Second Reading

On a motion by Glen Moore and seconded by Tony Dagley the Board voted to approve the changes made to School Board Policy 6.312 Use of Personal Communication Devices and Electronics Devices on the Second Reading. Motion carried.

Tony Dagley: **Yea**, Ben Jackson: **Yea**, Michael Ledbetter: **Yea**, Glen Moore: **Yea**, Wade Summers: **Yea**, Billy Ward: **Yea**

Yea: 6, Nay: 0

21. Director Search

22. Director's Announcements

A. TSBA Leadership Conference 11/15 - 11/17

23. Adjourn

MORGAN COUNTY SCHOOLS

EXPENDITURE REPORT

For Month Ended October 31, 2019

| | MONTH OF OCTOBER | | | OCTOBER YEAR-TO-DATE | | |
|--------------------------------------|------------------|-----------|------|----------------------|------------|-----|
| | Activity | Budget | % | Activity | Budget | % |
| 141 - G.P. SCHOOLS | | | | | | |
| 71100 - REGULAR INSTRUCTION | 1,264,792 | 824,641 | 153% | 2,965,187 | 11,143,798 | 27% |
| 71200 - SPECIAL EDUC PROG | 132,774 | 113,231 | 117% | 370,302 | 1,530,147 | 24% |
| 71300 - VOCATIONAL EDUC PROG | 63,379 | 68,856 | 92% | 171,034 | 930,482 | 18% |
| 72110 - ATTENDANCE | 11,242 | 12,030 | 93% | 76,469 | 162,567 | 47% |
| 72120 - HEALTH SERVICES | 22,807 | 21,179 | 108% | 71,028 | 286,209 | 25% |
| 72130 - OTHER STUDENT SUPP | 34,232 | 38,419 | 89% | 235,082 | 519,169 | 45% |
| 72210 - REGULAR INSTR PROG | 57,924 | 65,889 | 88% | 262,149 | 890,388 | 29% |
| 72220 - SPECIAL EDUC PROG | 20,751 | 15,791 | 131% | 72,769 | 213,398 | 34% |
| 72230 - VOCATIONAL EDUC PROG | 8,881 | 7,997 | 111% | 34,164 | 108,069 | 32% |
| 72250 -TECHNOLOGY | 37,759 | 40,719 | 93% | 150,603 | 550,259 | 27% |
| 72290 -SOLOMON FOUNDATION | 0 | 14,348 | 0% | 162,269 | 193,896 | 84% |
| 72310 - BOARD OF EDUCATION | 16,465 | 42,828 | 38% | 321,550 | 578,750 | 56% |
| 72320 - OFFICE OF SUPERINTENDENT | 27,886 | 26,591 | 105% | 124,696 | 359,337 | 35% |
| 72410 - OFFICE OF PRINCIPAL | 130,526 | 110,297 | 118% | 482,943 | 1,490,499 | 32% |
| 72610 - OPERTATION OF PLANT | 165,789 | 147,148 | 113% | 602,740 | 1,988,482 | 30% |
| 72620 - MAINTENANCE OF PLANT | 33,864 | 52,847 | 64% | 129,779 | 714,148 | 18% |
| 72710 - TRANSPORTATION | 77,072 | 72,308 | 107% | 238,842 | 977,135 | 24% |
| 73300 - FAMILY RESOURCE | 0 | 0 | | 0 | 0 | |
| 73400 - EARLY CHILDHOOD EDUC | 0 | 0 | | 0 | 0 | |
| 76100 - CAPITAL OUTLAY | 0 | 0 | | 0 | 0 | |
| 82000 - DEBT SERVICE | 0 | 36,816 | 0% | 706 | 497,516 | 0% |
| 99100 - OTHER USES | 0 | 0 | | 0 | 0 | |
| Cost Centered Programs | | | | | | |
| CSH - CO-ORDINATED SCHOOL HEALTH | 10,238 | 9,028 | 113% | 35,238 | 122,000 | 29% |
| MCFR - FAMILY RESOURCE | 4,623 | 3,871 | 119% | 15,411 | 52,310 | 29% |
| PREK - PRE K PROGRAM | 37,289 | 35,045 | 106% | 107,547 | 473,585 | 23% |
| SCC - SAVE-THE-CHILDREN (CENTRAL) | 25,441 | 23,143 | 110% | 55,308 | 312,738 | 18% |
| SCO - SAVE-THE-CHILDREN (OAKDALE) | 21,047 | 14,709 | 143% | 47,521 | 198,775 | 24% |
| SCP - SAVE-THE-CHILDREN (PJ) | 11,708 | 6,010 | 195% | 18,864 | 81,219 | 23% |
| SCS - SAVE-T-CHILDREN (SUNBRIGHT) | 19,667 | 18,632 | 106% | 41,284 | 251,778 | 16% |
| SCJ -SAVE-T-CHILD JOURNEY OF HOPE | 6,583 | 5,454 | 121% | 11,849 | 73,703 | 16% |
| JAG - JOBS FOR AMERICA'S GRADUATES | 4,140 | 3,696 | 112% | 16,730 | 49,940 | 34% |
| SPED - SPECIAL EDUCATION | 10,497 | 8,270 | 127% | 28,299 | 111,760 | 25% |
| TOTAL G.P.Schools: | 2,257,375 | 1,839,792 | 123% | 6,850,362 | 24,862,057 | 28% |
| 142 - FEDERAL PROJECTS | | | | | | |
| 011 - TITLE I, II, VI ADMINISTRATION | 10,439 | 13,266 | 79% | 40,600 | 139,644 | 29% |
| 101 - TITLE I | 64,557 | 93,817 | 69% | 244,706 | 987,548 | 25% |
| 201 - TITLE 2A | 5,426 | 18,448 | 29% | 27,694 | 194,184 | 14% |
| 401 - TITLE 4 | 0 | 0 | | 0 | 0 | |
| 501 - TITLE 5 | 0 | 7,317 | 0% | 46,094 | 77,023 | 60% |
| 720 - READ TO BE READY | 0 | 0 | | 0 | 0 | |
| 801 - CARL PERKINS | 2,607 | 9,702 | 27% | 16,986 | 102,131 | 17% |
| 901 - IDEA | 68,367 | 72,723 | 94% | 168,694 | 765,507 | 22% |
| 911 - IDEA PRESCHOOL | 7,544 | 6,421 | 117% | 18,541 | 67,590 | 27% |
| 912 - SPDG- STATE PERS. DEV GRANT | 0 | 0 | | 0 | 0 | |
| TOTAL Federal School Project: | 158,939 | 221,695 | 72% | 563,315 | 2,333,627 | 24% |
| 143 - CENTRAL CAFETERIA | | | | | | |
| 73100 - FOOD SERVICE | 235,821 | 236,027 | 100% | 602,678 | 2,433,272 | 25% |
| 73300 - COMMUNTIY SERVICES | 0 | 923 | 0% | 26,576 | 92,263 | 29% |
| TOTAL Cafeteria: | 235,821 | 236,950 | 100% | 629,254 | 2,525,535 | 25% |

MORGAN COUNTY SCHOOLS

EXPENDITURE REPORT

| | JULY | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | Y-T-D TOTAL | BUDGET | PRCT |
|--------------------------------------|----------------|------------------|------------------|------------------|-----|-----|-----|-----|-----|-----|-----|------|------------------|-------------------|--------------|
| 141 - G.P. SCHOOLS | | | | | | | | | | | | | | | |
| 71100 - REGULAR INSTRUCTION | 10,594 | 793,065 | 896,735 | 1,264,792 | | | | | | | | | 2,965,187 | 11,143,798 | 26.6% |
| 71200 - SPECIAL EDUC PROG | 1,622 | 103,797 | 132,109 | 132,774 | | | | | | | | | 370,302 | 1,530,147 | 24.2% |
| 71300 - VOCATIONAL EDUC PROG | 4,843 | 40,490 | 62,321 | 63,379 | | | | | | | | | 171,034 | 930,482 | 18.4% |
| 72110 - ATTENDANCE | 14,855 | 39,210 | 11,162 | 11,242 | | | | | | | | | 76,469 | 162,567 | 47.0% |
| 72120 - HEALTH SERVICES | 4,613 | 20,320 | 23,288 | 22,807 | | | | | | | | | 71,028 | 286,209 | 24.8% |
| 72130 - OTHER STUDENT SUPP | 29,894 | 29,894 | 141,062 | 34,232 | | | | | | | | | 235,082 | 519,169 | 45.3% |
| 72210 - REGULAR INSTR PROG | 18,626 | 56,248 | 129,352 | 57,924 | | | | | | | | | 262,149 | 890,388 | 29.4% |
| 72220 - SPECIAL EDUC PROG | 11,558 | 16,577 | 23,883 | 20,751 | | | | | | | | | 72,769 | 213,398 | 34.1% |
| 72230 - VOCATIONAL EDUC PROG | 8,201 | 8,201 | 8,881 | 8,881 | | | | | | | | | 34,164 | 108,069 | 31.6% |
| 72250 -TECHNOLOGY | 20,193 | 104,852 | -12,201 | 37,759 | | | | | | | | | 150,603 | 550,259 | 27.4% |
| 72290 -SOLOMON FOUNDATION | 7,620 | 93,634 | 61,015 | 0 | | | | | | | | | 162,269 | 193,896 | 83.7% |
| 72310 - BOARD OF EDUCATION | 269,270 | 3,609 | 32,206 | 16,465 | | | | | | | | | 321,550 | 578,750 | 55.6% |
| 72320 - OFFICE OF SUPERINTENDENT | 45,394 | 23,121 | 28,295 | 27,886 | | | | | | | | | 124,696 | 359,337 | 34.7% |
| 72410 - OFFICE OF PRINCIPAL | 100,387 | 121,555 | 130,475 | 130,526 | | | | | | | | | 482,943 | 1,490,499 | 32.4% |
| 72610 - OPERATION OF PLANT | 161,850 | 132,216 | 142,885 | 165,789 | | | | | | | | | 602,740 | 1,988,482 | 30.3% |
| 72620 - MAINTENANCE OF PLANT | 26,235 | 36,489 | 33,191 | 33,864 | | | | | | | | | 129,779 | 714,148 | 18.2% |
| 72710 - TRANSPORTATION | 17,588 | 63,415 | 80,767 | 77,072 | | | | | | | | | 238,842 | 977,135 | 24.4% |
| 73300 - FAMILY RESOURCE | 0 | 0 | 0 | 0 | | | | | | | | | 0 | 0 | |
| 73400 - EARLY CHILDHOOD EDUC | 0 | -469 | 469 | 0 | | | | | | | | | 0 | 0 | |
| 76100 - CAPITAL OUTLAY | 0 | 0 | 0 | 0 | | | | | | | | | 0 | 0 | |
| 82000 - DEBT SERVICE | 0 | 0 | 706 | 0 | | | | | | | | | 706 | 497,516 | 0.1% |
| 99100 - OTHER USES | 0 | 0 | 0 | 0 | | | | | | | | | 0 | 0 | |
| Cost Centered Programs | | | | | | | | | | | | | | | |
| CSH - CO-ORDINATED SCHOOL HEALTH | 7,558 | 7,733 | 9,710 | 10,238 | | | | | | | | | 35,238 | 122,000 | 28.9% |
| MCFR - FAMILY RESOURCE | 3,982 | 2,658 | 4,149 | 4,623 | | | | | | | | | 15,411 | 52,310 | 29.5% |
| PREK - PRE K PROGRAM | 4,375 | 28,080 | 37,804 | 37,289 | | | | | | | | | 107,547 | 473,585 | 22.7% |
| SCC - SAVE-THE-CHILDREN (CENTRAL) | 6,479 | 8,656 | 13,315 | 20,380 | | | | | | | | | 55,308 | 312,738 | 17.7% |
| SCO - SAVE-THE-CHILDREN (OAKDALE) | 3,653 | 7,498 | 12,110 | 20,173 | | | | | | | | | 52,647 | 225,107 | 23.4% |
| SCP - SAVE-THE-CHILDREN (PJ) | 0 | 1,403 | 5,752 | 11,708 | | | | | | | | | 18,864 | 81,219 | 23.2% |
| SCS - SAVE-T-CHILDREN (SUNBRIGHT) | 1,610 | 6,113 | 10,905 | 17,569 | | | | | | | | | 36,158 | 225,447 | 16.0% |
| SCJ -SAVE-T-CHILD JOURNEY OF HOPE | 0 | 1,889 | 3,378 | 6,583 | | | | | | | | | 11,849 | 73,703 | 16.1% |
| JAG - JOBS FOR AMERICA'S GRADUATES | 3,823 | 4,578 | 4,189 | 4,140 | | | | | | | | | 16,730 | 49,940 | 33.5% |
| SPED - SPECIAL EDUCATION | 0 | 7,216 | 10,586 | 10,497 | | | | | | | | | 28,299 | 111,760 | 25.3% |
| TOTAL G.P.Schools: | 784,822 | 1,762,046 | 2,038,500 | 2,249,342 | | | | | | | | | 6,850,362 | 24,862,057 | 27.6% |
| % of BUDGET - CURRENT YEAR: | 3.2% | 7.1% | 8.2% | 9.0% | | | | | | | | | 27.6% | | |
| % of BUDGET - LAST YEAR: | 4.3% | 7.4% | 8.0% | 9.6% | | | | | | | | | 29.3% | | |
| % of BUDGET - FY2017-2018: | 4.2% | 6.9% | 7.2% | 9.5% | | | | | | | | | 27.8% | | |
| 142 - FEDERAL SCHOOLS | | | | | | | | | | | | | | | |
| 011 - TITLE I, II, VI ADMINISTRATION | 9,358 | 9,527 | 11,276 | 10,439 | | | | | | | | | 40,600 | 139,644 | 29.1% |
| 101 - TITLE I | 27,853 | 61,685 | 90,611 | 64,557 | | | | | | | | | 244,706 | 987,548 | 24.8% |
| 201 - TITLE 2A | 7,364 | 5,218 | 9,686 | 5,426 | | | | | | | | | 27,694 | 194,184 | 14.3% |
| 501 - TITLE 5 | 46,094 | 0 | 0 | 0 | | | | | | | | | 46,094 | 77,023 | 59.8% |
| 720 - READ TO BE READY | 0 | 0 | 0 | 0 | | | | | | | | | 0 | 0 | |
| 801 - CARL PERKINS | 0 | 8,079 | 6,300 | 2,607 | | | | | | | | | 16,986 | 102,131 | 16.6% |
| 901 - IDEA | 0 | 31,731 | 68,596 | 68,367 | | | | | | | | | 168,694 | 765,507 | 22.0% |
| 911 - IDEA PRESCHOOL | 0 | 3,453 | 7,544 | 7,544 | | | | | | | | | 18,541 | 67,590 | 27.4% |
| 912 - SPDG- STATE PERS. DEV GRANT | 0 | 0 | 0 | 0 | | | | | | | | | 0 | 0 | |
| TOTAL Federal School Project: | 90,669 | 119,694 | 194,013 | 158,939 | | | | | | | | | 563,315 | 2,333,627 | 24.1% |
| | 3.9% | 5.1% | 8.3% | 6.8% | | | | | | | | | 24.1% | | |
| 143 - CENTRAL CAFETERIA | | | | | | | | | | | | | | | |
| 73100 - FOOD SERVICE | 15,862 | 97,514 | 253,482 | 235,821 | | | | | | | | | 602,678 | 2,433,272 | 24.8% |
| 73300 - COMMUNITY SERVICES | 22,074 | 4,502 | 0 | 0 | | | | | | | | | 26,576 | 92,263 | 28.8% |
| TOTAL Cafeteria: | 37,936 | 102,016 | 253,482 | 235,821 | | | | | | | | | 629,254 | 2,525,535 | 24.9% |
| | 1.5% | 4.0% | 10.0% | 9.3% | | | | | | | | | 24.9% | | |



Petros-Joyner Elementary School

125 Petros-Joyner School Road

Oliver Springs, TN 37840

(423) 324-8600 (423) 324-2558 fax

The mission of Petros-Joyner School is to meet the needs of all students and to challenge them to progress academically, morally, and physically. EVERY CHILD, EVERY DAY!

Laura Bunch, Principal

September 23,

2019

Dear School Board,

The Petros-Joyner Junior Beta Club is requesting an overnight trip to The Junior Beta Club State Convention in Nashville from November 22-25, 2019. A total of 18 students and 3 sponsors will be attending. Thank you for your consideration.

Sincerely,

Carlena Mayo

Barb Spurling

Phillip Richardson

Junior Beta Sponsors

MORGAN COUNTY BOARD OF EDUCATION
Food Service
November 5, 2019
BUDGET AMENDMENT
#33

| | | | |
|-------------------|-------------------------|-------|------------------|
| DEBIT | | | |
| 143-39000 | UNASSIGNED FUND BALANCE | | <u>64,763.54</u> |
| | | TOTAL | 64,763.54 |
| | | | |
| CREDIT | | | |
| 143-73100-204-ADM | STATE RETIREMENT | | <u>64,763.54</u> |
| | | TOTAL | 64,763.54 |

Explanation: Paying back General Budget for Peggy Hamby Retirement Benefits-Professional

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION

Family Resource General Purpose

August 31, 2015

BUDGET AMENDMENT

#1

DEBIT

| | | |
|---------------|------------------------------|------------------|
| 141-73300-163 | EDUCATIONAL ASSISTANTS | 23,000.00 |
| 141-73300-201 | SOCIAL SECURITY | 1,500.00 |
| 141-73300-204 | STATE RETIREMENT | 1,500.00 |
| 141-73300-206 | LIFE INSURANCE | 50.00 |
| 141-73300-207 | MEDICAL INSURANCE | 2,500.00 |
| 141-73300-208 | DENTAL INSURANCE | 65.00 |
| 141-73300-212 | EMPLOYER MEDICARE | 500.00 |
| 141-73300-355 | TRAVEL | 6,000.00 |
| 141-73300-399 | OTHER CONTRACTED SERVICES | 1,000.00 |
| 141-73300-429 | INSTRUCTIONAL SUPPLIES | 5,435.00 |
| 141-73300-499 | OTHER SUPPLIES AND MATERIALS | 4,465.00 |
| 141-73300-599 | OTHER CHARGES | 3,985.00 |
| | TOTAL | <u>50,000.00</u> |

CREDIT

| | | |
|---------------|------------------------------|------------------|
| 141-72130-189 | OTHER SALARIES & WAGES | 25,000.00 |
| 141-72130-201 | SOCIAL SECURITY | 1,500.00 |
| 141-72130-204 | STATE RETIREMENT | 1,500.00 |
| 141-72130-206 | LIFE INSURANCE | 50.00 |
| 141-72130-207 | MEDICAL INSURANCE | 1,000.00 |
| 141-72130-355 | TRAVEL | 7,000.00 |
| 141-72130-499 | OTHER SUPPLIES AND MATERIALS | 8,000.00 |
| 141-72130-599 | OTHER CHARGES | 5,950.00 |
| | TOTAL | <u>50,000.00</u> |

Explanation: State required budget to be moved FROM to Support Services/Other Student support

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
 COORDINATED SCHOOL HEALTH
 August 31, 2015
 BUDGET AMENDMENT
 #2

DEBIT

| | | |
|-------------------|------------------------|-----------|
| 141-72120-189-CSH | OTHER SALARIES & WAGES | 68,000.00 |
| 141-72120-161-CSH | SECRETARY(S) | 25,700.00 |
| 141-72120-429-CSH | INSTRUCTIONAL SUPPLIES | 300.00 |
| | TOTAL | 94,000.00 |

CREDIT

| | | |
|-------------------|------------------------------|-----------|
| 141-72120-105-CSH | SUPERVISOR/DIRECTOR | 68,000.00 |
| 141-72120-162-CSH | CLERICAL PERSONNEL | 25,000.00 |
| 141-72120-499-CSH | OTHER SUPPLIES AND MATERIALS | 1,000.00 |
| | TOTAL | 94,000.00 |

Explanation: State Line item numbers were different.

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
GENERAL PURPOSE SPECIAL EDUCATION
August 27, 2015
BUDGET AMENDMENT
#3

DEBIT

| | | | |
|-----------|----------------------|-------|------------------|
| 141-46990 | OTHER STATE REVENUES | | <u>17,619.97</u> |
| | | TOTAL | 17,619.97 |

CREDIT

| | | | |
|---------------|------------------------|-------|-----------------|
| 141-71200-116 | TEACHERS | | 10,900.00 |
| 141-71200-201 | SOCIAL SECURITY | | 680.00 |
| 141-71200-212 | EMPLOYER MEDICARE | | 160.00 |
| 141-71200-204 | STATE RETIREMENT | | 985.00 |
| 141-71200-163 | EDUCATIONAL ASSISTANTS | | <u>4,894.97</u> |
| | | TOTAL | 17,619.97 |

Explanation: To Transfer Stellar Revenue

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
IDEA PART B
September 2, 2015
BUDGET AMENDMENT
#4

DEBIT

| | | |
|---------------|------------------------------------|-------------------|
| 142-47143-901 | EDUC OF THE HANDICAPPED ACT (IDEA) | 108,127.71 |
| | TOTAL | <u>108,127.71</u> |

CREDIT

| | | |
|-------------------|---------------------------|-------------------|
| 142-71200-163-901 | EDUCATIONAL ASSISTANTS | 50,000.00 |
| 142-71200-201-901 | SOCIAL SECURITY | 3,100.00 |
| 142-71200-204-901 | STATE RETIREMENT | 3,850.00 |
| 142-71200-212-901 | EMPLOYER MEDICARE | 725.00 |
| 142-71200-399-901 | OTHER CONTRACTED SERVICES | 25,000.00 |
| 142-72220-399-901 | OTHER CONTRACTED SERVICES | 25,452.71 |
| | TOTAL | <u>108,127.71</u> |

Explanation: To Rollover Federal Funds

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
 IDEA PRE-SCHOOL
 September 2, 2015
 BUDGET AMENDMENT
 #5

DEBIT

| | | |
|-------------------|-------------------------------------|------------------|
| 142-47145-911 | SPECIAL EDUC PRESCHOOL GRANTS (IDEA | 12,722.49 |
| 142-72220-399-911 | OTHER CONTRACTED SERVICES | <u>6,463.51</u> |
| | TOTAL | <u>19,186.00</u> |

CREDIT

| | | |
|-------------------|---------------------------|------------------|
| 142-71200-163-911 | EDUCATIONAL ASSISTANTS | 8,344.00 |
| 142-71200-201-911 | SOCIAL SECURITY | 530.00 |
| 142-71200-212-911 | EMPLOYER MEDICARE | 125.00 |
| 142-72220-189-911 | OTHER SALARIES & WAGES | 8,600.00 |
| 142-72220-201-911 | SOCIAL SECURITY | 534.00 |
| 142-72220-204-911 | STATE RETIREMENT | 778.00 |
| 142-72220-210-911 | UNEMPLOYMENT COMPENSATION | 150.00 |
| 142-72220-212-911 | EMPLOYER MEDICARE | <u>125.00</u> |
| | TOTAL | <u>19,186.00</u> |

Explanation: To Rollover Federal Funds

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
GENERAL PURPOSE
September 29, 2015
BUDGET AMENDMENT
#6

DEBIT

| | | |
|---------------|------------------------------|-----------------|
| 141-72620-499 | OTHER SUPPLIES AND MATERIALS | 7,000.00 |
| 141-72620-717 | MAINTENANCE EQUIPMENT | <u>2,342.00</u> |
| | TOTAL | 9,342.00 |

CREDIT

| | | |
|---------------|---------------------|---------------|
| 141-72620-105 | SUPERVISOR/DIRECTOR | 8,000.00 |
| 141-72620-201 | SOCIAL SECURITY | 500.00 |
| 141-72620-204 | STATE RETIREMENT | 722.00 |
| 141-72620-212 | EMPLOYER MEDICARE | <u>120.00</u> |
| | TOTAL | 9,342.00 |

Explanation: To cover the cost of a raise for the Supervisor of Maintenance.

