

**Comprehensive
Annual Financial Report
Of
Shelby County, Tennessee
For The Year Ended
June 30, 2007**

Prepared by the Department of Finance

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SINGLE AUDIT



Shelby County Government

A C Wharton, Jr.
Mayor

December 17, 2007

To the Members of the Board of County Commissioners and the Citizens of Shelby County, Tennessee:

The comprehensive annual financial report of Shelby County, Tennessee (hereafter, Shelby County) for the year ended June 30, 2007 is hereby submitted as required by both local ordinances and state statutes. These require that Shelby County publish each fiscal year a complete set of financial statements as required by Generally Accepted Accounting Principles (GAAP) and audited by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free from any material misstatement.

Watkins Uiberall PLLC and Banks Finley White and Company, certified public accountants have issued an unqualified opinion on Shelby County's financial statements for the fiscal year ended June 30, 2007. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Shelby County, Tennessee

Shelby County, established in 1819, is the largest county in the State of Tennessee with Memphis as the County seat. The County is located in the extreme southwest corner of Tennessee on the east bank of the Mississippi River and is the hub of the 105 county Mid-South Region. Contained within the County's 783 square miles are seven incorporated municipalities, including Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The population of the County is 905,705. The County is empowered to levy, without limit, a property tax on both real and personal property located within its boundaries.

Since the implementation of the Restructure Act on January 1, 1976, the County has operated under the Mayor-Commission form of government. The Mayor, as the County's chief executive officer, oversees the operations of the County's six divisions. The thirteen members of the Shelby County Board of Commissioners (the Commission), the legislative branch of the

government, review and approve the County's programs and budgets. The Mayor and each Commissioner serve a four year term. The Sheriff, County Clerk, Assessor, Register, Trustee, Circuit Court Clerk, Criminal Court Clerk, General Sessions Court Clerk, Juvenile Court Clerk and Probate Court Clerk are also elected to four year terms.

Shelby County provides a full range of services, including law enforcement, judicial system, jail and corrections facilities, health services, community services, fire protection and recreational activities. Shelby County also is financially accountable for a legally separate school district, public hospital, agricultural center and emergency communications district, which are reported separately within the Shelby County financial statements. Additional information on these entities can be found in Note I. A. in the notes to the financial statements.

The annual budget serves as the foundation for Shelby County's financial planning and control. All departments and elected officials submit their requested budget to the County Mayor by early March. After a series of reviews, the County Mayor presents a proposed consolidated budget to the County Commission by April 30. The County Commission holds budget hearings and then adopts a final budget. This process is generally completed by July 1, the start of the fiscal year. However, the County Commission has the authority to adopt a continuing budget until a final budget can be adopted. The appropriated budget is prepared by fund, division (function such as public works), and department (e.g., parks). The Mayor may make transfers of appropriations within personnel or non-personnel categories within a department or between departments within a division. Any other transfers require approval of the County Commission.

Local economy

Shelby County experienced growth in the local economy this past year as did most of the country. In recent years, the economy of the County has experienced notable success attracting new businesses along with the continued growth of existing businesses. Shelby County experiences relatively steady total employment during periods of sluggish growth or decline in the national economy with substantial increases when the national economy improved. This is due, in large part, to the County's location near the geographic center of the nation and its excellent transportation facilities. Also, the County benefits from serving as the trade center for the surrounding area and benefits from a broad industrial and commercial base, as noted below.

The County is the major wholesale and retail center for western Tennessee, eastern Arkansas and northern Mississippi. The Memphis MSA is considered one of the top 100 suburban markets and ranks in the top fifty in total effective buying income according to Sales & Marketing magazine. The industrial economy of the County encompasses not one, but many industries. Twenty major industrial groups, as classified by the Bureau of the Budget, are listed in the Directory of Memphis Manufacturers. Major industries include chemicals, electronics, foods and beverages, paper products, hardwood lumber products, pharmaceuticals, soybean and cotton oil derivatives and fertilizers.

The major areas of employment in Shelby County are the services, government, and wholesale and retail trade. Comparatively, both the Southeast Region and the United States overall show a heavier concentration in manufacturing than does the County, but they also display lower employment in transportation and public utilities. According to the Tennessee Department of Labor, the unemployment rate for Shelby County as of September 30, 2007 was 4.8%, as compared to the state's rate of 4.7% and the national rate of 4.7%.

Long-term financial planning

During the past ten years, excluding capital projects, the County's governmental expenditures related to education, law enforcement and debt service have increased as a percent of total expenditures from 60.0% to 67.4%. Education expenditures increased from 34.6% to 36.8%.

During this same ten-year period, local taxes have increased as a percent of total revenue from 67.1% to 74.5% because the areas of relative increase in expenditures are primarily supported by local taxes. As a percent of total revenue, State and Federal revenue has decreased from 13.7% to 12.9%, elected officials fees and fines have decreased from 9.0% to 6.3% and all other revenues have decreased from 10.2% to 6.3%. Most fees and fines as well as some of the other revenues are set by the State and are not regularly increased to provide for inflationary cost increases.

In 2003, the Mayor, with the support of the Commission, made it a priority to replenish and then maintain the General Fund unreserved fund balance as a percent of General Fund expenditures between 10% and 15%. This percentage has increased each of the last four years and is 14.4% as of June 30, 2007.

In 2004, the Administration, with the support of the Commission engaged Public Financial Management, Inc. (PFM), a financial advisory firm, to conduct a study to determine whether Shelby County Government is operating efficiently and effectively. The result of this study was the issuance of a five-year strategic financial and management plan. The study found that Shelby County Government is relatively efficient compared to similar governments, but it also highlighted a number of areas for improvement. All of the recommendations have been addressed and many were implemented. Working with PFM we have recently updated the five-year strategic financial and management plan.

Closer cooperation has been established between the Administration and the Commission including an open, thorough and timely budgeting process, which focuses on a clear understanding of debt funding, in addition to funding for operations. We have aggressively reduced the local funding of our capital plan from over \$150 million in 2003 to approximately \$75 million annually in 2008 and thereafter to stop the growth of debt. In December 2006, our debt peaked at \$1.85 billion and it has declined to \$1.78 billion as of June 30, 2007. We expect a slow steady decline in future years as long as we adhere to our capital plan. However, the City and County School Systems have identified needs well beyond the amounts provided in our capital plan. Through growth management and needs assessment as addressed below, school needs will be more clearly identified and alternative funding sources may be established. Should any increase to the capital plan be necessary, funding must also be provided. The Sheriff has indicated a need for additional jail capacity and that an improved design of any new capacity along with changing the utilization of the current jail could result in cost savings through staff reductions to offset the annual debt service on the cost to provide additional capacity.

Major initiatives

The Administration has identified a number of priorities designed to shore up the long-term financial position of the County as addressed above in long-term financial planning. We have established the following initiatives that focus on structural changes in areas that are important to our future prosperity.

- 1. Update of Development Regulations/Equitable Growth Strategy** – The Mayor's Alliance for Equitable Growth has set a precedent for shifting the county's growth and development

patterns. Equitable growth will allow the county to protect the environment, reinvest in urban areas, bring economic opportunity to all residents, provide for intelligent infrastructure investment and stimulate housing choices. Under the Mayor's direction, Shelby County is drafting smarter development regulations that will curtail suburban sprawl and help develop Shelby County as a better community.

A joint city and county partnership, the unified development code's goal is to promote inner city redevelopment and revitalization while guiding orderly growth in the suburban areas in a fiscally sound manner.

- 2. Education, Capital Needs & Fiscal Analysis** – The County established a Needs Assessment Committee to address the financial burden of the current capital funding mechanism for public schools, including both Memphis City Schools and Shelby County Schools. The Committee will: 1) Develop uniform standards and costs for school construction; 2) Annually assess capital needs of each school system and create a comprehensive plan for capital projects and funding; and 3) Review, as necessary, capital requests of both school systems that fall outside of the comprehensive plan and make recommendations to the County Commission regarding those requests.

Part of equitable growth includes guiding the construction of new schools to achieve maximum performance and fiscal advantage out of each school. Involved in the development of new schools is the fiscal impact model update. The model measures the impact of each new development on a community to determine facts like how many school age children will live there and how many roads and parks are necessary.

- 3. Children, Youth and Families** – Shelby County is home to almost 20% of Tennessee children under age 18. Almost 40% of Shelby County households include a child under age 18. Fully half of every County property tax dollar collected goes to education funding, yet the County has no influence over education policy nor does it have a dedicated presence for child and family policy issues as a whole. Shelby County recognizes the need to develop a partnership to be tasked with providing a unified point of collaboration for programs, services and policies related to children, youth and families in the community. This partnership will leverage the political influence of the Shelby County Mayor and Shelby County Board of Commissioners to foster collaboration and partnership among existing and proposed services. It will serve as an advisor to County government on policies and issues related to children and youth; work to raise community awareness about the impact of policies and decisions on children and youth; maximize community-wide effectiveness and impact of existing programs and agencies through linkages and collaboration; and incubate ideas and innovations that can improve the lives of children, youth and families in Shelby County.
- 4. Economic Development** – One of the County's primary advantages for economic development is the combination of its central location in the United States and its excellent transportation facilities, including air, rail and water. Another advantage is the relatively low cost of living compared with other urban areas, including real estate prices. In order to build on these natural assets and recognizing that the local governments must take a leadership role in economic development, the City and County governments formed a new "Mayor's Office of Economic Development" and, after a nation wide search, have selected a new Director to lead this office.

Further, in conjunction with the City, Memphis Tomorrow (a group of leading CEO's) and the Chamber of Commerce, the County is embarking on a broad economic growth initiative

called *Memphis Fast Forward*. In addition to the specific component for economic development, this initiative includes strategic plans for education/workforce development; public safety and government efficiency. It is our intent to aggressively move over the next five years to become the major economic center of the Southern United States and a place where economic prosperity is available to all our residents.

- 5. Parks and Natural Resources** – The protection of Shelby Farms, the development of a cohesive greenbelt and the protection of a strong natural water supply are three important steps in making Shelby County an environmentally responsible community and an attractive destination for outdoor enthusiasts.

Nearly four times larger than New York’s Central Park, Shelby Farms is a recreational gem for families, athletes and sportsmen. To preserve this 4,000 acre park for future generations, the County has transferred Shelby Farms to a conservancy and Mayor Wharton is leading a coalition of citizens and government planners to develop a 50-year master plan. The plan will preserve the park’s integrity and make it more functional for community enjoyment.

Shelby County’s natural rivers and streams attract the community’s nature lovers from both urban and suburban dwellings. Using federal, state and local funding, the County is working to create a cohesive greenbelt that protects the natural areas and connects the County’s communities from downtown Memphis to Collierville, Frayser and all points in between.

Being able to enjoy clean drinking water is a given for Shelby County and its residents. The county sits on one of the largest artesian ground water supplies in the world and the area’s abundant supply of naturally pure water has fueled the local economy for a century. Through the Memphis Regional Groundwater Study, Shelby County is using federal funds to ensure water quality is protected and sustained.

- 6. The Regional Medical Center at Memphis (The Med)** – In recognition of the critical role of the Med as the provider of vital health care services, but limited by available resources, the Mayor convened a blue ribbon task force to develop long and short term strategies for the continued operation of the Med. This panel concluded that it was essential to the community that the Med maintain its core service mission. However, the panel also acknowledged that the financial requirements to do so were so severe that the exploration of new structures for the provision of health care, including partnerships, collaborations or affiliations with other providers would be necessary. We are working with the State and engaged a consultant to assist in soliciting interest in some type of affiliation for the Med.

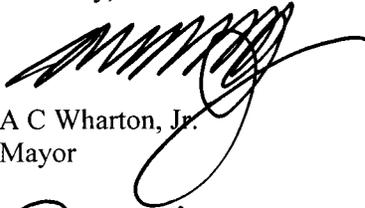
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shelby County, Tennessee for its comprehensive annual financial report (CAFR) for the year ended June 30, 2006. This was the twenty-second consecutive year that Shelby County has received this prestigious award. In order to be awarded the Certificate of Achievement, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

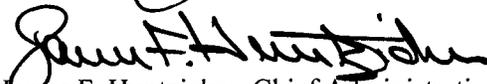
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Due credit also is given to all County Commissioners for their interest and support in planning and conducting the operations of Shelby County in a responsible and progressive manner.

Sincerely,

A handwritten signature in black ink, appearing to read "A C Wharton, Jr.", written in a cursive style.

A C Wharton, Jr.
Mayor

A handwritten signature in black ink, appearing to read "James F. Huntzicker", written in a cursive style.

James F. Huntzicker, Chief Administrative Officer and
Director of Division of Administration & Finance

**Shelby County, Tennessee
County Officials
As of June 30, 2007**

Shelby County Board of Commissioners

**Joe Ford, Chairman
David Lillard, Chairman Pro Tempore**

**Joyce Avery
Henri E. Brooks
Wyatt Bunker
Mike Carpenter**

**Sidney Chism
George S. Flinn, Jr
J. W. Gibson, II
James M. Harvey**

**Deidre Malone
Steve Mulroy
Mike Ritz**

Publicly Elected Officials

**Assessor of Property – Rita C. Clark
Attorney General – William L. Gibbons
County Clerk – Debbie Stamson
County Mayor – A C Wharton, Jr.
County Register – Tom Leatherwood
County Trustee – Bob Patterson
Sheriff – Mark H. Luttrell, Jr.**

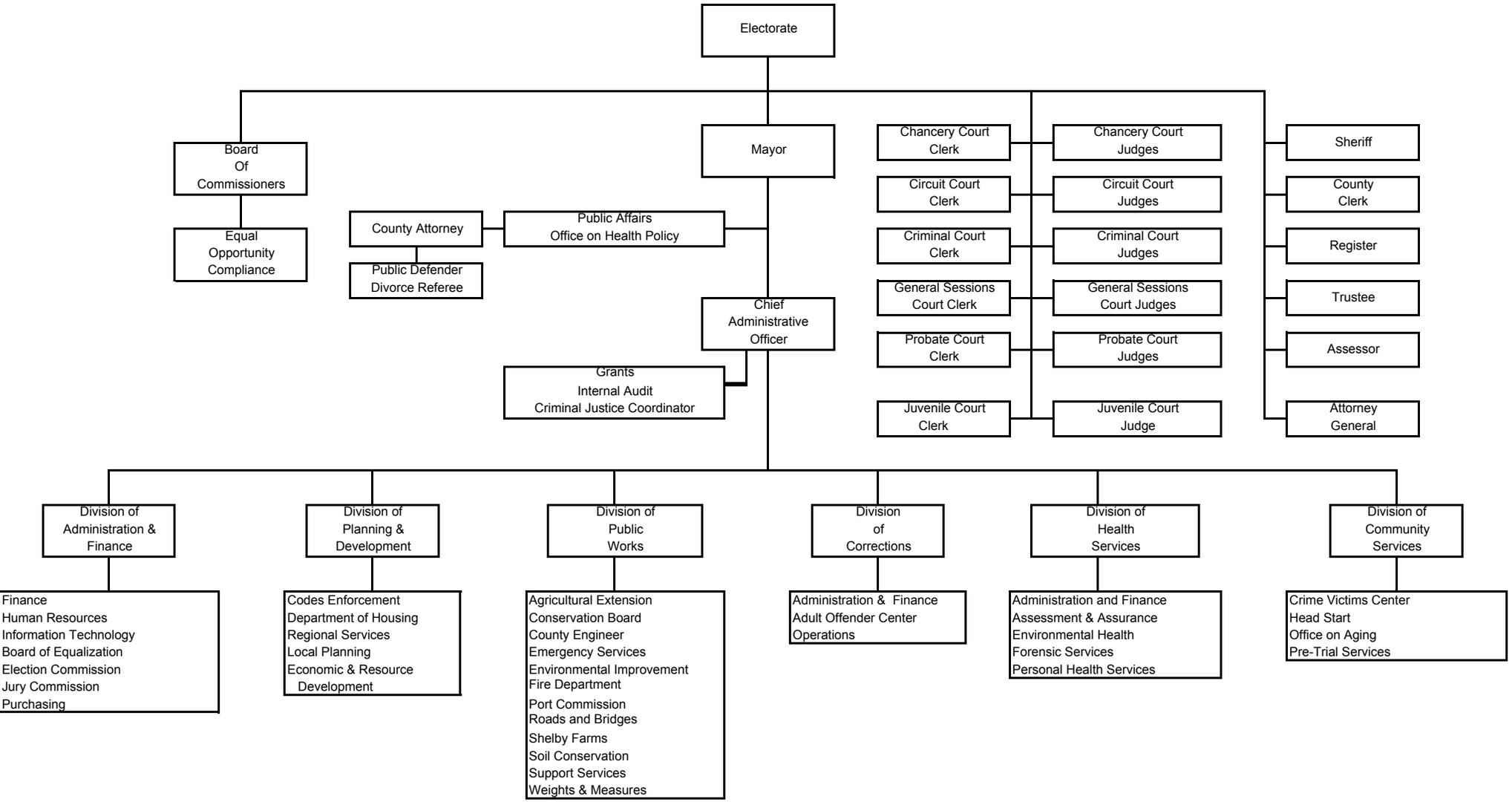
**Chancery Court Clerk & Master –
Dewun Settle (Appointed)
Circuit Court Clerk – Jimmy Moore
Criminal Court Clerk – William R. Key
General Sessions Court Clerk – Chris Turner
Juvenile Court Clerk – Steve Stamson
Probate Court Clerk – Chris Thomas**

Shelby County Administrative Officials

**A C Wharton, Jr. - Mayor
John Fowlkes - Chief Administrative Officer
Sybille Noble - Assistant Chief Administrative Officer
Brian Kuhn - County Attorney
James Huntzicker - Director of Administration and Finance
Richard Copeland - Director of Planning and Development
Theodore C. Fox III - Director of Public Works
Andrew Tabor, Jr. - Director of Corrections
Yvonne Smith-Madlock - Director of Health Services
Dorothy Jones - Director of Community Services**

Shelby County Government Organizational Chart

As of June 30, 2007



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Shelby County
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



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



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Shelby County, Tennessee's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Shelby County, Tennessee's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Shelby County Health Care Corporation and Agricenter International, Inc. which represents \$171,514,675 and \$319,384,901, respectively, of the assets and revenues of the component units, and Shelby County Retirement System, which represents \$1,050,163,512 of the assets and 100% of the revenues of the fiduciary funds. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units and Shelby County Retirement Systems, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test, basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2007 on our consideration of Shelby County, Tennessee'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 13 through 27 and the budgetary comparison information on pages 96 through 98 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Tennessee's basic financial statements. The accompanying financial information listed as combining and other statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other budgetary comparison schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Watkins Liberal, PLLC
Banks, Finley, White & Co

Memphis, Tennessee
December 27, 2007

Management's Discussion and Analysis

The management of Shelby County Government (County) presents this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with information in the transmittal letter found at the front of this report and the basic financial statements, which follow in this section.

Accounting principles generally accepted in the United States of America for governmental entities are established by the Governmental Accounting Standards Board (GASB). This annual financial report uses the standards established by the GASB's Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Shelby County follows all GASB standards in addition to Statement No. 34 as well as other authoritative literature known collectively within the accounting profession as "generally accepted accounting principles."

Financial Highlights

- At the end of the current fiscal year, unreserved fund balance for the general fund was \$47,178,094, or 14.4% of total general fund expenditures. This was an increase of \$6.0 million or a 14.7% increase.
- In addition to the general fund balance increase noted above, the County also by transfer from the general fund increased the pay-as-you-go capital projects fund by \$11.8 million.
- Fund balance for the debt service fund increased \$7.5 million to \$63,401,912, which is 40.0% of total expenditures of the debt service fund. The balance is well above our target minimum level of \$4 million and consistent with our plan to provide now for increasing debt service requirements through 2012.
- Total liabilities of Shelby County exceed total assets as of June 30, 2007 by \$963,962,911. The largest contributing factor causing this deficit is the fact that the County issues debt on behalf of entities not a part of the County's primary financial reporting unit and the related assets are not recorded by the County. These entities include the school systems of Shelby County and the City of Memphis, joint ventures with the City of Memphis, and others. Debt for these entities as of June 30, 2007 was \$1,370,230,562.
- Total government-wide net assets increased \$26.4 million primarily as a result of the fund balance increases noted above in the general fund and debt service fund and a \$9.7 million increase in the net assets of the internal service funds.

More details on these highlights and other information are in the remainder of this discussion and analysis.

Overview of the Financial Report

The Comprehensive Annual Financial Report includes three major sections – Introductory Section, Financial Section, and Statistical Section. The Introductory Section includes a transmittal letter and general information about the County. The Statistical Section includes financial and non-financial data, some from sources other than financial records and often covering up to ten years. The Financial Section is the major part of the financial report. The Independent Auditor's Report applies only to the Financial Section. This discussion and analysis applies only to the Financial Section.

The Financial Section includes the following statements and schedules:

- Basic Financial Statements
 - Government-wide financial statements
 - Fund financial statements
 - Notes to financial statements
- Required Supplementary Information (Budgetary Comparison Schedules)
- Combining Statements and Individual Fund Statements and Schedules

BASIC FINANCIAL STATEMENTS

Government-wide financial statements. The *government-wide financial statements* are designed to provide a broad overview of Shelby County's finances in a manner similar to a private-sector business. The two government-wide financial statements present highly summarized information for all of County government.

The *statement of net assets* presents information on all of Shelby County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of changes in the financial position of Shelby County. However, because the County issues substantial amounts of debt for capital assets of others, such as the Memphis City Schools, annual decreases in net assets are expected in years when such debt is issued.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying economic event giving rise to the change occurs, *regardless of the timing of related cashflows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Shelby County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Shelby County include general government, hospital, planning & development, public works, corrections, health services, community services, law enforcement, judicial, other elected officials, education and

interest on debt. The business-type activities of Shelby County consist of codes enforcement, fire services and corrections center.

The government-wide financial statements include not only Shelby County itself - known as the *primary government* - but also four legally separate entities for which Shelby County is financially accountable. These entities are the Shelby County Board of Education, Shelby County Health Care Corporation (The Med), Agricenter International, and the Emergency Communications District. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. This discussion and analysis is devoted to Shelby County government rather than the component units.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Shelby County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Shelby County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Shelby County maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, capital projects fund, education fund, and grants fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the nonmajor governmental funds combining statements elsewhere in this report.

Proprietary funds. Shelby County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Shelby County uses enterprise funds to account for consolidated codes enforcement, correction center and fire services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Shelby County's various functions.

Shelby County uses internal service funds to account for its central services, group hospital, group life, tort liability and employer insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each enterprise fund. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of a *combining statement* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Shelby County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Shelby County Retirement System is the major fiduciary fund.

Component units combining statements. Component units are not "funds" of Shelby County as the primary government. However, the government-wide financial statements include one column for all component units as discussed above. In order to provide details on each component unit, a combining statement of net assets and a combining statement of activities are included in the fund financial statements section of the basic financial statements.

Differences between government-wide and fund financial statements. The government-wide financial statements are much more aggregated and summarized than the fund financial statements. The government-wide statement of net assets includes capital assets and long-term debt, whereas the fund balance sheets include neither. The government-wide statement of activities does not report the issuance or repayment of long-term debt during the year and reports depreciation expense but not amounts expended for capital assets during the year. The fund statement of revenues, expenditures and changes in fund balances includes as other financing sources the amount of long-term debt incurred during the year and as expenditures the amount of principal repaid. This statement also includes amounts expended for capital assets but not depreciation. These are some of the most common, significant differences but there are others. Following the fund balance sheet and the fund statement of revenues, expenditures and changes in fund balances is a reconciliation of those statements to the government-wide statement of net assets and the statement of activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. "Notes" is the traditional term applied to this information; however the term is misleading in that the notes can vary in length from one paragraph to several pages.

REQUIRED SUPPLEMENTARY INFORMATION

This section contains other information that financial reporting standards specify should be included under this caption. Shelby County is required to present information on budgetary compliance. Budgetary comparison schedules are presented for the general fund and other "major" special revenue funds (the education fund and the grants fund) to demonstrate compliance with their budget. Other budgetary comparison schedules not fitting the criteria defined for this section are presented under "Combining Statements and Individual Fund Statements and Schedules."

COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining fund statements for the non-major special revenue funds and internal service funds are included in this section of the report. Supplemental schedules include general fund and grants fund budgetary comparisons by department, detail of constitutional officers' activities and schedules of debt by debt issue.

**Government-wide Financial Analysis
(Reporting the County as a Whole)**

FINANCIAL POSITION

Table 1 shows a condensed version of the Statement of Net Assets (see the government-wide financial statements for the full version as of June 30, 2007). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2007 and as of June 30, 2006.

Property taxes receivable is by far the largest portion of Shelby County's assets (43.7% at June 30, 2007 and 45.7% at June 30, 2006). The June 30, 2007 property taxes receivable includes \$698.1 million, offset by an equal deferred revenue amount in other liabilities, which became a property lien on January 1, 2007 but are levied for next fiscal year's operations. The similar amount at June 30, 2006 was \$688.4 million. Total assets increased \$99.8 million, attributable primarily to an increase in the total of cash and cash equivalents and investments (\$98.3 million). This increase resulted primarily from about \$60 million of proceeds of debt issued for capital projects not being expended as of June 30, 2007, the transfer of \$11.8 million to the capital projects fund as of June 30, 2007 and the increase in fund balance in the general fund and debt service fund.

Liabilities increased \$73.4 million during the year. This increase was due primarily to a net increase of \$70.2 million in long-term debt.

Table 1
Condensed Statement of Net Assets
As of June 30, 2007 and June 30, 2006

	June 30, 2007	June 30, 2006	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 745,228,799	\$ 734,035,950	\$ 11,192,849
Current and other assets	348,332,759	258,225,960	90,106,799
Capital assets	568,980,051	572,933,781	(3,953,730)
Total assets	<u>1,662,541,609</u>	<u>1,565,195,691</u>	<u>97,345,918</u>
Long-term liabilities	1,869,575,410	1,799,887,983	69,687,427
Other liabilities	791,662,585	788,278,259	3,384,326
Total liabilities	<u>2,661,237,995</u>	<u>2,588,166,242</u>	<u>73,071,753</u>
Invested in capital, net of related debt	157,206,332	156,764,887	441,445
Restricted	91,417,704	80,104,201	11,313,503
Unrestricted	(1,247,320,422)	(1,259,839,639)	12,519,217
Total net assets	<u>(998,696,386)</u>	<u>(1,022,970,551)</u>	<u>24,274,165</u>
<u>Business-Type Activities</u>			
Current and other assets	13,809,099	11,354,202	2,454,897
Capital assets	27,908,007	27,935,169	(27,162)
Total assets	<u>41,717,106</u>	<u>39,289,371</u>	<u>2,427,735</u>
Long-term liabilities	5,608,117	5,052,493	555,624
Other liabilities	1,375,514	1,600,569	(225,055)
Total liabilities	<u>6,983,631</u>	<u>6,653,062</u>	<u>330,569</u>
Invested in capital, net of related debt	26,737,011	27,213,452	(476,441)
Unrestricted	7,996,464	5,422,857	2,573,607
Total net assets	<u>34,733,475</u>	<u>32,636,309</u>	<u>2,097,166</u>
<u>Total Primary Government</u>			
Property taxes receivable	745,228,799	734,035,950	11,192,849
Current and other assets	362,141,858	269,580,162	92,561,696
Capital assets	596,888,058	600,868,950	(3,980,892)
Total assets	<u>1,704,258,715</u>	<u>1,604,485,062</u>	<u>99,773,653</u>
Long-term liabilities	1,875,183,527	1,804,940,476	70,243,051
Other liabilities	793,038,099	789,878,828	3,159,271
Total liabilities	<u>2,668,221,626</u>	<u>2,594,819,304</u>	<u>73,402,322</u>
Invested in capital, net of related debt	183,943,343	183,978,339	(34,996)
Restricted	91,417,704	80,104,201	11,313,503
Unrestricted	(1,239,323,958)	(1,254,416,782)	15,092,824
Total net assets	<u>\$ (963,962,911)</u>	<u>\$ (990,334,242)</u>	<u>\$ 26,371,331</u>

“Net assets” are the difference between assets and liabilities and, in a general sense, may be considered the recorded financial “net worth” of the County. The most obvious concern that can be noted about net assets is the large negative net asset amount. The major factor causing this negative net asset amount relates to debt issued for capital assets (buildings, roads, etc.) where the capital asset values are *not* recorded in the County’s financial records but the debt *is* on the County’s records. Some of this debt has been issued to provide capital assets to component units

of the County, including the Shelby County Board of Education and the Shelby County Health Care Corporation (The Med). These component units report the capital assets but not the debt. Other debt is issued for entities not a part of the County reporting entity, including the Memphis City Schools Board of Education and the Convention Center. As a result of reporting the debt liabilities without reporting the assets acquired with the proceeds of the debt, a negative net asset amount is reported in the County’s statement of net assets.

The following long-term debt and notes payable are reported by the County for which related capital assets are not recorded by Shelby County:

	June 30, 2007	June 30, 2006
Shelby County and City of Memphis schools	\$ 1,155,445,388	\$ 1,052,751,140
Shelby County Health Care Corp. (component unit)	82,850,560	105,785,458
Convention Center (joint venture)	73,062,007	76,322,265
Other	58,872,608	61,711,855
Total	\$ 1,370,230,562	\$ 1,296,570,718

Shelby County, the component units, and other entities (such as Memphis City Schools) use these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Shelby County’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The County’s total net assets increased by \$26.4 million. The significant reasons for this increase can be generally understood from information in the section “Financial Analysis of the Government’s Funds” below. Excluding the increase in debt for which the related capital assets are not recorded by Shelby County (schedule above) of \$73.7 million, the County’s total net assets increased by \$100.1 million. Changes in net assets are discussed below.

CHANGES IN NET ASSETS – REVENUES, EXPENSES AND TRANSFERS

Table 2 summarizes the financial activity for the County as a whole for the fiscal year ending June 30, 2007, with comparative amounts for the fiscal year ending June 30, 2006.

For governmental activities, program revenues are those revenues generated by the department or program as a result of the activities engaged in by the department or program. General revenues are those revenues not generated through the activities of the County; property taxes produce the largest amount of general revenues. In FY 2007 \$29.8 million of revenues were classified as other taxes that in FY 2006 were classified as program revenue. Program revenues decreased only \$1.0 million when the reclassification is considered. General revenues increased \$36.1 million other than the reclassification, or 4.7%; of this, \$26.1 million was from property tax increases and \$10.5 million from other general revenue. Overall revenues increased \$35.1 million or 3.5% during the year.

Table 2
Shelby County Change in Net Assets
Fiscal Years Ended June 30, 2007 and 2006

	FY 2007	FY 2006	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 91,277,341	\$ 96,032,811	\$ (4,755,470)
Operating grants and contributions	121,125,431	138,189,459	(17,064,028)
Capital grants and contributions	3,440,619	12,460,564	(9,019,945)
Total program revenues	215,843,391	246,682,834	(30,839,443)
General revenues:			
Property taxes	680,615,376	654,551,938	26,063,438
Other taxes	124,690,522	95,321,849	29,368,673
Other	24,575,622	14,068,619	10,507,003
Total general revenues	829,881,520	763,942,406	65,939,114
Total revenues-governmental activities	1,045,724,911	1,010,625,240	35,099,671
<u>Expenses:</u>			
General government	48,815,450	32,850,485	15,964,965
Hospital	27,566,667	25,566,667	2,000,000
Planning & Development	6,133,345	6,558,085	(424,740)
Public Works	52,071,835	49,927,770	2,144,065
Corrections	928,659	505,384	423,275
Health Services	57,842,725	53,781,890	4,060,835
Community Services	42,808,278	43,060,057	(251,779)
Law Enforcement	138,231,040	130,666,941	7,564,099
Judicial	74,919,142	71,267,471	3,651,671
Other Elected Officials	25,988,417	24,573,915	1,414,502
Education	451,071,817	446,365,688	4,706,129
Interest on debt	87,802,538	83,880,247	3,922,291
Total expenses-governmental activities	1,014,179,913	969,004,600	45,175,313
Increase (decrease) in net assets before transfers	31,544,998	41,620,640	(10,075,642)
Transfers	(7,270,833)	(5,276,913)	(1,993,920)
Increase (decrease) in net assets	24,274,165	36,343,727	(12,069,562)
Net assets - beginning of year	(1,022,970,551)	(1,059,314,278)	36,343,727
Net assets - end of year	\$ (998,696,386)	\$ (1,022,970,551)	\$ 24,274,165

Total expenses for the year in governmental activities increased \$45.2 million (4.7%). Over one-half of the increase was the result of across-the-board salary increases and fringe benefit increases. Other increases were an increase of \$3.9 million in interest on debt, an increase of \$4.7 million in funds provided to the two school systems, an increase of \$2.0 million in funds provided to The Med (Hospital) and program cost increases in other functional areas, especially health services and law enforcement. The increase in general government was primarily caused

by more accurate allocation to all functional areas of certain adjustments from the funds to entity-wide perspective.

	FY 2007	FY 2006	Change
Business-type activities:			
<u>Revenues:</u>			
Operating revenues:			
Charges for services	\$ 65,377,640	\$ 62,525,770	\$ 2,851,870
Operating grants and contributions	49,050	43,050	6,000
Total operating revenues	65,426,690	62,568,820	2,857,870
Non-operating revenues	525,358	374,704	150,654
Total revenues	65,952,048	62,943,524	3,008,524
<u>Expenses:</u>			
Operating expenses	70,343,705	66,486,101	3,857,604
Non-operating expenses and losses	782,010	726,024	55,986
Total expenses	71,125,715	67,212,125	3,913,590
Increase (decrease) in net assets before transfers	(5,173,667)	(4,268,601)	(905,066)
<u>Transfers</u>	7,270,833	5,276,913	1,993,920
Increase (decrease) in net assets	2,097,166	1,008,312	1,088,854
Net assets - beginning of year	32,636,309	31,627,997	1,008,312
Net assets - end of year	34,733,475	32,636,309	2,097,166
Total primary government:			
Increase (decrease) in net assets	26,371,331	37,352,039	(10,980,708)
Net assets - beginning of year	(990,334,242)	(1,027,686,281)	37,352,039
Net assets - end of year	\$ (963,962,911)	\$ (990,334,242)	\$ 26,371,331

In business-type activities, total revenues increased by \$3.0 million. Of this increase, \$2.0 million was in corrections center reimbursement for housing State inmates, \$.9 million in fire services from increase in fire fees and consolidated codes had a small (\$.1 million) increase. Expenses increased by \$2.3 million for the corrections center and \$1.4 million for fire services. Corrections center net transfers in increased by \$1.4 million.

CHANGE IN FINANCIAL POSITION DURING YEAR

The overall change in the financial position of Shelby County during fiscal year 2007 was an increase in net assets of approximately \$26.4 million.

The County's governmental activities operated with an increase in net assets of approximately \$24.3 million. Net assets restricted for debt service increased by \$7.5 million that was a planned increase to accumulate funds for increased debt service requirements in the next few years. Net assets of special revenue funds increased by \$3.8 million, mostly in the hotel/motel tax fund and the Sheriff narcotics fund. Unrestricted net assets increased by \$12.5 million; this increase resulted primarily from planned increases in the general fund unreserved balance of \$6.0 million

and a planned increase in the group health insurance internal service fund of \$9.3 million to position the County to better handle OPEB expenses in future years.

The business-type activities had a net increase of \$2.1 million. This resulted from increases in fire services (\$2.1 million) and the corrections center (\$2.6 million), offset by a planned reduction in net assets of consolidated codes enforcement (\$2.6 million).

Financial Analysis of the Government's Funds

As noted earlier, Shelby County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Shelby County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing Shelby County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Shelby County's governmental funds reported a combined ending fund balance of \$240,446,456. The components of the balances are:

	June 30, 2007	June 30, 2006
General Fund-reserved/designated	\$ 4,119,786	\$ 4,150,637
General Fund-unreserved	47,178,094	41,147,243
Debt Service Fund	63,401,912	55,924,980
Special Revenue Funds	28,015,792	24,179,221
Total, except Capital Projects Fund	142,715,584	125,402,081
Capital Projects Fund	97,730,872	28,418,919
Total all governmental funds	<u>\$ 240,446,456</u>	<u>\$ 153,821,000</u>

There was a \$17.3 million increase in fund balance excluding capital projects. Of this increase \$6.0 million was in the unreserved balance in general funds, \$7.5 million was in the debt service fund and \$3.8 million was in the special revenue funds. There was also an increase of \$69.3 million in the capital projects fund. Each of these changes is discussed below.

The general fund operated with net revenue of \$6.0 million, resulting primarily from tax revenues being somewhat higher than projected, offset by the County deciding to transfer \$11.8 million to the capital projects fund to reduce future debt requirements. The general fund unreserved amount is available for spending at the government's discretion. The remainder of fund balance has been committed to liquidate contracts and purchase orders of the prior period and for advances to the fire services fund.

The general fund is the chief operating fund of Shelby County. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.4 percent of total general fund

expenditures, while total fund balance represents 15.7 percent of that same amount. General fund revenues were \$16.1 million (4.8%) above the prior year, which resulted primarily from increased local taxes and State revenues. Expenditures were \$17.8 million more (5.8%) than the prior year and net transfers out were \$4.1 million less. Before the beginning of FY 2006 management committed to maintaining an unreserved fund balance of the general fund of at least 12.5% of general fund expenditures.

The debt service fund has a total fund balance of \$63,401,912 to be used for the payment of debt service. The net increase in fund balance during the current year was \$7,476,932. This increase was planned to somewhat smooth out the revenue requirements in future years as debt service requirements reach a peak projected amount in 2012.

The fund balance of the capital projects fund improved from \$28,418,919 to \$97,730,872. This was primarily the result of issuing long-term debt for capital improvement projects of \$140.4 million, of which \$60 million had not been expended as of June 30, 2007. In addition, \$11.8 million was transferred from the general fund as of June 30, 2007 to be used for capital projects reducing future requirements to issue debt.

All special revenue balances are available only for the specific purposes designated by the provider of the funds or the legislation establishing the fees and charges that generate the revenue. Total fund balances of these funds increased to \$28.0 million at June 30, 2007 compared to \$24.2 million at June 30, 2006. Significant balances include \$3.5 million in the grants fund, \$9.2 million in the roads and bridges fund, \$6.7 million in the hotel/motel tax fund and \$5.2 million in the Sheriff narcotics fund.

Proprietary funds. Shelby County's proprietary funds report financial information on the same basis as the government-wide financial statements (full accrual accounting based on the economic substance of transactions), but in more detail. Proprietary funds consist of two types of funds: business-type activities - enterprise funds and governmental activities - internal service funds.

The County has three business-type activities; these are essentially self-supporting activities. Two of the activities have consistently been able to support themselves; these are the consolidated codes enforcement fund and the fire services fund. However, starting in FY 2005 a management decision was made to spend down the net asset balance in the consolidated codes enforcement fund. During this fiscal year the net asset balance decreased by \$2.6 million to a balance of \$4.8 million. The fire services fund operates entirely on user fees; the net asset balance increased during this fiscal year by \$2.1 million to a balance of \$3.9 million. The corrections center receives reimbursement from the State of Tennessee for housing State prisoners, which accounts for approximately 80% of the prison population. The general fund provides the remaining cost, excluding depreciation. Unrestricted net assets of the enterprise funds at the end of the year amounted to \$7,996,464, an increase of 47.5%.

Total net assets of the enterprise funds increased \$2,097,166, or about 6.4%, during the year. This increase resulted from increases in fire services and corrections center revenue, offset by the planned use of fund balance in the consolidated codes enforcement fund.

The County has five internal service funds. These funds are reported using full accrual accounting. *For the government-wide financial statements, these funds are combined with governmental activities.* At June 30, 2007 these funds combined had net assets of \$30,332,845, an improvement of \$9,735,502 over the balance of \$20,597,343 from the prior year. The increase in fund balance was primarily in the group hospital insurance fund. The employer insurance fund had a deficit at June 30, 2006 of \$959,015; this was improved to a positive balance of \$504,628 at June 30, 2007. The group life insurance fund was closed during FY 2007 as a result of changing from self-insured to a commercial insurance plan.

Fiduciary funds. Shelby County reports two fiduciary funds. The largest is the Shelby County Retirement System. The funds in this trust are available only for retirement benefits of current and retired County employees. The accumulated funds in the retirement system slightly exceed the currently calculated actuarial liability, meaning the system is fully funded. The County provides funding as required each year for the increased liability for benefits being earned by current employees.

The County also maintains agency funds for a number of the County's elected "constitutional officers" (those officials designated by the State's constitution). These funds do not belong to the County, but are funds held for others. There are no "fund balances" for agency funds.

Governmental Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund can be briefly summarized as follows:

- The revenue budget was increased during the year by \$15.5 million, or 4.7% from the original budget. Property taxes revenues account for \$7.9 million of that increase; other local taxes and elected officials' fines and fees were increased by an additional \$3.1 million and \$2.5 million, respectively.
- Actual revenues exceeded the revised budget estimate by \$3.7 million, or 1.1%. Other revenues, including investment income, accounted for \$3.2 million of that favorable variance. State revenues exceeded budget by \$2.1 million, reflecting favorable collections of State income and TVA replacement taxes.
- The overall expenditure budget was increased during the year by \$2.9 million, or about nine-tenths of one percent. Increases were necessary to fund market study salary adjustments and utilities; other changes reflected adjustments shifting anticipated salary lapse and restriction budgets to the programs where they were realized.
- Actual expenditures were \$2.9 million below the amended budget, a savings of about nine-tenths of one percent. Most of the savings were attributed to reduced expenditures in operating and maintenance accounts (\$1.9 million) rather than salaries (\$.8 million).
- The budget for net transfers out was increased by \$13.0 million, primarily reflecting additional transfers to the CIP fund for pay-as-you-go capital projects (\$11.8 million) and to

the economic development fund (\$1.0 million).

Capital Asset and Debt Administration

Capital Assets. Shelby County Government's investment in capital assets for its governmental and business type activities as of June 30, 2007 amounts to \$596.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and other infrastructure. Additions for the year were \$30.9 million, depreciation was \$28.1 million and disposals were \$6.8 million, for a net decrease of \$4.0 million. Construction in progress as of the end of the current fiscal year was \$25.6 million.

Additional information on Shelby County Government's capital assets can be found in note IV (E) of the Notes to Financial Statements of this report.

Major capital asset events during the current fiscal year included the following:

- Roadway improvements, drainage improvements, and sanitary sewer upgrades continued within the County with an estimated cost of \$6.0 million.
- Renovation work continued at the Criminal Justice Complex, with completion of projects including centralization of the floor pod control, jail door retrofit, and jail control center.
- Although not recorded as assets of the County, during FY 2007 the County provided capital improvement funding of \$90.0 million to the two school systems.

Long-term Debt. At June 30, 2007 Shelby County's general obligation bonded debt (bonds payable) outstanding totaled \$1,820,107,969 which represented approximately 10.4% of assessed value. The County's bonds and notes payable increased by approximately \$57 million (3.2%) during the year. Debt, generally, may be issued without regard to any limit on indebtedness. The ad valorem tax levy is also without legal limit.

The County uses notes payable programs to initially finance capital projects. This allows the County to borrow only as the proceeds are actually needed and to take advantage of lower short-term interest rates. Annually, the County adopts a five-year capital projects plan. Based on this plan for the current year and capital projects cash flow projections, a notes payable program is established with a maximum borrowing amount. Borrowing occurs as needed for up to two years. After completion of each program, the notes payable are converted to bonds payable to be repaid within 25 years. On March 28, 2005 the County authorized the issuance of \$275 million of extendible municipal commercial paper ("EMCP"). In February 2006 the County refunded and ultimately retired \$135 million of issued EMCP and in December 2006 the County refunded and retired the outstanding \$140 million issued EMCP.

At the end of FY 2006 the County transferred \$13.9 million into a pay-as-you-go account in the capital improvements fund. An additional \$11.8 million was transferred into the account in FY 2007. This process should reduce future long-term debt related to capital projects.

An agreement was signed in 2005 with the Shelby County and City of Memphis Schools boards of education to provide \$100 million to be divided equally between the two school systems to provide a new high school for the County schools and to provide funding for renovations for the City of Memphis schools. In addition, this agreement provides for capital funding to the schools of \$60 million per year for fiscal years 2007, 2008 and 2009, to be divided based on average daily attendance.

The County maintains ratings from Moody's Investors Service ("Moody's"), Standard & Poor's Corporation ("Standard & Poor's") and Fitch IBCA, Inc. ("Fitch") on its previously issued general obligation bonds not secured by letter of credit as follows:

Moody's	Standard & Poor's	Fitch IBCA, Inc.
Aa2	AA+	AA

Moody's issues ratings from Aaa to C to designate the relative investment qualities of bonds. The Aa rating is in the second highest of the rating categories. The modifier 2 indicates that the bonds are in the middle range of the Aa category. Moody's describes its Aa ratings as "Bonds which are rated Aa are judged to be a high quality by all standards. They are rated lower than the best bond because margins of protection may not be as large as in Aaa or fluctuation of protection elements may be of greater amplitude or there may be other elements present which make the long term risk appear somewhat larger than Aaa securities."

Standard & Poor's and Fitch issue ratings from AAA to D to designate the relative investment qualities of bonds. The AA rating is the second highest of the ten such ratings. Standard & Poor's and Fitch describe their rating as "Debt rate AA+ has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree. Plus or minus signs are used to show relative standing within the major rating categories."

Additional information on Shelby County Government's long-term debt can be found in note IV(H) of the Notes to Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

- The October 2007 unemployment rate for Shelby County was 4.6 percent, the same as the State's rate and compared to the national rate of 4.7%.
- Inflationary trends in the region compare favorably to national indices.
- There has been some increase in foreclosure rates that appears to be related to sub-prime lending issues and there are concerns regarding the impact on property taxes.

For 2008 the property tax rate was maintained at the same amount as 2007. Compared to actual revenue for 2007, we have budgeted no growth in property taxes for 2008.

For fiscal year 2008 general fund revenue growth is budgeted to be 2.9% over the 2007 budget. Actual revenue for 2007 exceeded the amount budgeted so that no growth in actual revenue will be necessary to reach the budget. General fund expenditures were also budgeted to increase by

7.7% compared to 2007. A planned use of fund balances has been budgeted of \$3 million for 2008 primarily to provide additional funding for Juvenile Court; however, we expect to be able to offset this by a combination of additional revenue and expenditure reductions so that there will not be an actual use of fund balance. The County Mayor and Commission are committed to holding general fund expenditures in line with general fund revenue growth. With a substantial portion of the County incorporated and annexations decreasing the unincorporated area, County government is shifting responsibilities to the cities and focusing on our primary mission of education, criminal justice and health. However, the increase in budgeted expenditures above the budgeted revenue growth is primarily due to an increase in health insurance, utility costs, the jail medical contract and other post employment benefits. A consulting firm was engaged in 2004 to perform an efficiency study and assist us in preparing a five year strategic plan which was completed in October 2004. Substantial efficiencies have been identified and implemented. In 2007, we are updating the efficiency study and five year strategic plan.