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
 GENERAL PURPOSE
 September 29, 2015
 BUDGET AMENDMENT
 #7

| | | | |
|---------------|---------------------|-------|-----------------|
| DEBIT | | | |
| 141-72710-425 | GASOLINE | | 9,342.00 |
| | | TOTAL | <u>9,342.00</u> |
| | | | |
| CREDIT | | | |
| 141-72710-105 | SUPERVISOR/DIRECTOR | | 8,000.00 |
| 141-72710-201 | SOCIAL SECURITY | | 500.00 |
| 141-72710-204 | STATE RETIREMENT | | 722.00 |
| 141-72710-212 | EMPLOYER MEDICARE | | 120.00 |
| | | TOTAL | <u>9,342.00</u> |

Explanation: To over the cost of a raise for the Supervisor of Transportation.

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION

Federal TAP Grant
September 29, 2015
BUDGET AMENDMENT
#8

DEBIT

| | | |
|---------------|------------------------------|-------------------|
| 142-47990-962 | OTHER DIRECT FEDERAL REVENUE | 316,570.00 |
| | TOTAL | <u>316,570.00</u> |

CREDIT

| | | |
|-------------------|-----------------------------------|-------------------|
| 142-71100-116-962 | TEACHERS | 140,500.00 |
| 142-71100-188-962 | BONUS PAYMENTS | 68,250.00 |
| 142-71100-195-962 | CERTIFIED SUBSTITUTE TEACHERS | 1,125.00 |
| 142-71100-198-962 | NON-CERTIFIED SUBSTITUTE TEACHERS | 1,125.00 |
| 142-71100-201-962 | SOCIAL SECURITY | 13,082.00 |
| 142-71100-204-962 | STATE RETIREMENT | 19,075.00 |
| 142-71100-206-962 | LIFE INSURANCE | 70.00 |
| 142-71100-207-962 | MEDICAL INSURANCE | 21,564.00 |
| 142-71100-208-962 | DENTAL INSURANCE | 468.00 |
| 142-71100-210-962 | UNEMPLOYMENT COMPENSATION | 900.00 |
| 142-71100-212-962 | EMPLOYER MEDICARE | 2,499.00 |
| 142-72210-355-962 | TRAVEL | 21,960.00 |
| 142-72210-399-962 | OTHER CONTRACTED SERVICES | 9,750.00 |
| 142-72210-599-962 | OTHER CHARGES | 8,000.00 |
| 142-72410-188-962 | BONUS PAYMENTS | 7,000.00 |
| 142-72410-201-962 | SOCIAL SECURITY | 435.00 |
| 142-72410-204-962 | STATE RETIREMENT | 665.00 |
| 142-72410-212-962 | EMPLOYER MEDICARE | 102.00 |
| | TOTAL | <u>316,570.00</u> |

Explanation: Federal TAP Grant for 2015-16 year.

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
 TITLE I FEDERAL FUNDS
 September 29, 2015
 BUDGET AMENDMENT
 #9

DEBIT

| | | |
|------------------------|------------------------|-------------------|
| 142-47141-101 | ESEA TITLE I | 83,431.67 |
| 142-72210-189-101-0650 | OTHER SALARIES & WAGES | 32,523.00 |
| 142-72210-201-101-0650 | SOCIAL SECURITY | 2,015.54 |
| 142-72210-206-101-0650 | LIFE INSURANCE | 25.00 |
| 142-72210-207-101-0650 | MEDICAL INSURANCE | 9,391.45 |
| 142-72210-212-101-0650 | EMPLOYER MEDICARE | 817.00 |
| | TOTAL | <u>128,203.66</u> |

CREDIT

| | | |
|------------------------|-------------------------------|-------------------|
| 142-71100-116-101-0650 | TEACHERS | 8,200.00 |
| 142-71100-201-101-0650 | SOCIAL SECURITY | 610.00 |
| 142-71100-204-101-0650 | STATE RETIREMENT | 842.00 |
| 142-71100-212-101-0650 | EMPLOYER MEDICARE | 221.00 |
| 142-71100-399-101-0650 | OTHER CONTRACTED SERVICES | 30,000.00 |
| 142-71100-722-101-0650 | REGULAR INSTRUCTION EQUIPMENT | 70,182.66 |
| 142-72210-399-101-0650 | OTHER CONTRACTED SERVICES | 17,400.00 |
| 142-72210-208-101-0650 | DENTAL INSURANCE | 748.00 |
| | TOTAL | <u>128,203.66</u> |

Explanation: To show new revenue and allocate funds for expenditure.

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
 TITLE II FEDERAL FUNDS
 September 29, 2015
 BUDGET AMENDMENT
 #10

DEBIT

| | | |
|-------------------|------------------------------|------------------|
| 142-47189-201 | TITLE II | 38,375.16 |
| 142-72210-189-201 | OTHER SALARIES & WAGES | 10,841.00 |
| 142-72210-201-201 | SOCIAL SECURITY | 263.00 |
| 142-72210-207-201 | MEDICAL INSURANCE | 3,125.00 |
| 142-72210-208-201 | DENTAL INSURANCE | 62.00 |
| 142-72210-524-201 | IN SERVICE/STAFF DEVELOPMENT | 15,718.72 |
| | TOTAL | <u>68,384.88</u> |

CREDIT

| | | |
|-------------------|-----------------------------------|------------------|
| 142-72210-195-201 | CERTIFIED SUBSTITUTE TEACHERS | 1,000.00 |
| 142-72210-198-201 | NON-CERTIFIED SUBSTITUTE TEACHERS | 1,000.00 |
| 142-72210-204-201 | STATE RETIREMENT | 1,173.00 |
| 142-72210-206-201 | LIFE INSURANCE | 9.00 |
| 142-72210-212-201 | EMPLOYER MEDICARE | 15.00 |
| 142-72210-355-201 | TRAVEL | 50,187.88 |
| 142-72210-399-201 | OTHER CONTRACTED SERVICES | 15,000.00 |
| | TOTAL | <u>68,384.88</u> |

Explanation: To show new revenue and allocate funds for expenditure.

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
 SAVE THE CHILDREN PROGRAM
 September 23, 2015
 BUDGET AMENDMENT
 #11

DEBIT

| | | | |
|----------------|----------------------|-------|----------|
| 141-44990-SCJH | OTHER LOCAL REVENUES | | 3,120.00 |
| | | TOTAL | 3,120.00 |

CREDIT

| | | | |
|--------------------|-------------------|-------|----------|
| 141-73400-116-SCJH | TEACHERS | | 2,643.00 |
| 141-73400-201-SCJH | SOCIAL SECURITY | | 200.00 |
| 141-73400-204-SCJH | STATE RETIREMENT | | 232.00 |
| 141-73400-212-SCJH | EMPLOYER MEDICARE | | 45.00 |
| | | TOTAL | 3,120.00 |

Explanation: Save the Children has started a new after school counseling program (Journey of Hope).

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
CONSOLIDATED ADMINISTRATION FEDERAL FUNDS
September 29, 2015
BUDGET AMENDMENT
#142

DEBIT

| | | | |
|---------------|--------------|-------|----------|
| 142-47141-011 | ESEA TITLE I | | 6,820.00 |
| | | TOTAL | 6,820.00 |

CREDIT

| | | | |
|------------------------|---------------------|-------|----------|
| 142-72210-105-011-0650 | SUPERVISOR/DIRECTOR | | 3,145.00 |
| 142-72210-201-011-0650 | SOCIAL SECURITY | | 200.00 |
| 142-72210-204-011-0650 | STATE RETIREMENT | | 275.00 |
| 142-72210-212-011-0650 | EMPLOYER MEDICARE | | 50.00 |
| 142-72210-307-011-0650 | COMMUNICATION | | 150.00 |
| 142-72210-790-011-0650 | OTHER EQUIPMENT | | 3,000.00 |
| | | TOTAL | 6,820.00 |

Explanation: To show new revenue and allocate funds for expenditure.

Superintendent

Date

Chairman of the Board

Date

MORGAN COUNTY BOARD OF EDUCATION
TITLE VI FEDERAL FUNDS
September 29, 2015
BUDGET AMENDMENT
#13

| | | | |
|---------------|-----------------|-------|-----------------|
| DEBIT | | | |
| 142-47148-601 | RURAL EDUCATION | | <u>5,751.67</u> |
| | | TOTAL | 5,751.67 |

| | | | |
|-------------------|-------------------------------|-------|-----------------|
| CREDIT | | | |
| 142-71100-722-601 | REGULAR INSTRUCTION EQUIPMENT | | <u>5,751.67</u> |
| | | TOTAL | 5,751.67 |

Explanation: To show new revenue and allocated funds for expenditure.

Superintendent

Date

Chairman of the Board

Date

Morgan County Schools – Internal School Funds
136 Flat Fork Road
Wartburg, Tennessee 37887

August 29, 2019

Dennis E. Jeffers CPA PC
18707 Alberta Ave.
Oneida, TN 37841

This representation letter is provide in connection with your audit of the financial statements of Morgan County Schools – Internal School Funds as of June 30, 2019, and the respective changes in financial position for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, in conformity with accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involved an omission or misstated of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 29, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 9, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with *Tennessee Internal School Uniform Accounting Policy Manual* and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America and include all properly classified funds and other financial information of Morgan County Schools – Internal School Funds required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) All events subsequent to the date of the financial statements and for which the *Tennessee Internal School Uniform Accounting Policy Manual* requires adjustment or disclosure have been adjusted or

disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to our disclosure in the aforementioned financial statements or in the schedule of findings, recommendations & management responses.

- 6) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation claims, or assessments.
- 7) ~~Guarantees, whether written or oral, under which the Morgan County Schools – Internal School Funds is contingently liable, if any, have been properly recorded or disclosed.~~

Information Provided

- 8) We have provide you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 9) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 10) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 11) We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 12) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 13) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 14) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 15) We have made available to you all financial records and related data.
- 16) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 17) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- 18) The Morgan County Board of Education has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 19) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 20) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 21) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 23) As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 24) The Morgan County Board of Education has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The Morgan County Board of Education has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 26) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 27) Components of net position (net investment in capital assets; restricted; and unrestricted) and classification of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and if applicable, approved.
- 28) We have appropriately disclosed the Morgan County Board of Education's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted funds is available and have determined that fund balances is properly recognized under the policy.

Signed:

Title:

Signed:

Title:

Dennis E. Jeffers CPA, PC

Member of Tennessee Society of Certified Public Accounts

18707 Alberta Street
Oneida, Tennessee 37841
(423) 569-6969

August 9, 2018

Morgan County Schools – Internal School Funds
The Board of Education
Wartburg, Tennessee

We are pleased to confirm our understanding of the services we are to provide Morgan County Schools – Internal School Funds for the year ended June 30, 2019. We will audit the combined and individual fund balance sheet – regulatory basis of Morgan County Schools – Internal School Funds and the related combined and individual statements of revenues and expenditures and changes in fund balances as of and for the year then ended June 30, 2019.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your combined and individual fund balance sheets and related combined and individual statements of revenues and expenditures and changes in fund balances are fairly presented, in all material respects, in conformity with accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America, and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the combined individual fund balance sheets taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Tennessee Internal School Uniform Accounting Policy Manual, and will include tests of the accounting records of Morgan County Schools – Internal School Funds and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Morgan County Schools – Internal School Funds' financial statements. Our report will be addressed to the Board of Education of Morgan County Schools – Internal School Funds. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the combined and individual fund balance sheet and related combined and individual statement of revenues and expenditures and changes in fund balances are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*. The reports on internal control and compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering

the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Morgan County Schools – Internal School Funds is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent imitations of internal control, and because we will not perform a detailed examination of all transaction, there is a risk that material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors are limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepting auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion

on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Morgan County Schools – Internal School Fund’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will assist in preparing the financial statements and related notes of Morgan County Schools – Internal School Fund in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedures or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following law and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the combined and individual fund balance sheets and related combined and individual statements of revenues and expenditures and changes in fund balances of the Morgan County Schools – Internal School Fund in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Management is also responsible for making all financial records and related information available to us and for accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting practice prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting practice prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting practice prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the balance sheets and related combined and individual statement of revenues and expenditures and changes in fund balances, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services and accepting responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly,

we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Morgan County Board of Education; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspections.

The audit documentation for this engagement is the property of Dennis E. Jeffers, CPA, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to State of Tennessee or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dennis E. Jeffers, CPA, PC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the Morgan County Board of Education. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately July 15, 2019, and to issue our reports no later than December 31, 2019. Dennis E. Jeffers is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$10,800.00. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Morgan County Schools – Internal School Funds and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Dennis E. Jeffers

RESPONSE:

This letter correctly sets forth the understanding of Morgan County Schools – Internal School Funds.

Management signature:

Title: _____

Date: _____

Governance signature:

Title: _____

Date: _____

Tennessee School Boards Association
2019 Annual Convention Schedule
Gaylord Opryland Resort and Convention Center

Thursday, November 14

8:30 a.m.-6:30 p.m. Registration
10:00 a.m.-Noon Board Chairman Roundtable Discussion
2:00-6:00 p.m. Leadership Conference

Friday, November 15

7:00 a.m.-7:00 p.m. Registration
7:30-8:30 a.m. Leadership Conference Breakfast
8:45-11:45 a.m. Leadership Conference
1:00-3:00 p.m. Pre-Convention Legal Workshop
1:00-3:00 p.m. Pre-Convention Legislative Workshop
1:00-5:00 p.m. Exhibit Hall/Reception
5:15-6:45 p.m. Opening General Session
Speaker: Manny Scott

Saturday, November 16

7:00 a.m.-6:30 p.m. Registration
7:00 a.m.-Noon Exhibit Hall Open
7:00-8:30 a.m. Exhibit Hall Breakfast & Door Prizes
9:00-10:00 a.m. Clinic Session A
10:30-11:30 a.m. Clinic Session B
11:30 a.m.-12:45 p.m. Lunch (*on your own*)
1:00-2:00 p.m. Clinic Session C
2:30-4:15 p.m. Delegate Assembly
2:30-4:00 p.m. Board Secretaries' Meeting
4:45-6:00 p.m. Awards Reception & Ceremony

Sunday, November 17

7:00-10:00 a.m. Registration
7:00-8:15 a.m. Convention Breakfast
8:30-9:45 a.m. Closing General Session
Speaker: Derek Voiles
9:45 a.m. Adjourn

**TSBA Leadership Conference
November 14-15, 2019
Gaylord Opryland Resort and Convention Center
Tennessee ABC Ballroom
Agenda**

November 14, 2019

| | | |
|-----------|--|---|
| 2:00 p.m. | Welcome | Kathy Hall, TSBA President, Johnson City |
| 2:02 p.m. | Overview of Presentations | Dr. Tammy Grissom, Executive Director, TSBA |
| 2:05 p.m. | What the Employer Voices Say..... | Chris Winton, Vice President of Human Resources, FedEx |
| 3:05 p.m. | Board Leadership Through Future Ready Strategic Plan | Dr. Bryan Johnson, Director of Schools, Hamilton County |
| 4:05 p.m. | BREAK | |
| 4:25 p.m. | ACT Resources: WorkKeys and National Career Readiness Certificate | Donna Mason, Director of State Services, ACT |
| 5:00 p.m. | A Path and A Plan | Jonathan Criswell, Director of Schools, Milan Special Will Ownby, Board Chairman, Milan Special Candi Norwood, CTE Director, Milan Special John Hodgson, Assistant Director, TCAT Jackson |
| 5:55 p.m. | Announcements | Kathy Hall |
| 6:00 p.m. | Adjourn | |

November 15, 2019

| | | |
|----------------|---|---|
| 7:30-8:30 a.m. | Leadership Conference Breakfast | |
| 8:40 a.m. | Overview of Presentations | Dr. Tammy Grissom |
| 8:45 a.m. | Leadership For Systemic Change: The InsideOut Initiative That Empowers School Communities To Provide Students with Transformative, Life Sustaining Sports Experiences | Jody Redman Executive Director, InsideOut Initiative |
| 10:00 a.m. | Leadership On and Off the Field: The Importance of Family and Literacy | Craig Colquitt, Author and Illustrator and Former UT and Steelers Punter |
| 10:20 a.m. | BREAK | |
| 10:40 a.m. | Taking the Lead to Create Safer Schools | Brink Fidler, Founder/President, Defend Systems |
| 11:40 a.m. | Wrap Up and Evaluations | |
| 11:45 a.m. | Adjourn | |

**2019 Tennessee School Boards Association
Pre-Convention Legal Workshop
November 15, 2019
Agenda**

1:00 p.m. **Welcome and Introductions** **Ben Torres,**
TSBA General Counsel

1:05 p.m. **Sports Law:**
What You Need to Know **Chris McCarty,**
Lewis Thomason
King Krieg & Waldrop

2:00 p.m. **Ask the Attorney** TBD

3:00 p.m. **Wrap-Up & Adjourn**

**2019 Tennessee School Boards Association
Pre-Convention Legal Workshop
November 15, 2019
Agenda**

- | | | |
|-----------|--|---|
| 1:00 p.m. | Welcome and Introductions | Ben Torres, TSBA General Counsel |
| 1:05 p.m. | Sports Law: <i>What You Need to Know</i> | Chris McCarty, Lewis Thomason King Krieg & Waldrop |
| 2:00 p.m. | Ask the Attorney | TBD |
| 3:00 p.m. | Wrap-Up & Adjourn | |

Tennessee School Boards Association

DELEGATE ASSEMBLY

Credentials Committee:

Jerry Anderson, Greeneville, Chairman

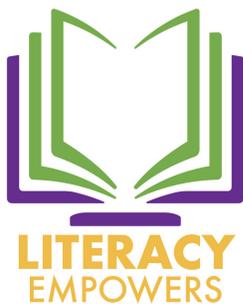
Jimmie Garland, Clarksville/Montgomery County

Treva Maitland, Gibson County Special

Wayne McNeese, Wilson County

Jo Williams, Anderson County

Kay Williams, Arlington



Saturday, November 16, 2019 • 2:30 p.m.
Gaylord Opryland Resort & Convention Center
Tennessee AB Ballroom

2019 Delegate Assembly Rules

The Delegate Assembly will operate under *Robert's Rules of Order Revised*. However, the following additional rules shall apply if adopted by the Delegate Assembly:

1. A delegate must speak from a microphone, state his or her full name and school district, and limit comments on a motion to three minutes.
2. No delegate will be recognized more than once on the same question until all others seeking recognition have had an opportunity to speak. No delegate may defer his or her time to another delegate.
3. Amendments to position statements and resolutions made from the floor must be submitted in writing to the Chair and the official reporter before or at the time the motion is made on the floor. *An amendment form is provided in the Delegate Assembly Handbook. Additional copies may be obtained in the meeting room.*
4. Resolutions that conflict with position statements previously adopted by the Association may be declared out of order by the Chair.

TENNESSEE SCHOOL BOARDS ASSOCIATION

Delegate Assembly
Tennessee AB Ballroom
November 16, 2019
Agenda

| | | |
|-----------|---|--|
| 2:30 p.m. | Delegate Check-in | Credentials Committee |
| 2:45 p.m. | Call to Order | Kathy Hall, Johnson City <i>TSBA President</i> |
| 2:46 p.m. | Pledge of Allegiance | Kathy Hall |
| 2:47 p.m. | Report from Credentials Committee | Jerry Anderson, Greeneville <i>Credentials Committee Chairman</i> |
| 2:48 p.m. | Necrology Report and Moment of Silence | Brett Henley, Coffee County <i>TSBA Vice President</i> |
| 2:50 p.m. | Adoption of Consent Agenda | |
| | <ul style="list-style-type: none">• Approval of Agenda• Approval of Rules• Approval of Minutes• Annual Report of the Executive Director• Nominating Committee Report <i>(Election of Officers)</i>• Planning and Development Committee Report <i>(Action to Accept)</i>• Finance Committee Report <i>(Action to Accept)</i> | Dr. Tammy Grissom, <i>TSBA Executive Director</i> Faye Heatherly, Campbell County <i>TSBA Immediate Past-President, Committee Chairman</i> Mark Clark, Fayetteville <i>TSBA President-Elect, Committee Chairman</i> Keys Fillauer, Oak Ridge <i>TSBA Treasurer, Committee Chairman</i> |
| 2:51 p.m. | Annual Report of the President | Kathy Hall |
| 3:00 p.m. | Constitution and Bylaws Committee Report <i>-Action on Proposed Changes</i> | Brett Henley, Coffee County <i>TSBA Vice President, Committee Chairman</i> |
| 3:05 p.m. | TSBA Board of Directors' Legislative Report <i>-Action on Position Statements</i> <i>-Action on Resolutions</i> | Ben Torres, <i>TSBA Assistant Executive Director/ General Counsel</i> |
| 4:00 p.m. | Installation of Officers for 2020 | Faye Heatherly |
| 4:05 p.m. | Presentation to 2019 TSBA President | Mark Clark |
| 4:10 p.m. | Comments by 2020 President | Mark Clark |
| 4:15 p.m. | Adjournment | |

DELEGATE RIBBONS ARE REQUIRED FOR ADMISSION.



1 | 2018 Delegate Assembly Minutes

Tennessee School Boards Association Minutes of the 2018 Delegate Assembly

The 2018 Delegate Assembly of the Tennessee School Boards Association met on Saturday, November 3, 2018, in the Tennessee ABC Ballroom of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee. Presiding was TSBA President Faye Heatherly who called the meeting to order at 2:48 p.m. President Heatherly began the meeting by leading the Pledge of Allegiance.

CREDENTIALS COMMITTEE

Jerry Anderson, Greeneville, reported that 221 eligible delegates checked in and received an electronic voting keypad.

NECROLOGY REPORT

Vice President Mark Clark, Fayetteville, gave the necrology report followed by a moment of silence.

President Heatherly announced that electronic voting keypads would be used again this year. She provided basic instructions for use and then, using a sample question, called for the delegates to test their keypads.

ADOPTION OF CONSENT AGENDA

CROCKETT COUNTY/ARLINGTON: Motion to approve the consent agenda.
Motion carried.

ANNUAL REPORT OF THE PRESIDENT

President Heatherly presented the annual report of the President. She stated that all goals and strategies outlined in the 2018 TSBA Planning Elements have been achieved. She reported on meetings conducted and attended by TSBA and highlighted events on the local and national level.