Because of the school capital needs and converting notes payable to long term-debt to take advantage of low interest rates, debt service expenditures are increasing \$8.7 million in 2008. Debt service requirements will continue to increase for the next several years because of the school funding commitment previously noted and the current debt structure. However, various steps are being taken to move towards ending the growth of debt and the debt service requirements. Capital outlays have been reduced from \$154 million in 2002 to \$108 million in 2007. The five-year capital improvement plan was updated with reductions in new debt requirements except an additional \$50 million commitment for schools which is expected to be paid in 2008. Starting in 2009, the capital improvement plan provides for expenditures of approximately \$75 million per year.

Requests for Information

This financial report is designed to provide a general overview of Shelby County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator, Department of Finance, Shelby County Government, 160 North Main Street, Memphis, Tennessee 38103.

Statement of Net Assets
June 30, 2007

	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Cash and cash equivalents	\$ 242,780,327	\$ 7,782,850	\$ 250,563,177	\$ 34,878,550
Investments	52,099,350	---	52,099,350	119,976,593
Property taxes receivable, net of allowance for uncollectibles	745,228,799	---	745,228,799	---
Other receivables	16,905,559	1,399,040	18,304,599	23,330,221
Due from other governmental entities	16,249,619	7,353,676	23,603,295	25,538,693
Due from component units	5,463,490	---	5,463,490	---
Due from primary government	---	---	---	13,299,156
Internal balances	2,726,467	(2,726,467)	---	---
Inventories	194,502	---	194,502	7,142,536
Deposits held by others	655,632	---	655,632	---
Notes receivable	11,257,813	---	11,257,813	---
Other assets	---	---	---	707,192
Restricted and other investments	---	---	---	26,247,291
Land	20,368,731	---	20,368,731	---
Construction in progress	25,628,717	---	25,628,717	---
Depreciable capital assets, net	522,982,603	27,908,007	550,890,610	428,244,213
Total Assets	\$ 1,662,541,609	\$ 41,717,106	\$ 1,704,258,715	\$ 679,364,445
Liabilities:				
Accounts payable and accrued liabilities	\$ 17,436,423	\$ 926,876	\$ 18,363,299	\$ 59,268,331
Interest payable	15,770,692	---	15,770,692	---
Due to other governmental entities	4,696,800	---	4,696,800	---
Due to component units	13,299,156	---	13,299,156	---
Due to primary government	---	---	---	5,463,490
Deposits held for others	4,466,932	353,434	4,820,366	---
Unearned revenue	727,503,070	95,204	727,598,274	170,094
Claims payable	8,489,512	---	8,489,512	3,508,807
Long-term liabilities				
Due within one year	105,956,842	2,842,221	108,799,063	2,552,824
Due in more than one year	1,763,618,568	2,765,896	1,766,384,464	7,930,711
Total Liabilities	\$ 2,661,237,995	\$ 6,983,631	\$ 2,668,221,626	\$ 78,894,257
Net Assets:				
Invested in capital assets, net of related debt	157,206,332	26,737,011	183,943,343	422,721,188
Restricted for:				
Education	---	---	---	112,006,423
Debt services	63,401,912	---	63,401,912	---
Roads and bridges	9,226,801	---	9,226,801	---
Special revenues	18,788,991	---	18,788,991	4,590,896
Unrestricted	(1,247,320,422)	7,996,464	(1,239,323,958)	61,151,681
Total Net Assets	(998,696,386)	34,733,475	(963,962,911)	600,470,188
Total Liabilities and Net Assets	\$ 1,662,541,609	\$ 41,717,106	\$ 1,704,258,715	\$ 679,364,445

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

Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 48,815,450	\$ 7,249,940	\$ 6,444,056	\$ ---
Hospital	27,566,667	---	---	---
Planning and development	6,133,345	2,605	5,447,469	---
Public works	52,071,835	3,693,888	8,420,590	3,440,619
Corrections	928,659	---	804,512	---
Health services	57,842,725	13,308,900	32,308,626	---
Community services	42,808,278	344,389	39,280,753	---
Law enforcement	138,231,040	5,196,516	3,480,450	---
Judicial	74,919,142	22,679,021	24,315,138	---
Other elected officials	25,988,417	36,255,228	369,610	---
Education	451,071,817	---	---	---
Interest on debt	87,802,538	2,546,854	254,227	---
Total governmental activities	<u>1,014,179,913</u>	<u>91,277,341</u>	<u>121,125,431</u>	<u>3,440,619</u>
Business-type activities:				
Codes enforcement	12,024,192	9,957,347	---	---
Fire services	12,842,381	14,809,843	49,050	---
Corrections	46,259,142	40,610,450	---	---
Total business-type activities	<u>71,125,715</u>	<u>65,377,640</u>	<u>49,050</u>	<u>---</u>
Total primary government	<u>\$ 1,085,305,628</u>	<u>\$ 156,654,981</u>	<u>\$ 121,174,481</u>	<u>\$ 3,440,619</u>
Component units:				
Board of Education	\$ 331,076,828	\$ 8,387,232	\$ 165,195,193	---
Shelby County Health Care Corporation	318,648,675	279,318,264	---	---
Nonmajor component units	7,125,337	11,582,554	---	---
Total component units	<u>\$ 656,850,840</u>	<u>\$ 299,288,050</u>	<u>\$ 165,195,193</u>	<u>---</u>

General Revenues:

- Property taxes - levied for education
- Property taxes - levied for debt service
- Property taxes - levied for general government
- Sales taxes
- Business taxes
- Hotel/Motel taxes
- Wheel taxes
- Other taxes

Grants and contributions not restricted to specific programs:

- Payments from Shelby County
- Other sources

Unrestricted investment earnings

Effect of extraordinary items

Transfers, net

Total general revenues and transfers

Changes in net assets

Net assets - June 30, 2006

Net assets - June 30, 2007

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

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (35,121,454)	\$ ---	\$ (35,121,454)	\$ ---
(27,566,667)	---	(27,566,667)	---
(683,271)	---	(683,271)	---
(36,516,738)	---	(36,516,738)	---
(124,147)	---	(124,147)	---
(12,225,199)	---	(12,225,199)	---
(3,183,136)	---	(3,183,136)	---
(129,554,074)	---	(129,554,074)	---
(27,924,983)	---	(27,924,983)	---
10,636,421	---	10,636,421	---
(451,071,817)	---	(451,071,817)	---
(85,001,457)	---	(85,001,457)	---
<u>(798,336,522)</u>	<u>---</u>	<u>(798,336,522)</u>	<u>---</u>
---	(2,066,845)	(2,066,845)	---
---	2,016,512	2,016,512	---
---	<u>(5,648,692)</u>	<u>(5,648,692)</u>	<u>---</u>
---	<u>(5,699,025)</u>	<u>(5,699,025)</u>	<u>---</u>
<u>(798,336,522)</u>	<u>(5,699,025)</u>	<u>(804,035,547)</u>	<u>---</u>
---	---	---	(157,494,403)
---	---	---	(39,330,411)
---	---	---	4,457,217
---	---	---	<u>(192,367,597)</u>
338,523,285	---	338,523,285	---
137,605,213	---	137,605,213	---
204,486,878	---	204,486,878	---
10,151,491	---	10,151,491	42,089,107
9,307,206	---	9,307,206	---
14,175,629	---	14,175,629	---
30,077,684	---	30,077,684	---
60,978,512	---	60,978,512	---
---	---	---	183,039,313
---	---	---	12,168,441
24,575,622	525,358	25,100,980	2,766,611
---	---	---	135,612
<u>(7,270,833)</u>	<u>7,270,833</u>	<u>---</u>	<u>---</u>
<u>822,610,687</u>	<u>7,796,191</u>	<u>830,406,878</u>	<u>240,199,084</u>
24,274,165	2,097,166	26,371,331	47,831,487
(1,022,970,551)	32,636,309	(990,334,242)	552,638,701
<u>\$ (998,696,386)</u>	<u>\$ 34,733,475</u>	<u>\$ (963,962,911)</u>	<u>\$ 600,470,188</u>

	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 19,123,863	\$ 39,521,953	\$ 111,228,210
Investments	30,150,000	21,949,350	---
Property taxes receivable, net of allowance for uncollectibles	224,851,276	150,348,363	---
Accounts receivable and accrued revenues	3,955,188	1,712,669	1,698,470
Due from other governmental entities	3,478,748	---	6,969
Due from other funds	4,765,040	1,341,282	1,341,282
Advance to other funds	1,875,819	---	---
Due from component units	---	2,823,318	2,640,172
Deposits held by others	22,210	---	---
Notes receivable	354,776	7,244,904	3,090,000
Total Assets	\$ 288,576,920	\$ 224,941,839	\$ 120,005,103
Liabilities:			
Accounts payable and accrued liabilities	\$ 7,175,422	\$ 2,684,314	\$ 266,852
Due to other governmental entities	258,817	---	---
Due to other funds	4,101,007	---	---
Due to component units	---	---	12,500,000
Deposits held for others	452,005	---	3,725,208
Deferred revenue	225,291,789	158,855,613	5,782,171
Total Liabilities	237,279,040	161,539,927	22,274,231
Fund Balances:			
Reserved for encumbrances	2,243,967	---	---
Reserved for advances	1,875,819	---	---
Unreserved:			
Major governmental funds	47,178,094	63,401,912	97,730,872
Nonmajor governmental funds	---	---	---
Total Fund Balances	51,297,880	63,401,912	97,730,872
Total Liabilities and Fund Balances	\$ 288,576,920	\$ 224,941,839	\$ 120,005,103

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ ---	\$ 1,251	\$ 24,101,140	\$ 193,976,417
---	---	---	52,099,350
370,029,160	---	---	745,228,799
---	7,442,435	2,034,556	16,843,318
---	11,768,685	932,155	16,186,557
---	---	1,418,443	8,866,047
---	---	---	1,875,819
---	---	---	5,463,490
---	4,966	279,456	306,632
---	568,133	---	11,257,813
<u>\$ 370,029,160</u>	<u>\$ 19,785,470</u>	<u>\$ 28,765,750</u>	<u>\$ 1,052,104,242</u>
\$ ---	\$ 3,506,089	\$ 2,437,501	\$ 16,070,178
1,674,709	2,763,274	---	4,696,800
---	3,913,397	995	8,015,399
799,156	---	---	13,299,156
---	10,263	279,456	4,466,932
<u>367,555,295</u>	<u>6,119,484</u>	<u>1,504,969</u>	<u>765,109,321</u>
<u>370,029,160</u>	<u>16,312,507</u>	<u>4,222,921</u>	<u>811,657,786</u>
---	---	716,305	2,960,272
---	---	---	1,875,819
---	3,472,963	---	211,783,841
---	---	23,826,524	23,826,524
---	3,472,963	24,542,829	240,446,456
<u>\$ 370,029,160</u>	<u>\$ 19,785,470</u>	<u>\$ 28,765,750</u>	<u>\$ 1,052,104,242</u>

**Reconciliation of Fund Balances of Governmental
Funds to the Statement of Net Assets
June 30, 2007**

Fund balance - total governmental funds (page 33)	\$ 240,446,456
<p>Amounts reported for the governmental activities in the statement of net assets (page 29) are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds	568,051,440
Receivables not available to pay for current expenditures are reported as deferred revenue in the funds	61,457,970
Amounts payable to schools from receivables not available to pay current expenditures	(20,555,295)
Interest on long-term debt is not payable with current financial resources and, therefore, is not reported in the funds	(15,770,692)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds (See Note II.A)	(1,862,659,110)
Internal service funds are used by management to charge the costs of central services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	<u>30,332,845</u>
Net assets of governmental activities (page 29)	<u><u>\$ (998,696,386)</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2007

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues:			
Property taxes	\$ 204,704,877	\$ 137,909,050	\$ ---
Other local taxes	25,440,837	20,910,087	11,537,402
Local revenue	25,164,696	2,399,069	1,770,163
State revenue	21,963,864	254,227	33,364
Federal revenue	41,215	---	1,156,255
Patient service revenue	1,009,668	---	---
Elected officials' fines and fees	61,145,914	892,186	---
Other revenue	9,499,568	3,790,436	7,474,077
	<u>348,970,639</u>	<u>166,155,055</u>	<u>21,971,261</u>
Expenditures:			
Current			
General government	29,584,633	---	---
Hospital	25,066,667	---	---
Planning and development	443,279	---	---
Public works	19,987,693	---	---
Corrections	---	---	---
Health services	30,887,206	---	---
Community services	4,014,643	---	---
Law enforcement	134,007,234	---	---
Judicial	55,380,345	---	---
Other elected officials	25,506,215	---	---
Education	---	---	---
Debt service and related cost	1,759,750	159,766,473	1,348,646
Capital outlay: capital projects	---	---	107,970,051
	<u>326,637,665</u>	<u>159,766,473</u>	<u>109,318,697</u>
Excess (deficiency) of revenues over expenditures	<u>22,332,974</u>	<u>6,388,582</u>	<u>(87,347,436)</u>
Other financing sources (uses)			
Transfers in	10,562,251	7,218,419	17,952,709
Transfers out	(26,895,225)	(6,478,700)	(1,652,207)
General obligation bonds issued at face value	---	---	140,358,887
Refunding bonds issued	---	146,416,113	---
Payment to refunding bond escrow agent	---	(146,067,482)	---
	<u>(16,332,974)</u>	<u>1,088,350</u>	<u>156,659,389</u>
Net change in fund balances	6,000,000	7,476,932	69,311,953
Fund balances June 30, 2006	<u>45,297,880</u>	<u>55,924,980</u>	<u>28,418,919</u>
Fund balances June 30, 2007	<u>\$ 51,297,880</u>	<u>\$ 63,401,912</u>	<u>\$ 97,730,872</u>

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 337,881,922	\$ ---	\$ ---	\$ 680,495,849
22,137,682	---	14,868,212	94,894,220
---	6,750,060	4,768,186	40,852,174
---	62,569,784	19,187,241	104,008,480
---	29,153,760	---	30,351,230
---	1,316,089	---	2,325,757
---	---	3,337,734	65,375,834
---	656,906	954,016	22,375,003
<u>360,019,604</u>	<u>100,446,599</u>	<u>43,115,389</u>	<u>1,040,678,547</u>
---	1,096,971	15,213,570	45,895,174
---	---	---	25,066,667
---	5,785,327	---	6,228,606
---	7,946,344	10,581,696	38,515,733
---	824,652	---	824,652
---	23,227,326	4,149,333	58,263,865
---	39,526,911	---	43,541,554
---	1,728,794	1,276,722	137,012,750
---	19,234,136	9,842	74,624,323
---	---	667,242	26,173,457
360,019,604	---	---	360,019,604
---	---	---	162,874,869
---	---	---	107,970,051
<u>360,019,604</u>	<u>99,370,461</u>	<u>31,898,405</u>	<u>1,087,011,305</u>
---	1,076,138	11,216,984	(46,332,758)
---	3,878,250	1,186,438	40,798,067
---	(4,731,462)	(8,789,777)	(48,547,371)
---	---	---	140,358,887
---	---	---	146,416,113
---	---	---	(146,067,482)
---	(853,212)	(7,603,339)	132,958,214
---	222,926	3,613,645	86,625,456
---	3,250,037	20,929,184	153,821,000
<u>\$ ---</u>	<u>\$ 3,472,963</u>	<u>\$ 24,542,829</u>	<u>\$ 240,446,456</u>

**Reconciliation of Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2007**

Net change in fund balances - total governmental funds (page 37)	\$	86,625,456
<p>Amounts reported for the governmental activities in the statement of activities (page 31) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and net gains and losses on retirements in the current period. (See Note II.B)</p>		(4,529,170)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		387,274
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (See Note II.B)</p>		(65,635,187)
<p>Changes in other long-term liabilities other than in internal service funds</p>		(2,309,710)
<p>Internal service funds are used by management to charge the costs of central services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		9,735,502
<p>Change in net assets of governmental activities (page 31)</p>	\$	24,274,165

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

Proprietary Funds
Statement of Net Assets
June 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund	Total	
Assets:					
Current Assets					
Cash and cash equivalents	\$ 3,531,785	\$ 3,974,893	\$ 276,172	\$ 7,782,850	\$ 48,803,910
Accounts receivable and accrued revenues	47,017	1,192,018	160,005	1,399,040	62,241
Due from other governmental entities	---	---	7,353,676	7,353,676	63,062
Deposits held by others	---	---	---	---	349,000
Inventories	---	---	---	---	194,502
Total Current Assets	<u>3,578,802</u>	<u>5,166,911</u>	<u>7,789,853</u>	<u>16,535,566</u>	<u>49,472,715</u>
Noncurrent Assets:					
Depreciable capital assets, net	<u>2,074,888</u>	<u>3,285,052</u>	<u>22,548,067</u>	<u>27,908,007</u>	<u>928,611</u>
Total Assets	<u>\$ 5,653,690</u>	<u>\$ 8,451,963</u>	<u>\$ 30,337,920</u>	<u>\$ 44,443,573</u>	<u>\$ 50,401,326</u>
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 68,919	\$ 286,313	\$ 571,644	\$ 926,876	\$ 1,366,245
Interfund loan payable, current portion	---	517,972	---	517,972	---
Due to other funds	---	---	850,648	850,648	---
Deposits held for others	77,262	---	276,172	353,434	---
Deferred revenue	95,204	---	---	95,204	3,296,424
Sick and annual leave payable	343,510	850,707	1,512,358	2,706,575	49,831
Capital lease obligations, current portion	---	135,646	---	135,646	---
Claims payable	---	---	---	---	8,489,512
Total Current Liabilities	<u>584,895</u>	<u>1,790,638</u>	<u>3,210,822</u>	<u>5,586,355</u>	<u>13,202,012</u>
Noncurrent Liabilities:					
Interfund loan payable	---	1,357,847	---	1,357,847	---
Long term claims payable	---	---	---	---	6,824,636
Sick and annual leave payable	288,518	353,996	1,088,032	1,730,546	41,833
Capital lease obligations	---	1,035,350	---	1,035,350	---
Total Noncurrent Liabilities	<u>288,518</u>	<u>2,747,193</u>	<u>1,088,032</u>	<u>4,123,743</u>	<u>6,866,469</u>
Total Liabilities	<u>873,413</u>	<u>4,537,831</u>	<u>4,298,854</u>	<u>9,710,098</u>	<u>20,068,481</u>
Net Assets:					
Invested in capital assets, net of related debt	2,074,888	2,114,056	22,548,067	26,737,011	928,611
Unrestricted	<u>2,705,389</u>	<u>1,800,076</u>	<u>3,490,999</u>	<u>7,996,464</u>	<u>29,404,234</u>
Total Net Assets	<u>4,780,277</u>	<u>3,914,132</u>	<u>26,039,066</u>	<u>34,733,475</u>	<u>30,332,845</u>
Total Liabilities and Net Assets	<u>\$ 5,653,690</u>	<u>\$ 8,451,963</u>	<u>\$ 30,337,920</u>	<u>\$ 44,443,573</u>	<u>\$ 50,401,326</u>

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

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Consolidated	Fire Services Fund	Corrections Center Fund	Total	
	Codes Enforcement Fund				
Operating Revenues:					
State revenue	\$ ---	\$ 49,050	\$ 38,999,567	\$ 39,048,617	\$ ---
Federal revenue	---	---	22,600	22,600	---
Permits and fees	9,957,322	14,809,843	1,587,933	26,355,098	---
Premium revenue	---	---	---	---	69,477,377
Charges for services	---	---	---	---	6,901,796
Other revenue	25	---	350	375	---
Total Operating Revenues	<u>9,957,347</u>	<u>14,858,893</u>	<u>40,610,450</u>	<u>65,426,690</u>	<u>76,379,173</u>
Operating Expenses:					
Salaries and wages	8,163,049	8,505,920	25,490,326	42,159,295	797,867
Fringe benefits	2,309,825	2,185,102	7,212,199	11,707,126	230,664
Supplies	353,543	333,538	3,538,501	4,225,582	1,520,052
Services	103,308	28,924	150,513	282,745	4,564,115
Professional and contracted services	347,961	663,960	5,289,659	6,301,580	905,970
Rent, utilities, and maintenance	322,615	227,217	2,688,897	3,238,729	4,093,588
Insurance	---	---	---	---	3,343,602
Depreciation	178,851	437,333	1,086,628	1,702,812	88,467
Other expenses	247,940	316,880	161,016	725,836	149
Claims incurred	---	---	---	---	54,273,591
Total Operating Expenses	<u>12,027,092</u>	<u>12,698,874</u>	<u>45,617,739</u>	<u>70,343,705</u>	<u>69,818,065</u>
Operating Income (Loss)	(2,069,745)	2,160,019	(5,007,289)	(4,917,015)	6,561,108
Nonoperating Revenues (Expenses):					
Interest income	317,936	207,422	---	525,358	2,060,992
Interest expense	---	(154,977)	(641,403)	(796,380)	---
Gain (loss) on asset disposals	2,900	11,470	---	14,370	---
Income (Loss) before Transfers	<u>(1,748,909)</u>	<u>2,223,934</u>	<u>(5,648,692)</u>	<u>(5,173,667)</u>	<u>8,622,100</u>
Transfers:					
Transfers in	113,207	---	10,648,000	10,761,207	2,354,734
Transfers out	(971,183)	(707,946)	(2,446,177)	(4,125,306)	(1,241,332)
Capital contributions from governmental funds	---	614,932	20,000	634,932	---
Net Transfers	<u>(857,976)</u>	<u>(93,014)</u>	<u>8,221,823</u>	<u>7,270,833</u>	<u>1,113,402</u>
Change in Net Assets	(2,606,885)	2,130,920	2,573,131	2,097,166	9,735,502
Net Assets:					
June 30, 2006	<u>7,387,162</u>	<u>1,783,212</u>	<u>23,465,935</u>	<u>32,636,309</u>	<u>20,597,343</u>
June 30, 2007	<u>\$ 4,780,277</u>	<u>\$ 3,914,132</u>	<u>\$ 26,039,066</u>	<u>\$ 34,733,475</u>	<u>\$ 30,332,845</u>

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

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund	Total	
Cash flows from operations:					
Receipts from customers	\$ 9,991,859	\$ 14,860,132	\$ 40,577,889	\$ 65,429,880	\$ 6,762,744
Receipts for special programs	---	49,050	---	49,050	---
Premiums received	---	---	---	---	69,344,658
Refunds received from suppliers	---	---	---	---	302,134
Cash payments to suppliers	(1,337,517)	(1,411,274)	(12,277,604)	(15,026,395)	(13,535,571)
Cash payments to employees	(10,473,218)	(10,656,194)	(32,639,700)	(53,769,112)	(1,020,283)
Claims paid	---	---	---	---	(53,862,532)
Net cash provided by (used in) operating activities	<u>(1,818,876)</u>	<u>2,841,714</u>	<u>(4,339,415)</u>	<u>(3,316,577)</u>	<u>7,991,150</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	113,207	---	10,648,000	10,761,207	2,354,734
Transfers to other funds	(971,183)	(707,946)	(2,446,177)	(4,125,306)	(1,241,332)
Repayment of advance from other funds	---	(492,762)	(2,881,032)	(3,373,794)	---
Interest on advance from other funds	---	(107,238)	(641,403)	(748,641)	---
Net cash provided by (used in) noncapital financing activities	<u>(857,976)</u>	<u>(1,307,946)</u>	<u>4,679,388</u>	<u>2,513,466</u>	<u>1,113,402</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(291,734)	(685,183)	(63,801)	(1,040,718)	(663,909)
Proceeds from the sale of capital assets	2,900	11,470	---	14,370	---
Proceeds from capital debt	---	584,925	---	584,925	---
Capital lease obligation payments	---	(135,646)	---	(135,646)	---
Interest paid	---	(47,739)	---	(47,739)	---
Net cash used in capital and related financing activities	<u>(288,834)</u>	<u>(272,173)</u>	<u>(63,801)</u>	<u>(624,808)</u>	<u>(663,909)</u>
Cash flows from investing activities:					
Interest and investment earnings	317,936	207,422	---	525,358	2,060,992
Net cash provided by investing activities	<u>317,936</u>	<u>207,422</u>	<u>---</u>	<u>525,358</u>	<u>2,060,992</u>
Net increase (decrease) in cash and cash equivalents	(2,647,750)	1,469,017	276,172	(902,561)	10,501,635
Cash and equivalents, June 30, 2006	6,179,535	2,505,876	---	8,685,411	38,302,275
Cash and equivalents, June 30, 2007	<u>\$ 3,531,785</u>	<u>\$ 3,974,893</u>	<u>\$ 276,172</u>	<u>\$ 7,782,850</u>	<u>\$ 48,803,910</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (2,069,745)	\$ 2,160,019	\$ (5,007,289)	\$ (4,917,015)	\$ 6,561,108
Adjustments:					
Depreciation	178,851	437,333	1,086,628	1,702,812	88,467
Changes in assets and liabilities:					
Accounts receivable and accrued revenues	22,823	50,289	(308,735)	(235,623)	(6,245)
Inventories	---	---	---	---	65,310
Accounts payable and accrued liabilities	37,843	159,245	(458,045)	(260,957)	142,686
Sick and annual leave	(337)	34,828	71,854	106,345	8,248
Deferred revenue	7,189	---	---	7,189	(149,454)
Insurance claims payable	---	---	---	---	1,118,505
Deposits	4,500	---	276,172	280,672	162,525
Total adjustments	<u>250,869</u>	<u>681,695</u>	<u>667,874</u>	<u>1,600,438</u>	<u>1,430,042</u>
Net cash provided by (used in) operating activities	<u>\$ (1,818,876)</u>	<u>\$ 2,841,714</u>	<u>\$ (4,339,415)</u>	<u>\$ (3,316,577)</u>	<u>\$ 7,991,150</u>
Noncash investing, capital, and financing activities:					
Capital assets transferred from governmental activities		\$ 614,932	\$ 20,000		

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

Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2007

	Shelby County Retirement System	Constitutional Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 30,514,253	\$ 200,529,971
Investments		
U.S. Government and agency obligations	576,202,040	---
Corporate bonds	188,687,664	---
Corporate stocks	86,790,243	---
Certificates of deposit	---	3,800,000
Other investments	162,224,752	---
Accounts receivable	---	1,566,816
Accrued interest and dividends receivable	3,903,457	---
Due from brokers - investment sales	1,841,103	---
	<u>\$ 1,050,163,512</u>	<u>\$ 205,896,787</u>
Liabilities:		
Accounts payable	\$ 1,524,539	\$ 31,447
Funds held for others	---	81,137,180
Due to brokers and others	3,422,012	---
Due to component units	---	107,812,765
Due to other governmental entities	---	16,915,395
	<u>4,946,551</u>	<u>\$ 205,896,787</u>
Net assets held in trust for pension benefits	<u>1,045,216,961</u>	
Total plan net assets	<u>1,045,216,961</u>	
Total liabilities and plan net assets	<u>\$ 1,050,163,512</u>	

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

Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2007

	Shelby County Retirement System
Additions:	
Contributions:	
Employer contributions	\$ 18,758,647
Member contributions	8,191,400
Total contributions	26,950,047
Investment income:	
Net appreciation in fair value of investments	151,197,809
Interest income	11,854,438
Dividend income	5,899,856
Other income	550,633
Total investment income	169,502,736
Less investment management expenses	4,970,832
Net investment income	164,531,904
Net additions	191,481,951
Deductions:	
Benefit payments	41,541,506
Administrative expenses	1,288,871
Refund of member contributions	1,878,662
Total deductions	44,709,039
Change in net assets	146,772,912
Net assets held in trust for pension benefits	
June 30, 2006	898,444,049
June 30, 2007	\$ 1,045,216,961

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

Component Units
Combining Statement of Net Assets
June 30, 2007

	Board of Education	Shelby County Health Care Corporation	Nonmajor Component Units	Total
Assets:				
Cash and cash equivalents	\$ 8,965,786	\$ 20,881,800	\$ 5,030,964	\$ 34,878,550
Investments	101,282,679	8,747,557	9,946,357	119,976,593
Accounts receivable	2,452,580	19,797,985	1,079,656	23,330,221
Due from primary government	13,299,156	---	---	13,299,156
Due from other governments	11,394,699	14,143,994	---	25,538,693
Inventories	2,668,904	4,471,757	1,875	7,142,536
Other assets	---	375,541	331,651	707,192
Restricted and other investments	---	26,247,291	---	26,247,291
Capital assets, net	348,090,522	74,586,212	5,567,479	428,244,213
Total Assets	\$ 488,154,326	\$ 169,252,137	\$ 21,957,982	\$ 679,364,445
Liabilities:				
Accounts payable and accrued expenses	\$ 26,469,283	\$ 32,322,722	\$ 476,326	\$ 59,268,331
Insurance claims payable	1,578,807	1,930,000	---	3,508,807
Deferred revenue	9,291	37,533	123,270	170,094
Due to primary government	---	5,463,490	---	5,463,490
Long-term liabilities				
Due within one year	---	2,529,000	23,824	2,552,824
Due in more than one year	---	7,895,000	35,711	7,930,711
Total Liabilities	28,057,381	50,177,745	659,131	78,894,257
Net Assets:				
Invested in capital assets, net of related debt	348,090,522	69,122,722	5,507,944	422,721,188
Restricted for:				
Student activities	4,366,513	---	---	4,366,513
Insurance claims	11,448,076	---	---	11,448,076
Building construction	---	3,395,433	---	3,395,433
Indigent care	---	1,195,463	---	1,195,463
Unrestricted	96,191,834	45,360,774	15,790,907	157,343,515
Total Net Assets	460,096,945	119,074,392	21,298,851	600,470,188
Total Liabilities and Net Assets	\$ 488,154,326	\$ 169,252,137	\$ 21,957,982	\$ 679,364,445

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

**Component Units
Combining Statement of Activities
For the Year Ended June 30, 2007**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Board of Education				
Instruction Programs	\$ 198,812,517	\$ ---	\$ 148,001,707	\$ ---
Support services	34,997,141	---	---	---
General administration	33,412,849	---	---	---
Operation and maintenance of facilities	23,986,248	---	---	---
Student transportation	13,226,899	---	---	---
Food services	13,733,335	8,387,232	5,139,767	---
Student activities	12,289,998	---	12,053,719	---
Early childhood education	617,841	---	---	---
Total Board of Education	331,076,828	8,387,232	165,195,193	---
Shelby County Health Care Corporation	318,648,675	279,318,264	---	---
Nonmajor component units	7,125,337	11,582,554	---	---
Total component units	<u>\$ 656,850,840</u>	<u>\$ 299,288,050</u>	<u>\$ 165,195,193</u>	<u>\$ ---</u>

General revenues:
 Shelby County
 Local sales tax
 Other sources
 Unrestricted investment earnings
 Effect of extraordinary items
 Total general revenues
 Change in net assets
 Net assets - June 30, 2006
 Net assets - June 30, 2007

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

Net (Expenses) Revenues and Changes in Net Assets			
Board of Education	Shelby County Health Care Corporation	Nonmajor Component Units	Total Component Units
\$ (50,810,810)	\$ ---	\$ ---	\$ (50,810,810)
(34,997,141)	---	---	(34,997,141)
(33,412,849)	---	---	(33,412,849)
(23,986,248)	---	---	(23,986,248)
(13,226,899)	---	---	(13,226,899)
(206,336)	---	---	(206,336)
(236,279)	---	---	(236,279)
(617,841)	---	---	(617,841)
(157,494,403)	---	---	(157,494,403)
---	(39,330,411)	---	(39,330,411)
---	---	4,457,217	4,457,217
(157,494,403)	(39,330,411)	4,457,217	(192,367,597)
151,672,646	31,366,667	---	183,039,313
42,089,107	---	---	42,089,107
8,668,836	3,499,605	---	12,168,441
---	2,240,981	525,630	2,766,611
---	---	135,612	135,612
202,430,589	37,107,253	661,242	240,199,084
44,936,186	(2,223,158)	5,118,459	47,831,487
415,160,759	121,297,550	16,180,392	552,638,701
\$ 460,096,945	\$ 119,074,392	\$ 21,298,851	\$ 600,470,188

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(A) Reporting Entity**

Shelby County, Tennessee (the County) is governed by an elected mayor and a thirteen member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations. The County has no blended component units. Each discretely presented component unit is reported in a separate column in the combining component unit financial statements (see notes below for descriptions) with combined totals in government-wide financial statements to emphasize that they are legally separate from the government. Each discretely presented component unit has a June 30 year-end and their separate financial statements are available as indicated below. The significant accounting policies followed by component units are generally the same as those followed by the primary government.

Discretely Presented Component Units:***Major Component Units***

Shelby County Board of Education (the Board of Education) – The Board of Education includes all the public schools in Shelby County outside the City of Memphis, serving over 44,000 students. The Board of Education has a separately elected governing board but is fiscally dependent on the County. The County levies taxes for the Board's operation, approves its operating budget and issues debt for its capital projects. The operations of the Shelby County Board of Education are reported as a governmental component unit. Financial statements for the Board can be obtained from Shelby County Board of Education, 160 South Hollywood, Memphis, Tennessee 38112, (901) 321-2500.

Shelby County Health Care Corporation, d/b/a Regional Medical Center at Memphis (The Med) – The Med provides both inpatient and outpatient hospital services to residents of Shelby County and the surrounding area. The County Mayor appoints The Med Board of Directors and substantial funding is provided by the County. The Med is reported as a proprietary component unit. Financial statements for The Med can be obtained from Shelby County Health Care Corporation, C/O Regional Medical Center at Memphis, 877 Jefferson Avenue, Memphis, Tennessee 38103, (901) 545-8234.

Other Component Units

Agricenter International, Inc. (the Agricenter) – The purpose of the Agricenter is to promote educational and applied research endeavors intended for the improvement of agriculture by the establishment of one convenient location for exhibition, demonstration, research, education and meetings by agribusiness industry, related organizations, and government agencies. The Agricenter Commission members are appointed by the County Mayor and confirmed by the County Board of Commissioners. Some funding is provided by the County. Agricenter International, Inc. is reported as a proprietary component unit. Financial statements for the Agricenter can be obtained from Agricenter International, Inc., Suite 9, 7777 Walnut Grove Road, Memphis, Tennessee 38120, (901) 757-7777.

Emergency Communications District of Shelby County, Tennessee, d/b/a Shelby County 9-1-1 District (the District) – The District was established in 1984, pursuant to provisions of T.C.A. Title 7, Chapter 86 of the State of Tennessee. The District is responsible for establishing local emergency telephone service and a primary emergency telephone number for the residents of Shelby County. The District is governed by a nine-member board of directors, appointed by the County Mayor and approved by the County Board of Commissioners. The District's board has the authority to levy an emergency telephone service charge to be used to fund the operation of the District. The District must obtain County Commission approval before the

issuance of most debt and the County Commission has the ability to adjust the District's service charges. The District is reported as a proprietary component unit. Financial statements for the District can be obtained from Shelby County 9-1-1 District, 6470 Haley Road, Memphis, Tennessee 38134, (901) 380-3911.

(B) Governmental Accounting Standards

The financial statements of the County have been prepared in accordance with *generally accepted accounting principles* (GAAP) followed in the United States of America. In the United States the Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The GASB periodically issues new or revised standards that are implemented by the County.

Private-sector accounting standards are established by the Financial Accounting Standards Board (FASB). FASB standards issued on or before November 30, 1989, are generally followed for the government-wide financial statements and the fund financial statements for proprietary funds to the extent those standards do not conflict with or contradict GASB pronouncements. In accordance with GASB Statement No. 20, paragraph 7, governments have the option to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The County has elected not to apply subsequent FASB standards.

(C) Government-wide and Fund Financial Statements

The government-wide financial statements - the statement of net assets and the statement of activities - report information on all of the nonfiduciary activities of the primary government and its component units. For the most part the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Similarly, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary (enterprise) funds are reported as separate columns in the fund financial statements.

(D) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except that agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

In determining availability the government generally considers property taxes, sales taxes, car rental taxes and grants associated with the current fiscal period to be available if they are collected within sixty days of the end of the current fiscal year; these are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other taxes and fees are generally recorded as revenue when they are received either because they are not measurable until received or they are not collected soon enough after the current period to pay liabilities of the current period.

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the accumulation of resources for and the payment of principal, interest and related costs on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for the acquisition and construction of major capital facilities and equipment. The primary funding source is bond proceeds.

The *Education Fund* accounts for tax collections allocated for school operations. Taxes are collected and allocated to the Shelby County Board of Education and the Board of Education of the Memphis City Schools based on average daily attendance.

The *Grants Fund* accounts for the receipt and expenditure of federal, state and local government grants and designated contributions to be used for approved programs.

The County reports the following major proprietary (enterprise) funds:

The *Consolidated Codes Enforcement Fund* accounts for the operations of the Memphis and Shelby County Office of Construction Codes Enforcement and related planning functions. Revenues are generated through permit and inspection fees charged by the office.

The *Fire Services Fund* accounts for operations of the Shelby County Fire Department. The Fire Department services most areas of Shelby County not within any municipality. Revenues are generated through fees charged to residents in the service area.

The *Corrections Center Fund* accounts for the operations of the Shelby County Corrections Center. Approximately 80% of the population at this facility are State prisoners. For State prisoners, the State reimburses the County's actual cost per prisoner day, including depreciation expense and indirect costs.

Additionally, the County reports the following fund types:

Internal Service Funds are a separate category of proprietary funds. These funds account for telecommunications, mail services, printing, group health and life insurance, other employer insurance, and tort liability insurance provided to other departments and agencies of the County, or to other governments on a cost reimbursement basis.

The *Pension Trust Fund* is a fiduciary fund. It accounts for the activities of the County's retirement plan, which accumulates resources for pension payments to employees.

Agency Funds are also fiduciary funds. It accounts for assets held by the County's constitutional officers and other elected officials in an agent capacity for governments, litigants, heirs and others. Agency funds are custodial in nature and do not involve measurement of results of operations.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Similarly, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales, services, and insurance. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

(E) Assets, Liabilities and Equity

Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, savings accounts and short-term investments with maturities of three months or less at the time of purchase. The County pools substantially all of its cash and cash equivalents. Each fund participating owns a pro rata share in the pool. Investment earnings of the pool are allocated monthly to each fund based upon average balances.

Deposits with the State Treasurer's Local Government Investment Pool (LGIP) may be withdrawn with a maximum of one day's notice, are classified as cash equivalents and are valued at cost. The LGIP is not registered with the SEC as an investment company. However the LGIP has a policy that it will – and does – operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares.

Investments of the government as well as its component units are generally stated at fair value. Fair value is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The County

uses amortized cost on all investments that mature within a year or less of the date of purchase. State statutes authorize the County to make direct investments in obligations of the U.S. Treasury, obligations issued or guaranteed by any U.S. Government agency, LGIP, bonds of any state or political subdivision, repurchase agreements, prime banker’s acceptances and prime commercial paper. The maximum maturity is two years.

The Pension Trust Fund is authorized to invest in common and preferred stocks, corporate bonds rated B3 or better, commercial paper rated A2/P2 or better, real estate, venture capital investments, co-mingled investment funds, and call option writing programs. Investment parameters require that no more than 70% of total investments be in stock, no more than 5% in real estate, and no more than 12% in international equities. The Board of Administration has also authorized investments in limited partnerships.

Receivables and Payables

Property taxes are recorded as revenues in the fiscal year for which levied. Property taxes based on property values during the current fiscal year but levied for the next fiscal year are recorded as receivables and deferred revenue. Allowances for doubtful accounts are maintained for receivables which historically experience uncollectible accounts.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure includes roads, bridges, sidewalks, and similar items. Equipment includes software and communications systems. Capital assets are defined by the government as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of two years. Land is included regardless of cost. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land improvements, buildings, building improvements, equipment and infrastructure of the primary government, as well as the component units, are depreciated using the straight line method. The following estimated useful lives are used:

<u>Assets</u>	<u>Years</u>
Land improvements	10-30
Buildings	30-40
Building Improvements	10-30
Equipment	3-20
Infrastructure	10-50

Deferred Revenue

Deferred revenue includes amounts that were unearned and amounts that were receivable and measurable at year-end but were not available to finance expenditures for the current year. Deferred revenues primarily include

unearned or unavailable revenues from property taxes, hotel/motel taxes, operating subsidies received in advance and notes receivable. Government-wide financial statements include only unearned revenue but governmental funds may include both unearned and unavailable revenue.

Claims and Judgments

Claims and judgments which can be reasonably estimated and could result in probable material losses to the County have been given proper recognition under U.S. generally accepted accounting principles. For governmental funds and similar fund types, the liability is recognized within the applicable fund if it is expected to be liquidated with expendable, available financial resources. All other material unpaid claims and judgments are recorded as a liability in the governmental activities of the primary government. In proprietary and similar fund types, probable and measurable loss contingencies are recorded as incurred within the applicable fund.

Landfill Postclosure Care Costs

State and federal laws and regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure of its landfill sites. The amount reported as postclosure care liability at year-end represents the estimated postclosure care costs that have not been paid for the Walnut Grove and Shake Rag Road landfills. The estimate is based on what it would cost to perform all postclosure care as of the year-end. Actual future costs may differ due to inflation, changes in technology, or changes in regulations. The landfills have been closed and the County has no landfills currently in operation. No County assets are restricted for landfill closure costs. However, the County has entered into a surety contract in lieu of a performance bond as a commitment to comply with the terms set forth in its 30 year post-closure maintenance plan for the Shake Rag Road landfill. This surety contract is with the State of Tennessee under the State's cooperative agreement with the Environmental Protection Agency (EPA). There is no surety contract pertaining to the Walnut Grove landfill.

Compensated Absences

County employees are granted sick and annual leave in varying amounts in accordance with administrative policies and union memorandums of understanding. Accumulated vacation days are required to be used annually, with a maximum accumulation of one and one-half times the amount of leave an employee can earn in a year. In the event of termination or retirement, the employees are paid for accumulated vacation days. Generally, employees are paid for accumulated sick leave, not to exceed the lesser of 75 days or \$5,772, only upon retirement. Certain exceptions to this policy occur in accordance with the terms of various union agreements.

All sick and annual pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Assets and Fund Equity

Entity-wide and proprietary funds net assets are classified into three components. “Invested in capital assets, net of related debt” consists of capital assets net of accumulated depreciation and reduced by outstanding debt used to finance purchase or construction of those assets. “Restricted” net assets are noncapital net assets that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the County. “Unrestricted” net assets are remaining net assets that do not meet the definition of the other two categories.

In the governmental funds financial statements, fund equity is reported as either “reserved” or “unreserved” fund balances. Reserved fund balances are not available for appropriation or are legally restricted by outside parties for use for a particular purpose. Some unreserved fund balances are available for use only for purposes of the particular fund. Designations of fund balance represent tentative management plans that are subject to change.

Interest Rate Swaps

Shelby County has entered into several interest rate swap agreements to modify interest rates on outstanding debt. Amounts received to enter swap agreements are recorded as revenue in the Debt Service Fund. In the government-wide financial statements, such amounts are amortized over the life of the swap agreement. These agreements provide for net interest payments to or from the County which are also recorded in the Debt Service Fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net assets or fund balances. Estimates also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(A) Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” Internal service funds include \$6,916,300 of long-term liabilities and are not part of this reconciling amount. The details of this \$1,862,659,110 are as follows:

Bonds payable	\$ 1,782,004,280
Accreted value on bonds	38,103,688
Net premium and issuance cost on bonds issued	16,123,158
Compensated absences	22,509,150
Landfill postclosure	3,521,581
Claims and judgements	<u>397,253</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 1,862,659,110</u>

(B) Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of this \$4,529,170 difference are as follows:

Capital outlay	\$ 19,423,650
Developer Contributions	2,251,000
Depreciation expense	<u>(26,203,820)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ (4,529,170)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$65,635,187 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 286,775,000
Premium on debt issued, net of issuance costs and amortization	(195,974)
Accretion of zero coupon bonds	1,701,187
Change in accrued interest expense	(1,110,476)
Principal repayments:	
General obligation debt	(80,044,550)
Refunding	<u>(141,490,000)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ 65,635,187</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The revenues and expenditures accounted for in each of the General Fund, Special Revenue Funds and Debt Service Fund have legally adopted budgets and are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern County operations. The County Board of Commissioners approves and appropriates the budgets for these funds annually.

Expenditures may not exceed appropriations by line item at the department level. The County Mayor is authorized to transfer budgeted amounts between line items of the same category (personnel related versus all other types of expenditures) of the same division (group of departments). Any adjustments that create a new line item, increase

the total budget, or require transfers between divisions, categories or funds must be approved by the County Board of Commissioners. The reported budgetary data has been revised for amendments authorized during the year and thereafter.

All funds requiring legally adopted budgets have budgets which are adopted on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds. Encumbrances represent significant commitments related to unperformed purchase orders, contracts, or other commitments for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for future expenditures of funds are recorded in order to reserve that portion of the applicable appropriation - is utilized in the governmental funds during the year to facilitate effective budgetary control. Encumbrances outstanding at year-end are reported as reservations of the applicable fund balances but do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

IV. DETAILED NOTES ON ALL FUNDS

(A) Deposits and Investments

Shelby County Government, except for the Retirement System:

The County, including agency funds but excluding the retirement system, had the following investments at June 30, 2007. Of the total investments per financial reports, \$52,099,350 is reported on the Statement of Net Assets and \$3,800,000 is reported on the on the Statement of Fiduciary Net Assets for the constitutional officers agency fund.

All investments are valued at cost, amortized cost, or fair value as disclosed in Note I (E) above:

U.S. Government agency securities	\$ 21,949,350
Commercial paper	37,363,625
Tennessee Local Government Investment Pool (LGIP)	<u>275,489,733</u>
Total investments for disclosure purposes	334,802,708
Add certificates of deposit reported as investments	33,950,000
Less amounts reported as cash equivalents	<u>(312,853,358)</u>
Total investments per financial reports	<u>\$ 55,899,350</u>

Custodial credit risk Bank deposits and certificates of deposit of the County, consistent with State statutes, are covered by federal depository insurance (FDIC) or are collateralized by a multiple financial institution collateral pool administered by the Treasurer of the State of Tennessee. On limited occasions the County may have deposits with financial institutions that do not participate in the State collateral pool; in these instances separate collateral equal to at least 105% of the uninsured deposit is collateralized and held in the County's name by a third party. These provisions covered all County deposits at year-end.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Both State statutes and the County's investment policy limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments of \$21,949,350 mature between one and two years and all other investments mature in one year or less.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both State statutes and the County's investment policy limit permissible investments or impose collateral and custody provisions as specified above or in Note I (E) to significantly limit credit risk. By policy investments in

commercial paper must be rated A1/P1 by at least two rating services. Although the LGIP itself is unrated, its types of investments and maturities provide a similar level of credit risk.

The County Trustee handles Shelby County School Board investments with the LGIP. Those investments are not included above but are reported in the component units figures within this report and are disclosed in the separately issued financial report of the Board of Education.