CONSTITUTION AND BYLAWS COMMITTEE REPORT

President Heatherly called on TSBA Vice President and Chairman of the Constitution and Bylaws Committee Mark Clark to present the proposed changes to the TSBA Constitution and Bylaws being recommended by the committee for approval.

Clark, on behalf of the Board of Directors, recommended that the assembly adopt the changes to the TSBA Constitution and Bylaws as presented in the Delegate Assembly packet.

FRANKLIN SPECIAL/UNICOI COUNTY: Motion to adopt the changes to the TSBA Constitution and Bylaws as presented in the Delegate Assembly packet. **Motion carried.**

TSBA BOARD OF DIRECTORS' LEGISLATIVE REPORT

President Heatherly called on Ben Torres, TSBA Deputy General Counsel & Director of Government Relations, to present the Legislative Report. He began by giving an update on federal resolutions from last year's Delegate Assembly.

Torres first presented the recommendations to the TSBA Position Statements as presented in the Delegate Assembly packet.

WILLIAMSON COUNTY/WHITE COUNTY: Motion to adopt the recommendations to the TSBA Position Statements as presented in the Delegate Assembly packet. **Motion Carried.**

Torres then presented to the Delegate Assembly the following resolutions for consideration by the delegates.

CUMBERLAND COUNTY/JACKSON-MADISON COUNTY: Motion to adopt Resolution 1: *Appreciation to Faye Heatherly.* **Motion carried.**

MCNAIRY COUNTY/TULLAHOMA: Motion to adopt Resolution 2: *Funding of School Nurse Positions.* **Motion carried.**

TROUSDALE COUNTY/MCNAIRY COUNTY: Motion to adopt Resolution 3: *Local Funds for Teacher Salaries.* **Motion carried.**

JOHNSON CITY/ARLINGTON: Motion to adopt Resolution 4: *Use of ACT Suite of Assessments in lieu of End-of-Course Exams.* **Motion carried.**

Tim Belisle, Johnson City, spoke in support of this resolution.

TULLAHOMA: Motion to adopt Resolution 5: *Support of the Administration of the ACT or SAT Suite of Assessments to Meet TCAP and "Every Student Succeeds Act" Requirements in our End-of-Course Assessments at the High School Level and at the 3-8 Grade Levels.* **Motion failed due to lack of a second.**

KINGSPORT/UNICOI COUNTY: Motion to adopt Resolution 6: *The Tennessee School Boards Association recommends that legislation be enacted to include students who elect to drive an automobile to school as a primary mode of transportation and park on school property (as determined by each specific LEA) in the approved population of students subject to random testing for the presence of drugs in the student's body in accordance to TCA 49-6-4213.* **Motion failed.**

Lisa Moore, Rutherford County, spoke in opposition and asked for a legal explanation that would justify support of this resolution.

Susan Lodal, Kingsport, spoke in support.

Angie Agle, Oak Ridge, expressed a concern that off campus parking would occur by candidates to avoid random drug testing.

Abby Carroll, Athens City, expressed a concern that this resolution could infringe upon the rights of students with medical conditions that may be medicated under a physician's supervision but drive to school.

ARLINGTON/FRANKLIN SPECIAL: Motion to adopt Resolution 7: *Additional Funding for Security Officers*. **Motion carried.**

Jeff Hicks, Lakeland, spoke in support.

Troy Weathers, Bradley County, spoke in opposition.

ATHENS/JACKSON-MADISON COUNTY: Motion to adopt Resolution 8: *Accountability in Public Education*. **Motion carried.**

ATHENS/OAK RIDGE: Motion to adopt Resolution 9: *Amend Letter Grading of Tennessee Schools*. **Motion carried.**

WILLIAMS COUNTY/TIPTON COUNTY: Motion to adopt Resolution 10: *Support the Exemption of Military Veterans, Reservists, and National Guard Members from the Age Requirement to Drive School Buses*. **Motion carried.**

WILLIAMSON COUNTY/HICKMAN COUNTY: Motion to adopt Resolution 11: *Threat Assessment Teams*. **Motion carried.**

MARION COUNTY/TIPTON COUNTY: Motion to adopt Resolution 12: *ACT National Career Readiness Certificate*. **Motion carried.**

ATHENS/HOUSTON COUNTY: Motion to adopt Resolution 13: *Tennessee Code Annotated Review*. **Motion carried.**

HARDIN COUNTY/FAYETTE COUNTY: Motion to adopt Resolution 14: *Fund Balance Interest*. **Motion carried.**

HUMBOLDT/TULLAHOMA: Motion to adopt Resolution 15: *Assessment Administration Time*. **Motion carried.**

BRADLEY COUNTY/CROCKETT COUNTY: Motion to adopt Resolution 16: *Teacher Salaries*. **Motion carried.**

BRISTOL/GREENEVILLE: Motion to adopt Resolution 17: *Maintenance of Effort Notification*. **Motion carried.**

INSTALLATION OF 2019 OFFICERS

Nominating Committee Chairman, Todd Ganger, Washington County, installed the 2019 officers: President, Kathy Hall of Johnson City; President-Elect, Mark Clark of Fayetteville; Vice President, Brett Henley of Coffee County; Treasurer, Keys Fillauer of Oak Ridge; and Immediate Past-President, Faye Heatherly of Campbell County.

PRESENTATION TO 2018 PRESIDENT

President-Elect Kathy Hall presented outgoing President Faye Heatherly with a plaque and resolution of appreciation for her service as the 2018 President.

COMMENTS BY 2019 PRESIDENT

President-Elect Kathy Hall expressed gratitude to the membership for the opportunity to serve as the 2019 TSBA President. She gave remarks and shared her vision for the coming year.

The meeting adjourned at 3:45 p.m.

Respectfully submitted,

Faye Heatherly, President

Dr. Tammy Grissom, Executive Director



2 | Report of the Executive Director

Dr. Tammy Grissom
Executive Director

Executive Director's Annual Report 2019

Legislative Services

The following laws were passed during the 2019 Legislative Session.

Public Chapter 38 – As enacted, this new law reduces, from 25 to 23, the age required for a person to receive an initial school bus endorsement if the person is an honorably discharged veteran of the United States armed forces, a member of the national guard or reserves, or a licensed teacher employed by a local education agency (LEA).

Public Chapter 144 – It is unlawful to sell a vapor product to a minor or for a minor to possess a vapor product. This new law amends the definition of a vapor product to include those that emit a visible or non-visible vapor and any substance used to refill a vapor cartridge. The new law also amends certain exceptions to the general prohibition against smoking/vaping on school grounds and are as follows:

- Extends the prohibition to vapor products in addition to smoking tobacco;
- Extends the requisite distance from schools for smoking/vaping from 50 feet to 100 feet; and
- Removes the exception for smoking/vaping after school hours.

Public Chapter 153 – As enacted, this new law requires an LEA to report to the department of education for each year that the LEA receives an increase in state funding for instructional wages and salaries and how the increase was utilized by the LEA; requires the department of education to report the information to the Basic Education Program (BEP) review committee and requires the BEP review committee to include the information in its annual report on the BEP.

Public Chapter 154 – As enacted, this new law requires, instead of authorizes, the Tennessee school safety center to establish school safety grants to assist LEAs in funding programs that address school safety. It also revises other various provisions regarding school safety grants.

Public Chapter 192 – This new law reduces, from no less than four to no more than four, the number of high school students who may serve on a local board of education. The law now aligns with current practices and also removes the requirement that a student serving on a board of education be enrolled in a college preparatory or technology track.

Public Chapter 219 – As enacted, this new law revises various provisions of the Tennessee Public Charter Schools Act of 2002 and creates a public charter school commission.

Public Chapter 248 – As enacted, this new law makes various changes to state education laws; revises certain duties of the commissioner of education; transfers certain duties from the department of education to local boards of education; and transfers certain duties from the state board of education to LEAs.

Public Chapter 256 – This new law requires each LEA to adopt a policy allowing parents to view video footage collected from a school bus camera. The policy must comply with all state and federal privacy laws, set a duration for the LEA to maintain the recording, and require that the video be viewed under supervision of the director or designee. The law does not require an LEA to install cameras, only that they adopt a policy if already utilizing school bus cameras.

Public Chapter 376 – As enacted, this new law authorizes LEAs that receive pre-kindergarten program approval to utilize a comparable alternative measure of student growth approved by the state board of education and adopted by the LEA, rather than the pre-k/kindergarten growth portfolio model approved by the state board of education in the evaluation of pre-kindergarten and kindergarten teachers. It also creates a portfolio review committee.

Public Chapter 394 – As enacted, this new law authorizes LEAs to establish a threat assessment team for the purpose of developing comprehensive, intervention-based approaches to prevent violence, manage reports of potential threats, and create a system that fosters a safe, supportive, and effective school environment.

Public Chapter 421 – As enacted, this new law requires LEAs and public charter schools to adopt a trauma-informed discipline policy and requires the department of education to develop guidance on trauma-informed discipline practices that LEAs must use to develop a trauma-informed discipline policy.

Public Chapter 442 – As enacted, this new law requires students to pass a civics test to receive a full diploma upon graduation from high school and revises and enacts other provisions relating to the civics test.

Public Chapter 465 – As enacted, this new law revises certain provisions regarding alternative schools.

Public Chapter 475 – As enacted, this new law requires that the Tennessee comprehensive assessment program (TCAP) tests administered in the 2019-2020 school year be administered in paper format and revises provisions regarding physical education.

Public Chapter 506 – As enacted, this new law enacts the "Tennessee Education Savings Account Pilot Program."

Legal Services

Tennessee Council of School Board Attorneys. The Tennessee Council of School Board Attorneys consists of 92 attorneys, 54 of whom also hold membership in the NSBA Council of School Attorneys (COSA). These attorneys regularly meet during the year to share information and discuss pending litigation which affect public schools. Additionally, the TCSBA listserv allows members to share relevant information and to seek input from their peers on important school law issues. Those who are members of COSA also have access to a nationwide listserv of school attorneys. TCSBA is currently in the process of developing an online web portal that will allow TCSBA members to communicate on a more regular basis and share files and other documents.

The TCSBA continues to hold an Attorneys Only CLE event each year between February and April. The event is free to TCSBA members and provides an opportunity for school lawyers to obtain CLE credit. On March 1, 2019, 29 attorneys attended the CLE meeting at TSBA headquarters, and each received four (4) hours of CLE credit, (three (3) hours of general and one (1) hour of ethics credit). Topics included: Legislative Update; A Legal Update from the State Board of Education; the Scope of Review for a Teacher Dismissal Case; and Ethics for School Board Attorneys.

Legal Resources. The legal department continues to provide, on the TSBA website, the following resources: Basics of *Robert's Rules of Order*; A Resource Guide to Open Meetings and Open Records; Hearing Officer Lists; Collaborative Conferencing Information; and a School Board Candidate Guide. Complimentary monthly legal lunch webinars on various topics are also provided by the legal department.

Amicus Briefs. TSBA filed an amicus curiae brief in support of Henry County Schools. An amicus curiae (Latin for "friend of the court") is a person or group who is not a party to a court proceeding but has a strong interest in the matter. The incident in question involved the director's decision to transfer an assistant principal to a different position within the system after learning that the employee did not possess an administrator's license. The case is pending a decision from the Tennessee Supreme Court.

School Law Update. This in-house publication is distributed to members as relevant legal news becomes available so that we can provide relevant, timely legal information to school attorneys, school board members, superintendents, and staff.

Summer Law Institute. Two (2) Summer Law Institutes were conducted with 59 attendees participating in Jackson and 423 in Gatlinburg. Both sessions covered a number of relevant education law issues including: Legislative Update; Fair Labor Standards Act; the New Requirements of Carl Perkins; Social Media and Public Meetings; Educating Special Education Students in the Least Restrictive Environment; Tennessee's Response to the Opioid Crisis; and a

one (1) hour Attorneys Only Ethics CLE session on ethical issues facing a school attorney and school board.

Legal Workshop. Each year, TSBA offers a legal workshop immediately prior to the Opening General Session of the TSBA Annual Convention. Topics for 2019 include: Sports Law and a question-and-answer session with a panel of school board attorneys.

Policy Services

The policy department has 128 policy subscribers. Over 3,800 policy revisions/maintenance requests have been completed so far this year. Additionally, the department generated 26 policy recommendations based on new statutory and/or regulatory requirements and conducted a webinar regarding these recommended changes.

In an ongoing effort to provide helpful information to districts, the policy department is creating a model administrative procedure manual as well as model employee and student handbooks. These resources will provide districts with a template so they can customize to best fit their needs and will be available in 2020 to TSBA policy subscribers.

The policy department is preparing to conduct an annual audit of policies required by law for all subscribing districts. This audit will provide subscribers with missing policies and updated policies required by state and federal law. A comprehensive review of the department's base policy manual was conducted recently to ensure policy language and legal references were accurate.

Publications and Communications

Facebook. TSBA continues to maintain its presence on Facebook. We are providing relevant information for our members and acting as a source for news updates, articles, photos, and upcoming events. TSBA evaluates the Facebook fan page through analytics and tracking statistics in order to better supply our audience with necessary information. TSBA has a total of 1,024 likes and 1,115 followers.

Twitter. TSBA increased its Twitter followers to 1,719 followers and continues to use hashtags to promote our Annual Convention and other special meetings and events/campaigns.

School Board Week. TSBA continued its annual promotion of School Board Week in 2019 with the theme "School Boards: Preparing Students for Careers." Media and board secretaries were provided with a toolkit of materials designed to increase awareness and appreciation of school boards and their work in the community. The week was also promoted through the Association's social networks.

TSBA Journal. TSBA's magazine, *the Journal*, transitioned to being published bi-annually and continues its focus on local school districts and schools, with each issue featuring informative, inspiring and factual education articles. *The Journal* is produced as a hard copy for all members

and is also available through a digital version which allows for the growth of our readership dispersion and web connection through company links.

Distance Learning. TSBA continues the use of distance learning equipment for various meetings. This remote connection provides members the option to decrease travel and still have the opportunity to attend TSBA meetings.

BoardTalk. TSBA's electronic newsletter continues to be published on a weekly basis. The focus continues to be to provide free information to board members through local, state, and national educational articles addressing issues, displaying achievements, and communicating deadlines.

MailChimp (eblasts). TSBA continues to communicate with members through the Mailchimp email program to provide educational news, media releases, and other important messages.

Mobile Application. TSBA utilizes this application to serve as a tool for convention attendees to access information while at the event. TSBA also utilizes an advocacy application: TSBA On the Hill. This tool is updated on a regular basis and provides members with access to a variety of advocacy tools before, during, and after the General Assembly session. The application includes the following features: notifications, bill tracker, multiple schedules and calendars, live updates, directories, and legislative resources.

Podcast. TSBA produced podcast episodes on the following topics this year: 10 Things All School Board Members Need to Know (Part 1 & 2); Open Meetings and Why It Matters; ESSA Checklist; Hope & the School Bus; Election Results; Ask the Attorneys; School Finance; InsideOut Initiative with TSSAA; TSBA OPEB Trust; *Robert's Rules of Order*; Tennessee Digital Resources Library; Collaborative Conferencing; Mental Health Awareness: (Part 1 & 2); School Safety Part 1: School Board Perspective; and School Safety Part 2: Law Enforcement Perspective. The episodes are provided on a monthly basis, and we currently have up to 110 listeners per episode.

Board Development

TSBA Boardsmanship Program. In 2019, 52 board members earned Level I, 38 board members earned Level II, 34 board members earned Level III, 20 board members earned Level IV, and 7 board members earned Level V.

School Board Academies. During the 2018-19 school board academy training cycle, the following modules were offered: Orientation (3); Board Policy & Operations (3); Board/Superintendent Relations (3); Advocating the Board's Vision (3 plus 2 distance learning locations); School Finance (3); School Law (3 plus 2 distance learning locations); Planning: A Joint Venture (4); and Legal Issues Impacting School Boards (online). Other modules included three (3) optional credit modules: TSBA Summer Law Institute (2); TSBA Board Chairman Workshop; and TSBA Leadership Conference.

Day on the Hill. There were over 220 school board members, superintendents, and other participants that attended the annual TSBA Day on the Hill event. The meeting took place on February 18-19, 2019 at the DoubleTree Nashville Downtown.

SCOPE. The 2019 Student Congress on Policies in Education (SCOPE) conference drew over 350 high school delegates from across the state. The event was held at the MTSU campus. During a mock school board meeting, students discussed amending the student welfare policy to provide one mental health counselor per 500 students but no less than one per school. In the afternoon session, the students debated the following topics: high school graduation requirements shall include several pathways/options; students shall have the option of substituting club sports for physical education requirements; fighting on school grounds shall be a zero-tolerance offense; and the board shall use the Latin system instead of selecting a valedictorian and salutatorian.

Leadership Conference. Over 400 board members and superintendents registered for the 2019 Leadership Conference led by Dr. Tammy Grissom along with guest speakers Chris Winton, Dr. Bryan Johnson, Donna Mason, Jonathan Criswell, Jody Redman, Joe Ehrmann, Craig Colquitt, and Brink Fidler. Topics included: What the Employer Voices Say, Board Leadership Through Future Ready Strategic Plan; ACT Resources: WorkKeys and National Career Readiness Certificate; A Path and A Plan; Leadership for Systemic Change: The InsideOut Initiative That Empowers School Communities To Provide Students with Transformative, Life Sustaining Sports Experiences; Leadership On and Off the Field: The Importance of Family and Literacy; and Taking the Lead to Create Safer Schools.

Convention. “Literacy Empowers” was the 2019 Annual Convention theme. Over 620 individuals registered which included board members, superintendents, exhibitors, and guests. Attendees were able to gain useful information to take home to their districts through two (2) general session presentations and 31 clinics covering a variety of topics.

Personnel Services

Superintendent Searches. TSBA conducted a superintendent search for Henry County and Dyersburg.

Superintendent Evaluations. TSBA assisted the following systems: Decatur County, DeKalb County, Greene County, Hardeman County, Hickman County, Humboldt, Jefferson County, Johnson City, Millington, Rutherford County, Tipton County, and Washington County.

Board Evaluations. TSBA tabulated board evaluations for the following systems: Arlington, Athens, Franklin Special, Greene County, Jackson-Madison County, Knox County, Marion County, McMinn County, Rutherford County, Sequatchie County, and Stewart County.

Member Services

Board Self-Assessments. TSBA assisted the following systems: Anderson County, Arlington, Athens, Cheatham County, Franklin Special, Greene County, Hawkins County, Jackson-Madison

County, Johnson City, Knox County, Marion County, McMinn County, Monroe County, Rutherford County, and Stewart County.

BuyBoard. BuyBoard is an online purchasing cooperative designed to streamline the purchasing process and help its members make confident buying decisions. The following school systems have joined the cooperative: Arlington, Athens, Bartlett, Bedford County, Bells, Benton County, Bradley County, Campbell County, Chester County, Collierville, Dickson County, Dyer County, Elizabethton, Franklin Special, Germantown, Giles County, Grainger County, Greeneville, Hamilton County, Hardeman County, Hardin County, Hawkins County, Haywood County, Henry County, Houston County, Huntingdon, Jackson-Madison County, Lakeland, Maury County, Metro/Davidson County, Milan, Millington, Monroe County, Moore County, Morgan County, Murfreesboro, Oak Ridge, Obion County, Paris Special, Putnam County, Rogersville, Rutherford County, Sevier County, Shelby County, South Carroll, Stewart County, Sumner County, Trenton Special, Unicoi County, Warren County, Washington, and Williamson County.

Additionally, the following cities, counties, and other local government entities are members: City of Alcoa, City of Bartlett, Blount County, City of Camden, Town of Chapel Hill, City of Chattanooga, City of Clinton, Town of Collierville, City of Dyersburg, First Utility District of Knox County, City of Franklin, City of Germantown, Town of Greeneville, Hamblen County, Hamilton County, City of Harriman, Harriman Utility Board, Johnson County, City of Kingsport, Lebanon Housing Authority, City of Lewisburg, Loudon County, Marshall County, McMinn County, City of McMinnville, Monroe County, City of Murfreesboro, Roane County, Robertson County, Rutherford County Fire Department, City of Savannah, Southwest Tennessee Community College, Tullahoma Utilities Authority, University of Tennessee, Warren County, and City of White House.

BOEconnect. TSBA's online meeting service allows boards to create meeting documents, such as agendas and supporting information, and then post these documents online making them accessible to board members and the public. We currently have, along with our own TSBA Board of Directors, the following systems utilizing this service: Arlington, Austin Peay State University, Bartlett, Bedford County, Bradley County, Cleveland, Collierville, Cumberland County, Elizabethton, Franklin Special, Germantown Municipal, Gibson County Special, Hamilton County, Haywood County, Henry County, Hickman County, Humboldt, Jackson-Madison County, Johnson City, Lauderdale County, Marshall County, Maury County, Morgan County, Murfreesboro, Oak Ridge, Putnam County, Sullivan County, Trenton Special, Trousdale County, Tullahoma, Union City, Williamson County, and Wilson County.

TSBA OPEB Trust: The TSBA OPEB Trust helps those systems wishing to pre-fund their OPEB liability. The trust is administered by TSBA, an entity answerable directly to its members. The school system's investment will lower their annual required contribution (ARC) and their overall OPEB liability. By pooling resources, the TSBA OPEB trust will lower per-system costs and has the potential to increase the system's return on investment. The following systems are members of the Trust: Shelby County, Hickman County, Johnson County, Jackson-Madison County, Claiborne County, Collierville, Arlington, Bartlett, Lakeland, and Millington.

School Facilities Services. TSBA continues to partner with the Tennessee School Plant Managers Association (TSPMA) to assist school boards in the area of school facilities.

“My Tennessee Public Schools” Website. TSBA continues to host a website to provide boards of education with a resource to help parents get acquainted with the Tennessee public school system. Though many of the specific questions that parents have can best be answered by contacting the individual school, this site presents general information about how to enroll, understand the school system, and get involved with their child's education. The site aims to create a comfortable experience for those entering the Tennessee public school system by answering commonly asked questions and offering advice on how best to be prepared.

Tennessee Digital Resources Library. TSBA continues to provide the Tennessee Digital Resources Library (TDRL) which is an innovative statewide initiative that provides teachers and administrators free access to a vast collection of curated educational resources including best teaching practices and strategies for creating individualized learning experiences for students. It is a way for our teachers and students to find digital content in a single, ever growing library, filled with vetted, standards-aligned content. The TDRL won the 2019 Corporate Award from the Education Commission of the States.

Governance and Administration

Board of Directors. Your president, Kathy Hall of Johnson City, and 17 other dedicated school board members have joined together this year to form a visionary and highly effective TSBA Board of Directors. Each of your board members has served unselfishly, and each has worked cooperatively to develop an effective leadership team. The Board launched the TSBA District Data Dashboard, designed to assist local boards of education in preparing students for relevant pathways of success. They also created a Tennessee Impact Coalition which developed a data guide that includes ever-increasing social problems impacting our schools such as poverty, single-parent households, opioid and other drug abuse, juvenile crime, hunger, homelessness, and unemployment. TSBA has partnered with the USDA to assist counties with forming councils to address these issues.