Shelby County Retirement System (Fiduciary Fund). At June 30, 2007 the Retirement System had deposits of \$33,092,264 that were not insured and were uncollateralized. At June 30, 2007 the Retirement System reported the following investments with carrying amounts as shown:

Domestic equity	\$ 478,012,718
Fixed income	177,101,515
International equity	165,132,475
Hedge funds	158,378,070
Limited partnership interests	28,570,511
Private real estate	<u>6,709,410</u>
Total investments	<u>\$ 1,013,904,699</u>

The fair values of fixed income investments grouped by maturity at June 30, 2007 are as follows:

Current to one year	\$ 13,094,934
One to two years	5,040,097
Two to three years	8,519,437
Three to four years	14,900,852
Four to five years	10,771,089
Five years or more	<u>96,685,414</u>
	149,011,823
Funds with indeterminable maturities	<u>28,089,692</u>
Total	<u>\$ 177,101,515</u>

At June 30, 2007 the Retirement System had \$338,405,674 of investments with exposure to foreign currency risk.

The above information was taken from the publicly available financial report of the Retirement System for the year ended June 30, 2007. The report includes more information on the credit quality of investments in fixed income debt securities and the investments with foreign currency risk. The report may be obtained from the Shelby County Retirement System, Suite 950, 160 N. Main Street, Memphis, Tennessee 38103.

(B) Property Taxes Receivable

Property taxes attach an enforceable lien on property on January 1 of each year. The various types of property are assessed at a percentage of market value as follows:

Farm and residential real property	25%
Commercial/industrial real property	40%
Commercial/industrial tangible personal property	30%
Commercial/industrial intangible personal property	40%
Public utilities real/personal property	55%

The assessed value on which the fiscal 2007 tax bills were based was \$17,502,758,132. The estimated market value was \$58,862,669,304, making the overall assessed value 29.73% of the estimated market value. Taxes are due October 1 and delinquent March 1 of the following year. Current tax collections for the year were 94.26% of the original tax levy and 94.65% of the adjusted tax levy. The property tax levy has no legal limit. The rate, as permitted by Tennessee state law and County charter, is set annually on or after July 1, by the County Board of Commissioners and collected by the County Trustee.

The County allocated the property tax per \$100 of the assessed value as follows:

General fund	\$ 1.22
Debt service funds	.80
Boards of education	<u>2.02</u>
Countywide tax rate	<u>\$ 4.04</u>
 Debt service - rural school bonds	 <u>\$.05</u>

The \$0.05 for debt service on rural school bonds only applies to properties outside the city of Memphis.

Property taxes receivable as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Education Fund	Debt Service Fund	Total
Property taxes receivable	\$ 239,015,701	\$ 392,614,610	\$ 159,398,663	\$ 791,028,974
Less allowance for uncollectibles	(14,164,425)	(22,585,450)	(9,050,300)	(45,800,175)
	<u>\$ 224,851,276</u>	<u>\$ 370,029,160</u>	<u>\$ 150,348,363</u>	<u>\$ 745,228,799</u>

Note IV(G) includes detail of deferred revenue relating to property taxes.

(C) Notes Receivable

Notes receivable consist of the following:

	<u>Amount</u>	<u>Collateral</u>
<i>General Fund</i>		
Property loans receivable due in various installments at 6.5% interest through 2007	<u>\$ 354,776</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5.0% interest through 2019	<u>\$ 568,133</u>	Land & Building
<i>Capital Projects Fund</i>		
Mid South Coliseum note due in annual installments of \$21,993 including interest at 6.26% through 2014	\$ 159,889	None
Less: Allowance for doubtful accounts	<u>(159,889)</u>	
Depot Redevelopment note due in annual payments plus semi-annual interest payments through August 1, 2020. Interest rates range from 4.75% to 5.625%	3,090,000	None
Rock-N-Soul Museum note due in 10 annual installments of \$100,000 plus interest at 5.00% through August 31, 2010	1,000,000	None
Less: Allowance for doubtful accounts	<u>(1,000,000)</u>	
Total Capital Projects Fund	<u>\$ 3,090,000</u>	
<i>Debt Service Fund</i>		
Mortgage loans receivable due in various monthly installments at interest rates ranging from 3.125% to 8.125% through 2020	<u>\$ 7,244,904</u>	Land & Building

In fiscal 2002 an allowance for doubtful accounts was established in the amount of \$1,000,000 for the Rock-N-Soul Museum. In fiscal year 2007 an allowance for doubtful accounts was established in the amount of \$159,889 for the Mid-South Coliseum.

Note IV(G) includes details of deferred revenue relating to notes receivable. The Debt Service Fund and the Capital Projects Fund have notes receivable from Shelby County Health Care Corporation in the amounts of \$2,823,318 and \$2,640,172 respectively, which are classified as due from component units for financial statement purposes.

(D) Leases Receivable

The County leases certain real property described as Shelby Place Restaurant for the sum of \$192,500 annually, plus additional rent of 5% of gross sales less taxes after recoupment of base rent and in lieu of tax payments. The term of the lease commenced on March 1, 1993. There are three additional option terms of five years each available. The option term currently in effect will expire in 2008. The rental income is recognized as revenue in the Debt Service Fund. One of the properties has entered bankruptcy. At June 30, 2007 they owed \$210,125 for which an allowance for doubtful accounts has been provided.

(E) Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2007 is detailed below.

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 20,216,371	\$ 152,360	\$ ---	\$ 20,368,731
Construction in progress	26,532,542	4,500,180	(5,404,005)	25,628,717
Total not being depreciated	<u>46,748,913</u>	<u>4,652,540</u>	<u>(5,404,005)</u>	<u>45,997,448</u>
Capital assets being depreciated:				
Land improvements	12,700,920	37,780	---	12,738,700
Buildings	228,162,468	4,442,824	---	232,605,292
Equipment	75,006,873	16,398,752	(9,527,277)	81,878,348
Infrastructure	470,618,593	3,613,517	---	474,232,110
Total being depreciated	<u>786,488,854</u>	<u>24,492,873</u>	<u>(9,527,277)</u>	<u>801,454,450</u>
Less accumulated depreciation:				
Land improvements	3,513,360	447,116	---	3,960,476
Buildings	83,051,420	6,306,357	---	89,357,777
Equipment	41,874,060	6,392,851	(8,091,362)	40,175,549
Infrastructure	131,865,146	13,112,899	---	144,978,045
Total accumulated depreciation	<u>260,303,986</u>	<u>26,259,223</u>	<u>(8,091,362)</u>	<u>278,471,847</u>
Total capital assets being depreciated, net	<u>526,184,868</u>	<u>(1,766,350)</u>	<u>(1,435,915)</u>	<u>522,982,603</u>
Governmental activities capital assets, net	<u>\$ 572,933,781</u>	<u>\$ 2,886,190</u>	<u>\$ (6,839,920)</u>	<u>\$ 568,980,051</u>
<i>Business type activities:</i>				
Capital assets being depreciated:				
Buildings	\$ 46,640,853	\$ ---	\$ ---	\$ 46,640,853
Equipment	7,972,375	1,776,268	(148,464)	9,600,179
Total being depreciated	<u>54,613,228</u>	<u>1,776,268</u>	<u>(148,464)</u>	<u>56,241,032</u>
Less accumulated depreciation:				
Buildings	20,773,657	1,062,239	---	21,835,896
Equipment	5,904,402	741,191	(148,464)	6,497,129
Total accumulated depreciation	<u>26,678,059</u>	<u>1,803,430</u>	<u>(148,464)</u>	<u>28,333,025</u>
Business-type activities capital assets, net	<u>\$ 27,935,169</u>	<u>\$ (27,162)</u>	<u>\$ ---</u>	<u>\$ 27,908,007</u>

Increases to accumulated depreciation in governmental activities include depreciation expense of \$26,203,820 and accumulated depreciation associated with assets transferred in from enterprise funds of \$55,404. Depreciable land improvements consist of renovations to public park lands and parking lots.

A summary of governmental capital assets, net and depreciation expense by function follows:

	Capital Assets Net	Depreciation Expense
Governmental activities:		
General government	\$ 36,434,329	\$ 2,464,810
Planning and development	17,292	9,859
Public works	423,896,626	16,367,215
Corrections	27,761,733	136,558
Health services	5,748,523	574,506
Community services	2,088,823	52,006
Law enforcement	36,839,647	4,582,900
Judicial	8,401,182	1,372,588
Other elected officials	<u>2,163,179</u>	<u>643,378</u>
	543,351,334	26,203,820
Construction in progress	<u>25,628,717</u>	---
Total Governmental activities	<u>\$ 568,980,051</u>	<u>\$ 26,203,820</u>

(F) Lease Obligations

Operating Leases

The County leases office space and other equipment under operating leases expiring during the next five years. Rent expense for the year ended June 30, 2007 was \$3,489,735 for the primary government.

Capital Lease

The County has capital leases related to the acquisition of three Emergency One C550 Typhoon Pumper trucks and a Ferrara Inferno Aerial Ladder truck for the Fire Services Fund, a business-type activity. The Emergency One trucks were purchased at a total cost of \$863,307 and at June 30, 2007 have accumulated depreciation of \$273,381. The Ferrara truck was purchased at a total cost of \$584,925 and at June 30, 2007 has accumulated depreciation of \$4,874.

The following is a schedule by years of future minimum rental payments required under operating leases and capital leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2007:

Fiscal Year	Operting Leases	Capital Leases
2008	\$ 1,766,497	\$ 183,384
2009	1,274,243	183,384
2010	1,175,873	183,384
2011	849,289	183,384
2012	11,040	183,384
2013-2018	---	511,558
Total mimimun lease payments	<u>5,076,942</u>	1,428,478
Less: amount representing interest	---	(257,482)
Present value of mimimum lease payments	<u>\$ 5,076,942</u>	<u>\$ 1,170,996</u>

(G) Deferred Revenue

Deferred revenues consist of the following:

	General Fund	Debt Service Fund	Education Fund	Grants Fund	Capital Projects Fund	Nonmajor Governmental Fund	Totals
Unearned:							
Property taxes receivable	\$ 210,000,000	\$ 141,100,000	\$ 347,000,000	\$ —	\$ —	\$ —	\$ 698,100,000
Grant revenue	—	—	—	5,551,351	—	—	5,551,351
Not Available:							
Property taxes receivable	12,724,153	7,687,391	20,555,295	—	—	—	40,966,839
Notes receivable	354,776	7,244,904	—	568,133	3,090,000	—	11,257,813
Due from Shelby County Health Care Corporation	—	2,823,318	—	—	2,640,172	—	5,463,490
Other	2,212,860	—	—	—	51,999	1,504,969	3,769,828
	<u>\$ 225,291,789</u>	<u>\$ 158,855,613</u>	<u>\$ 367,555,295</u>	<u>\$ 6,119,484</u>	<u>\$ 5,782,171</u>	<u>\$ 1,504,969</u>	<u>\$ 765,109,321</u>

Internal service funds have deferred revenue of \$3,296,424 for unearned premiums. The proprietary Consolidated Codes Enforcement Fund has deferred revenue of \$95,204 for building permits and licensing fees paid in advance.

(H) Debt and Long-term Liabilities

Changes in short term debt:

The County has two types of short-term debt. Tax anticipation notes (TANS) are issued for short-term cash flow requirements due to the timing of property tax collections. Extendible Municipal Commercial Paper (EMCP) notes are issued to fund capital projects; the notes are paid when long-term bonds are issued. Following is a schedule of short-term debt for the current fiscal year:

	Balance June 30, 2006	Additions	Reductions	Balance June 30, 2007
2006 TANS	\$ ---	\$ 50,000,000	\$ (50,000,000)	\$ ---
2005 EMCP	10,000,000	130,000,000	(140,000,000)	---
Total	<u>\$ 10,000,000</u>	<u>\$ 180,000,000</u>	<u>\$ (190,000,000)</u>	<u>\$ ---</u>

Changes in long-term liabilities:

Changes in long-term liabilities during the year were:

	Balance June 30, 2006	Additions	Reductions	Balance June 30, 2007	Due Within One Year
Governmental activities:					
Bonds payable	\$ 1,753,166,331	\$ 288,476,187	\$ (221,534,550)	\$ 1,820,107,968	\$ 87,915,651
Net premium and issuance cost of bonds issued	16,319,132	4,577,482	(4,773,456)	16,123,158	3,748,800
Claims and judgements	6,200,828	2,405,228	(1,384,167)	7,221,889	19,669
Landfill postclosure care costs	3,585,320	---	(63,739)	3,521,581	74,575
Sick and annual leave	20,616,372	12,904,541	(10,920,099)	22,600,814	14,198,147
Total governmental activities	<u>\$ 1,799,887,983</u>	<u>\$ 308,363,438</u>	<u>\$ (238,676,011)</u>	<u>\$ 1,869,575,410</u>	<u>\$ 105,956,842</u>
Business-type activities:					
Capitalized lease obligations	\$ 721,717	\$ 584,925	\$ (135,646)	\$ 1,170,996	\$ 135,646
Sick and annual leave	4,330,776	2,132,267	(2,025,922)	4,437,121	2,706,575
Total business-type activities	<u>\$ 5,052,493</u>	<u>\$ 2,717,192</u>	<u>\$ (2,161,568)</u>	<u>\$ 5,608,117</u>	<u>\$ 2,842,221</u>

General obligations bonds:

These obligations are direct general obligations of the County, are backed by its full faith and credit and the unlimited taxing power of the County and represent borrowings for the following:

General government	\$ 626,558,892
Education	<u>1,155,445,388</u>
	1,782,004,280
Accreted value of bonds	<u>38,103,688</u>
	<u>\$ 1,820,107,968</u>

Interest expense in the Debt Service Fund during the fiscal year ended June 30, 2007 was \$80,102,622. Entity wide interest was \$87,802,538, which includes interest paid for the Debt Service Fund, interest paid on the short term commercial paper program for the Capital Improvement Projects Fund, and interest paid on the Tax Anticipation Notes.

The County defeased certain bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service requirements on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. Of the original principal, \$380,480,000 of outstanding bonds that were advance refunded prior to Fiscal Year 2007 are considered defeased at June 30, 2007. Specific defeased maturities are shown on the combining and other statements and schedules for General Obligation Bonds.

In December 2006, \$286,775,000 in General Obligation Variable Rate Demand Refunding Bonds, 2006 Series C were issued to refinance and retire \$140 million of the outstanding 2005 Series A Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes, and to refund specific maturities of the 1996 Series B Refunding Bonds, the 1999 Series A Public Improvement and School Bonds, the 1999 Series Public Improvement and School Bonds, and the 2001 Series A Public Improvement and School Bonds. The net proceeds of the refunding portion of the 2006 Series C Bonds were issued to purchase direct obligations of the U.S. Government, which were deposited into an irrevocable trust with an escrow agent. The effect of this transaction was to refinance existing debt at a lower rate and generate a savings of \$7,628,965.

The County is indebted for serial bonds and capital appreciation bonds and notes and variable bonds with interest rates varying from 2.50% to 6.75%. In the Debt Service Fund the County accrued interest on the variable rate bonds only; all fixed rate unmatured interest is recognized as an expenditure when due.

All unmatured interest which is due in future years is disclosed in the table below. The County has no legal debt limit. Debt service requirements for principal and interest in future years, using the actual rate on fixed rate bonds and notes and 4.115% for the 1999 Series A Variable Demand Refunding Bonds, 6.035% for the 2000 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds Refunding, 5.345% for the 2001 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds, 3.041% for the 2004 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds, 3.503% for the 2006 Series B General Obligation Weekly Adjustable/Fixed Rate Bonds from 2/22/2006 to 3/1/2016 and a rate of 4.430% from 3/1/2016 to 3/1/2031, and 3.83% on the notional amount of \$234,160,000 and 4.26% notional amount of \$52,615,000 for the 2006 Series C Variable Demand Refunding Bonds are as follows:

<u>Years Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 87,915,650	\$ 77,293,351	\$ 165,209,001
2009	92,513,150	73,032,394	165,545,544
2010	100,280,000	65,134,769	165,414,769
2011	105,450,000	60,590,791	166,040,791
2012	88,911,807	71,344,378	160,256,185
2013	80,904,649	73,066,948	153,971,597
2014	91,582,656	56,087,079	147,669,735
2015	89,132,795	52,268,182	141,400,977
2016	90,428,077	45,017,372	135,445,449
2017	82,015,496	46,530,703	128,546,199
2018	87,360,000	35,009,551	122,369,551
2019	85,640,000	30,988,339	116,628,339
2020	82,030,000	27,293,843	109,323,843
2021	78,140,000	23,425,816	101,565,816
2022	74,865,000	20,163,121	95,028,121
2023	70,360,000	17,161,319	87,521,319
2024	67,520,000	14,390,245	81,910,245
2025	65,370,000	12,024,393	77,394,393
2026	56,220,000	9,506,588	65,726,588
2027	52,705,000	7,301,782	60,006,782
2028	41,955,000	5,355,551	47,310,551
2029	40,535,000	3,695,721	44,230,721
2030	34,130,000	2,301,774	36,431,774
2031	27,500,000	1,125,073	28,625,073
2032	8,540,000	163,541	8,703,541
	<u>1,782,004,280</u>	<u>830,272,624</u>	<u>2,612,276,904</u>
Accreted value of Bonds	<u>38,103,688</u>	<u>(38,103,688)</u>	<u>---</u>
	<u>\$ 1,820,107,968</u>	<u>\$ 792,168,936</u>	<u>\$ 2,612,276,904</u>

Interest rate swap agreements:

As of June 30, 2007 Shelby County has ten interest rate swap agreements, described as follows:

Swap One: Executed with Morgan Guaranty Trust Company on 12/18/1998 in Connection with the General Obligation Weekly Adjustable / Fixed Rate Refunding Bonds, 2000 Series A:

Swap Objective: Shelby County (the "County") received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon exercise of the option, the County would currently refund a portion of its 1992 Series A Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

Swap Terms:

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/30/1999	12/2/1999	3/1/2008	\$16,600,000	6.035%	SIFMA	\$ 1,275,000

On 12/18/1998, the County received \$1,275,000 for granting the Counterparty, Morgan Guaranty Trust Company ("Morgan"), the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 1999. Morgan had the right to exercise the option by notifying the County on 11/30/1999. The option was exercised and the swap began on 12/2/1999 with the County paying 6.035% and receiving SIFMA until 3/1/2008, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$16,600,000 and have the same principal amortization.

Fair Value of Swap and Option: The swap, as of 6/30/2007 has a net value of (\$38,280). The total mark-to-market was (\$57,136) of which approximately (\$18,856) is accrued interest from 3/1/2007 to the valuation date, 6/30/2007. The fair values take into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any payments to be received. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. The swap valuation disclosed is performed by an independent third party with no vested interest in the transaction.

Associated Debt and Swap Payments: This swap is in conjunction with the General Obligation Weekly Adjustable / Fixed Rate Refunding Bonds, 2000 Series A that refunded a portion of the 1992 Series A Bonds. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/2007 (assuming SIFMA equals its current level of 3.73% for the term of the swap). The net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2008	\$ 2,500,000	\$ 92,995	\$ 57,370	\$ 2,650,364
Total	\$ 2,500,000	\$ 92,995	\$ 57,370	\$ 2,650,364

Credit Risk: The risk that a counterparty will not fulfill its obligations. Because the swap has a negative value on 6/30/2007, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present.

Termination Risk: The risk that a derivative's unscheduled end will affect the County's asset/liability strategy or will present the County with potentially significant unscheduled termination payments to the counterparty. If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time. Also, if the swap is terminated, the County will be exposed to interest rate risk because the variable rate bonds will no longer carry a synthetic fixed rate.

Interest Rate Risk: The risk that changes in interest rates will adversely affect the fair values of the County's financial instruments or the County's cash flows. Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity; the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in 2008.

Basis Risk: The risk that arises when variable interest rates on a derivative and an associated bond or other interest-paying financial instrument are based on different indexes. As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk exists if the County's bonds remarket higher than SIFMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Swap Two: Executed with Morgan Guaranty Trust Company on 12/18/1998 in Connection with the General Obligation Weekly Adjustable / Fixed Rate Refunding Bonds, 2001 Series A:

Swap Objective: The County received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon the Counterparty's exercise of the option, the County would currently refund a portion of its 1992 Series B and 1993 Series A G.O. Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

Swap Terms:

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/29/2000	12/1/2000	3/1/2011	\$ 21,800,000	5.345%	SIFMA	\$ 1,025,000

On 12/18/1998, the swaption was executed and the County received \$1,025,000 for granting the Counterparty, Morgan Guaranty Trust Company, the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 12/1/2000. Morgan had the right to exercise the option by notifying the County on 11/29/2000. The option was exercised and the swap began on 12/1/2000 with the County paying 5.345% and receiving SIFMA until 3/1/2011, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$21,800,000 and have the same principal amortization.

Fair Value of Swap and Option: As of 6/30/2007, there is no fair value for the option because it has been exercised. The swap, as of 6/30/2007 has a net value of (\$622,216). The total mark-to-market was (\$692,449) of which approximately \$70,233 is accrued interest from 3/1/2007 to the valuation date, 6/30/2007. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the General Obligation Weekly Adjustable / Fixed Rate Refunding Bonds, 2001 Series A which refunded a portion of the 1992 Series B and 1993 Series A Bonds. As of 6/30/2007, below are the principal and interest requirements of the debt and the net swap payments

(assuming SIFMA equals its current level of 3.73% for the term of the swap). The net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2008	\$ 1,100,000	\$ 492,237	\$ 213,436	\$ 1,805,673
2009	1,200,000	451,320	197,030	1,848,350
2010	1,200,000	406,928	177,650	1,784,578
2011	9,800,000	362,535	158,270	10,320,805
Total	\$ 13,300,000	\$ 1,713,020	\$ 746,386	\$ 15,759,406

Credit Risk: Because the swap has a negative value on 6/30/2007, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present.

Termination Risk: If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unexpected reason the swap is terminated prior to maturity; the County will have interest rate risk associated with the variable rate bonds until maturity in March 2011.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk exists if the County's bonds remarket higher than SIFMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Swap Three: Executed with Goldman Sachs Mitsui Marines Derivative Products on 1/15/1999 in Connection with the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds:

Swap Objective: In order to lower its borrowing costs, the County entered into a swap in connection with its 1999 Series A General Obligation Variable Rate Demand Refunding Bonds. The variable rate bonds were issued to advance refund a portion of various outstanding G.O. bond issues. At the time, the synthetic fixed rate swap was favorable when compared to savings that could be achieved with a traditional fixed rate refunding bond issue. Additionally, the County entered into this tax language swap to effectively lower the fixed rate it would pay on the swap.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
1/15/1999	1/28/1999	4/1/2020	\$ 96,150,000	4.115%	Actual Bond Rate or Alternative Index until 1/1/2007; 76.6% 1-month LIBOR thereafter

On 1/28/1999, the swap became effective at the same time the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds were issued. Under the terms of the swap, the County pays 4.115% to the Counterparty, Goldman Sachs Mitsui Marines Derivative Products, L.P. ("Goldman"), and in return receives the Actual Bond

Rate or an Alternative Index. If certain events occur, Goldman has the option to cause the Floating Rate Index to be converted from the Actual Bond Rate to the Alternate Index, or vice versa. The Alternate Index is either the SIFMA index or 65% of 30 day commercial paper. However, beginning 1/1/2007, the County received 76.6% 1-month LIBOR instead of the Alternate Index. The swap and refunding bonds had the same original notional amount of \$96,150,000 and have the same principal amortization and maturity.