Membership. We are proud to announce that we continue to be 100% in membership.

Staff. Your TSBA staff is composed of dedicated, hard-working, and talented people. They have each shown a willingness to go well beyond the call of duty and to do whatever it takes to provide quality service to Tennessee’s school boards and their members.



3 | Report of the Nominating Committee

Committee Members

Faye Heatherly, Campbell County (East), Chairman

Debbie Shedden, Hawkins County (Northeast)

Farrel Vincent, Tipton County (Delta)

Gary Anderson, Williamson County (Mid-Cumberland)

Dana Welch, Gibson County Special (Northwest)

Brenda Jacobs, Lawrence County (South Central)

Bill Graham, Dayton City (Southeast)

Janie Milender, Hardin County (Southwest)

Bill Zechman, Warren County (Upper Cumberland)

2020 Nominations

(TSBA Officers will assume office January 1, 2020.)

(Pursuant to the TSBA Constitution and Bylaws, the President-Elect automatically assumes the role of President and the President automatically assumes the role of Immediate Past-President).

President



Mark Clark, Fayetteville, currently serves as the TSBA President-Elect. He served as the 2018 TSBA Vice-President and the 2017 TSBA Treasurer. He also served as South Central District Director from 2012-2016. Mark served on the Fayetteville Board of Education from 1994-1998 during his term as a Fayetteville Alderman, and after a four-year term as Fayetteville's Mayor, he returned to the School Board in 2002 as an elected member. Mark served as Vice Chairman of the School Board from 2004-2008 and as Chairman from 2008-2015. In 2014, he was named to the All Tennessee School Board. Mark received a Bachelor of Science degree in Electrical Engineering from Tennessee Tech University and a Master of Science degree in Electrical Engineering from Southern Methodist University. Subsequently, he completed 18 months of post-graduate work in engineering and mathematics at Auburn University, during which, time he taught undergraduate courses in engineering. Mark retired from Federal service after 31 years with the Defense Intelligence Agency, and he currently serves as a Vice President at QuantiTech, Inc. in Huntsville, Alabama. Mark leads

congregational singing, teaches classes, and serves as a deacon at the Washington Street Church of Christ. He and his wife, Laura, have four children, Sara, Will, Travis, and Megan who, along with husband Alex, has graced them with four grandchildren.

Immediate Past President



Kathy Hall, Johnson City, currently serves as the TSBA President. She has also served as the 2018 TSBA President-Elect and the 2017 TSBA Vice President. She is in her fourth term on the Johnson City Board of Education and was first elected in 2005. She served as Board Chairman from 2008-2015. She is actively engaged on her board and as a volunteer in Johnson City Schools. Kathy achieved Level V/Master School Board Member status in the TSBA Boardsmanship program. Her participation in TSBA has also included: Northeast District Director, Board of Directors as At-Large Member, the Tennessee Legislative Network Board, the Tennessee Legislative Action Committee, and a presenter and moderator at the TSBA Annual Convention. Kathy was twice honored as Outstanding School Board Member of the year by the Tennessee PTA and received the Tennessee School Board Member of the Year/C. Hal Henard Distinguished Service Award in 2017. Kathy is a former advertising executive with a Bachelor of Individualized Study degree from the University of Minnesota.

Along with a devotion to school board governance, she is an active community leader and volunteer with involvement on several committees and boards, including: the Johnson City Public Library board, Junior Achievement, Chamber Workforce and Education Committee, Friends of the Library, PTA's, and many church committees. Her favorite activity is spreading her love of books to children through story-times at elementary schools. She and her husband, Duke, have one son, Hunter, who is currently a senior in college.

(The following recommendations are being made by the TSBA Nominating Committee and are subject to confirmation by election at the Delegate Assembly meeting.)

President-Elect



Brett Henley, Coffee County, currently serves as the TSBA Vice President. He also served as the 2018 TSBA Treasurer and the 2017 TSBA South Central District Director. He served as a 2016 TSBA At-Large Member and has been a member of the Coffee County Board of Education since 2010. He has served as Board Chairman since 2014 and was the Chairman for the Director's Evaluation Committee from 2012-2013. He has served on the Manchester Chamber of Commerce Education Committee since 2012. Brett is the Manager of Henley Propane Inc. and Henley Mini Storage, in addition to being a Certified Flight Instructor. He and his wife, Chrissy, who is the Deputy Court Clerk in Coffee County, have two children: daughter, Ashley, who received her doctorate in Physical Therapy degree in 2016 and currently works for Intelligent Physical Therapy; and son, Andrew, a student at Tennessee Tech, majoring in Software Engineering.

Vice President



Keys Fillauer, Oak Ridge, currently serves as the TSBA Treasurer. He has served on the Oak Ridge Board of Education since 2001. He has served as Board Chairman since 2009 and was Parliamentarian from 2007-2009. He is a former TSBA Board of Director, having served as the East District Director from 2014-2016 and as TSBA At-Large Member in 2010. He was selected for the All Tennessee School Board in 2012. Keys serves as the current Foreman for the Anderson County Grand Jury and served on the Oak Ridge Boys and Girls Club Board from 2000-2007 and was Vice President for four of those years. He currently serves as President of the Knoxville Ronald McDonald House. He is a member of the Oak Ridge Sports Hall of Fame and Anderson County Hall of Fame. Keys has his Bachelor of Science degree from the University of Tennessee in Chattanooga and is currently President of Fillauer Family Partnership. He is a retired teacher and coach of 31 years. He and his wife, Melanie, have one son, Parks, who is completing his Ph.D in Clinical Psychology at the University of Tennessee in Knoxville.

Treasurer



Candy Morgan, Maryville, currently serves as the TSBA East District Director. Candy first served on the TSBA Board of Directors as 2018 At-Large Member before being appointed to fill an unexpired term as East District Director. Candy has served on the Maryville Board of Education since 2012 and served as Vice Chairman in 2016-2018. She served as Board Secretary in 2014-2016 and as Tennessee Legislative Network Representative since 2012. She served on the Tennessee Legislative Action Committee; TSBA Journal Editorial Advisory Board; SCOPE Group Leader; and as a TSBA Ambassador of Education. She has served as the Maryville City Schools Foundation Chair in 2012; Vice Chair in 2011; and Ex-Officio Member in 2013-2017. She is the Past-President of four parent/teacher organizations at local schools, has achieved Level IV in the TSBA Boardsmanship Program, and has served as a TSBA Convention presenter. She is active in her community having served on the Junior Service League in 2004-2010 and the Leadership Blount Class of 2013. She is a graduate of the East Tennessee Regional Leadership Association Class of 2019. She is a founding

member and current Board of Director for Blount County Youth Court since 2013. She has served on the Educators Roundtable for Blount Partnership Workforce Board since 2017. She also is the Chair of the Leadership Blount Alumni Committee. Candy has a Bachelor of Science degree from Troy University. She enjoys photography as a hobby. Candy and her husband, Pat, have three children, Hannah, Emily, and Will.



4 | Report of the Planning & Development Committee

Committee Members

Mark Clark, Fayetteville, Chairman

Julie Bennett, Marion County, Vice Chairman

Helen G. Martin, Warren County

Pat Welsh, Tullahoma

Jo Williams, Anderson County

MISSION STATEMENT

To assist school boards in effectively governing school districts.

GOALS

All objectives will be met by December 31, 2020.

GOVERNANCE AND ADMINISTRATION

Goal: To provide a functional organizational structure.

Objective 1: Maintain 100% membership of all school boards in Tennessee.

- Strategy A: Provide Accidental Death and Dismemberment insurance coverage to all local school board members.
- Strategy B: Mail a New Board Member packet to each new board member.
- Strategy C: Ensure superintendents of member boards are aware of all membership services.

Objective 2: Maintain good communication with school boards.

- Strategy A: Maintain e-mail addresses of all board members and superintendents.
- Strategy B: Maintain distribution list for school board members.
- Strategy C: Maintain pictorial directory of school board members and superintendents.
- Strategy D: Contact each school system at least once during the year.
- Strategy E: Provide each school board member a TSBA calendar of activities and events.

Objective 3: Review and revise roles and responsibilities for TSBA staff to meet the changing needs of school boards.

- Strategy A: Maintain a Performance Evaluation Program for TSBA staff and design staff development to maximize the abilities of employees.
- Strategy B: Provide friendly, helpful, responsive staff visible to the membership.
- Strategy C: Maintain up-to-date job manuals for each employee.
- Strategy D: Provide professional development opportunities for all employees.

EDUCATIONAL SERVICES

Goal: To develop board member knowledge, skills, and attitudes that promotes quality boardmanship.

Objective 1: Provide training to ensure that all board members meet the basic boardmanship competencies.

- Strategy A: Conduct and update notebooks and materials for the following School Board Academy modules: Orientation (1), Board Policy (3), Board/Superintendent Relations (3), Advocating Your Board's Vision (3 plus two distance learning sites), School Finance (3), School Law (3), Planning: A Joint Venture I & II, and Teaming and the School Board upon request.
- Strategy B: Offer School Board Academy eBoardmanship online module to school board members who have completed the core modules.
- Strategy C: Offer School Board Academy "Legal Issues Impacting School Boards" online module and continue to explore more online modules.
- Strategy D: Conduct Board Chairman Workshop.
- Strategy E: Conduct nine Fall District Meetings across the state.
- Strategy F: Conduct an Annual Leadership Conference in conjunction with the Convention.
- Strategy G: Conduct an Annual Convention.
- Strategy H: Offer one-hour webinars on a variety of school board governance issues.

Objective 2: Strengthen the effectiveness of boards and their members.

- Strategy A: Provide a Boardmanship Awards Program to recognize board members' efforts to improve their boardmanship skills.
- Strategy B: Provide online "experiences" submission form for requirements of boardmanship award program.
- Strategy C: Provide online sample of Level V Portfolio.
- Strategy D: Honor boards and individual board members with the following awards: School Board Member of the Year/C. Hal Henard Distinguished Service Award, All Tennessee School Board, School Board of the Year, Board of Distinction, Quarter Century Club, and Scholar's Circle.
- Strategy E: Honor students with a Student Recognition Award.

Strategy F: Honor school volunteers with a School Volunteer Award.

Strategy G: Conduct board evaluations upon request.

Strategy H: Provide online board self-evaluation form.

Strategy I: Conduct board retreats upon request.

LABOR RELATIONS SERVICES

Goal: To provide services which enhance board personnel relationships.

Objective 1: Maintain collaborative conferencing information page on the TSBA website.

Objective 2: Provide assistance to systems participating in collaborative conferencing.

Strategy A: Review, critique, and recommend additions/revisions to Memoranda of Understanding upon request.

Strategy B: Offer a workshop or webinar on collaborative conferencing.

Strategy C: Maintain a Collaborative Conferencing guide.

Objective 3: Maintain a Memorandum of Understanding library for systems involved with collaborative conferencing.

Objective 4: Conduct annual survey of districts to determine those participating in collaborative conferencing.

MEMBER SERVICES

Goal: To provide services to assist boards in their school board operations.

Objective 1: Conduct superintendent searches and evaluations as requested.

Objective 2: Review superintendent contracts as requested.

Objective 3: Conduct Annual Board Secretaries' Conference in May that includes an annual business meeting of the Tennessee Association of Board Secretaries and one in November during the TSBA Annual Convention.

Objective 4: Maintain distribution list for board secretaries.

Objective 5: Market BOEconnect, an online software tool that will enable school boards to more efficiently organize and distribute material and documents for board meetings.

- Objective 6: Conduct Prospective Superintendents Academy for those who aspire to become a superintendent.
- Objective 7: Market BuyBoard, a purchasing cooperative that enables school districts to save money and streamline their purchasing process.
- Objective 8: Partner with Tennessee School Plant Managers' Association to assist school boards in the area of school facilities.
- Objective 9: Maintain Tennessee Public Schools website to provide boards with a resource to help parents get acquainted with the Tennessee public school system.
- Objective 10: Oversee and manage the Tennessee Digital Resources Library in partnership with TOSS, TETA, and Tennessee Book Company.

LEGAL SERVICES

Goal: To provide information and interpretation of school laws for board members, administrators, and board attorneys.

Objective 1: Facilitate legal understanding for school board members and school officials.

Strategy A: Prepare a legal article for *TSBA Journal* as needed.

Strategy B: Conduct two Summer Law Institutes.

Strategy C: Produce electronic school law updates as needed.

Strategy D: Respond to local school board requests to enter appellate cases as amicus curiae when appropriate and approved by the TSBA Board of Directors.

Strategy E: Maintain the Open Meetings and Records Guide.

Strategy F: Maintain the Student Discipline Guide.

Strategy G: Maintain the Teacher Discipline Guide.

Strategy H: Maintain the Student Constitutional Rights Guide.

Strategy I: Offer monthly "Legal Lunch" webinars.

Objective 2: Facilitate networking and interaction among school board attorneys.

Strategy A: Continue to increase the membership in the Tennessee Council of School Board Attorneys through renewals and recruitment of new members.

Strategy B: Maintain listserv and website for TCSBA members.

LEGISLATIVE SERVICES

Goal: To monitor and influence legislation related to public education.

Objective 1: Increase legislative information available to the membership.

- Strategy A: Provide weekly on-line and traditional legislative reports summarizing the week's legislative activity and informing membership on the status of legislation.
- Strategy B: Provide issue briefs to membership for use in communications with legislators.

Objective 2: Enhance communication and mobilize resources to influence legislation.

- Strategy A: Provide current legislative information to all members.
- Strategy B: Encourage each board to select a board member to serve as their local legislative representative.
- Strategy C: Conduct pre-convention legislative workshop.
- Strategy D: Conduct legislative clinic at TSBA Annual Convention.
- Strategy E: Provide an annual Legislative and Legal Institute to enhance communication between legislators, board members, superintendents, and other school officials.
- Strategy F: Conduct a legislative survey on current issues at Fall District Meetings.
- Strategy G: Solicit resolutions from local boards for debate and adoption at the Delegate Assembly.
- Strategy H: Provide membership with an online Advocacy Guide to enhance legislative advocacy efforts.
- Strategy I: Collaborate with other public education organizations to implement common legislative priorities.
- Strategy J: Draft sample resolutions for member boards as needed.

Objective 3: Increase TSBA visibility in the General Assembly.

- Strategy A: Communicate regularly with legislators and staff.
- Strategy B: Provide information quickly and accurately to legislators upon request.
- Strategy C: Testify before legislative committees on legislation important to school board members.

Objective 4: Increase TSBA recognition in the United States Congress.

- Strategy A: Communicate regularly with and visit at least annually the Tennessee Congressional delegation.
- Strategy B: Maintain active state membership in NSBA's Federal Relations Network.
- Strategy C: Encourage Tennessee board member participation in the annual NSBA Advocacy Institute.

POLICY SERVICES

Goal: To develop better methods to assist school boards in the area of policymaking and implementation.

Objective 1: Improve existing policy services and develop new services to meet growing policy needs of school boards.

- Strategy A: Provide notification of statutory changes to policies required by law to all TSBA member systems.
- Strategy B: Provide sample policies required by law upon request to all TSBA member systems.
- Strategy C: Maintain on TSBA website an updated list of policies required by state and federal laws or regulations.
- Strategy D: Provide a customized policy service on a contracted basis.
- Strategy E: Provide a maintenance service for those systems that have contracted for customized manual.
- Strategy F: Maintain TSBA base policy manual that is consistent with local, state, and federal law and regulations.
- Strategy G: Conduct annual policy update webinar for policy subscribers.
- Strategy H: Lead boards to eliminate administrative detail from policy and include it in administrative procedures.
- Strategy I: Maintain sample administrative procedures to complement TSBA base policy manual.
- Strategy J: Maintain sample Employee Handbook.
- Strategy K: Maintain sample Student Handbook.

INFORMATION SERVICES/COMMUNICATIONS

Goal: To provide information to enhance boardmanship.

Objective 1: To assist school board members in becoming recognized education leaders in their communities.

Strategy A: Publish *TSBA Journal* bi-annually and BoardTalk at least weekly and distribute to all board members, superintendents, legislators, and subscribers.

Strategy B: Highlight member school districts in each edition of the *TSBA Journal*.

Strategy C: Maintain the TSBA website, Facebook and Twitter account, and mobile app with easily accessible information and update continuously to keep the sites current and visually appealing.

Strategy D: Provide “New Board Member Guide” to school systems for their new board member onboarding process.

Strategy E: Offer podcasts on a variety of education topics.

Objective 2: To promote understanding of school boards and their work.

Strategy A: Design a School Board Week Packet for electronic distribution to all school systems and local media outlets.

Strategy B: Recognize a Board with an excellent program by granting an Award of Excellence.

Strategy C: Conduct a Student Congress on Policies in Education conference (SCOPE).

Strategy D: Provide school board candidate information for those interested citizens seeking seats on their local board of education.

Objective 3: To maintain positive relationships with the media.

Strategy A: Send out news releases on all TSBA functions and people-related news.

Objective 4: Increase participation/advertising with firms that provide goods and services to school systems.

Strategy A: Promote the various levels of the Business Affiliate Program to increase membership.

Strategy B: Host a tradeshow at the Annual Convention.

- Strategy C: Solicit new vendors/advertisers through various communication outlets including assistance from local member boards.
- Strategy D: Provide kiosks in the TSBA Headquarters' main lobby for business affiliates to advertise their products.

FINANCE

Goal: To handle funds in a financially sound manner.

Objective 1: Ensure Association operates according to sound financial procedures.

- Strategy A: Ensure that all financial procedures meet general accounting standards.
- Strategy B: Create an annual budget and include on financial statements.

Objective 2: Maximize investment opportunities.

- Strategy A: Ensure that funds are received in a timely manner to benefit from the potential interest income.
- Strategy B: Periodically evaluate the inflow and outflow of funds and realign investment strategies as needed.
- Strategy C: Evaluate different investment vehicles to ensure that funds are optimally invested for the best rate of return.

Objective 3: Maintain School Board Academy contract with the Tennessee Department of Education.

- Strategy A: Submit invoices to TDOE in a timely manner.
- Strategy B: Process School Board Academy per diems from school board members that have completed their mandated training in a timely manner.

Objective 4: Support and oversee the administration of the TSBA OPEB Trust.

- Strategy A: Prepare financial statements for the Trust.
- Strategy B: Prepare quarterly statements for each Trust member.
- Strategy C: Schedule Trust meetings and develop board meeting agenda and provide supporting materials for each meeting.
- Strategy D: Provide OPEB Trust Welcome Packet to newly appointed OPEB Trustees.
- Strategy E: Provide OPEB Trust Informational Packet to potential Trust members.



5 | Report of the Finance Committee

Committee Members

Keys Fillauer, Oak Ridge, Chairman
Dale Viox, Arlington, Vice Chairman
Todd Ganger, Washington County
Faye Heatherly, Campbell County
Bobby Henderson, Hardeman County
Regina Waller, Trousdale County

TENNESSEE SCHOOL BOARDS ASSOCIATION

**AUDITED FINANCIAL STATEMENTS
AND OTHER INFORMATION**

DECEMBER 31, 2018 AND 2017

TENNESSEE SCHOOL BOARDS ASSOCIATION

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TENNESSEE SCHOOL BOARDS ASSOCIATION

INTRODUCTION

Tennessee School Boards Association (“TSBA”) is pleased to present its Annual Financial Report for the years ended December 31, 2018 and 2017.

Responsibility and Controls

TSBA is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

Management believes that its policies and procedures provide guidance and reasonable assurance that TSBA’s operations are conducted according to management’s intentions and to a high standard of business ethics. In management’s opinion, the financial statements present fairly, in all material respects, the net position of TSBA as of December 31, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Audit Assurance

The unmodified opinion of our independent external auditors, Crosslin, PLLC, is included in this report.

**TENNESSEE SCHOOL BOARDS ASSOCIATION
BOARD OF DIRECTORS**

Officers:

| | |
|----------------|-------------------|
| Faye Heatherly | - President |
| Kathy Hall | - President-Elect |
| Mark Clark | - Vice President |
| Brett Henley | - Treasurer |

District Directors:

Marty Burlison
Dr. Lee Carter
Candy Morgan
Regina Waller
Pat Welsh
Bobby Henderson
Julie Bennett
Todd Ganger
Jimmie Garland

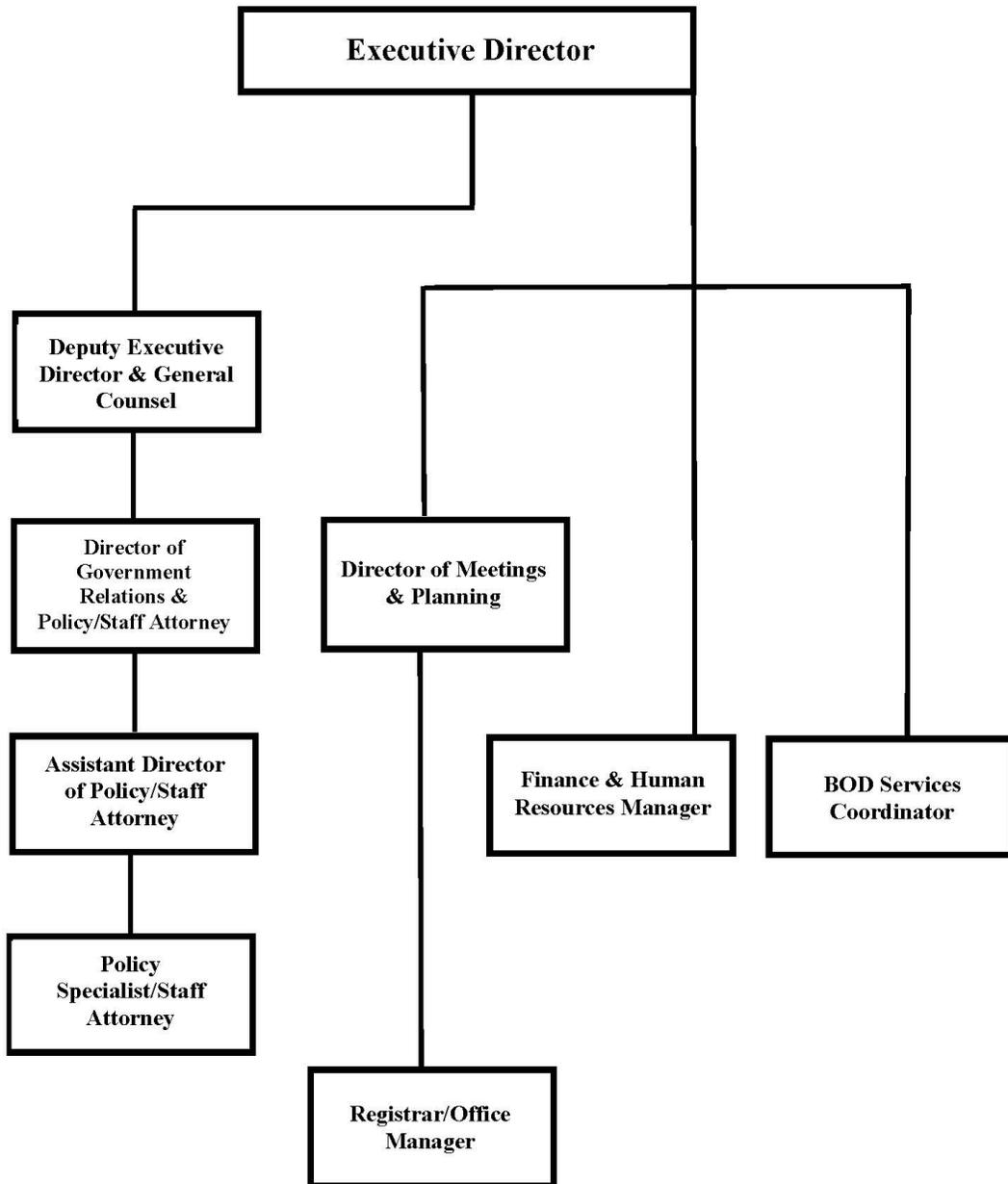
At-Large Members:

Jo Williams
Janice Hampton
Anna Shepherd
Dr. Dale Viox

Ex-Officio Member:

Bob Alvey

**TENNESSEE SCHOOL BOARDS ASSOCIATION
ORGANIZATIONAL CHART**



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Tennessee School Boards Association
Nashville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the Tennessee School Boards Association ("TSBA") as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise TSBA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TSBA as of December 31, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 12 and pension plan schedules and information on pages 35 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise TSBA's basic financial statements. The introductory section and the schedule of expenditures of state awards, as required by the State of Tennessee, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2019, on our consideration of TSBA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TSBA'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 TSBA's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
August 7, 2019

TENNESSEE SCHOOL BOARDS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Tennessee School Boards Association's ("TSBA") management's discussion and analysis ("MD&A") is intended to provide an overview of the financial activities for the years ended December 31, 2018 and 2017. This section is placed at the beginning of the annual report to provide information about the past and current financial condition of TSBA. MD&A should not be taken as a replacement for the annual report, which includes the independent auditor's opinion, basic financial statements and other supplemental information that presents all of the financial activities of TSBA.

FINANCIAL HIGHLIGHTS

Fiscal Year 2018:

- TSBA's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$4,159,770 (net position) as of December 31, 2018. This compares to the previous year when net position was \$4,045,041.
- Total net position at December 31, 2018, is comprised of the following:
 - Investment in capital assets of \$1,904,843 and
 - Unrestricted net position of \$2,254,927.
- Net position increased by \$114,729 during the year ended December 31, 2018, primarily due to an increase in invested in capital assets offset by investment losses.

Fiscal Year 2017:

- TSBA's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$4,045,041 (net position) as of December 31, 2017. This compares to the previous year when net position was \$3,336,376.
- Total net position at December 31, 2017, is comprised of the following:
 - Investment in capital assets of \$1,663,828 and
 - Unrestricted net position of \$2,381,213.
- TSBA's total net position increased \$708,665, primarily due to increases of \$275,721, \$61,428, \$37,418, and \$29,000 in investment income, educational events, convention income, and business affiliate income, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: management's discussion and analysis ("MD&A"), the basic financial statements, and required supplementary information. The financial statements include statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows and notes to the financial statements.

TENNESSEE SCHOOL BOARDS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

The statements of net position provide a record or snapshot of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the close of each fiscal year. They present the financial position of TSBA on a full accrual historical cost basis. The statements of revenues, expenses and changes in net position present the results of the business activities over the course of each fiscal year. The statements of cash flows are related to the other financial statements by the way they link changes in assets, deferred outflows, liabilities, and deferred inflows to the effects on cash and cash equivalents over the course of the fiscal years. The notes to the financial statements provide useful information regarding TSBA's significant accounting policies, significant account balances and activities, certain material risks, obligations, commitments, contingencies and subsequent events, as applicable.

FINANCIAL ANALYSIS

Net Position

Fiscal Year 2018 as Compared to Fiscal Year 2017:

| | <u>2018</u> | <u>2017</u> | <u>Amount Change</u> |
|--|--------------------|--------------------|--------------------------|
| Current assets | \$3,575,993 | \$3,678,392 | \$(102,399) |
| Noncurrent assets - capital assets | 1,904,843 | 1,663,828 | 241,015 |
| Deferred outflows of resources | <u>147,023</u> | <u>99,333</u> | <u>47,690</u> |
| Total assets and deferred outflows of resources | <u>5,627,859</u> | <u>5,441,553</u> | <u>186,306</u> |
| Current liabilities | 1,202,323 | 1,040,328 | 161,995 |
| Noncurrent liabilities | 167,299 | 205,412 | (38,113) |
| Deferred inflows of resources | <u>98,467</u> | <u>150,772</u> | <u>(52,305)</u> |
| Total liabilities and deferred inflows of resources | <u>1,468,089</u> | <u>1,396,512</u> | <u>71,577</u> |
| Investment in capital assets | 1,904,843 | 1,663,828 | 241,015 |
| Unrestricted | <u>2,254,927</u> | <u>2,381,213</u> | <u>(126,286)</u> |
| Total net position | <u>\$4,159,770</u> | <u>\$4,045,041</u> | <u>\$ 114,729</u> |

- Net position increased by \$114,729, during the year ended December 31, 2018, primarily due to increases of \$241,015, \$28,459, and \$25,143 in invested in capital assets, convention revenue, and school board academy grants, respectively. This increase was offset with investment losses of \$159,270 and increased salaries expense of \$83,477 over the prior year.

TENNESSEE SCHOOL BOARDS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2017 as Compared to Fiscal Year 2016:

| | <u>2017</u> | <u>2016</u> | <u>Amount Change</u> |
|--|--------------------|--------------------|--------------------------|
| Current assets | \$3,678,392 | \$3,348,631 | \$ 329,761 |
| Noncurrent assets - capital assets | 1,663,828 | 1,376,279 | 287,549 |
| Deferred outflows of resources | <u>99,333</u> | <u>262,829</u> | <u>(163,496)</u> |
| Total assets and deferred outflows of resources | <u>5,441,553</u> | <u>4,987,739</u> | <u>453,814</u> |
| Current liabilities | 1,040,328 | 1,039,166 | 1,162 |
| Noncurrent liabilities | 205,412 | 480,753 | (275,341) |
| Deferred inflows of resources | <u>150,772</u> | <u>131,444</u> | <u>19,328</u> |
| Total liabilities and deferred inflows of resources | <u>1,396,512</u> | <u>1,651,363</u> | <u>(254,851)</u> |
| Investment in capital assets | 1,663,828 | 1,376,279 | 287,549 |
| Unrestricted | <u>2,381,213</u> | <u>1,960,097</u> | <u>421,116</u> |
| Total net position | <u>\$4,045,041</u> | <u>\$3,336,376</u> | <u>\$ 708,665</u> |

- TSBA's total net position increased \$708,665, primarily due to increases of \$275,721, \$61,428, \$37,418, and \$29,000 in investment income, educational events, convention income, and business affiliate income, respectively.

TENNESSEE SCHOOL BOARDS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

Fiscal Year 2018 as Compared to Fiscal Year 2017:

| | <u>2018</u> | <u>2017</u> | <u>Amount Change</u> |
|---------------------------------|-------------------|-------------------|--------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 2,013,854 | \$1,974,414 | \$ 39,440 |
| Department of Education grants: | | | |
| School Board Academies | 270,606 | 245,463 | 25,143 |
| Other services | <u>143,311</u> | <u>130,070</u> | <u>13,241</u> |
| Total operating revenues | <u>2,427,771</u> | <u>2,349,947</u> | <u>77,824</u> |
| Operating expenses: | | | |
| Cost of services | 955,740 | 896,058 | 59,682 |
| Administration | 1,133,148 | 1,080,115 | 53,033 |
| Depreciation | <u>64,278</u> | <u>55,762</u> | <u>8,516</u> |
| Total operating expenses | <u>2,153,166</u> | <u>2,031,935</u> | <u>121,231</u> |
| Operating income | 274,605 | 318,012 | (43,407) |
| Investment (loss) income | (159,270) | 390,653 | (549,923) |
| Loss on sale of capital assets | <u>(606)</u> | <u>-</u> | <u>(606)</u> |
| Increase in net position | <u>\$ 114,729</u> | <u>\$ 708,665</u> | <u>\$(593,936)</u> |

- Total operating revenues and operating expenses increased by \$77,824 and \$121,231, respectively. Operating revenues increased mainly due to increases of \$25,143 and \$28,459 in school board academy grants and convention revenue, respectively. Operating expenses increased mainly due to an increase of \$83,477 in salaries over the prior year. Investment activity decreased \$549,923 mainly due to unrealized losses on investments during 2018 compared with unrealized gains on investments during 2017.

TENNESSEE SCHOOL BOARDS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2017 as Compared to Fiscal Year 2016:

| | <u>2017</u> | <u>2016</u> | <u>Amount Change</u> |
|---------------------------------|-------------------|-------------------|--------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 1,974,414 | \$ 1,849,414 | \$ 125,000 |
| Department of Education grants: | | | |
| School Board Academies | 245,463 | 257,687 | (12,224) |
| Other services | <u>130,070</u> | <u>114,246</u> | <u>15,824</u> |
| Total operating revenues | <u>2,349,947</u> | <u>2,221,347</u> | <u>128,600</u> |
| Operating expenses: | | | |
| Cost of services | 896,058 | 851,906 | 44,152 |
| Administration | 1,080,115 | 1,075,821 | 4,294 |
| Depreciation | <u>55,762</u> | <u>51,541</u> | <u>4,221</u> |
| Total operating expenses | <u>2,031,935</u> | <u>1,979,268</u> | <u>52,667</u> |
| Operating income | 318,012 | 242,079 | 75,933 |
| Investment income | <u>390,653</u> | <u>114,932</u> | <u>275,721</u> |
| Increase in net position | <u>\$ 708,665</u> | <u>\$ 357,011</u> | <u>\$ 351,654</u> |

- Total operating revenues increased by \$128,600 due to increased educational events, convention income, and business affiliate income. Total operating expenses increased by \$52,667 due to additional costs incurred during 2017 for a staffing addition and employee benefits. Investment income increased \$275,721 mainly due to unrealized gains on investments during 2017.

CAPITAL ASSETS

TSBA's capital assets consist of land, building, and related improvements totaling \$1,574,462, \$1,306,852, and \$1,346,659, net at December 31, 2018, 2017, and 2016, respectively. Capital assets also consist of furniture and fixtures, equipment, and automobiles of \$80,381, \$51,326, and \$29,620, net at December 31, 2018, 2017, and 2016, respectively. During 2018, TSBA capitalized \$305,650 in building renovations, which were included in construction in progress at December 31, 2017. As of December 31, 2018, TSBA had \$250,000 in construction in progress, which was related to software purchases. There are no estimated costs to complete as the software purchases were placed into service in January 2019. Further information regarding capital assets can be found in Note C to the financial statements.

TENNESSEE SCHOOL BOARDS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

TSBA's management considered many factors when developing the annual operating budget for the fiscal year ending December 31, 2019. The key factor was the consistency of expenses and the expectation that meeting attendance and contracted services would increase as in previous years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the TSBA's financial position and operations, both from a long-term viewpoint and for the current operating period. If you have any questions about this report or would like to request additional information, contact the Tennessee School Boards Association's Finance Department at 525 Brick Church Park Drive, Nashville, Tennessee 37207.

TENNESSEE SCHOOL BOARDS ASSOCIATION
STATEMENTS OF NET POSITION

| | December 31, | |
|---|--------------|--------------|
| | 2018 | 2017 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 702,740 | \$ 625,308 |
| Investments | 2,279,834 | 2,693,625 |
| Accounts receivable | 551,435 | 329,520 |
| Prepaid expenses | 41,984 | 29,939 |
| Total current assets | 3,575,993 | 3,678,392 |
| Noncurrent assets: | | |
| Capital assets not being depreciated | 445,500 | 501,150 |
| Capital assets subject to depreciation, net | 1,459,343 | 1,162,678 |
| Total noncurrent assets | 1,904,843 | 1,663,828 |
| Total assets | 5,480,836 | 5,342,220 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pensions | 147,023 | 99,333 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 9,569 | 11,285 |
| Unearned revenues | 1,192,754 | 1,029,043 |
| Total current liabilities | 1,202,323 | 1,040,328 |
| Noncurrent liabilities: | | |
| Net pension liability | 142,034 | 180,534 |
| Compensated absences | 25,265 | 24,878 |
| Total noncurrent liabilities | 167,299 | 205,412 |
| Total liabilities | 1,369,622 | 1,245,740 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pensions | 98,467 | 150,772 |
| NET POSITION | | |
| Investment in capital assets | 1,904,843 | 1,663,828 |
| Unrestricted | 2,254,927 | 2,381,213 |
| Total net position | \$ 4,159,770 | \$ 4,045,041 |

See accompanying notes to financial statements.

TENNESSEE SCHOOL BOARDS ASSOCIATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

| | Year Ended December 31, | |
|--|----------------------------|----------------------------|
| | 2018 | 2017 |
| OPERATING REVENUES | | |
| Charges for services | \$ 2,013,854 | \$ 1,974,414 |
| Department of Education Grants - School Board Academies | 270,606 | 245,463 |
| Other services | 143,311 | 130,070 |
| | <u>2,427,771</u> | <u>2,349,947</u> |
| OPERATING EXPENSES | | |
| Cost of services | 955,740 | 896,058 |
| Administration | 1,133,148 | 1,080,115 |
| Depreciation | 64,278 | 55,762 |
| | <u>2,153,166</u> | <u>2,031,935</u> |
| | <u>274,605</u> | <u>318,012</u> |
| OPERATING INCOME | | |
| NONOPERATING (EXPENSES) REVENUES | | |
| Investment (loss) income | (159,270) | 390,653 |
| Loss on disposal of capital assets | (606) | - |
| | <u>(159,876)</u> | <u>390,653</u> |
| | <u>114,729</u> | <u>708,665</u> |
| NET POSITION, BEGINNING OF YEAR | <u>4,045,041</u> | <u>3,336,376</u> |
| NET POSITION, END OF YEAR | <u><u>\$ 4,159,770</u></u> | <u><u>\$ 4,045,041</u></u> |

See accompanying notes to financial statements.

TENNESSEE SCHOOL BOARDS ASSOCIATION
STATEMENTS OF CASH FLOWS

| | Year Ended December 31, | |
|---|-------------------------|-------------------|
| | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers and users | \$ 2,137,611 | \$ 2,091,256 |
| Receipts from government grants | 231,956 | 296,823 |
| Payments to suppliers | (1,103,228) | (1,036,773) |
| Payments to or on behalf of employees | (1,137,529) | (1,040,621) |
| Net cash provided by operating activities | 128,810 | 310,685 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of capital assets, net | (305,293) | (343,311) |
| Net cash used in capital and related financing activities | (305,293) | (343,311) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sales (purchases) of investments, net | 141,876 | (82,004) |
| Interest received | 112,039 | 86,781 |
| Net cash provided by investing activities | 253,915 | 4,777 |
| Net increase (decrease) in cash and cash equivalents | 77,432 | (27,849) |
| Cash and cash equivalents, beginning of year | 625,308 | 653,157 |
| Cash and cash equivalents, end of year | \$ 702,740 | \$ 625,308 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating income | \$ 274,605 | \$ 318,012 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 64,278 | 55,762 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (221,915) | 29,320 |
| Prepaid expenses | (12,045) | (1,054) |
| Accounts payable | (1,716) | (7,650) |
| Unearned revenues | 163,711 | 8,812 |
| Compensated absences | 387 | (1,648) |
| Net pension liability and related amounts | (138,495) | (90,869) |
| Total adjustments | (145,795) | (7,327) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 128,810 | \$ 310,685 |

See accompanying notes to financial statements.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the significant accounting principles and practices of the Tennessee School Boards Association (“TSBA”) are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the TSBA’s financial activities for the fiscal years ended December 31, 2018 and 2017.

Reporting Entity and Related Entities

The Tennessee School Boards Association was established in 1939 to provide services for local public school districts. In 1953, the Tennessee Legislature officially recognized the TSBA as “the organization and representative agency of the members of school boards of Tennessee” and further authorized the TSBA to provide services by collecting dues from school boards.

As described in GASB Statement No. 34, paragraph 134, TSBA meets the definition of a special purpose government (“SPG”). TSBA is a legally separate entity that is engaged in only business-type activities. Business-type activities are defined as activities that are financed in whole or in part by fees charged to external parties for goods or services. SPGs engaged only in business-type activities are required to present the financial statements required for proprietary funds, which includes Management’s Discussion and Analysis (“MD&A”), basic financial statements, and Required Supplementary Information (“RSI”).

The governing body of TSBA is its Board of Directors, composed of 18 members, 14 of whom are elected and four of whom are appointed by the elected TSBA Board of Directors.

Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

TSBA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from grant agreements and providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues of TSBA include charges to members or applicants for goods, services, or privileges provided, and operating grants. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

All of the TSBA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying statements of net position. Net position is reported in three components, when applicable:

Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation of those assets. If TSBA had debt related to the acquisition or construction of capital assets, this net position category would be presented "net" of such related debt. At December 31, 2018 and 2017, TSBA had no debt directly related to its capital assets.

Restricted - This component consists of net position restricted by grantors, contributors, or laws and regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation, reduced by liabilities and deferred inflows of resources related to those assets. At December 31, 2018 and 2017, TSBA did not have restricted net position.

Unrestricted - This component of net position consists of net position that does not meet the definition of "investment in capital assets" or "restricted."

Cash and Cash Equivalents

Cash and cash equivalents include cash deposits in checking and investment accounts and certificates of deposit, with original maturities of three months or less. Cash and cash equivalents are reported at carrying amounts which reasonably estimate fair value.

Investments

Investments that mature more than three months after date of purchase are reported at fair value. Fair value is the last reported sales price at current exchange rates on a national exchange (See Note B).

Capital Assets

TSBA's capital assets with cost generally exceeding \$1,000 and useful lives of more than one year are stated at historical cost. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimated useful lives for depreciable assets are as follows:

| | |
|--------------------|-------------|
| Building | 40 years |
| Land improvements | 20 years |
| Automobiles | 5 years |
| Furniture/fixtures | 5 - 7 years |

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the results of operations.

Deferred Outflows/Inflows of Resources

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

TSBA's deferred outflows of resources relate to its participation in the pension plan administered by the Tennessee Consolidated Retirement System ("TCRS"). Deferred outflows of resources for pensions may result from actuarial losses related to the differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions, differences between expected and actual investment earnings, as well as employer contributions made subsequent to the measurement date (See Note F).

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

TSBA's deferred inflows of resources relate to the TCRS pension plan. Deferred inflows of resources may result from actuarial gains related to the difference between expected and actual experience for the plan's adopted economic and demographic assumptions and differences between expected and actual earnings on plan investments (See Note F).

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences

It is the policy of TSBA to permit employees to accumulate amounts of earned, but unused, vacation pay benefits up to 90 hours, which will be paid to the employee upon separation from service. At December 31, 2018 and 2017, a long-term liability for accrued compensated absences has been recorded representing TSBA's commitment to fund such costs with future financial resources.

Unearned Revenues

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

In the basic financial statements, membership dues for fiscal year 2019 and 2018, are billed during fiscal year 2018 and 2017, and have been recorded as unearned revenue totaling \$792,879 and \$780,668, respectively. Policy department fees for multiple year policy contracts and other amounts that were billed during fiscal year 2018 and 2017 have also been booked as unearned revenue totaling \$399,875 and \$248,375, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

TSBA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Risk Management

TSBA is exposed to normal business risks and carries insurance for various exposures such as property damage, automobile liability, executive protection and workers' compensation. There have been no significant changes in coverage or settlements in excess of insurance coverage during the past three years.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value in the statements of financial 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 best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

TSBA's financial instruments consist of cash equivalents, accounts receivable, investments, and accounts payable. The recorded values of accounts receivable and accounts payable approximate their fair values based on their short-term nature or market interest rates. Cash equivalents and investments are recorded at fair value using Level 1 inputs.

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 TSBA's participation in the Public Employee Retirement Plan of the TCRS, and additions to/deductions from TSBA's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposit and Investment Policy

TSBA's policy for deposits and investments distinguishes between operating reserves, investment reserves and capital reserves. Operating reserves shall be deposited in federally insured certificates of deposit, savings accounts, and money market funds that invest in government backed securities. Irrespective of the investment accounts selected, no operating reserves shall be invested in any security with a maturity exceeding one year.

Investment reserves may be invested as follows:

1. Federally insured certificates of deposit, savings accounts, and money market funds that invest in government backed securities.
2. Bank repurchase agreements, bankers' acceptances, and commercial paper.
3. U.S. Treasury Bills and U.S. government securities that are backed by the full faith and credit of the U. S. government.
4. AAA rated bonds.

Capital reserves, equities, and fixed income investments are each limited to a maximum of 70% of the portfolio with targets of 60% and 40%, respectively, with the exception that the above formula may be altered to either reduce market risk or optimize opportunities to capitalize on expected market movement. Maturities of fixed income securities will not exceed 10 years. At December 31, 2018 and 2017, TSBA is invested in exchange - traded mutual funds with a broad-range of underlying investments. TSBA employs an outside investment firm to manage its portfolio and ensure compliance with its investment policies.

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its subdivisions. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. As of December 31, 2018 and 2017, TSBA's deposits were held by financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Participating banks determine the aggregated balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of all public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS - Continued

The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Cash and Cash Equivalents

The carrying amount of the cash and cash equivalents at December 31, 2018 and 2017 totaled \$702,740 and \$625,308, respectively, and the corresponding bank balances were \$727,962 and \$631,521, respectively. The difference between the carrying amounts of cash and cash equivalents and the corresponding bank balances is due primarily to outstanding checks and deposits. The balance of cash and cash equivalents was covered by the State collateral pool, federal depository insurance, or collateralized with securities held by TSBA's agent in TSBA's name.

Investments

TSBA's investments consist of the following:

| | December 31, 2018 | |
|----------------------------------|-----------------------------------|--------------------|
| | Fair Value/ Carrying Amount | Cost |
| Cash and cash equivalents | \$ 76,062 | \$ 76,062 |
| Exchange traded and mutual funds | <u>2,203,772</u> | <u>2,323,922</u> |
| Total | <u>\$2,279,834</u> | <u>\$2,399,984</u> |

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS - Continued

| | December 31, 2017 | |
|----------------------------------|-----------------------------------|--------------------|
| | Fair Value/ Carrying Amount | Cost |
| Cash and cash equivalents | \$ 25,379 | \$ 25,379 |
| Exchange traded and mutual funds | <u>2,668,246</u> | <u>2,291,442</u> |
| Total | <u>\$2,693,625</u> | <u>\$2,316,821</u> |

Investments are valued using Level 1 inputs, as described in Note A.