Fair Value of Swap: As of 6/30/2007, the swap had a positive fair value of \$504,363, assuming Goldman pays the County 76.6% of 1-month LIBOR from 1/1/2007 to maturity. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds that advance refunded portions of several bond issues. As of 6/30/2007, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that SIFMA equals its current level, as of 6/30/2007, of 3.73% and 1-month LIBOR equals its current level of 5.32% for the term of the swap, and Goldman pays the County 76.6% of 1-month LIBOR thereafter until maturity. The net swap payments will fluctuate as SIFMA, and LIBOR change.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2008	\$ 16,225,000	\$ 3,549,146	\$ 27,344	\$ 19,801,490
2009	625,000	2,942,296	31,505	3,598,801
2010	675,000	2,919,047	64,278	3,658,325
2011	9,650,000	2,893,938	30,987	12,574,925
2012	13,325,000	2,534,980	19,541	15,879,520
2013	9,300,000	2,036,595	21,824	11,358,420
2014	14,625,000	1,690,656	18,115	16,333,771
2015	12,750,000	1,146,638	12,283	13,908,921
2016	4,100,000	672,366	5,183	4,777,549
2017	4,250,000	519,017	5,563	4,774,580
2018	4,500,000	360,926	3,868	4,864,794
2019	4,675,000	193,536	2,074	4,870,610
2020	525,000	19,635	152	544,787
Total	\$ 95,225,000	\$ 21,478,776	\$ 242,717	\$ 116,946,493

Credit Risk: The County has credit exposure to Goldman equivalent to the fair value of the swap. If Goldman fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value. The current ratings of Goldman are Aaa/AAA by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination or the County exercises its option to terminate, the County may owe a termination payment to Goldman equal to the fair value of the swap at that time, if swap rates have declined and the fair value is negative to the County. The County or Goldman may terminate the swap contract if either party fails to perform under the swap contract or if either party's credit rating falls below A3 from Moody's and/or A- from Standard & Poor's. The County also has the option to terminate the contract with at least 30 days notice to Goldman. The County will not exercise its termination option if a payment would be payable by the County unless the County provides evidence to Goldman that a termination payment will be made on the Early Termination Date.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity; the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in April 2020.

Basis Risk: The County is exposed to basis risk. The basis risk arises from the difference between the actual interest rate paid on the variable rate bonds and the receipt from Goldman of 76.6% of 1-month LIBOR. This basis differential could cause the expected savings to not be achieved.

Tax Risk: The County receives a percentage of the 1-month LIBOR index. Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds.

Swap Four: Executed with Morgan Stanley Capital Services, Inc. on 3/18/04 in Connection with 2004 Series B General Obligation Public Improvement and School Bonds:

Swap Objective: On March 18, 2004, the County entered into a swap that will produce a synthetic fixed rate in connection with its variable rate bonds. Under the terms of the swap, the County will pay a fixed rate of 2.696% and receive 70% of 1-month LIBOR. The County entered into this fixed payer swap in order to hedge variable rate exposure and take advantage of the low fixed payer swap rates.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
03/18/2004	04/22/2004	04/1/2014	\$ 235,000,000	2.696%	70% of 1 Month LIBOR

On 4/22/2004, the swap became effective at the same time the 2004 G.O. Variable Rate Public Improvement and School Bonds were issued. Under the terms of the swap, the County pays 2.696% to the Counterparty, Morgan Stanley Capital Services, Inc. (Morgan Stanley), and in return receives 70% of 1 Month LIBOR. The original swap notional was \$235,000,000 while the bonds original notional was \$237,705,000. The Bonds and swap also have different principal amortization and maturity. The bonds mature April 1, 2030. The swap matures in 2014 because the County wanted a fixed component via the swap for 10 years and in 2014, the County wanted the flexibility to take on variable rate exposure, enter into another fixed payer swap, or issue fixed rate debt. The notional amount decreases from \$235,000,000 to \$135,000,000 effective April 1, 2009 through the termination date of April 1, 2014.

Fair Value of Swap and Option: As of 6/30/2007, the swap had a fair value of \$10,732,636. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the 2004 G.O. Variable Rate Public Improvement and School Bonds. As of 6/30/07, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that SIFMA equals its current level of 3.73% for the term of the swap, and Morgan Stanley pays 70% of 1 Month LIBOR to the County which as of 6/30/07 equals 3.724% (5.32% x 70%). The net swap payments will fluctuate as 70% of LIBOR changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2008	\$ ---	\$ 8,977,072	\$ (2,561,657)	\$ 6,415,415
2009	---	8,977,072	(2,537,347)	6,439,725
2010	---	8,977,072	(1,457,625)	7,519,447
2011	---	8,977,072	(1,457,625)	7,519,447
2012	---	8,977,072	(1,471,590)	7,505,482
2013	---	8,977,072	(1,457,625)	7,519,447
2014	---	8,977,072	(1,457,625)	7,519,447
2015	8,290,000	8,977,072	---	17,267,072
2016	9,120,000	8,664,419	---	17,784,419
2017	10,030,000	8,318,573	---	18,348,573
2018	11,030,000	7,940,298	---	18,970,298
2019	12,140,000	7,524,307	---	19,664,307
2020	13,350,000	7,066,454	---	20,416,454
2021	14,685,000	6,560,200	---	21,245,200
2022	16,155,000	6,006,363	---	22,161,363
2023	17,770,000	5,397,086	---	23,167,086
2024	19,545,000	4,726,901	---	24,271,901
2025	21,500,000	3,985,722	---	25,485,722
2026	13,775,000	3,174,861	---	16,949,861
2027	15,150,000	2,655,345	---	17,805,345
2028	16,665,000	2,083,971	---	18,748,971
2029	18,335,000	1,452,003	---	19,787,003
2030	20,165,000	760,512	---	20,925,512
Total	\$ 237,705,000	\$ 148,133,591	\$ (12,401,094)	\$ 373,437,497

Credit Risk: The County has credit exposure to Morgan Stanley equivalent to the fair value of \$10,732,636. If Morgan Stanley fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value. As of 6/30/2007, the ratings of Morgan Stanley are Aa3/AA- by Moody's and Standard & Poor's, respectively. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of Morgan Stanley's senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to Morgan Stanley equal to the fair value of the swap at that time, if swap rates have fallen and the fair value is negative to the County. If either Standard & Poor's or Moody's rates the creditworthiness of either party's long-term, unsecured, and unsubordinated debt, deposit or letter of credit obligations below Baa1 by Moody's or BBB+ by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2007, Morgan Stanley has a rating of Aa3/AA- by Moody's and Standard & Poor's, respectively.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity; the County will have interest rate risk associated with the outstanding variable rate bonds until bond maturity.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. The basis risk will arise

from the difference between the actual interest rate paid on the variable rate bonds and the receipt from Morgan Stanley of 70% of 1-month LIBOR. This basis differential could cause the expected cost of funds to increase.

Tax Risk: Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds because the County is receiving a percentage of a taxable index and paying SIFMA (tax-exempt index) on the underlying variable rate bonds.

Swap Five: Executed with Rice Financial Products Company on 10/25/2004 in Connection with the 1999 Series B General Obligation Public Improvement and School Bonds:

Swap Objective: In order to potentially lower its borrowing costs and achieve potential savings on a portion of its outstanding fixed rate debt without an additional bond issue, the County entered into a basis swap in connection with its 1999 Series B General Obligation Public Improvement and School Bonds. The intent of this Basis Swap when executed was to lower the County’s net cost of borrowing with respect to the 1999 Series B Bonds being swapped while preserving the County’s ability to advance refund the 1999 Series B Bonds on a tax-exempt basis on a later date.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
10/25/2004	10/27/2004	6/1/2019	\$75,000,000	4.16%	4.95% - Adjustment Factor

Under the terms of the swap, the County pays 4.16% to the Counterparty, Rice Financial Products Company (“RFP”), and in return receives 4.95% - Adjustment Factor. The adjustment factor is equal to (SIFMA / (1-.65) – 6 Month LIBOR). Essentially, the County will receive a fixed spread of 79 basis points, and this fixed spread will be adjusted every six months based on the actual performance and relationship between the SIFMA index and six-month LIBOR.

Fair Value of Swap: The swap, as of 6/30/07, has a net value of \$742,849. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap was executed in conjunction with the 1999 Series B General Obligation Public Improvement and School Bonds of which a portion has been advance refunded. As of 6/30/2007, below are the net swap payments (assuming SIFMA equals its current level of 3.73% and 6 month LIBOR equals 5.38475% for the term of the swap). The net swap payments will fluctuate as SIFMA and 6 month LIBOR change

Fiscal Year Ended June 30	Fixed Rate Bonds		Swap Principal	Net Swap
	Principal	Interest		(Payment) Receipt
2008	\$ 3,000,000	\$ 1,510,000	\$ 2,690,000	\$ 289,612
2009	3,000,000	1,367,500	2,690,000	278,669
2010	---	1,225,000	2,690,000	267,065
2011	---	1,225,000	2,690,000	255,461
2012	---	1,225,000	2,690,000	243,301
2013	---	1,225,000	3,135,000	232,253
2014	---	1,225,000	3,585,000	218,729
2015	---	1,225,000	3,765,000	203,264
2016	---	1,225,000	3,900,000	186,597
2017	---	1,225,000	4,030,000	170,199
2018	---	1,225,000	4,300,000	152,815
2019	---	1,225,000	31,125,000	134,265
2020	---	1,225,000	---	---
2021	5,500,000	1,225,000	---	---
2022	6,025,000	950,000	---	---
2023	6,350,000	648,750	---	---
2024	6,625,000	331,250	---	---
Total	\$ 30,500,000	\$ 19,507,500	\$ 67,290,000	\$ 2,632,230

Credit Risk: The County has credit exposure to RFP equivalent to the fair value of \$742,849. If RFP fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value. The obligations of RFP under the swap agreement are guaranteed by a surety bond that was issued by AAA rated Ambac Assurance Corporation (“Ambac”).

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to RFP equal to the fair value of the swap at that time. The County or RFP may terminate the swap contract if either party fails to perform under the swap contract. Also, with respect to both the County and RFP, if Ambac’s credit rating falls below A3 from Moody’s and/or A- from Standard & Poor’s, an Additional Termination Event occurs. With respect to the County, if the County has no issues of rated senior debt or it fails to have at least one issue with an unenhanced rating of at least Baa1 by Moody’s or BBB+ by Standard & Poor’s, then an Additional Termination Event will occur.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to June 1, 2019; the County will have interest rate risk associated with the outstanding variable rate bonds until the bond maturity in 2024.

Basis Risk: Depending on the relationship between the SIFMA and 6 month LIBOR index, the County could be exposed to basis risk. If the SIFMA / LIBOR ratio is greater than (1 – Marginal Tax Rate of 35%) then the fixed spread of 79 basis points that the County receives will be reduced. This basis differential could cause the expectation of lowering the net cost of borrowing to not be achieved.

Tax Risk: Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds.

Swap Six: Executed with Goldman Sachs Mitsui Marines Derivative Products on 11/2/2006 and Morgan Keegan Financial Products, Inc. on 6/23/2005 in Connection with 2006 Series C General Obligation Variable Rate Demand Refunding Bonds:

Swap Objective: These two swaps were issued to take advantage of low interest rates, to refund high coupon debt, and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future.

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	11/29/2006	12/1/2006	12/1/2011	\$ 52,615,000	4.26%	SIFMA	\$ 1,503,000
11/2/2007	N/A	11/30/2006	12/1/2011	\$234,160,000	3.83%	SIFMA	None

Swap Terms:

The County received a payment of \$1,503,000 on 12/1/06 from the Morgan Keegan Financial Products, Inc. for entering into a swaption on the trade date of 6/23/05. This swaption gave the Counterparty the option to cause the County to enter into a swap on August 1, 2007. The swap was exercised and the County refunded a portion of its 1996 Series B General Obligation Refunding Bonds with variable rate bonds and entered into a fixed payer swap in which the County will pay a fixed rate of 4.26% and receive SIFMA. The notional amount on the swap is originally \$52,615,000. The termination date of this swap with Morgan is 12/1/2011. The County also entered into a swap on 11/2/2006 with Goldman Sachs Mitsui Marines Derivative Products with an effective date of 11/30/2006 for the 2006C Refunding Bonds. There was no upfront payment with Goldman. The County refunded a portion of its 1999 Series A Public Improvement Bonds, a portion of its 1999 Series B Public Improvement and School Bonds and a portion of its 2001 Series A Public Improvement and School Bonds. The bonds were refunded with variable rate bonds and entered into a fixed payer swap in which the County will pay a fixed rate of 3.83% to Goldman and receive SIFMA. The notional amount on the swap with Goldman is originally \$234,160,000. The Goldman swap has a termination date of 12/1/2031.

Fair Value of Swap and Option: As of 6/30/2007, the swaps had a fair value of \$6,537,772. The Morgan swap value was (\$709,186) and the Goldman swap was \$7,246,959. These fair values were measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with 2006 Series C General Obligation Variable Rate Demand Refunding Bonds. This analysis assumes the Morgan swap stays in place until 12/1/2011 and the Goldman swap stays in place until maturity in 2031. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/07 (assuming SIFMA equals its current level of 3.73% for the term of the Swap). The net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2008	\$ 6,795,000	\$ 10,578,802	\$ 646,639	\$ 18,020,441
2009	7,080,000	10,339,462	634,079	18,053,541
2010	31,025,000	9,626,857	541,260	41,193,117
2011	22,825,000	8,619,803	400,855	31,845,657
2012	5,980,000	8,081,118	357,115	14,418,233
2013	4,725,000	7,880,922	323,044	12,928,966
2014	4,910,000	7,700,737	315,673	12,926,410
2015	5,105,000	7,513,446	308,012	12,926,458
2016	5,300,000	7,318,861	320,589	12,939,450
2017	5,515,000	7,116,609	291,780	12,923,389
2018	5,725,000	6,906,408	283,182	12,914,590
2019	9,195,000	6,627,388	271,938	16,094,326
2020	9,640,000	6,275,153	274,871	16,190,024
2021	24,080,000	5,644,552	232,474	29,957,026
2022	25,285,000	4,721,372	194,726	30,201,098
2023	26,290,000	3,756,863	155,275	30,202,138
2024	27,330,000	2,754,110	120,639	30,204,749
2025	6,530,000	2,120,891	87,216	8,738,108
2026	6,785,000	1,871,886	77,031	8,733,917
2027	7,050,000	1,613,157	66,447	8,729,604
2028	7,325,000	1,344,328	58,886	8,728,214
2029	7,610,000	1,065,027	44,027	8,719,054
2030	7,910,000	774,786	32,155	8,716,941
2031	8,220,000	473,138	19,816	8,712,954
2032	8,540,000	159,707	6,996	8,706,703
Total	\$ 286,775,000	\$ 130,885,383	\$ 6,064,725	\$ 423,725,108

Credit Risk: Because the Morgan swap has a negative value on 6/30/2007, the County does not have credit risk to MKFP. However, if the fair value of the swap moves in favor of the County, credit risk would be present. There is credit risk with the Goldman swap. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of either MKFP's or Goldman's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to MKFP or Goldman for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below A3 by Moody's or A- by Standard & Poor's, an Additional Termination Event has occurred with respect to the Goldman swap.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in 2031.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk exists if the

County's bonds remarket higher than SIFMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved

Swap Seven: Executed with Morgan Keegan Financial Products on 6/23/2005 in Connection with the Anticipated 2007 Series A General Obligation Refunding Bonds:

Swap Objective: The County will receive a payment of \$2,070,000 on 8/1/07 from the Counterparty for entering into a swaption on the trade date of 6/23/05. This swaption gives the Counterparty the option to cause the County to enter into a swap on August 1, 2007. If the Counterparty exercises the option, the County will currently refund a portion of its 1997 Series B General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future.

Swap Terms:

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	7/30/2007	8/1/2007	8/1/2019	\$31,450,000	4.61%	SIFMA	\$ 2,070,000

On 6/23/2005, the County entered into a swaption with Morgan Keegan Financial Products ("MKFP"), and the County was paid \$2,070,000 by MKFP for this option. The County elected to receive the payment on the call date of 8/1/07. As the option was exercised, the County issued variable rate refunding bonds and entered into a fixed payer swap in which the County will pay 4.61% and receive the SIFMA index. The swap has the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.61% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1997 Series B General Obligation Refunding Bonds.

Fair Value of Swap and Option: As of 6/30/2007, the swaption had a fair value of \$632,254. This fair value was measured using an option pricing model, such as the Black-Scholes model, that considers probabilities, volatilities, time, underlying prices, and other variables.

Associated Debt and Swap Payments: The swap is associated with a potential future refunding issue, the 2007 Series A General Obligation Refunding Bonds.

Credit Risk: The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of MKFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to MKFP for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2006, MKFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

Basis Risk: Currently, the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from MKFP (SIFMA Index) and the rate at

which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds remarket higher than SIFMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Market Access Risk: The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1997 bonds would not be refunded but the County would still have to make swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

Swap Eight: Executed with Loop Financial Products on 6/23/2005 in Connection with the Anticipated 2008 Series A General Obligation Refunding Bonds:

Swap Objective: The County will receive a payment of \$8,571,000 on 3/1/08 from the Counterparty for entering into a swaption on the trade date of 6/23/05. This swaption gives the Counterparty the option to cause the County to enter into a swap on March 1, 2008. If the Counterparty exercises the option, the County will currently refund a portion of its 1998 Series A General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future.

Swap Terms:

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	2/28/2008	3/1/2008	3/1/2022	\$121,485,000	4.66%	SIFMA	\$8,571,000

On 6/23/2005, the County entered into a swaption with Loop Financial Products ("LFP"), and the County will be paid \$8,571,000 by LFP for this option. The County elected to receive the payment on the call date of 3/1/08. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 4.66% and receive the SIFMA index. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.66% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1998 Series A General Obligation Refunding Bonds.

Fair Value of Swap and Option: As of 6/30/2007, the swaption had a fair value of \$2,653,662. This fair value was measured using an option pricing model, such as the Black-Scholes model, that considers probabilities, volatilities, time, underlying prices, and other variables.

Associated Debt and Swap Payments: The swap is associated with a potential future refunding issue, the 2008 Series A General Obligation Refunding Bonds.

Credit Risk: The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of LFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to LFP for a payment equal to the fair

value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2007, LFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

Basis Risk: Currently, the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from LFP (SIFMA Index) and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds remarket higher than SIFMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Market Access Risk: The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1998 bonds would not be refunded but the County would still have to make swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

Swap Nine: Executed with Goldman Sachs Mitsui Marines Derivative Products and Morgan Keegan Financial Products, Inc. on 2/14/06 in Connection with 2006 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds:

Swap Objective: On February 14, 2006, the County entered into a swap that will produce a synthetic fixed rate in connection with its variable rate bonds. Under the terms of the swap, the County will pay a fixed rate and receive the SIFMA index. The County entered into this fixed payer swap in order to hedge variable rate exposure on the underlying bonds.

Swap Terms:

Executed Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index
2/14/2006	2/22/2006	3/1/2031	\$159,590,000	3.503% Until 3/1/16; 4.43% thereafter	SIFMA

On 2/14/06, the County entered into a fixed payer swap with an effective date of 2/22/06. Under the terms of the swap, the County pays a fixed rate of 3.503% until 3/1/16 and 4.43% thereafter to the Counterparties, MKFP and Goldman. In return, the County receives the SIFMA index. Goldman's portion of the swap is \$119,590,000 and MKFP's portion is \$40,000,000.

Fair Value of Swap and Option: As of 6/30/2007, the swaps had a fair value of (\$305,755). This fair value was measured using an option pricing model, such as the Black-Scholes model, that considers probabilities, volatilities, time, underlying prices, and other variables.

Associated Debt and Swap Payments: This swap is in conjunction with 2006 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds. This analysis assumes both swaps stay in place until maturity in 2031. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/07 (assuming SIFMA equals its current level of 3.73% for the term of the Swap). The net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2008	\$ ---	\$ 5,907,210	\$ (378,578)	\$ 5,528,632
2009	---	5,907,210	(362,269)	5,544,941
2010	---	5,907,210	(362,269)	5,544,941
2011	---	5,907,210	(362,269)	5,544,941
2012	---	5,907,210	(378,578)	5,528,632
2013	---	5,907,210	(362,269)	5,544,941
2014	---	5,907,210	(362,269)	5,544,941
2015	---	5,907,210	(362,269)	5,544,941
2016	---	5,907,210	(378,578)	5,528,632
2017	7,425,000	5,907,210	1,117,130	14,449,340
2018	2,020,000	5,632,534	1,065,155	8,717,689
2019	---	5,557,807	1,051,015	6,608,822
2020	2,705,000	5,557,807	1,035,671	9,298,478
2021	8,505,000	5,457,187	1,032,080	14,994,267
2022	9,575,000	5,142,558	972,545	15,690,103
2023	7,130,000	4,788,346	905,520	12,823,866
2024	7,450,000	4,524,583	843,119	12,817,702
2025	23,900,000	4,247,459	803,460	28,950,919
2026	26,130,000	3,363,316	636,160	30,129,476
2027	20,110,000	2,396,678	453,250	22,959,928
2028	6,625,000	1,652,742	307,918	8,585,660
2029	12,680,000	1,406,306	266,105	14,352,411
2030	6,055,000	937,229	177,344	7,169,573
2031	19,280,000	713,234	134,960	20,128,194
Total	\$ 159,590,000	\$ 110,449,886	\$ 7,492,084	\$ 277,531,970

Credit Risk Because the swap has a negative value on 6/30/2007, the County does not have credit risk. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present.

Termination Risk: Goldman and MKFP have the right to terminate the swap on 3/1/16. If the swap is terminated on the optional termination date, neither party is liable for a termination payment. Also, if the swap is terminated, the County will be exposed to interest rate risk because the variable rate bonds will no longer carry a synthetic fixed rate.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in 2031.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk exists if the County's bonds remarket higher than SIFMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Swap Ten: Executed with Morgan Keegan Financial Products, Inc. on 5/15/2006 in Connection with 2004 Series B General Obligation Public Improvement and School Bonds:

Swap Objective: On May 15, 2006, the County entered into a basis swap that potentially will produce cash flow savings in the future. Under the terms of the swap, the County will pay a floating rate of 70% of 1-month LIBOR and receive 65.3172% of 5-year LIBOR from MKFP. The intent of this Basis Swap when executed was to lower the County's net cost by layering this Basis Swap on top of the existing 70% of 1-month LIBOR fixed payer swap associated with the 2004 Series B Bonds.

Swap Terms:

Executed Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Floating Rate Paid	Floating Rate Received
5/15/2006	6/1/2006	4/1/2014	\$235,000,000	70% 1- month LIBOR	65.3172% of 5-year LIBOR

On 5/15/06, the County entered into a basis swap that became effective on 6/1/06. Under the terms of the swap, the County receives a floating rate of 65.3172% of 5-year LIBOR from MKFP and pays 70% of 1-month LIBOR.