The following schedule summarizes the investment (loss) income and its classification in the statements of revenues, expenses, and changes in net position for the years ended December 31, 2018 and 2017:

| | 2018 | 2017 |
|--|--------------------|-------------------|
| Interest and dividend income | \$ 112,039 | \$ 86,781 |
| Investment fees and expenses | (4,784) | (4,418) |
| Realized gains on investments | 220,048 | 20,220 |
| Unrealized (losses) gains on investments | <u>(486,573)</u> | <u>288,070</u> |
| Total investment (loss) income, net | <u>\$(159,270)</u> | <u>\$ 390,653</u> |

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

C. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2018, is as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|--------------------|--------------------|---------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 195,500 | \$ - | \$ - | \$ - | \$ 195,500 |
| Construction in progress | <u>305,650</u> | <u>250,000</u> | <u>-</u> | <u>(305,650)</u> | <u>250,000</u> |
| Total | <u>\$ 501,150</u> | <u>\$ 250,000</u> | <u>\$ -</u> | <u>\$(305,650)</u> | <u>\$ 445,500</u> |
| Capital assets subject to depreciation: | | | | | |
| Building and improvements | \$ 1,489,744 | \$ 8,359 | \$ - | \$ 305,650 | \$ 1,803,753 |
| Automobiles | 33,342 | - | - | - | 33,342 |
| Furniture/fixtures | 214,615 | 1,535 | - | - | 216,150 |
| Equipment and technology | <u>97,640</u> | <u>46,005</u> | <u>(13,707)</u> | <u>-</u> | <u>129,938</u> |
| Total cost | <u>1,835,341</u> | <u>55,899</u> | <u>(13,707)</u> | <u>305,650</u> | <u>2,183,183</u> |
| Less accumulated depreciation for: | | | | | |
| Building and improvements | (378,392) | (46,399) | - | - | (424,791) |
| Automobiles | (32,230) | (1,112) | - | - | (33,342) |
| Furniture/fixtures | (198,314) | (3,922) | - | - | (202,236) |
| Equipment and technology | <u>(63,727)</u> | <u>(12,845)</u> | <u>13,101</u> | <u>-</u> | <u>(63,471)</u> |
| Total | <u>(672,663)</u> | <u>(64,278)</u> | <u>13,101</u> | <u>-</u> | <u>(723,840)</u> |
| Capital assets subject to depreciation, net | <u>\$ 1,162,678</u> | <u>\$(8,379)</u> | <u>(606)</u> | <u>\$ 305,650</u> | <u>\$ 1,459,343</u> |

During 2018, TSBA capitalized \$305,650 in building renovations, which were included in construction in progress at December 31, 2017. As of December 31, 2018, TSBA had \$250,000 in construction in progress, which was related to software purchases. There are no estimated costs to complete as the software purchases were placed into service in January 2019.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

C. CAPITAL ASSETS - Continued

Capital assets activity for the year ended December 31, 2017, is as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|--------------------|------------------|---------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 195,500 | \$ - | \$ - | \$ - | \$ 195,500 |
| Construction in progress | <u>-</u> | <u>305,650</u> | <u>-</u> | <u>-</u> | <u>305,650</u> |
| Total | <u>\$ 195,500</u> | <u>\$ 305,650</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 501,150</u> |
| Capital assets subject to depreciation: | | | | | |
| Building and improvements | \$ 1,489,744 | \$ - | \$ - | \$ - | \$ 1,489,744 |
| Automobiles | 33,342 | - | - | - | 33,342 |
| Furniture/fixtures | 274,707 | 15,450 | (113) | (75,429) | 214,615 |
| Equipment and technology | <u>-</u> | <u>22,211</u> | <u>-</u> | <u>75,429</u> | <u>97,640</u> |
| Total cost | <u>1,797,793</u> | <u>37,661</u> | <u>(113)</u> | <u>-</u> | <u>1,835,341</u> |
| Less accumulated depreciation for: | | | | | |
| Building and improvements | (338,585) | (39,807) | - | - | (378,392) |
| Automobiles | (25,561) | (6,669) | - | - | (32,230) |
| Furniture/fixtures | (252,868) | (1,773) | 113 | 56,214 | (198,314) |
| Equipment and technology | <u>-</u> | <u>(7,513)</u> | <u>-</u> | <u>(56,214)</u> | <u>(63,727)</u> |
| Total | <u>(617,014)</u> | <u>(55,762)</u> | <u>113</u> | <u>-</u> | <u>(672,663)</u> |
| Capital assets subject to depreciation, net | <u>\$ 1,180,779</u> | <u>\$ (18,101)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,162,678</u> |

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

D. COMPENSATED ABSENCES

The following is a summary of changes in compensated absences:

| | December 31, 2018 | | | Ending Balance |
|---|----------------------|-----------------|-------------------|-------------------|
| | Beginning Balance | Additions | Payments | |
| Liability for accrued vacation leave | <u>\$24,878</u> | <u>\$49,969</u> | <u>\$(49,582)</u> | <u>\$25,265</u> |

| | December 31, 2017 | | | Ending Balance |
|---|----------------------|-----------------|-------------------|-------------------|
| | Beginning Balance | Additions | Payments | |
| Liability for accrued vacation leave | <u>\$26,526</u> | <u>\$48,187</u> | <u>\$(49,835)</u> | <u>\$24,878</u> |

E. STATE OF TENNESSEE DEPARTMENT OF EDUCATION GRANTS

School Board Academies

During 2018, TSBA entered into a grant contract with the State of Tennessee. Under the provisions of the grant contract, which was effective for the 12 months beginning on July 1, 2018 and ending June 30, 2019, TSBA agreed to update up to 10 modules to be used in training school board members using state-of-the-art instructional technology and activities. The maximum compensation allowable under the provisions of this agreement is \$229,300, which includes per diem reimbursement for board members attending school board academy functions. As of December 31, 2018, \$50,701 was accrued on this grant and included in receivables.

During 2017, TSBA entered into a grant contract with the State of Tennessee. Under the provisions of the grant contract, which was effective for the 12 months beginning on July 1, 2017 and ending June 30, 2018, TSBA agreed to update up to 10 modules to be used in training school board members using state-of-the-art instructional technology and activities. The maximum compensation allowable under the provisions of this agreement is \$229,300, which includes per diem reimbursement for board members attending school board academy functions. As of December 31, 2018, \$12,051 was accrued on this grant and included in receivables.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

E. STATE OF TENNESSEE DEPARTMENT OF EDUCATION GRANTS - Continued

Revenue from these grants is summarized as follows:

| | 2018 | 2017 |
|----------------------|-----------|-----------|
| 2016 - 2017 contract | \$ - | \$122,773 |
| 2017 - 2018 contract | 189,858 | 122,690 |
| 2018 - 2019 contract | 80,748 | - |
| | \$270,606 | \$245,463 |

F. PENSION PLAN

General Information about the Pension Plan:

Plan Description

Employees of TSBA are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (“TCRS”). The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at <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 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 include projected service credits. A variety of death benefits are available under various eligibility criteria.

TENNESSEE SCHOOL BOARDS ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

F. PENSION PLAN - Continued

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, 2018, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 17 |
| Inactive employees entitled to but not yet receiving benefits | 33 |
| Active employees | <u>8</u> |
| | <u>58</u> |

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. TSBA makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the measurement years ended June 30, 2018 and 2017, the actuarially determined contributions (“ADC”) for TSBA were \$129,508 and \$178,886, respectively, based on rates of 15.62% and 23.78% of covered payroll, respectively. By law, employer contributions are required to be paid. The TCRS may intercept TSBA’s state shared taxes if required employer contributions are not remitted. The employer’s ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability:

TSBA’s net pension liability as of December 31, 2018 was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date. TSBA’s net pension liability as of December 31, 2017 was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

F. PENSION PLAN - Continued

Actuarial Assumptions

The total pension liability as of June 30, 2018 and 2017 actuarial valuations was determined using the following actuarial assumptions:

2018:

| | |
|---------------------------|---|
| Inflation | 2.5% |
| Salary increase | Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00% |
| Investment rate of return | 7.25%, net of pension plan investment expenses, including inflation |
| Cost-of-living adjustment | 2.25% |

2017:

| | |
|---------------------------|---|
| Inflation | 2.5% |
| Salary increase | Graded salary ranges from 8.72% to 3.46% based on age, including inflation, averaging 4.00% |
| Investment rate of return | 7.25%, net of pension plan investment expenses, including inflation |
| Cost-of-living adjustment | 2.25% |

Mortality rates for 2018 and 2017 were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018 and June 30, 2017 actuarial valuations were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

F. PENSION PLAN - Continued

The long-term expected rate of return on pension plan investments for 2018 and 2017 was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class for 2017 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 | 5.69% | 31% |
| Developed market international equity | 5.29% | 14% |
| Emerging market international equity | 6.36% | 4% |
| Private equity and strategic lending | 5.79% | 20% |
| U.S. fixed income | 2.01% | 20% |
| Real estate | 4.32% | 10% |
| Short-term securities | 0.00% | <u>1%</u> |
| | | <u>100%</u> |

The long-term expected rate of return on pension plan investments for 2018 and 2017 was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

F. PENSION PLAN - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent for 2018 and 2017. 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 TSBA 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 – 2018:

| | <u>Total Pension Liability</u> (a) | Increase (Decrease) <u>Plan Fiduciary Net Position</u> (b) | <u>Net Pension Liability</u> (a) - (b) |
|---|---|--|---|
| Balance at June 30, 2017 measurement date | \$ 4,228,325 | \$ 4,047,791 | \$ 180,534 |
| Changes for the year: | | | |
| Service cost | 46,324 | - | 46,324 |
| Interest | 304,451 | - | 304,451 |
| Differences between expected and actual experience | 74,535 | - | 74,535 |
| Contributions-employer | - | 129,508 | (129,508) |
| Net investment income | - | 335,080 | (335,080) |
| Benefit payments, including refunds of employee contributions | (150,648) | (150,648) | - |
| Administrative expense | - | (778) | 778 |
| Net changes | <u>274,662</u> | <u>313,162</u> | <u>(38,500)</u> |
| Balance at June 30, 2018 measurement date | <u>\$ 4,502,987</u> | <u>\$ 4,360,953</u> | <u>\$ 142,034</u> |

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

F. PENSION PLAN - Continued

Changes in the Net Pension Liability - 2017:

| | <u>Total Pension Liability</u> (a) | <u>Increase (Decrease) Plan Fiduciary Net Position</u> (b) | <u>Net Pension Liability</u> (a) - (b) |
|---|---|---|---|
| Balance at June 30, 2016 measurement date | \$ 4,059,603 | \$ 3,605,376 | \$ 454,227 |
| Changes for the year: | | | |
| Service cost | 52,360 | - | 52,360 |
| Interest | 302,915 | - | 302,915 |
| Differences between expected and actual experience | (86,854) | - | (86,854) |
| Changes in assumptions | 46,490 | - | 46,490 |
| Contributions-employer | - | 178,886 | (178,886) |
| Net investment income | - | 410,342 | (410,342) |
| Benefit payments, including refunds of employee contributions | (146,189) | (146,189) | - |
| Administrative expense | - | (624) | 624 |
| Net changes | <u>168,722</u> | <u>442,415</u> | <u>(273,693)</u> |
| Balance at June 30, 2017 measurement date | <u>\$ 4,228,325</u> | <u>\$ 4,047,791</u> | <u>\$ 180,534</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability as of June 30, 2018 and 2017, using the discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

| | <u>1% Decrease (6.25%)</u> | <u>Current Discount Rate (7.25%)</u> | <u>1% Increase (8.25%)</u> |
|--------------------------------------|--------------------------------|--|--------------------------------|
| <u>2018:</u> | | | |
| TSBA's net pension liability (asset) | \$770,192 | \$142,034 | \$(376,224) |
| <u>2017:</u> | | | |
| TSBA's net pension liability (asset) | \$799,523 | \$180,534 | \$(313,134) |

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

F. PENSION PLAN - Continued

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

(Negative Pension Expense) Pension Expense

For the years ended December 31, 2018 and 2017, TSBA recognized (negative pension expense) and pension expense of \$(5,575) and \$32,304, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

As of December 31, 2018 and 2017, TSBA 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> |
|--|---|--|
| <u>2018:</u> | | |
| Differences between expected and actual experience | \$ 55,901 | \$80,085 |
| Net difference between projected and actual earnings on pension plan investments | - | 18,382 |
| Changes in assumptions | 23,244 | - |
| Contributions subsequent to the measurement date of June 30, 2018 | <u>67,878</u> | <u>-</u> |
| Total | <u>\$147,023</u> | <u>\$98,467</u> |
| <u>2017:</u> | | |
| Differences between expected and actual experience | \$ - | \$149,192 |
| Net difference between projected and actual earnings on pension plan investments | - | 1,580 |
| Changes in assumptions | 34,867 | - |
| Contributions subsequent to the measurement date of June 30, 2017 | <u>64,466</u> | <u>-</u> |
| Total | <u>\$99,333</u> | <u>\$150,772</u> |

TENNESSEE SCHOOL BOARDS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

F. PENSION PLAN - Continued

The amount shown above for “Contributions subsequent to the measurement date” will be recognized as a reduction to net pension liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of December 31, 2018, will be recognized in pension expense as follows:

Year Ended December 31,

| | |
|------|----------|
| 2019 | \$ 264 |
| 2020 | 6,492 |
| 2021 | (17,595) |
| 2022 | (8,483) |

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

REQUIRED SUPPLEMENTARY INFORMATION

TENNESSEE SCHOOL BOARDS ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS BASED ON PARTICIPATION IN
THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
YEAR ENDING DECEMBER 31
(MEASUREMENT YEAR ENDING JUNE 30)
(UNAUDITED)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| TOTAL PENSION LIABILITY | | | | | |
| Service cost | \$ 46,324 | \$ 52,360 | \$ 42,312 | \$ 46,038 | \$ 46,753 |
| Interest | 304,451 | 302,915 | 298,575 | 288,002 | 268,516 |
| Change in benefit terms | - | - | - | - | - |
| Difference between expected and actual experience | 74,535 | (86,854) | (146,639) | (42,929) | 90,479 |
| Change of assumptions | - | 46,490 | - | - | - |
| Benefit payments | <u>(150,648)</u> | <u>(146,189)</u> | <u>(146,676)</u> | <u>(146,126)</u> | <u>(144,342)</u> |
| Net change in total pension liability | 274,662 | 168,722 | 47,572 | 144,985 | 261,406 |
| Total pension liability beginning | <u>4,228,325</u> | <u>4,059,603</u> | <u>4,012,031</u> | <u>3,867,046</u> | <u>3,605,640</u> |
| Total pension liability ending (a) | <u>\$ 4,502,987</u> | <u>\$ 4,228,325</u> | <u>\$ 4,059,603</u> | <u>\$ 4,012,031</u> | <u>\$ 3,867,046</u> |
| PLAN FIDUCIARY NET POSITION | | | | | |
| Contributions - employer | \$ 129,508 | \$ 178,886 | \$ 120,508 | \$ 126,884 | \$ 116,086 |
| Net investment income | 335,080 | 410,342 | 93,500 | 106,025 | 492,973 |
| Benefit payments | (150,648) | (146,189) | (146,676) | (146,126) | (144,342) |
| Administrative expenses | <u>(778)</u> | <u>(624)</u> | <u>(583)</u> | <u>(457)</u> | <u>(486)</u> |
| Net change in plan fiduciary net position | 313,162 | 442,415 | 66,749 | 86,326 | 464,231 |
| Plan fiduciary net position - beginning | <u>4,047,791</u> | <u>3,605,376</u> | <u>3,538,627</u> | <u>3,452,301</u> | <u>2,988,070</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 4,360,953</u> | <u>\$ 4,047,791</u> | <u>\$ 3,605,376</u> | <u>\$ 3,538,627</u> | <u>\$ 3,452,301</u> |
| Net pension liability (a) - (b) | <u>\$ 142,034</u> | <u>\$ 180,534</u> | <u>\$ 454,227</u> | <u>\$ 473,404</u> | <u>\$ 414,745</u> |

See accompanying notes to required supplementary information.

TENNESSEE SCHOOL BOARDS ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS BASED ON PARTICIPATION IN
THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
YEAR ENDING DECEMBER 31
(MEASUREMENT YEAR ENDING JUNE 30) - Continued
(UNAUDITED)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Plan fiduciary net position as a percentage of total pension liability | 96.85% | 95.73% | 88.81% | 88.20% | 89.27% |
| Covered payroll | \$829,115 | \$752,410 | \$771,501 | \$812,320 | \$739,872 |
| Net pension liability as a percentage of covered payroll | 17.13% | 23.99% | 58.88% | 58.28% | 56.06% |

Notes to Schedule:

Changes of assumptions - 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.

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.

See accompanying notes to required supplementary information.

TENNESSEE SCHOOL BOARDS ASSOCIATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
MEASUREMENT YEAR ENDING JUNE 30
(UNAUDITED)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$129,508 | \$ 117,527 | \$120,508 | \$126,884 | \$116,086 |
| Contributions in relation to the actuarially determined contribution | <u>129,508</u> | <u>178,886</u> | <u>120,508</u> | <u>126,884</u> | <u>116,086</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$(61,359)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll Contributions as a percentage covered payroll | \$ 829,115 15.62% | \$ 752,410 23.78% | \$771,501 15.62% | \$812,320 15.62% | \$739,872 15.69% |

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.

See accompanying notes to required supplementary information.

TENNESSEE SCHOOL BOARDS ASSOCIATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level dollar, closed (not to exceed 20 years) |
| Remaining amortization period | Varies by year |
| Asset valuation | 10-year smoothed within a 20 percent corridor to market value |
| Inflation | 2.5 percent |
| Salary increases | Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent |
| Investment rate of return | 7.25 percent, net of investment expense, including inflation |
| Retirement age | Pattern of retirement determined by experience study |
| Mortality | Customized table based on actual experience including an adjustment for some anticipated improvement |
| Cost of living adjustments | 2.25 percent |

Changes of assumptions: In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 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.

See accompanying notes to required supplementary information.

OTHER INFORMATION

TENNESSEE SCHOOL BOARDS ASSOCIATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2018

| <u>Program Name</u> | <u>RFS Number</u> | <u>State Grant Grantor Agency</u> | <u>Balance at 1/1/2018 (Receivable) Payable</u> | <u>Receipts</u> | <u>Expenditures</u> | <u>Balance at 12/31/2018 (Receivable) Payable</u> |
|------------------------|-------------------|-----------------------------------|---|------------------|---------------------|---|
| School Board Academies | 33105-00314 | TN Dept. of Education | \$(12,051) | \$ 12,051 | \$ - | \$ - |
| School Board Academies | 33105-00119 | TN Dept. of Education | <u>-</u> | <u>219,905</u> | <u>(270,606)</u> | <u>(50,701)</u> |
| Total state awards | | | <u>\$(12,051)</u> | <u>\$231,956</u> | <u>\$(270,606)</u> | <u>\$(50,701)</u> |

NOTE - BASIS OF PRESENTATION

The schedule of expenditures of state awards is presented in accordance with the requirements of the *State of Tennessee Audit Manual*, on the accrual basis of accounting.

See independent auditor's report.

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

The Board of Directors
Tennessee School Boards Association
Nashville, 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 Tennessee School Boards Association (“TSBA”) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise TSBA’s basic financial statements, as listed in the table of contents, and have issued our report thereon dated August 7, 2019.

Internal Control Over Financial Reporting

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether TSBA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 TSBA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TSBA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crosslin, PLLC

Nashville, Tennessee
August 7, 2019

TENNESSEE SCHOOL BOARDS ASSOCIATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018

TSBA had no prior audit findings.



6 | Report of the Constitution and Bylaws Committee

Committee Members

Brett Henley, Coffee County, Chairman

Candy Morgan, Maryville, Vice Chairman

Marty Burlison, Tipton County

Lee Carter, Huntingdon Special

Jimmie Garland, Clarksville/Montgomery County

Rick Wimberly, Williamson County

CONSTITUTION AND BYLAWS

ARTICLE I Name of Organization

This organization shall be called the Tennessee School Boards Association.

ARTICLE II Purposes of the Association

Section 1. To work for the general advancement and improvement of public education in Tennessee.

Section 2. To work for the most efficient and effective organization of the public schools.

Section 3. To work for adequate, dependable and equitable financial support of the public schools of the State.

Section 4. To gather and disseminate information and experience on school activities and affairs.

Section 5. To study proposed educational legislation to the end that the various school boards may be informed of such legislation.

Section 6. To provide the General Assembly of the State of Tennessee with pertinent information incident to the passage of sound educational legislation.

Section 7. To advocate and work for legislation which will guarantee that the schools will be able to meet the challenges of a changing society.

Section 8. To sponsor, develop and encourage any program considered desirable to improve public education in Tennessee.

Section 9. To hold conferences for the mutual exchange of ideas and experiences of school board members.

Section 10. To cooperate with other organizations and agencies which are interested in public education.

A. TSBA shall maintain membership in the National School Boards Association upon the approval of the annual dues by the Board of Directors.

B. The President and the President-Elect shall serve as voting delegates to the NSBA Annual Convention. Alternates shall be selected by the Board of Directors. Voting delegates shall represent the interests of the Board of Directors.

C. The Executive Director and other appropriate staff members, as determined by the Executive Director, shall attend the NSBA Annual Convention with the voting delegates and alternates.

D. The Executive Director, President and other officers or directors as chosen by the Board, shall attend the NSBA Summer Leadership Seminar each year.

E. Membership and participation in or support of other national or regional educational organizations shall be maintained upon approval of the Board of Directors.

Section 11. To accomplish such other purposes as may be approved by the membership of this organization acting in an annual meeting or called meeting by the Board of Directors.

A. The Board of Directors may develop and adopt legislative programs based upon the position statements and resolutions adopted by the Delegate Assembly.

B. The following policy statement shall be used on all formal presentation of materials to the Legislature:

“The Tennessee School Boards Association is a voluntary association of the school boards of the State of Tennessee desiring

to serve as an information agency in the improvement of education, both at the state and local levels. It provides its member boards and the Legislature with facts concerning proposed, pending and adopted legislation, as well as the pros and cons and TSBA's positions on vital issues pertaining to education."

C. The actions and statements of the Board of Directors shall be in keeping with the intent, meaning and spirit of the resolutions adopted by the Delegate Assembly. The Executive Director and staff shall promote and defend the purposes, resolutions and position statements of the Association on educational issues.

D. The President, Executive Director and staff are authorized to seek the enactment and realization of resolutions and position statements adopted in the Delegate Assembly.

Section 12. The Association is formed and will be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954.

ARTICLE III Policy

It shall be the policy of the Association to formulate its program on the position statements and resolutions approved by the majority of the delegates present in a Delegate Assembly, except the authority to act for the Association between regular annual meetings is delegated to the Board of Directors.

ARTICLE IV Membership

Section 1. The voting membership of this Association shall be comprised of all county, city and special school district boards of education which shall comply with the requirements of the Tennessee School Boards Association as outlined by the Constitution and Bylaws.

A. The annual membership service fee for each board of education will consist of a

basic fee of \$600 + a graduated fee based upon current expenditures of the school district (not including capital outlay).

The graduated portion is determined by multiplying the current expenditures of the district (from the most recent Annual Statistical Report) by a factor of 0.000225 for the first \$20,000,000 and a factor of 0.00006 for the next \$50,000,000 and 0.000005 for amounts above \$70,000,000.

Notice of a proposed increase to the annual membership service fee shall be given to all member boards at least 20 days prior to the meeting of the Delegate Assembly.

B. Those school boards which have paid the membership service fee for the current year by January 1 shall be considered to be member boards and be entitled representation in the business of the Association as prescribed by the Constitution and Bylaws.

C. A school board failing to pay the current year's membership service fee by January 1 will not receive the services of the Association until payment is made.

Section 2. All past presidents shall be honorary life members of the Association.

Section 3. Different types of associate memberships may be determined by the Board of Directors. Fees for such members shall be set by the Board.

A. Former school board members are eligible for Associate Membership upon payment of a membership fee. Such membership shall carry with it all privileges except those of voting and holding office in the Association.

B. Business Affiliate Membership shall be extended to businesses and concerns providing goods and services to schools, school systems and school boards. Such firms shall be deemed as forthright and honorable and shall have indicated interest in the improvement of the operation of Tennessee's public school systems.

ARTICLE V
Officers and Their Election

Section 1. The officers of this Association shall be President, the Immediate Past President, a President-Elect, a Vice President and a Treasurer.

Section 2. The offices of President-Elect, Vice President and Treasurer shall be elected by a majority vote at the regular Delegate Assembly. If there is but one candidate for any office the election may be voice; otherwise, it shall be by ballot. They shall serve for a term of one year and shall remain in office until their successors are elected. Officers shall take office on January 1 following their election.

Section 3. The President-Elect shall automatically succeed to the office of President upon completion of his or her term.

Section 4. The President shall automatically hold the office of Immediate Past President upon completion of his or her term.

A. The nine members of the Nominating Committee from the developmental districts shall be appointed by the TSBA President from their respective developmental district at or before the Fall District Meeting prior to the meeting of the Delegate Assembly. Nominees shall be members of school boards holding membership in TSBA. The President shall attempt to assure that the total membership of the committee will reflect the cultural, sexual, racial and ethnic diversity of the school boards in Tennessee.

B. The Immediate Past President shall serve as chairman of the Nominating Committee and as one of the nine representatives on the committee.

C. Recommendations for nominees for TSBA officers must be submitted to the TSBA offices no later than ~~45~~ 60 days prior to the meeting of the Delegate Assembly. Recommendations may only be submitted by school boards holding membership in TSBA and nominees shall be members of TSBA member boards. Recommendations shall be submitted on

the official form available from TSBA offices. No individual shall be a candidate for more than one office.

D. At least 30 days prior to the meeting of the Delegate Assembly, the Nominating Committee shall nominate one or more nominees for office to be filled and shall report the committee's nominations to the President and Executive Director.

E. The Executive Director shall transmit to TSBA member school boards and delegates of the Delegate Assembly the slate of nominees for offices to be filled as presented by the Nominating Committee, together with pertinent biographical information for each nominee, at least 20 days prior to the meeting of the Delegate Assembly.

F. In the event a nominee becomes unable to serve, the Nominating Committee, at the call of its chairman, shall select an alternate candidate and transmit to member school boards and delegates its amended report as soon as feasible.

G. Additional nominations from member school boards may be made at the opening session of the Delegate Assembly by preparing and disseminating to the President of the Association pertinent biographical information and a signed letter from each nominee confirming willingness to serve.

ARTICLE VI
Duties of Officers

Section 1. The President shall preside at all meetings of the Association and of the Board of Directors, shall be a member ex-officio of all committees except the Nominating Committee, and shall perform all other duties usually pertaining to the office.

A. The President or the President's representative shall attend the annual convention of the National School Boards Association and shall be one of the Association's voting delegates at the convention.

B. The President shall serve as the Chairman of the Federal Relations Network

and shall attend the Advocacy Institute and the NSBA Summer Leadership Seminar.

C. The President shall be the official representative of the Association at state and national meetings. If the President is unable to attend such meetings, the President's designee shall represent the Association.

Section 2. The President-Elect shall assume the powers and duties of the President in his/her absence and shall succeed to the presidency when a vacancy occurs in the office. In the event a vacancy occurs in the office of President-Elect, the office shall remain vacant until an election to fill the vacancy is held at the regular annual Delegate Assembly.

A. The President-Elect will serve as chairman of the Planning and Development Committee.

Section 3. The Vice President shall perform such other duties as from time to time may be assigned by the President or the Board of Directors.

A. The Vice President will serve as chairman of the Constitution and Bylaws Committee.

Section 4. The Immediate Past President shall advise and counsel with other officers and employees of the Association.

A. It shall be the duty of the Immediate Past President to serve as chairman of the Nominating Committee. If the Immediate Past President is unable or unwilling to serve for some reason, then the Board of Directors shall select a chairman of the Nominating Committee from the membership of the Board of Directors.

Section 5. The Treasurer shall receive monthly financial reports from the Executive Director and shall consult with him/her on the financial conduct of the Association. S/he shall make a full report at the annual Delegate Assembly and at other times when requested by the Board of Directors.

A. The Treasurer shall serve as chairman of the Finance Committee.

ARTICLE VII Board of Directors

Section 1. The Board of Directors shall be composed of the officers of the Association, the Executive Director in ex-officio capacity, nine district directors, and up to four additional members selected by the Board of Directors for one-year terms. One director shall be elected from each of the nine districts for a term of three years with the districts corresponding development districts as designated by executive order of the Governor of Tennessee. However, a board of education may transfer to another development district by notifying the Executive Director by January 1. Any NSBA officer or director from Tennessee shall be an ex-officio, nonvoting member of the TSBA Board of Directors during his/her term of office.

A. Any vacancy of any office not otherwise provided for in the Constitution and Bylaws of the Tennessee School Boards Association shall be filled by appointment of the Board of Directors, with such appointment to be effective for the remainder of the term of office. If more than two years remain on the term of the vacated office, the appointment shall be effective until an election to fill the vacancy is held at the fall district meeting.

B. A member of the Board of Directors may resign by submitting a written resignation to the President of the Association. The resignation shall become effective upon acceptance by the Board of Directors.

C. Members of the Board of Directors who are absent from three consecutive regularly scheduled meetings may be subject to removal from the Board of Directors by a majority vote of the remaining members. Any director may be removed by a two-thirds vote of the total Association Board of Directors when in its judgment the best interest of the Association would be served by removal.

Section 2. Three District Directors shall be elected each year for terms of three

years. Elections shall occur at the Fall District Meeting in the district in which seats are to be filled. A District Director shall be elected by the board members in attendance from the district in which the vacancy exists.

A. Nominating Committees of at least three members each shall be appointed by the TSBA President at least 30 days prior to Fall District Meetings in the districts where a vacancy will exist. The Committee shall nominate at the Fall District Meeting at least one school board member who is capable and willing to serve in the position of District Director. Additional nominations may be made from the floor during the Fall District Meeting, provided the candidate's credentials have been submitted to the Nominating Committee before the deadline.

B. Nominations for TSBA District Director must be received in the TSBA offices no later than 45 60 days prior to the beginning of Fall District Meetings.

1. Nominations must be endorsed by the local board of education and must be accompanied by a written statement from the nominee confirming the willingness to serve.

2. Nominations shall be submitted on the official form available from TSBA offices.

3. In order to be elected, nominees must receive a majority vote of those present and voting. If there is more than one nominee for a position, voting shall be by written ballot.

4. District Directors shall take office on January 1 following their election.

Section 3. The duties of the Board of Directors are as follows: (a) it shall employ a salaried Executive Director and shall determine his/her duties, responsibilities and salary; (b) it shall carry on the necessary business of the Association between regular and special meetings thereof; (c) it shall meet when called by the President; (d) it shall determine the place, date and hour of regular meetings of the Association; (e) it shall determine the site of

and contract for the headquarters of the Association; (f) it shall adopt policies, rules and regulations necessary for the conduct of the Board of Directors; and (g) it may propose resolutions, position statements, and amendments to the Constitution and Bylaws.

A. MEETINGS OF BOARD OF DIRECTORS. The Board of Directors shall hold regular quarterly meetings, one just prior to the annual convention.

B. DUTIES OF TSBA DIRECTORS. A school board member who accepts a position on the TSBA Board of Directors shall be prepared to do the following:

1. Represent the school boards of the State as the policy-making body of the Association by (a) attending meetings faithfully; (b) representing the school boards of his or her specific area and the entire state; (c) setting policy and direction, not being involved in administrative detail; (d) acting as a liaison between the Association office and local school boards.

2. Represent and support the Association in the respective TSBA districts, communicate the views of the Association, and obtain information and reaction from those districts through (a) local school boards; (b) regional board associations; (c) school board workshops; (d) other interested individuals and organizations.

3. Develop and maintain the highest standards of rapport in his or her TSBA district through (a) individuals and groups listed in number two above; (b) telephone calls; (c) correspondence (with appropriate assistance from the Association office); (d) attendance and participation in regional and area board meetings; (e) encourage participation in TSBA events and awards.

4. Preside at district meetings.

5. Coordinate membership and recruitment efforts within a district.

6. Present awards to school boards within their district.

7. Carry out any other duties as designated by the President.

**ARTICLE
VIII
Committees**

Committees shall be established by the Board of Directors as may be required to promote the objectives and interests of the Association. The President shall appoint the members.

A. EXECUTIVE COMMITTEE

1. Functions. The Executive Committee shall have the authority to act between meetings of the Board of Directors on issues that the Executive Committee deems to be emergency in nature subject to review by the Board of Directors. The Executive Committee shall provide to the Board of Directors appropriate notification and topics of discussion prior to such emergency meetings.

2. Composition. The Executive Committee shall be composed of the following members: President, President-Elect, Vice President, Treasurer, and Immediate Past President. The Executive Director shall be an ex-officio member without voting rights.

3. Duration of Office. The term of each member of the Executive Committee shall be concurrent with the term of office as an officer.

4. Chairman. The President of the Association shall serve as chairman of the Executive Committee.

5. Meetings. The Executive Committee shall meet upon reasonable notice, on the call of the President or upon written request of any three members of the Executive Committee. At any meeting of the Executive Committee, three voting members shall constitute a quorum for the transaction of business. Action taken by the Executive Committee shall require a majority vote of those present.

6. STANDING COMMITTEES. The President shall appoint the members and the chairman where not designated by the Bylaws of the following committees with the approval of the Board of

Directors.

7. CONSTITUTION AND BYLAWS COMMITTEE. The Constitution and Bylaws Committee shall study and recommend to the Board of Directors any proposed changes to the Constitution and Bylaws or the Position Statements of the Association.

8. FINANCE COMMITTEE. The Finance Committee shall (a) prepare recommendations on the annual budget for the Board of Directors; (b) prepare and submit to the Board of Directors a report and analysis of the finances of the Association; (c) study and recommend the investment of surplus Association funds; (d) present an annual financial report; (e) conduct an annual audit of the accounts; (f) monitor income producing programs of the association; and (g) recommend a dues structure compatible with the goals and objectives of the Association.

9. PLANNING AND DEVELOPMENT COMMITTEE. The Planning and Development Committee shall (a) review, update and report annual Association goals, objectives and priorities in short- and long-range planning; (b) review, analyze and recommend to the Board of Directors new programs and services; (c) review, analyze and recommend building and equipment needs; (d) review and recommend improvements in TSBA's educational programming; and (e) recommend to the Board of Directors the annual calendar for approval.

B. SPECIAL COMMITTEES. The President, with the approval of the Board of Directors, may appoint special committees as deemed necessary to properly perform or more effectively carry out the work and purposes of the Association. **After a special committee has reported to the Board, it shall be dissolved.**

**ARTICLE IX
Meetings**

Section 1. There shall be at least one statewide Delegate Assembly of the Association each year.

A. The date and site of the annual convention and Delegate Assembly shall be determined by the Board of Directors.

1. Voting and alternate delegates shall be members of local school boards holding membership in TSBA.

2. Voting Procedure. Each member board shall be requested to name official voting delegates and alternates in keeping with the number authorized in the Constitution and Bylaws.

B. Representation at the Delegate Assembly of the annual convention and in all elections or ballots held by the Association shall be by delegates and shall be determined as follows:

| Net Pupil Enrollment | Number of School District Delegates |
|----------------------|-------------------------------------|
| Less than 2,000 | 2 |
| 2,000-5,000 | 3 |
| 5,001-10,000 | 4 |
| 10,001-20,000 | 6 |
| 20,001-40,000 | 7 |
| More than 40,000 | 9 |

Data used for enrollment is taken from the most recent Annual Statistical Report.

C. Registration fees at meetings as are necessary to defray the expense of the Association may be fixed by the Board of Directors.

D. The actions of the Delegate Assembly shall take effect at the close of the Delegate Assembly, with the exception of the terms of service of elected officers which shall begin January 1 following the election.

Section 2. Special meetings of the Delegate Assembly shall be called by the President and at the request of the Board of Directors.

A. Voting procedures and representation at special meetings of the Delegate Assembly shall be the same as those used at the annual convention.

Section 3. A quorum at the Delegate Assembly shall consist of a majority of the number of delegates

certified in attendance at the Delegate Assembly meeting.

ARTICLE X Amendments

Section 1. Any member of the Association may propose an amendment to the Constitution and Bylaws by submitting the same in writing to the Executive Director at least 45 60 days prior to the meeting of the Delegate Assembly.

Section 2. Written notice of the proposed Constitution and Bylaws amendments shall be given to all member boards at least 20 days before the meeting of the Delegate Assembly.

Section 3. The Constitution and Bylaws may be amended by a two-thirds majority of those delegates present and voting at the Delegate Assembly.

ARTICLE XI Resolutions and Position Statements

Section 1. Any member of the Association may propose resolutions or position statements pertinent to the purposes and objectives of the association by submitting the same in writing to the Executive Director at least 45 60 days prior to the meeting of the Delegate Assembly, unless the Delegate Assembly by a two-thirds (2/3) majority of those present and voting determines otherwise.

Section 2. Written notice of the proposed resolutions and position statements shall be given to all member boards at least 20 days before the meeting of the Delegate Assembly.

Section 3. Resolutions and position statements may be adopted by a majority of those delegates present and voting at the Delegate Assembly.

ARTICLE XII Parliamentary Authority

The rules contained in Robert's Rules of Order Revised shall govern this Association in all cases in which they are applicable and in which they

are not inconsistent with this Constitution. Additional rules may apply as adopted by the Delegate Assembly.

**ARTICLE XIII
Distribution of Assets**

Section 1. Upon the dissolution of the Association and after paying or making provision for the payment of all the liabilities of the Association, the remaining assets of the Association will escheat to the state exclusively for the purposes of the Association in such manner as to be used exclusively for charitable, educational, religious or scientific purposes under section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Section 2. No part of the net earnings or funding of the Association shall inure to the benefit of, or be distributed to its officers, directors, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

Amended Feb. 23, 1979
Amended Feb. 25, 1980
Amended Mar. 02, 1981
Amended Mar. 07, 1983
Amended Mar. 12, 1984
Amended Nov. 12, 1984
Amended Nov. 18, 1985
Amended Nov. 09, 1987
Amended Nov. 14, 1988
Amended Nov. 05, 1990
Amended Nov. 18, 1991
Amended Nov. 14, 1994

Amended Nov. 13, 1995
Amended Nov. 18, 1996
Amended Nov. 10, 1997
Amended Nov. 16, 1998
Amended Nov. 12, 2001
Amended Nov. 17, 2003
Amended Nov. 15, 2004
Amended Nov. 14, 2005
Amended Nov. 13, 2006
Amended Nov. 12, 2007
Amended Nov. 17, 2008
Amended Nov. 14, 2011

Amended Nov. 10, 2013
Amended Nov. 16, 2014
Amended Nov. 04, 2017
Amended Nov. 03, 2018



7 | Report of the Board of Directors' Legislative Report

Members

Kathy Hall, President, Johnson City

Mark Clark, President-Elect, Fayetteville

Brett Henley, Vice President, Coffee County

Keys Fillauer, Treasurer, Oak Ridge

Faye Heatherly, Immediate Past-President, Campbell County Bobby

Henderson, Southwest Director, Hardeman County

Candy Morgan, East Director, Maryville

Todd Ganger, Northeast Director, Washington County

Regina Waller, Upper Cumberland Director, Trousdale County

Marty Burlison, Delta Director, Tipton County

Jimmie Garland, Mid-Cumberland Director, Clarksville/Mont. County

Pat Welsh, South Central Director, Tullahoma

Julie Bennett, Southeast Director, Marion County

Lee Carter, Northwest Director, Huntingdon Special

Helen G. Martin, At-Large Member, Warren County

Rick Wimberly, At-Large Member, Williamson County

Dale Viox, At-Large Member, Arlington

Jo Williams, At-Large Member, Anderson County

PROPOSED ADDITIONAL LANGUAGE TO POSITION STATEMENTS

SUBMITTED BY: Sullivan County Board of Education

PROPOSED ADDITION:

Local control is essential to the effective operation of school boards, and school board members should be responsible to the citizens that elected them. School board members have a unique knowledge of local needs and represent the collective will of the community as it relates to public education. As such, a local school board should be politically accountable to the constituents within their district.

TSBA believes the authority of election and retention of school board members should remain solely with the district they represent. The General Assembly should not pass legislation that would jeopardize the local governance structure or enable citizens outside a particular school district to participate in or influence the election of its school board members. Recall procedures should apply to all elected local officials, and grounds for recall should be acts of malfeasance or misfeasance while in office or violation of the oath of office.

Following is a copy of the current TSBA
Position Statements.



Representing the Public in Public Education

POSITION STATEMENTS

The Tennessee School Boards Association recognizes the significance and importance of public education to the future of our local communities, state, and nation. Local boards of education are unified in providing Tennessee’s children with an exceptional education using all available resources.

TSBA believes that improvement of student achievement is the most significant task of the school district and affirms a commitment to the improvement of student learning. The Association acknowledges the challenges that public schools face as well as the need for continued improvement, and its member boards of education are dedicated toward reaching the goal of every child achieving his or her highest potential.

I. CONTROL AND SUPPORT OF PUBLIC EDUCATION

A. Governance

The responsibility for control and support of public schools is legally vested in the General Assembly while in large measure the operation is delegated to local school boards.

TSBA supports continued efforts to reduce state education law for the purpose of eliminating unconstitutional, conflicting, redundant, and unnecessary statutes.

TSBA believes the takeover of local schools or school districts from elected school boards and the communities they serve should take place only as a remedy of last resort. State and federal education policies should be designed to assist local school districts in improving student achievement for all children and not as a disguised means to label public schools as failures. Prior to any state or federal intervention based on a school’s or district’s failure to meet performance or accountability standards, governments should ensure that local schools and districts receive the necessary resources, support, and time to improve.

B. Local Control

Local school boards reflect the needs and aspirations of the communities they serve as well as the interests and concerns of professional and nonprofessional employees. Non-partisan lay control is best ensured when educational policy is made by local lay representatives whose undivided attention and interests are devoted to education. While public education may be a federal concern, it is a state responsibility and a local operation.

The authority of the local school board is established by law, and this authority may not be delegated to others. Local boards of education must not relinquish their governance responsibilities.

School boards, subject to the requirements of existing law, should refrain from agreements that compromise their responsibility for representing general public interest in education. They should also resist, by all lawful means, the enactment of laws that would surrender their responsibility for the general public interest to third party agents.

Since local boards know the unique and varied needs of their communities, TSBA believes the General Assembly and State Board of Education should not violate local control through laws, rules, or regulations.

C. Fiscal Independence

TSBA supports the development of a school budget law which provides the opportunity for local school boards to achieve fiscal independence. TSBA supports legislation that allows existing school systems to convert to special school districts.

D. Allocation of Public Funds

TSBA advocates that funds raised by general taxation for educational purposes should be administered by public officials and should not be used to support privately operated schools through tuition tax credits, vouchers, or block grants.

E. Federal Financial Support

TSBA believes federal involvement must recognize that policy decisions regarding education are best determined on the local level, and local boards of education must maintain control of public schools.

Funds from federal sources should be administered by the state and its appropriate agencies through local boards of education, and every program mandated at the federal level by direct or coercive means should be fully funded by the federal government.

F. Employment of Superintendents by Boards

TSBA is dedicated to the principle that the chief school executive officer should be employed by the local board of education and be given authority over all personnel matters.

G. Reorganization of School Districts

TSBA opposes mandatory consolidation of school systems and supports the rationale that school consolidation decisions should be made locally on a case-by-case basis.

H. Labor Relations

TSBA believes that a good working relationship among teachers, personnel, administrators, and school board members is essential to securing an effective learning environment for students.

TSBA supports the process of collaborative conferencing as it will ensure that administrators and educators are working together to accomplish goals and serve the best interests of students.

TSBA opposes any actions to return to collective bargaining or similar processes which would require school boards and/or superintendents to seek the approval of another

organization prior to implementing reforms or making decisions that are best for the district, its students, and its teachers.

TSBA believes that strikes, sanctions, boycotts, or other concerted actions that interfere with the orderly functioning of public school systems are improper procedures to be used by public school employees.

TSBA opposes the enactment of any legislation that would require a school board to go to compulsory binding arbitration when handling a grievance.

I. State Funding

All funding components of the Basic Education Program (BEP) should accurately reflect true costs through an annual cost review and cost determination process. The State should fully fund the BEP and ensure that basic state funding and procedures provide equal opportunities for all school systems.

TSBA strongly believes that any future state-mandated programs or added responsibilities must, without exception, be accompanied by 100% state funding for all direct and indirect costs associated there with and without corresponding reduction of state financial support in any other areas of public education. Waivers of the mandates should occur whenever 100% state funding is not received.

State legislative bodies and regulatory agencies should determine the full impact on local school systems before taking action on proposed legislation, regulations, and guidelines related to education.

J. Education Commission of the States

In order to strengthen the purpose of the Education Commission of the States in bringing together representatives of government, education, and the public in a concerted way to address common educational issues and formulate models of possible courses of action, TSBA believes the governor should appoint a school board representative as an ECS Commissioner from among the four (4) public members allocated to Tennessee.

K. Charter Schools

TSBA recognizes charter schools as one of many options available to school districts to address student achievement and believes decisions related to charter school creation should be made with thoughtful consideration of the potential impact, both positive and negative, on not only the students eligible to enroll in the charter school but also the overwhelming majority of students who will remain in the traditional public schools. To that end, TSBA believes the local board of education, created by law and elected to manage and oversee public education so that all students and families are represented through the democratic process, should be the sole chartering authority for such schools and have clear decision-making authority relative to charter school applications, with board decisions having a presumption of correctness and appeals granted only when evidence proves such decisions were made without good cause.

II. RESPONSIBILITIES OF LOCAL SCHOOL BOARDS

A. Philosophy of Local Responsibility

TSBA believes that the control and operations of public schools are solely the responsibility of local school boards. In accepting this responsibility, it is important that local school boards recognize the impact that education has on the community and the economic development of a region.