Fair Value of Swap and Option: As of 6/30/2007, the swap had a negative fair value of (\$587,559). This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with 2004 Series B General Obligation Public Improvement and School Bonds. As of 6/30/2007, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that SIFMA equals its current level, as of 6/30/2007 of 3.73%, 70% of 1-month LIBOR equals its current level of 3.724%, and 65.3172% of 5-year LIBOR equals its current level of 3.6029%.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	
	Principal	Interest	Payments	Total
2008	\$ ---	\$ 8,977,072	\$ 430,450	\$ 9,407,522
2009	---	8,977,072	406,140	9,383,212
2010	---	8,977,072	233,314	9,210,386
2011	---	8,977,072	233,314	9,210,386
2012	---	8,977,072	247,280	9,224,352
2013	---	8,977,072	233,314	9,210,386
2014	---	8,977,072	233,314	9,210,386
2015	---	8,977,072	---	17,267,072
2016	8,290,000	8,664,419	---	17,784,419
2017	9,120,000	8,318,573	---	18,348,573
2018	10,030,000	7,940,298	---	18,970,298
2019	11,030,000	7,524,307	---	19,664,307
2020	12,140,000	7,066,454	---	20,416,454
2021	13,350,000	6,560,200	---	21,245,200
2022	14,685,000	6,006,363	---	22,161,363
2023	16,155,000	5,397,086	---	23,167,086
2024	17,770,000	4,726,901	---	24,271,901
2025	19,545,000	3,985,722	---	25,485,722
2026	21,500,000	3,174,861	---	16,949,861
2027	13,775,000	2,655,345	---	17,805,345
2028	15,150,000	2,083,971	---	18,748,971
2029	16,665,000	1,452,003	---	19,787,003
2030	18,335,000	760,512	---	20,925,512
Total	\$ 237,705,000	\$ 148,133,591	\$ 2,017,126	\$ 387,855,717

Credit Risk: Because the swap has a negative value on 6/30/2007, the County does not have credit risk to MKFP. However, if the fair value of the swap moves in favor of the County, credit risk would be present. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of MKFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to MKFP equal to the fair value of the swap at that time, if the fair value is negative to the County. If either Standard & Poor's or Moody's rates the creditworthiness of either party's long-term, unsecured, and unsubordinated debt, deposit or letter of credit obligations below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2006, MKFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

Basis Risk: The County is exposed to basis risk. The basis risk will arise from the difference between the receipt from MKFP of 65.3172% 5-year LIBOR and the payment to MKFP of 70% of 1-month LIBOR. This basis differential could cause the expected cost of funds to increase.

Claims and Judgments

The County has recognized long-term debt liabilities for claims and judgments of \$7,221,889 in accordance with its accounting policy explained in Note I (E). The liabilities are based on property damage and personal injury

lawsuits arising in the course of operations. The County believes this is a reasonable measure of the ultimate settlement of these matters.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(I) Interfund Receivables, Payables and Transfers

Interfund receivables and payables consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste	\$ 995
	Grants Fund	3,913,397
	Corrections Center	850,648
Debt Service Fund	General Fund	1,341,282
Capital Projects Fund	General Fund	1,341,282
Nonmajor Governmental Funds	General Fund	1,418,443
Total		<u>\$ 8,866,047</u>

Due To/From Component Units

Receivable Entity	Payable Entity	Amount
Debt Service Fund	The Med (component unit)	\$ 2,823,318
Capital Projects Fund	The Med (component unit)	2,640,172
Board of Education (component unit)	Education Fund	799,156
Board of Education (component unit)	Capital Projects Fund	12,500,000
Total		<u>\$ 18,762,646</u>

The interfund amounts payable by the general fund result from collection of fees and taxes by a designated elected official that are revenue of the receivable funds; however the custody of the funds at year-end was with the collecting official and funds were not yet available to the receiving funds. The interfund amounts receivable by the general fund represent amounts advanced to the payable funds to cover short-term cash flow requirements. The receivables from The Med (component unit) represent the balance of loans made by the County to The Med that are repayable over a period of years. The amount payable to the Board of Education (component unit) from the Education Fund represent revenues accrued at year-end but not yet paid to the Board of Education. The amount owed from the Capital Projects Fund represents capital funding appropriated to the Board of Education but not disbursed as of year-end.

Transfers during the year were as follows:

Transfers Out:	Transfers In:	Amounts:
General Fund	Corrections Center Fund	\$ 10,615,000
	Capital Projects Fund	11,758,868
	Grants Fund	2,672,117
	Nonmajor Governmental Funds	1,136,438
	Internal Service Funds	712,802
Debt Service Fund	General Fund	322,700
	Capital Projects Fund	6,156,000
Capital Projects Fund	Debt Service Fund	852,207
	Internal Service Funds	800,000
Nonmajor Governmental Funds	General Fund	2,315,405
	Debt Service Fund	6,366,212
	Capital Projects Fund	37,841
	Grants Fund	70,319
Grants Fund	General Fund	3,845,573
	Grants Fund	689,682
	Consolidated Codes Enforcement	113,207
	Corrections Center Fund	33,000
	Nonmajor Governmental Funds	50,000
		48,547,371
Correction Center Fund	General Fund	2,393,037
	Grants Fund	53,140
Consolidated Codes Enforcement Fund	General Fund	748,240
	Grants Fund	222,943
Fire Services Fund	General Fund	537,898
	Grants Fund	170,048
Internal Service Funds	General Fund	399,400
	Internal Fund	841,932
		5,366,638
		\$ 53,914,009

Transfers are used to (1) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(J) Other Revenue

The other revenue classification is used in the combined, combining and individual fund financial statements and in the supplemental schedules and statistical section of the comprehensive annual financial report. This category is one of the revenue line items included in the legally adopted budget approved annually by the Board of Commissioners. Certain revenue accounts which are not accurately described by any of the other revenue classifications included in the budget (local taxes, local revenues, state revenue, federal revenue, patient service revenue, elected officials' fees and fines) are classified as other revenue.

Other revenue for the year ended June 30, 2007 is detailed below:

	General Fund	Debt Service Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Investment income	\$ 9,158,385	\$ 3,790,416	\$ 7,426,076	\$ 283,469	\$ 954,016	\$ 21,612,362
Miscellaneous income	341,183	20	48,001	373,437	---	762,641
Total other revenue	<u>\$ 9,499,568</u>	<u>\$ 3,790,436</u>	<u>\$ 7,474,077</u>	<u>\$ 656,906</u>	<u>\$ 954,016</u>	<u>\$ 22,375,003</u>

(K) Risk Financing and Related Insurance Issues

Shelby County maintains a self-insured Group Hospital Insurance Fund for its active and retired employees and their dependents, funded by participation of both the County and its employees. Incurred but not reported (IBNR) claims liabilities of the Group Hospital Insurance Fund were actuarially determined. This calculation was based on prior years' claims expense and the current year's actual claims incurred. The long term liabilities for IBNR claims are presented at present value. The schedule below presents the changes in IBNR liabilities for the past two years for the Group Hospital Insurance Fund:

	2007	2006
Insurance claims liabilities at the beginning of the fiscal year	\$ 5,933,578	\$ 8,557,807
Incurred claims and claim adjustment expenses:	54,005,957	48,922,460
Payment of claims and claim adjustment expenses	<u>(53,911,783)</u>	<u>(51,546,689)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 6,027,752</u>	<u>\$ 5,933,578</u>

The County maintains a self-insured Tort Liability Fund funded by premiums paid by departments using county vehicles and by an operating transfer from the General Fund. Claims liabilities of the Tort Liability Fund were estimated based on prior years' claims expense, current year's actual claims, and a review of pending litigation through the County Attorney. The schedule below presents the changes in claims liabilities for the past two years for the Tort Liability Fund:

	2007	2006
Claim and claim adjustment liabilities at the beginning of the fiscal year	\$ 3,201,353	\$ 2,987,679
Incurred claims and claim adjustment expenses	1,531,522	1,701,956
Payment of claims and claim adjustments expense	<u>(1,307,655)</u>	<u>(1,488,282)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 3,425,220</u>	<u>\$ 3,201,353</u>

The County maintains a self-insured Employer Insurance Fund for on-the-job injuries and unemployment compensation, funded by premiums paid by County departments based on a percentage of salary costs. Claims liabilities of the Employer Insurance Fund were estimated based on prior year's claims expense and current year's actual claims incurred.

The schedule below presents the changes in claims liabilities for the past two years for the Employer Insurance Fund:

	2007	2006
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 5,769,615	\$ 6,379,944
Incurred claims and claim adjustment expenses	3,422,126	2,380,587
Payment of claims and claim adjustments expenses	(2,435,205)	(2,990,916)
Claims and claim adjustments liabilities at the end of the fiscal year	\$ 6,756,536	\$ 5,769,615

The County’s other insurance fund is the Group Life Insurance Fund, which reported insurance premium expenses of \$3,546,204 for the year ended June 30, 2007. This Fund was closed as of June 30, 2007 since the County is now purchasing term life insurance from a commercial insurer rather than operating a self-insurance fund.

(L) Contingencies and Commitments

The County has commitments at fiscal year-end for outstanding purchase orders and outstanding contracts reported as reserves for encumbrances of the governmental funds. In addition, commitments for capital projects total \$79,416,523 as of June 30, 2007.

The Memphis and Shelby County Sports Authority, Inc. is a joint venture organization that has issued revenue bonds for construction of a sports and entertainment facility. Although the City of Memphis and Shelby County are not legally liable for the debt, they have agreed to share equally in the payment of the debt if the Authority is unable to pay. See further explanations in Note IV (M).

(M) Joint Ventures, Jointly Governed Organizations and Related Organizations

Joint Ventures:

Joint ventures are defined in generally accepted accounting principles as organizations owned, operated or governed by two or more participants where no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. Participants must maintain an ongoing financial responsibility for, or financial interest in, the joint venture. The following organizations qualify as joint ventures of Shelby County. References to the appointment of members of boards or commissions include both those appointed and those serving ex officio. Appointment usually includes confirmation by the appropriate legislative body.

Memphis and Shelby County Convention Center Commission (the Convention Center)

The Convention Center operates the 300,000 square foot multi-use Memphis Cook Convention Center and the 2,100 seat Cannon Center for the Performing Arts. The Convention Center is a joint venture between the City of Memphis (City) and the County and is overseen by an eight-member board. The City and County each appoint four board members. The board is responsible for reporting the results of operations semi-annually to both the City and the County. The City and County share equally in the profits of the Convention Center and are responsible for funding any deficit from operations in the same proportion. During the year ended June 30, 2007 the County contributed \$3,039,788 to the operations of the Convention Center from the general fund; the City contributed a like amount. The County also contributed \$159,314 from capital improvement funds. The County does not hold an equity interest in this entity. A third party under contract handles day-to-day promotion, operation, and management of the Convention Center. Financial statements for the Convention Center may be obtained from Memphis Cook Convention Center, 255 N. Main Street, Memphis, Tennessee 38103.

Memphis and Shelby County Port Commission (the Port Commission)

The Port Commission manages and develops industrial properties and has the authority for the direct development of the riverfront within Shelby County, except from the mouth of the Wolf River south to the I-55 bridge. The Port Commission is a joint venture between the City and the County and is overseen by a seven-member board. The City appoints four of the board members and the County appoints three members. Any deficits of the Port Commission are funded equally by the City and the County and excess revenues are distributed equally to the City and the County. The City and the County must approve the issuance of debt by or for the Port Commission. The County does not hold an equity interest in this entity. During the year ended June 30, 2007 no funds were exchanged between the Port Commission and the County. Subsequently, a payment was received August 31, 2007 for \$635,659. Financial statements for the Port Commission may be obtained from the Memphis and Shelby County Port Commission, P.O. Box 13142, Memphis, Tennessee 38113.

Memphis and Shelby County Sports Authority, Inc. (the Authority)

The Authority was chartered in 1997 under a State statute that permits sports authorities to receive certain sales taxes generated by major league sports franchises. In 2001 the City of Memphis and Shelby County entered into the "Memphis Arena Project Agreement" to bring a NBA professional team to Memphis. A major part of that agreement required the construction of a new multipurpose sports and entertainment facility. Financing for construction of this facility (now known as FedExForum) has been done through the Authority. The Authority has issued long-term debt with principal of \$218,600,305 owed as of December 31, 2006, plus \$7,480,150 accrued interest and swap liabilities. Title to the facility is held by the New Memphis Arena Public Building Authority of Memphis and Shelby County, a joint venture; see below for more information on that entity. The Authority's revenue bonds are payable from seat rental fees, certain state sales taxes generated by the professional basketball team, car rental taxes, City and County-wide hotel/motel taxes, and in lieu of tax payments by the Memphis Light Gas and Water Division.

The Sports Authority is a joint venture between the City of Memphis and the County and has a board whose members are jointly appointed by the City and the County. Although the bond indentures state that the City and County are not legally liable for the indebtedness of the Authority, under agreement the City and County have agreed to pay, in equal amounts, the debt if the Authority is unable to pay. During the year ended June 30, 2007 the County transferred to the Sports Authority for debt service purposes the amount of \$1,947,599 from car rental taxes and \$5,185,516 from hotel/motel taxes. Financial statements for the Memphis and Shelby County Sports Authority, Inc. may be obtained from the Memphis Convention & Visitor's Bureau, 47 Union Avenue, Memphis, Tennessee 38103.

Mid-South Coliseum (the Coliseum)

The Coliseum operates a multi-purpose sports and entertainment facility with a seating capacity of approximately 11,500. The Coliseum is a joint venture between the City of Memphis and the County and is overseen by a five-member board. The City appoints two board members, the County appoints two members and one is jointly appointed by the City and County. The City and County share in profits or fund any deficits from operations in a ratio of 60% and 40%, respectively. The County does not hold an equity interest in this entity. As a result of a non-compete clause in the agreement with the National Basketball Association Franchise Owners for the operation of the new arena (FedExForum), the future financial viability of this facility is questionable. The County has advised the City of Memphis that it will participate in no further operating costs of the Coliseum. The City of Memphis is exploring alternative uses of the entire Fairgrounds complex and those plans could include demolition of the Coliseum or a use other than as a revenue-producing facility. At June 30, 2007 the County is owed \$159,889, plus accrued interest of \$30,487 by the Coliseum evidenced by a note with installments due through FY 2014; no payments have been made since FY 2004. In fiscal year 2007 the County reserved the amount of the note. During the year the County paid the Coliseum \$3,296 for use of the facility. Financial statements for the Coliseum may be obtained from the Mid-South Coliseum, The Fairgrounds, 996 Early Maxwell Boulevard, Memphis, Tennessee 38104.

New Memphis Arena Public Building Authority of Memphis and Shelby County (New PBA)

The New PBA was created in August 2001 by Shelby County and the City of Memphis. It is a nonprofit corporation established under statutes of the State of Tennessee. In June 2001 the City of Memphis, Shelby County, and HOOPS, L.P. (the NBA franchise ownership entity) entered into the "Memphis Arena Project Agreement." Under this agreement a new arena would be constructed and leased to HOOPS, L.P. as part of the agreement to bring a professional basketball (NBA) team to Memphis. The primary purpose of the New PBA was to construct and hold title to this new multi-purpose sports and entertainment facility (now known as FedExForum). Construction of the facility is complete and the facility has been leased to and is being operated by HOOPS, L.P. as noted above.

Funding for construction of the facility was provided primarily through the Memphis and Shelby County Sports Authority, Inc., a separate joint venture as explained above. However, the New PBA holds title to the building.

The New PBA is a joint venture between the City of Memphis and the County. It is governed by a Board of Directors whose members are jointly appointed by the City of Memphis and Shelby County. The City and County maintain an ongoing financial responsibility for subsidies to finance the New PBA's capital expenditures and operations. The County also paid \$144,776 for insurance on the facility. Financial statements for the New PBA may be obtained from the New Memphis Arena PBA, 195 Linden Avenue, Memphis, Tennessee 38103.

Pyramid Arena

In November 1987 the City of Memphis and the County entered into a joint venture arrangement creating the Public Building Authority of Memphis and Shelby County (PBA). The PBA is a not-for-profit corporation created for the purpose of constructing the Pyramid, a multipurpose facility with the primary use as a basketball arena. The City and the County each separately issued bonds for their share of the construction cost of the Pyramid, with the debt remaining an obligation of the issuer. The Pyramid was then leased back jointly to the City and the County for operation. The County does not hold an equity interest in the PBA. The PBA currently exists solely to hold title to the building and has no ongoing financial operations. On July 1, 1991 the City and County jointly entered into a contract with a third party (SMG) to manage, operate, market and promote the Pyramid. The term of the contract was for the three-year period July 1, 1991 to June 30, 1994, with a renewal clause for up to three additional five-year terms. The current renewal period expires June 30, 2009.

The City and County will each appropriate one-half of the necessary funds to sustain operations based upon each government's approval of an operating budget. During the year ended June 30, 2007 the County contributed \$335,000 to the operating budget of the Pyramid and paid directly \$115,636 as its 50% share of the cost of property insurance. Excess operating revenue net of management fees and operating expenses, as defined under the management agreement, will be paid to the City and the County upon demand. As provided for in the management agreement, cash in excess of \$500,000 will also be paid to the City and the County upon demand. No excess cash was returned in fiscal year 2007. As a result of a non-compete clause in the agreement with the National Basketball Association Franchise Owners for the operation of the new arena (FedExForum), the future financial viability of this facility is questionable. There will be ongoing maintenance costs even if the facility is closed. Financial statements for the Pyramid Arena Operations may be obtained from the Pyramid Arena, One Auction Street, Memphis, Tennessee 38105.

The following is a summary of the financial information of the joint ventures, as of and for the year ended June 30, 2007 (not covered by the report of independent accountants)

	Convention Center (c)	Port Commission (b)	Sports Authority (a)	Mid-South Coliseum	New Arena PBA (a)	Pyramid Arena
Assets	---	\$ 28,277,311	\$ 48,216,420	\$ 1,104,820	\$ 216,349,646	\$ 283,497
Liabilities	---	8,342,254	226,101,050	1,372,279	3,020	97,161
Net Assets	---	19,935,057	(177,884,630)	(267,459)	216,346,626	186,336
Operating Revenues	---	2,150,090	---	2,098,853	267,642	173,076
Operating Expenses	---	2,558,011	1,440,507	2,464,716	7,410,470	1,183,773
Other Revenue	---	113,549	17,242,699	4,076	1,500	670,000
Other Expenses	---	269,330	11,702,228	11,215	---	---
Change in Net Assets	---	(563,702)	4,099,964	(373,002)	(7,141,328)	(340,697)

(a) Fiscal year-end December 31, 2006. (b) From unaudited financial statements. (c) Not Available

Jointly Governed Organizations:

The County in conjunction with the City of Memphis has joint control of the following organizations through the appointment of their boards. They are not considered joint ventures because the County and the City do not retain an ongoing financial responsibility or financial interest. There were no financial transactions between the County and the organizations in the fiscal year ending June 30, 2007 unless noted below.

The *Depot Redevelopment Corporation of Memphis and Shelby County (Depot)* was established by the City and County to determine and establish a reuse plan and management strategy for the Memphis Depot. The United States Government closed the former military supply depot. The mayors of the City and County appoint the nine board members for six-year terms with approval of the City Council and the County Commission. The County has a note receivable from the Depot with a principal balance of \$3,090,000 as of June 30, 2007. During the year ended June 30, 2007 the Depot repaid \$165,000 of principal on this note plus \$162,881 of interest.

The *Industrial Development Board of Memphis and Shelby County* operates as a nonprofit corporation for the purpose of promoting industrial development in the City and County. The City appoints four board members, the County appoints four members and one is jointly appointed by the City and County for six-year terms, with approval by the City Council and the County Commission.

The *Memphis and Shelby County Center City Commission* is responsible for promotion and redevelopment of the Memphis Center City area. The mayors of the City and County appoint the twenty board members for three-year terms, with approval by the City Council and the County Commission.

The *Memphis and Shelby County Center City Downtown Parking Authority* manages five downtown parking garages and establishes and coordinates uniform parking policies and parking management in the downtown Memphis area. The mayors of the City and County appoint the seven-member board.

The *Memphis Center City Revenue Finance Corporation (Finance Corporation)* is a nonprofit corporation established jointly by the City and the County under the laws of the State of Tennessee. The Finance Corporation provides various forms of financial assistance to development projects. The City appoints four board members, the County appoints four members and one is jointly appointed by the City and County for six-year terms, with approval by the City Council and the County Commission.

Related Organizations:

The County appoints a voting majority of the board of the following organizations but is not financially accountable for the organizations:

- *Health, Housing and Education Facilities Board*
- *Shelby County Housing Authority*

The *Memphis and Shelby County Airport Authority* owns and operates Memphis International Airport and two general aviation airports. Six of the seven board members are appointed by the City of Memphis mayor and one by the County mayor, all for seven-year terms, subject to confirmation by the Memphis City Council. The Airport Authority is a component unit of the City of Memphis.

The Shelby County Health Care Corporation (The Med) is a component unit of the County. The Med has an investment in *Memphis Managed Care Corporation* (MMCC), a TennCare MCO, that pays The Med a fixed per diem for inpatient services and pays for outpatient services on a fee for service basis. The investment was valued at \$17,190,358 at June 30, 2007.

(N) Other Post–Employment Benefits

In addition to providing benefits, the County provides certain health care and life insurance benefits for retired employees in accordance with policy established by the County Board of Commissioners. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care and life insurance benefits is recognized as an expenditure as claims are paid. For 2007 the County provided these life insurance benefits to 1,724 retirees and health care benefits to 1,822 retirees at a total cost of \$12,794,221.

(O) Pensions**Shelby County Retirement System***Plan Description*

The Shelby County Retirement System (the System) is a single employer defined benefit public employee retirement system (PERS) established by Shelby County, Tennessee. The System is administered by a board, the majority of whose members are nominated by the Shelby County mayor, subject to approval by the Shelby County Board of Commissioners. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Shelby County Retirement System, Suite 950, 160 N. Main, Memphis, Tennessee 38103 or calling (901) 545-3370.

Substantially all full-time and permanent part-time employees of the County are required, as a condition of employment, to participate in the System. The Shelby County Board of Commissioners establishes the System's benefits and contribution provisions. Once becoming a participant, a person will continue to participate as long as he or she is an employee of the County. The System provides retirement as well as survivor and disability defined benefits.

The System consists of three plans (Plans A, B and C) which are legally one reporting entity. Plan B is a contributory defined benefit pension plan for employees hired prior to December 1, 1978. Plan A is a non-contributory defined benefit pension plan for employees hired between December 1, 1978 and February 28, 2005, and those employees that elected to transfer to Plan A from Plan B before January 1, 1981. Plan C is a contributory defined benefit pension plan that became effective September 1, 2005 and includes all employees hired after February 28, 2005, all former Plan A "public safety employees" who were required to move to Plan C to preserve

their right to retire with unreduced benefits with 25 years of service, and other former Plan A participants who elected to move to Plan C.

Funding Policy

The Board of Administration of the Shelby County, Tennessee Retirement System (the Board) establishes the System’s funding policy for employee contribution requirements. The Shelby County Board of Commissioners establishes the System’s funding policy for employer contribution requirements. The County does not receive the actuarial report until several months into the fiscal year to which the report relates. Due to budgetary procedures the County makes contributions based on the latest actuarial report received at the date a new fiscal year's budget is being prepared. Contributions for fiscal year 2007 were based on the actuarial report as of July 1, 2005.

In accordance with the actuarial valuation as of July 1, 2005 the employer contribution rate required was 4.27% of covered payroll of participants. Plan B participants contribute an additional 8.0% of their earnings, with some exceptions for employees of Plan B with more than 35 years of service. Plan C participants contribute 6.0% of their earnings. In addition, certain public safety employees remaining in Plan A contribute 2.65% of their compensation. This resulted in total contributions of \$26,950,047 (\$18,758,647 employer contributions and \$8,191,400 employee contributions). The actuarial required employer contribution of \$11,037,956 is significantly impacted by the amortization of the actuarial surplus that results from investment results in prior years. The County has chosen to fund a level amount that is approximately the normal cost for benefits earned.