B. School Board Operation

School boards should function in a broadly representative, team-spirited manner and should represent open-mindedly the entire district

TSBA recognizes that the survival of the concept of lay control of education and the effectiveness and efficiency of educational programs are directly related to the level of competency of the individual school board members.

C. Open and Executive Sessions

School boards recognize that public schools belong to all the people and that they must conduct board business in open sessions in accordance with the statutes. However, TSBA believes that the “Sunshine Law” should be amended to allow private work sessions relative to board and superintendent evaluations and prospective land acquisition.

D. Employment and Compensation of Staff

TSBA affirms its commitment to nondiscrimination in employment in public education.

TSBA supports alternative preparation for licensure in an effort to attract capable individuals with maturity and a variety of work experiences to the teaching profession.

TSBA supports local boards of education having the flexibility to pay salaries other than on a system-wide basis as determined by training and experience.

E. Political Commitment to Education

TSBA believes that local board members should take an active role in developing political support of public education at all levels of government. Local school boards, through their state and national associations, should play an active role in support of appropriate educational legislation.

F. School Board Policies

TSBA believes that local school boards should adopt clearly defined written policies based on a thorough understanding of the educational process.

G. Parental Involvement

TSBA believes that parental and family involvement in the education of each child is essential to academic success. Local boards of education should make every effort to enhance communication between parents and schools and remove any barriers that prevent them from teaming with school boards, administrators, and teachers to improve student achievement.

III. EDUCATIONAL PROGRAM

A. Accountability

All students should have equal access to a program of quality education which meets their individual needs.

State accountability data should be utilized by school systems to meet the high achievement goals for all children.

B. Mandated Assessments

Students should be the ultimate beneficiary of any testing. All state mandated assessments should value student growth and achievement while providing teachers with the information they need to improve instruction and enhance student learning. The loss of student instructional time should be kept to a minimum, and results should be accurate, valid, reliable, and delivered to districts in a timely manner.

C. Curriculum Offerings

Curriculum offerings should be broad enough to make available to each student an educational opportunity which takes into consideration his/her needs and ability.

D. Educational Environment

School boards should develop policies and programs that provide a learning environment in each school that is safe and free from disruption.

E. Community Use of Public School Facilities

TSBA believes that public school facilities should be used as community centers for the encouragement of family participation in wholesome, character-building activities conducive to good citizenship, in compliance with policies of the local board.

F. Selection of Textbooks and Instructional Materials

TSBA supports the ability of local school boards to select and adopt all textbooks and instructional materials and resists any attempt to infringe on that authority.

G. Extracurricular Activity Eligibility

TSBA supports the position that individual local boards of education shall determine who may participate in extracurricular activities.

H. Early Childhood Education

TSBA recognizes that quality educational experiences in early childhood have positive effects on student achievement and supports a comprehensive preschool program and funding that provides all children with an opportunity to participate in pre-kindergarten education.

RESOLUTION 1

Appreciation to Kathy Hall *Submitted by the TSBA Board of Directors*

WHEREAS, Kathy Hall has nobly served as the President of the Tennessee School Boards Association during the year of 2019;

WHEREAS, she served as TSBA President-Elect in 2018 as well as Vice President in 2017;

WHEREAS, she previously served on the TSBA Board of Directors as the Northeast District Director and At-Large Member and the Tennessee Legislative Action Committee;

WHEREAS, she is in her fourth term on the Johnson City Board of Education and was first elected in 2005;

WHEREAS, she served as Board Chairman from 2008-2015 and is currently Secretary;

WHEREAS, she is a Level V Master School Board Member, a recipient of the Scholar's Award in 2018, and was named TSBA School Board Member of the year in 2017;

WHEREAS, she was twice honored as Outstanding School Board Member of the year by the Tennessee PTA;

WHEREAS, she is a former advertising executive with a Bachelor of Individualized Study degree from the University of Minnesota;

WHEREAS, she is extremely active in her community, including service on the following committees and boards: the Johnson City Public Library Board, Junior Achievement, Chamber Workforce and Education Committee, Johnson City Area Arts Council, Friends of the Library, City-Wide Council of PTAs, and School PTAs;

WHEREAS, she is extremely active in her church, serving on numerous committees and volunteering her time;

WHEREAS, she spreads her love of books to children by reading to over 400 elementary school students most weeks;

WHEREAS, her advocacy efforts show her full dedication to the students of Tennessee and her desire to see a brighter future for all children; and

WHEREAS, Kathy is dedicated to her family and enjoys spending time with her husband, Duke, and son, Hunter.

NOW, THEREFORE, BE IT RESOLVED THAT THE TENNESSEE SCHOOL BOARDS ASSOCIATION expresses appreciation and admiration to Kathy Hall for her relentless dedication to the schools, educators, and students of Tennessee; and

BE IT FURTHER RESOLVED THAT THE TENNESSEE SCHOOL BOARDS ASSOCIATION bestows upon her Honorary Lifetime Membership.

RESOLUTION 2

INCREASE IN TEACHER SALARIES

Submitted by Fayetteville City School Board

WHEREAS, the Board of Directors of the Tennessee School Boards Association (TSBA) is charged with carrying out the purposes of the Association, which include the general advancement and improvement of public education in Tennessee and providing the General Assembly with pertinent information incident to passage of sound educational legislation; and

WHEREAS, TSBA recognizes that funding for teacher salaries under the Basic Education Program (BEP) under current law is insufficient;

WHEREAS, districts are funded based on a district-wide student-teacher ratio, rather than the actual number of teachers a district is required to employ to meet school-level ratio requirements;

WHEREAS, the teacher salary used for BEP funding does not represent the actual average teacher salary state-wide;

WHEREAS, in 2019, the General Assembly passed Education Savings Account legislation that will divert money that could be allocated towards public education, specifically teacher salaries, to private education institutions;

WHEREAS, TSBA believes the State's investment in adequately funding teacher salaries should, at a minimum, match the amount invested in Education Savings Accounts; and

WHEREAS, TSBA recognizes that adequately funding teacher salaries is necessary to the efficient and effective operation of public schools in Tennessee.

NOW THEREFORE, BE IT RESOLVED, that the Tennessee School Boards Association urges the General Assembly to provide for an increase in the instructional salary component of the BEP equal to the amount of public dollars spent on the Education Savings Account program each year, including all funds associated with administration of the program.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

RESOLUTION 3

BASIC EDUCATION PROGRAM (BEP) FUNDING FORMULA

Submitted by Clarksville-Montgomery County School Board

WHEREAS, the BEP funding formula exists to help provide funding for the public schools in the State of Tennessee, but there is a need to amend the BEP funding formula to more equitably serve the public school districts and their students;

WHEREAS, the existing BEP funding formula for student enrollment is based on the weighted average of reporting periods, thirty percent (30%) in the first half of the year and seventy percent (70%) in the second half of the year;

WHEREAS, the data for the first half of the year nearly always reflects that Tennessee public school districts experience their highest student enrollment level for the year in the first half of the year, thereby, increasing the number of teachers needed to meet the mandated student/teacher ratios required in the BEP funding formula;

WHEREAS, from an equity standpoint, the weighted distribution should be reversed, such that, the seventy percent (70%) is calculated in the first half of the year and thirty percent (30%) is calculated in the second half of the year, thereby, helping public school districts pay for the required number of teachers driven by student enrollment growth by generating additional funding.

NOW THEREFORE, BE IT RESOLVED, that the Tennessee School Boards Association urges the General Assembly to amend the BEP funding formula to more equitably provide funding for student enrollment growth.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

RESOLUTION 4

USE OF EXISTING FUNDING SOURCES TO FINANCE GROW YOUR OWN TEACHER INNOVATIONS

Submitted by Clarksville-Montgomery County School Board

WHEREAS, due to the tremendous need for public school teachers to serve our students in the public schools of the State of Tennessee and the desire that all public school students receive the best educational opportunities, there is an immediate need for innovated approaches to develop, hire, and retain teachers;

WHEREAS, current funding sources could be utilized in such a manner to provide public school districts flexibility to implement internal programs as a means to develop teachers from within each district;

WHEREAS, the granting of a waiver of the BEP class size average mandate would create funding resources by permitting class sizes to increase no more than 5 students in school districts committed to using the funding to create, develop, or support teacher residency agreements with Educator Preparation Programs (EPPs) or to establish an EPP for hard-to-staff teacher positions;

WHEREAS, these funds can be utilized in several methods such as hiring educational assistants for the purpose of developing teacher residents, funding tuition or fees associated with a district/EPP partnership, funding master teacher supplements associated with job-embedded development of teacher residents, and/or offsetting the costs associated with a district establishing its own EPP for hard-to-staff teaching positions; and

WHEREAS, the funds saved by the specific schools within a district participating in the waiver will be directly allocated to those schools.

NOW THEREFORE, BE IT RESOLVED, that the Tennessee School Boards Association urges the General Assembly to amend the law to permit the waiver of BEP class size average to create funding sources for the development and implementation of Grow Your Own Teacher Innovations.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

RESOLUTION 5

REDUCTION IN THE NUMBER OF STATEWIDE ASSESSMENTS FOR PUBLIC SCHOOL STUDENTS IN TENNESSEE

Submitted by the TSBA Board of Directors

WHEREAS, the Board of Directors of the Tennessee School Boards Association (TSBA) is charged with carrying out the purposes of the Association, which include the general advancement and improvement of public education in Tennessee and providing the General Assembly with pertinent information incident to passage of sound educational legislation;

WHEREAS, TSBA recognizes the benefits of testing and the need for sufficient testing to adequately ensure accountability, evaluate teacher performance, measure student progress, and improve educational outcomes; however, TSBA believes that these goals are best accomplished in a way that minimizes the valuable instructional time taken away from teaching and learning;

WHEREAS, TSBA believes that an optimal testing program includes not only a reduction in the number of statewide assessments but an improved process for administration, including a clear purpose for the testing, assurance that the testing provides useful information, and adequate support for teachers and administrators in implementing the testing program;

WHEREAS, in too many schools, there is unnecessary testing, not enough clarity of purpose applied to the task, and overconsumption of instructional time, creating undue stress on teachers and students;

WHEREAS, the Every Student Succeeds Act (ESSA) sets requirements for state assessment plans as follows: math and ELA assessments must be administered in grades 3 through 8 and at least once in grades 9 through 12; and science assessments must be administered not less than one time during grades 3 through 5, grades 6 through 9, and grades 10 through 12¹; and

WHEREAS, a reduction in the number of statewide assessments and an improvement of the administration process would provide relief to students, parents, and teachers and improve public education in Tennessee.

NOW THEREFORE, BE IT RESOLVED, the Tennessee School Boards Association hereby urges the General Assembly and the Tennessee Department of Education to change the requirements of the state academic assessment plan to the following: math and ELA assessments in grades 3 through 8 and at least once in grades 9 through 12; and science assessments not less than one time during grades 3 through 5, grades 6 through 9, and grades 10 through 12.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

¹ 20 U.S.C.A. § 6311(b)(2)(A)

RESOLUTION 6

CONSISTENT TESTING REQUIREMENTS FOR ALL STUDENTS UTILIZING PUBLIC EDUCATION MONEY

Submitted by the TSBA Board of Directors

WHEREAS, the Board of Directors of the Tennessee School Boards Association (TSBA) is charged with carrying out the purposes of the Association, which include the general advancement and improvement of public education in Tennessee and providing the General Assembly with pertinent information incident to passage of sound educational legislation;

WHEREAS, TSBA recognizes the benefits of testing and the need for sufficient testing to adequately ensure accountability, evaluate teacher performance, measure student progress and improve educational outcomes;

WHEREAS, TSBA recognizes the current disparity between the assessments required for students participating in the Education Savings Accounts program and those attending public schools in Tennessee;

WHEREAS, TSBA believes that all students should be treated equally; specifically, any state-mandated testing deemed necessary for students attending public schools should also be required for students utilizing public education dollars through Education Savings Accounts; and

WHEREAS, any education institution receiving public education dollars should be held to the same standard, including but not limited to, state-mandated testing and other accountability measures.

NOW THEREFORE, BE IT RESOLVED, the Tennessee School Boards Association hereby urges the General Assembly to require that any private education institution receiving funds through the Education Savings Account program be held to the same testing requirements as Tennessee public schools.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

RESOLUTION 7

FORMATIVE ASSESSMENT QUESTION BANK ALIGNED WITH STATE MANDATED SUMMATIVE ASSESSMENTS

Submitted by the TSBA Board of Directors

WHEREAS, the Board of Directors of the Tennessee School Boards Association (TSBA) is charged with carrying out the purposes of the Association, which include the general advancement and improvement of public education in Tennessee and providing the General Assembly with pertinent information incident to passage of sound educational legislation;

WHEREAS, TSBA recognizes the benefits of formative assessments which allow teachers to monitor student learning, provide ongoing feedback, identify target areas where students are struggling, and address problems immediately;

WHEREAS, although some level of summative assessment may be necessary from an accountability standpoint, Tennessee has focused too heavily on summative assessment, i.e. state mandated end-of-course exams and TNReady, to the exclusion of formative assessment methods;

WHEREAS, providing a balance of formative and summative assessments would be most beneficial for public school students in Tennessee because it would allow teachers to identify areas where students need to improve before the summative test that occurs at the end of the school year; and

WHEREAS, the Department of Education has expressed an intention to provide such formative assessment questions aligned with its summative testing in previous years but has yet to provide them to districts.

NOW THEREFORE, BE IT RESOLVED, the Tennessee School Boards Association hereby urges the General Assembly to require the Tennessee Department of Education to develop a formative assessment question bank that is aligned with state mandated summative assessments for school districts to voluntarily utilize throughout the year.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

RESOLUTION 8

ALTERNATIVE LICENSURE PATHWAYS AND PROFESSIONAL DEVELOPMENT PROGRAMS IN TENNESSEE

Submitted by the TSBA Board of Directors

WHEREAS, the Board of Directors of the Tennessee School Boards Association (TSBA) is charged with carrying out the purposes of the Association, which include the general advancement and improvement of public education in Tennessee and providing the General Assembly with pertinent information incident to passage of sound educational legislation;

WHEREAS, the recruitment and retention of effective educators is a major issue affecting public education in Tennessee;

WHEREAS, TSBA recognizes the increasing importance of programs that provide students with the skills needed to meet the labor needs of our local communities and ensure that students are qualified for employment;

WHEREAS, existing credentialing and licensure requirements for educators may discourage quality individuals from pursuing a career as an educator even though they may be best suited to educate our students;

WHEREAS, an alternate licensure pathway in certain cases would increase recruitment and retention of quality educators and thus benefit students;

WHEREAS, educators often have little to no choice in their professional development material, and studies show that self-selected material is much more beneficial; and

WHEREAS, providing existing educators with alternatives to traditional methods of licensure advancement, work-based learning, professional development, and endorsement programs, e.g. micro-credential programs, would provide greater flexibility and allow for more intentional and effective professional development through greater choice, increase student outcomes, and promote employee retention.

NOW THEREFORE, BE IT RESOLVED, the Tennessee School Boards Association hereby urges the General Assembly, the State Board of Education, and the Tennessee Department of Education to create alternative pathways for licensure attainment, advancement, and professional development, including but not limited to, micro-credentialing and alignment with other professional licenses.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

RESOLUTION 9

CHANGES TO THE STUDENT DISCIPLINE LAWS IN TENNESSEE

Submitted by the TSBA Board of Directors

WHEREAS, the Board of Directors of the Tennessee School Boards Association is charged with carrying out the purposes of the Association, which include the general advancement and improvement of public education in Tennessee and providing the General Assembly with pertinent information incident to passage of sound educational legislation;

WHEREAS, student discipline is a major issue facing public schools in Tennessee;

WHEREAS, inconsistencies and inadequacies in state law need to be addressed to avoid confusion and support consistent student discipline across the state;

WHEREAS, laws, such as Tennessee Code Annotated § 49-6-3402, require students in grades 7 through 12 who have been suspended or expelled from the regular school program to be assigned to an alternative school or alternative program if there is space and staff available, which raises many questions as to implementation; and

WHEREAS, Tennessee educators and administrators need clarification on a number of student discipline issues, including but not limited to, administration of alternative schools and programs, application of restorative discipline models, and implementation of exclusionary discipline practices.

NOW THEREFORE, BE IT RESOLVED, the Tennessee School Boards Association hereby urges the General Assembly to amend the student discipline laws to clearly explain the obligations of school boards and districts.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19

RESOLUTION 10

CONSULTATION WITH STAKEHOLDERS PRIOR TO CHANGING THE STATE'S ACCOUNTABILITY MODEL

Submitted by the TSBA Board of Directors

WHEREAS, the Board of Directors of the Tennessee School Boards Association is charged with carrying out the purposes of the Association, which include the general advancement and improvement of public education in Tennessee and providing the General Assembly with pertinent information incident to passage of sound educational legislation;

WHEREAS, with the passage of the Every Student Succeeds Act, Tennessee developed an accountability system after receiving input from multiple stakeholders;

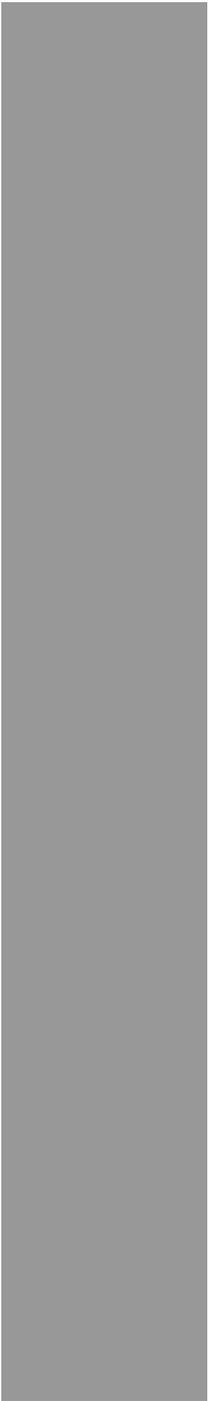
WHEREAS, all stakeholders, including school board members, administrators, teachers, and parents, should be consulted prior to any changes being made in the accountability system;

WHEREAS, obtaining the advice and recommendations from these groups will ensure that those involved with the implementation and operation of schools on a day-to-day basis have the opportunity to provide practical, real world experiences that can be incorporated in any proposed changes to the State's accountability model; and

WHEREAS, the State Board of Education should review and discuss any proposed changes to the accountability system to ensure full transparency and public participation.

NOW THEREFORE, BE IT RESOLVED, the Tennessee School Boards Association urges the General Assembly to require the Tennessee Department of Education to ensure meaningful consultation with stakeholders, including but not limited to, school board members, administrators, teachers, and parents, prior to recommending any changes to the State's accountability model to the State Board of Education for their approval.

The TSBA Board of Directors recommended this resolution for adoption. 09/27/19



8 | Supplemental Information

Parliamentary Motions Guide

Based on *Robert's Rules of Order Newly Revised (11th Edition)*

The motions below are listed in order of precedence. Any motion can be introduced if it is higher on the chart than the pending motion.

| YOU WANT TO: | YOU SAY: | INTERRUPT? | 2 ND ? | DEBATE? | AMEND? | VOTE? |
|--|---|------------|-------------------|---------|--------|----------|
| §21 Close meeting | I move to adjourn | No | Yes | No | No | Majority |
| §20 Take break | I move to recess for | No | Yes | No | Yes | Majority |
| §19 Register complaint | I rise to a question of privilege | Yes | No | No | No | None |
| §18 Make follow agenda | I call for the orders of the day | Yes | No | No | No | None |
| §17 Lay aside temporarily | I move to lay the question on the table | No | Yes | No | No | Majority |
| §16 Close debate | I move the previous question | No | Yes | No | No | 2/3 |
| §15 Limit or extend debate | I move that debate be limited to ... | No | Yes | No | Yes | 2/3 |
| §14 Postpone to a certain time | I move to postpone the motion to ... | No | Yes | Yes | Yes | Majority |
| §13 Refer to committee | I move to refer the motion to ... | No | Yes | Yes | Yes | Majority |
| §12 Modify wording of motion | I move to amend the motion by ... | No | Yes | Yes | Yes | Majority |
| §11 Kill main motion | I move that the motion be postponed indefinitely | No | Yes | Yes | No | Majority |
| §10 Bring business before assembly (a main motion) | I move that [or "to"] ... | No | Yes | Yes | Yes | Majority |

Parliamentary Motions Guide

Based on *Robert's Rules of Order Newly Revised (11th Edition)*

Incidental Motions - No order of precedence. Arise incidentally and decided immediately.

| YOU WANT TO: | YOU SAY: | INTERRUPT? | 2ND? | DEBATE? | AMEND? | VOTE? |
|----------------------------------|--|-------------------|------------------------|----------------|---------------|--------------|
| §23 Enforce rules | Point of order | Yes | No | No | No | None |
| §24 Submit matter to assembly | I appeal from the decision of the chair | Yes | Yes | Varies | No | Majority |
| §25 Suspend rules | I move to suspend the rules which ... | No | Yes | No | No | 2/3 |
| §26 Avoid main motion altogether | I object to the consideration of the question | Yes | No | No | No | 2/3 |
| §27 Divide motion | I move to divide the question | No | Yes | No | Yes | Majority |
| §29 Demand rising vote | I call for a division | Yes | No | No | No | None |
| §33 Parliamentary law question | Parliamentary inquiry | Yes (if urgent) | No | No | No | None |
| §33 Request information | Request for information | Yes (if urgent) | No | No | No | None |

Motions That Bring a Question Again Before the Assembly - no order of precedence. Introduce only when nothing else pending.

| | | | | | | |
|--------------------------------------|---|----|-----|--------|-----|-----------------------|
| §34 Take matter from table | I move to take from the table ... | No | Yes | No | No | Majority |
| §35 Cancel or change previous action | I move to rescind/ amend something previously adopted... | No | Yes | Yes | Yes | 2/3 or maj. w/ notice |
| §37 Reconsider motion | I move to reconsider the vote ... | No | Yes | Varies | No | Majority |

TSBA Board of Directors

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Johnson City
President



Mark Clark
Fayetteville
President-Elect



Brett Henley
Coffee County
Vice-President



Keys Fillauer
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Julie Bennett
Marion County
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Marty Burlison
Tipton County
Delta District Director



Todd Ganger
Washington County
Northeast District Director



Jimmie Garland
Clarksville-Montgomery County
Mid-Cumberland
District Director



Bobby Henderson
Hardeman County
Southwest District Director



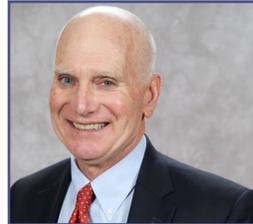
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Maryville
East District Director



Dr. Lee Carter
Huntingdon
Northwest District Director



Regina Waller
Trousdale County
Upper Cumberland
District Director



Pat Welsh
Tullahoma
South Central
District Director

AT LARGE MEMBERS



Helen G. Martin
Warren County
At-Large Member



Dr. Dale Viox
Arlington
At-Large Member



Jo Williams
Anderson County
At-Large Member



Rick Wimberly
Williamson County
At-Large Member



This is a publication of the
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525 Brick Church Park Drive
Nashville, TN 37207
www.tsba.net