The significant actuarial assumptions used to compute these actuarially determined contribution requirements are the same as those used to compute the net pension obligation.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2005	\$ 9,645,830	195%	---
June 30, 2006	10,322,629	182%	---
June 30, 2007	11,037,956	170%	---

Actuarial Valuation, Method and Assumptions

Valuation date	July 1, 2005 for contribution requirement July 1, 2006 rolled forward to June 30, 2007 for funding progress
Actuarial cost method	Projected unit credit service pro-rate cost method
Amortization method	18-year amortization as of July 1, 2005 of excess assets over 100% of actuarial accrued liability (20 year period beginning July 1, 2003)
Remaining amortization period	16 years on June 30, 2007
Asset valuation method	10-year smoothing method
Rate of investment return	Funding Progress: 8.25% Contribution: 8.25%
Projected salary increases	Funding Progress: 4.00% Contribution: 4.00%
Cost-of-living adjustments	Funding Progress: 2.5% Contribution: 2.5%

Schedule of Funding Progress

Actuarial Valuation Date of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability/ (Surplus)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability/ (Surplus) as a Percentage of Covered Payroll
2002	\$ 797,091,379	\$ 720,839,196	\$ (76,252,183)	110.6%	\$ 233,148,476	(32.7%)
2003	794,201,990	769,753,615	(24,448,375)	103.2%	237,197,193	(10.3%)
2004	841,335,004	737,329,388	(104,005,616)	114.1%	246,685,081	(42.2%)
2005	885,049,492	780,800,809	(104,248,683)	113.4%	253,031,826	(41.2%)
2006	933,730,481	860,178,582	(73,551,899)	108.6%	241,403,735	(30.5%)
2007	992,143,395	934,829,366	(57,314,029)	106.1%	251,059,875	(22.8%)

More detailed information on all Plans is available in the System’s separately issued financial report.

Pension plans of the component units:

The primary government does not act in a trustee capacity for the assets of the pension plans of the component units.

Shelby County Board of Education (the Board of Education)

On behalf of its teachers, the Board of Education contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0203 or can be accessed at www.treasury.state.tn.us.

All non-teachers employed by the Board of Education are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by TCRS. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

Shelby County Health Care Corporation (the Med)

Effective July 1, 1985 the Med established the Regional Medical Center at Memphis Retirement Investment Plan, a defined contribution pension plan. In a defined contribution plan benefits depend solely on amounts contributed to the plan plus investment earnings. Financial statements of the Regional Medical Center at Memphis Retirement Investment Plan are available from Shelby County Health Care Corporation, 877 Jefferson Avenue, Memphis, Tennessee 38103.

More details about all plans of component units are available in the separately issued financial reports of the component units and in the separately issued financial reports of the retirement plans as noted above.

(P) Subsequent Events

In July 2007, Shelby County Board of Commissioners approved the issuance of General Obligation Variable Rate Demand Refunding Bonds in a principal amount of \$31,450,000. The bonds are being issued to refund a portion of bonds from the 1997 Series B General Obligation Refunding bonds. The bond closed July 31, 2007. In conjunction with the new Variable Rate Demand Refunding Bonds, the County has also entered into a swap agreement. The swap agreement will synthetically fix the variable rate of the refunding bonds.

In October 2007, the Shelby County Board of Commissioners approved the 2007 Series Tax Anticipation Note Program in the amount of \$30,000,000 to provide for cash flow requirements due to the timing of property tax collection. The Tax Anticipation Notes will be paid off on or before June 30, 2008.

Required Supplemental Information

The **General Fund** is used to account for all financial resources except those that are reported in another fund.

The **Education Fund** is used to account for the tax revenues levied and collected by the County and allocated to the Shelby County Board of Education and the City of Memphis Board of Education.

The **Grants Fund** is used to account for the receipt and expenditures of federal, state and local government grants and designated contributions from individual corporations, foundations or other groups to be used for approved programs.

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 196,782,000	\$ 204,660,000	\$ 204,704,877	\$ 44,877
Other local taxes	22,270,000	25,379,000	25,440,837	61,837
Local revenue	27,545,246	28,463,026	25,164,696	(3,298,330)
State revenue	19,317,164	19,825,136	21,963,864	2,138,728
Federal revenue	10,000	10,000	41,215	31,215
Patient service revenue	897,900	897,900	1,009,668	111,768
Elected officials' fines and fees	57,201,578	59,656,578	61,145,914	1,489,336
Other revenues	5,712,258	6,334,262	9,499,568	3,165,306
Total revenues	329,736,146	345,225,902	348,970,639	3,744,737
Expenditures:				
General government	35,302,957	31,997,785	31,344,383	653,402
Hospital	23,066,667	25,066,667	25,066,667	---
Planning and development	519,826	453,742	443,279	10,463
Public works	20,264,969	20,131,809	19,987,693	144,116
Health services	31,265,185	31,381,506	30,887,206	494,300
Community services	4,163,187	4,024,678	4,014,643	10,035
Law enforcement	133,703,821	134,295,485	134,007,234	288,251
Judicial	56,832,344	55,973,682	55,380,345	593,337
Other elected officials	21,515,785	26,242,525	25,506,215	736,310
Total expenditures	326,634,741	329,567,879	326,637,665	2,930,214
Other financing sources (uses)				
Transfers in	11,612,662	11,703,525	10,562,251	(1,141,274)
Transfers out	(14,714,067)	(27,677,878)	(26,895,225)	782,653
Other sources (uses)	---	316,330	---	(316,330)
Total other financing sources (uses)	(3,101,405)	(15,658,023)	(16,332,974)	(674,951)
Net change in fund balance	\$ ---	\$ ---	\$ 6,000,000	\$ 6,000,000

Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 325,822,000	\$ 327,119,604	\$ 337,881,922	\$ 10,762,318
Other local taxes	32,900,000	32,900,000	22,137,682	(10,762,318)
Total revenues	<u>358,722,000</u>	<u>360,019,604</u>	<u>360,019,604</u>	<u>---</u>
Expenditures:				
Special funded projects-city schools	253,975,000	254,965,884	254,965,884	---
Special funded projects-county schools	104,747,000	105,053,720	105,053,720	---
Total expenditures	<u>358,722,000</u>	<u>360,019,604</u>	<u>360,019,604</u>	<u>---</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 10,764,632	\$ 12,120,538	\$ 6,750,060	\$ (5,370,478)
State revenue	61,470,357	81,306,159	62,569,784	(18,736,375)
Federal revenue	31,708,123	39,833,050	29,153,760	(10,679,290)
Patient service revenue	1,430,244	1,432,502	1,316,089	(116,413)
Other revenues	544,996	664,026	656,906	(7,120)
Total revenues	105,918,352	135,356,275	100,446,599	(34,909,676)
Expenditures:				
General government	789,099	1,205,734	1,096,971	108,763
Planning and development	20,510,007	24,191,470	5,785,327	18,406,143
Public works	1,180,677	14,266,807	7,946,344	6,320,463
Corrections	336,734	1,258,442	824,652	433,790
Health services	26,075,451	28,213,193	23,227,326	4,985,867
Community services	37,447,195	44,191,217	39,526,911	4,664,306
Law enforcement	478,890	2,116,576	1,728,794	387,782
Judicial	19,271,581	20,599,244	19,234,136	1,365,108
Total expenditures	106,089,634	136,042,683	99,370,461	36,672,222
Other financing sources (uses)				
Transfers in	4,094,846	5,406,281	3,878,250	(1,528,031)
Transfers out	(5,273,564)	(6,069,873)	(4,731,462)	1,338,411
Other sources (uses)	1,350,000	1,350,000	---	(1,350,000)
Total other financing sources (uses)	171,282	686,408	(853,212)	(1,539,620)
Net change in fund balance	\$ ---	\$ ---	\$ 222,926	\$ 222,926

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds			
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund	Sheriff Narcotics Fund
Assets				
Cash and cash equivalents	\$ 8,632,460	\$ ---	\$ 6,875,943	\$ 5,258,313
Accounts receivable and accrued revenues	5,241	1,676	1,504,969	5,989
Due from other governmental entities	931,805	350	---	---
Due from other funds	---	---	1,250,759	---
Deposits held by others	---	---	---	279,456
Total assets	\$ 9,569,506	\$ 2,026	\$ 9,631,671	\$ 5,543,758
Liabilities				
Accounts payable and accrued liabilities	\$ 342,705	\$ 1,031	\$ 1,445,927	\$ 57,376
Due to other funds	---	995	---	---
Deposits held for others	---	---	---	279,456
Deferred revenue	---	---	1,504,969	---
Total liabilities	342,705	2,026	2,950,896	336,832
Fund balances				
Reserved for encumbrances	395,954	---	---	200,670
Unreserved	8,830,847	---	6,680,775	5,006,256
Total fund balances	9,226,801	---	6,680,775	5,206,926
Total liabilities and fund balances	\$ 9,569,506	\$ 2,026	\$ 9,631,671	\$ 5,543,758

Data Processing Fund	Car Rental Tax Fund	Health Services Restricted Fees Fund	Economic Development Fund	Total
\$ 384,599	\$ 184,701	\$ 1,765,124	\$ 1,000,000	\$ 24,101,140
---	225,769	290,912	---	2,034,556
---	---	---	---	932,155
---	167,684	---	---	1,418,443
---	---	---	---	279,456
<u>\$ 384,599</u>	<u>\$ 578,154</u>	<u>\$ 2,056,036</u>	<u>\$ 1,000,000</u>	<u>\$ 28,765,750</u>
\$ 9,891	\$ 578,154	\$ 2,417	\$ ---	\$ 2,437,501
---	---	---	---	995
---	---	---	---	279,456
---	---	---	---	1,504,969
<u>9,891</u>	<u>578,154</u>	<u>2,417</u>	<u>---</u>	<u>4,222,921</u>
92,931	---	26,750	---	716,305
<u>281,777</u>	<u>---</u>	<u>2,026,869</u>	<u>1,000,000</u>	<u>23,826,524</u>
<u>374,708</u>	<u>---</u>	<u>2,053,619</u>	<u>1,000,000</u>	<u>24,542,829</u>
<u>\$ 384,599</u>	<u>\$ 578,154</u>	<u>\$ 2,056,036</u>	<u>\$ 1,000,000</u>	<u>\$ 28,765,750</u>

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2007

	Special Revenue Funds			
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund	Sheriff Narcotics Fund
Revenues				
Other local taxes	\$ 249,953	\$ ---	\$ 12,670,660	\$ ---
Local revenue	134,591	20,150	---	264,813
State revenue	9,946,408	---	9,162,801	78,032
Elected officials' fines and fees	---	17,729	---	2,579,595
Other revenue	569,426	---	---	261,096
Total Revenues	<u>10,900,378</u>	<u>37,879</u>	<u>21,833,461</u>	<u>3,183,536</u>
Expenditures				
General government	---	---	13,265,971	---
Public works	10,407,379	174,317	---	---
Health services	---	---	---	---
Law enforcement	---	---	---	1,276,722
Judicial	---	---	---	---
Other elected officials	---	---	---	---
Total expenditures	<u>10,407,379</u>	<u>174,317</u>	<u>13,265,971</u>	<u>1,276,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>492,999</u>	<u>(136,438)</u>	<u>8,567,490</u>	<u>1,906,814</u>
Other financing sources (uses)				
Transfers in	---	136,438	---	---
Transfers out	<u>(2,231,529)</u>	<u>---</u>	<u>(6,366,212)</u>	<u>(70,319)</u>
Total other financing sources (uses)	<u>(2,231,529)</u>	<u>136,438</u>	<u>(6,366,212)</u>	<u>(70,319)</u>
Net change in fund balances	(1,738,530)	---	2,201,278	1,836,495
Fund balances				
June 30, 2006	<u>10,965,331</u>	<u>---</u>	<u>4,479,497</u>	<u>3,370,431</u>
June 30, 2007	<u>\$ 9,226,801</u>	<u>\$ ---</u>	<u>\$ 6,680,775</u>	<u>\$ 5,206,926</u>

Data Processing Fund	Car Rental Tax Fund	Health Services Restricted Fees Fund	Economic Development Fund	Total
\$ ---	\$ 1,947,599	\$ ---	\$ ---	\$ 14,868,212
---	---	4,348,632	---	4,768,186
---	---	---	---	19,187,241
740,410	---	---	---	3,337,734
27,568	---	95,926	---	954,016
<u>767,978</u>	<u>1,947,599</u>	<u>4,444,558</u>	<u>---</u>	<u>43,115,389</u>
---	1,947,599	---	---	15,213,570
---	---	---	---	10,581,696
---	---	4,149,333	---	4,149,333
---	---	---	---	1,276,722
9,842	---	---	---	9,842
667,242	---	---	---	667,242
<u>677,084</u>	<u>1,947,599</u>	<u>4,149,333</u>	<u>---</u>	<u>31,898,405</u>
90,894	---	295,225	---	11,216,984
50,000	---	---	1,000,000	1,186,438
---	---	(121,717)	---	(8,789,777)
<u>50,000</u>	<u>---</u>	<u>(121,717)</u>	<u>1,000,000</u>	<u>(7,603,339)</u>
140,894	---	173,508	1,000,000	3,613,645
233,814	---	1,880,111	---	20,929,184
<u>\$ 374,708</u>	<u>\$ ---</u>	<u>\$ 2,053,619</u>	<u>\$ 1,000,000</u>	<u>\$ 24,542,829</u>

Roads and Bridges Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 273,000	\$ 273,000	\$ 249,953	\$ (23,047)
Local revenue	45,000	45,000	134,591	89,591
State revenue	9,805,988	9,805,988	9,946,408	140,420
Other revenues	300,000	300,000	569,426	269,426
Total revenues	<u>10,423,988</u>	<u>10,423,988</u>	<u>10,900,378</u>	<u>476,390</u>
Expenditures:				
Salaries	4,822,339	4,940,740	4,882,565	58,175
Other compensation	122,589	82,081	65,981	16,100
Fringe benefits	1,608,216	1,530,323	1,473,393	56,930
Supplies	3,790,138	4,351,921	3,254,198	1,097,723
Services	26,620	27,620	12,451	15,169
Professional and contracted services	427,160	313,760	158,712	155,048
Rent, utilities, and maintenance	337,060	337,060	145,145	191,915
Interdepartmental expenditures	(2,242,389)	(2,705,906)	(2,420,776)	(285,130)
Asset acquisitions	3,883,700	4,715,847	2,835,710	1,880,137
Total expenditures	<u>12,775,433</u>	<u>13,593,446</u>	<u>10,407,379</u>	<u>3,186,067</u>
Excess (deficiency) of revenues over expenditures	<u>(2,351,445)</u>	<u>(3,169,458)</u>	<u>492,999</u>	<u>3,662,457</u>
Other Financing Sources (uses):				
Transfers out	(2,193,688)	(2,193,688)	(2,231,529)	(37,841)
Other sources (uses)	4,545,133	5,363,146	---	(5,363,146)
Total other financing sources (uses)	<u>2,351,445</u>	<u>3,169,458</u>	<u>(2,231,529)</u>	<u>(5,400,987)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (1,738,530)</u>	<u>\$ (1,738,530)</u>

Solid Waste Management Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 30,000	\$ 30,000	\$ 20,150	\$ (9,850)
Elected officials' fines and fees	---	---	17,729	17,729
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>37,879</u>	<u>7,879</u>
Expenditures:				
Salaries	101,250	101,250	89,152	12,098
Other compensation	4,710	4,710	2,864	1,846
Fringe benefits	32,191	32,191	28,366	3,825
Supplies	1,145	1,145	562	583
Services	500	500	424	76
Professional and contracted services	42,000	42,000	11,545	30,455
Rent, utilities, and maintenance	3,576	3,576	344	3,232
Interdepartmental expenditures	66,006	66,006	41,060	24,946
Total expenditures	<u>251,378</u>	<u>251,378</u>	<u>174,317</u>	<u>77,061</u>
Excess (deficiency) of revenues over expenditures	<u>(221,378)</u>	<u>(221,378)</u>	<u>(136,438)</u>	<u>84,940</u>
Other Financing Sources (uses):				
Transfers in	221,378	221,378	136,438	(84,940)
Total other financing sources (uses)	<u>221,378</u>	<u>221,378</u>	<u>136,438</u>	<u>(84,940)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Hotel Motel Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 11,500,000	\$ 12,800,000	\$ 12,670,660	\$ (129,340)
State revenue	6,500,000	6,500,000	9,162,801	2,662,801
Total revenues	<u>18,000,000</u>	<u>19,300,000</u>	<u>21,833,461</u>	<u>2,533,461</u>
Expenditures:				
Intergovernmental expenditures	397,233	397,233	397,233	---
Special funded projects	11,828,950	13,128,950	12,868,738	260,212
Total expenditures	<u>12,226,183</u>	<u>13,526,183</u>	<u>13,265,971</u>	<u>260,212</u>
Excess (deficiency) of revenues over expenditures	<u>5,773,817</u>	<u>5,773,817</u>	<u>8,567,490</u>	<u>2,793,673</u>
Other Financing Sources (uses):				
Transfers out	(6,420,230)	(6,420,230)	(6,366,212)	54,018
Other sources (uses)	646,413	646,413	---	(646,413)
Total other financing sources (uses)	<u>(5,773,817)</u>	<u>(5,773,817)</u>	<u>(6,366,212)</u>	<u>(592,395)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 2,201,278</u>	<u>\$ 2,201,278</u>

Sheriff Narcotics Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 315,000	\$ 195,000	\$ 264,813	\$ 69,813
State revenue	2,000	2,000	78,032	76,032
Elected officials' fines and fees	970,000	1,090,000	2,579,595	1,489,595
Other revenues	30,000	30,000	261,096	231,096
Total revenues	<u>1,317,000</u>	<u>1,317,000</u>	<u>3,183,536</u>	<u>1,866,536</u>
Expenditures:				
Supplies	554,235	543,516	237,240	306,276
Services	70,800	42,800	35,723	7,077
Professional and contracted services	190,500	156,962	156,962	---
Rent, utilities, and maintenance	456,921	308,911	274,265	34,646
Interdepartmental expenditures	126,000	126,000	124,014	1,986
Asset acquisitions	480,249	460,716	436,019	24,697
Grants	---	20,000	12,499	7,501
Total expenditures	<u>1,878,705</u>	<u>1,658,905</u>	<u>1,276,722</u>	<u>382,183</u>
Excess (deficiency) of revenues over expenditures	<u>(561,705)</u>	<u>(341,905)</u>	<u>1,906,814</u>	<u>2,248,719</u>
Other Financing Sources (uses):				
Transfers out	(15,078)	(90,508)	(70,319)	20,189
Other sources (uses)	576,783	432,413	---	(432,413)
Total other financing sources (uses)	<u>561,705</u>	<u>341,905</u>	<u>(70,319)</u>	<u>(412,224)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,836,495</u>	<u>\$ 1,836,495</u>

Data Processing Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 563,000	\$ 563,000	\$ 740,410	\$ 177,410
Other revenues	22,990	22,990	27,568	4,578
Total revenues	<u>585,990</u>	<u>585,990</u>	<u>767,978</u>	<u>181,988</u>
Expenditures:				
Salaries	120,907	121,624	121,624	---
Fringe benefits	36,770	36,891	36,891	---
Supplies	128,311	149,800	16,378	133,422
Services	1,500	1,500	---	1,500
Professional and contracted services	462,000	899,905	493,244	406,661
Rent, utilities, and maintenance	71,035	69,827	8,947	60,880
Interdepartmental expenditures	25,000	25,000	---	25,000
Asset acquisitions	183,590	248,284	---	248,284
Contingencies and restrictions	8,858	8,858	---	8,858
Total expenditures	<u>1,037,971</u>	<u>1,561,689</u>	<u>677,084</u>	<u>884,605</u>
Excess (deficiency) of revenues over expenditures	<u>(451,981)</u>	<u>(975,699)</u>	<u>90,894</u>	<u>1,066,593</u>
Other Financing Sources (uses):				
Transfers in	---	50,000	50,000	---
Other sources (uses)	451,981	925,699	---	(925,699)
Total other financing sources (uses)	<u>451,981</u>	<u>975,699</u>	<u>50,000</u>	<u>(925,699)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 140,894</u>	<u>\$ 140,894</u>

**Car Rental Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,947,599	\$ (52,401)
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,947,599</u>	<u>(52,401)</u>
Expenditures:				
Special funded projects	2,000,000	2,000,000	1,947,599	52,401
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,947,599</u>	<u>52,401</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Health Services Restricted Fees Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 4,372,750	\$ 4,372,750	\$ 4,348,632	\$ (24,118)
Other revenues	---	---	95,926	95,926
Total revenues	<u>4,372,750</u>	<u>4,372,750</u>	<u>4,444,558</u>	<u>71,808</u>
Expenditures:				
Salaries	2,730,058	2,818,856	2,768,849	50,007
Other compensation	73,000	77,475	77,475	---
Fringe benefits	838,061	744,788	732,127	12,661
Supplies	331,244	272,212	195,349	76,863
Services	59,000	54,000	28,060	25,940
Professional and contracted services	56,150	56,315	23,830	32,485
Rent, utilities, and maintenance	142,500	128,000	52,880	75,120
Interdepartmental expenditures	171,500	171,500	156,800	14,700
Asset acquisitions	138,250	238,592	113,963	124,629
Total expenditures	<u>4,539,763</u>	<u>4,561,738</u>	<u>4,149,333</u>	<u>412,405</u>
Excess (deficiency) of revenues over expenditures	<u>(167,013)</u>	<u>(188,988)</u>	<u>295,225</u>	<u>484,213</u>
Other Financing Sources (uses):				
Transfers out	(159,456)	(159,456)	(121,717)	37,739
Other sources (uses)	326,469	348,444	---	(348,444)
Total other financing sources (uses)	<u>167,013</u>	<u>188,988</u>	<u>(121,717)</u>	<u>(310,705)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 173,508</u>	<u>\$ 173,508</u>

**Economic Development Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Other Financing Sources (uses):				
Transfers in	\$ ---	\$ 1,000,000	\$ 1,000,000	\$ ---
Other sources (uses)	---	(1,000,000)	---	1,000,000
Total other financing sources (uses)	---	---	1,000,000	1,000,000
Net change in fund balance	\$ ---	\$ ---	\$ 1,000,000	\$ 1,000,000

Internal Service Funds
Combining Statement of Net Assets
June 30, 2007

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 297,483	\$ 37,817,452	\$ ---
Accounts receivable and accrued revenues	11,493	49,915	---
Due from other governmental entities	63,062	---	---
Deposits held by others	---	349,000	---
Inventories	194,502	---	---
Total Current Assets	<u>566,540</u>	<u>38,216,367</u>	<u>---</u>
Noncurrent Assets:			
Depreciable capital assets, net	<u>928,611</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 1,495,151</u>	<u>\$ 38,216,367</u>	<u>\$ ---</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 470,885	\$ 686,752	\$ ---
Deferred revenue	---	3,296,424	---
Sick and annual leave payable	49,831	---	---
Claims payable	---	5,341,000	---
Total Current Liabilities	<u>520,716</u>	<u>9,324,176</u>	<u>---</u>
Noncurrent Liabilities:			
Long term claims payable	---	---	---
Sick and annual leave payable	41,833	---	---
Total Noncurrent Liabilities	<u>41,833</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>562,549</u>	<u>9,324,176</u>	<u>---</u>
Net Assets:			
Invested in capital assets, net of related debt	928,611	---	---
Unrestricted	3,991	28,892,191	---
Total Net Assets	<u>932,602</u>	<u>28,892,191</u>	<u>---</u>
Total Liabilities and Net Assets	<u>\$ 1,495,151</u>	<u>\$ 38,216,367</u>	<u>\$ ---</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ 3,428,644	\$ 7,260,331	\$ 48,803,910
---	833	62,241
---	---	63,062
---	---	349,000
---	---	194,502
<u>3,428,644</u>	<u>7,261,164</u>	<u>49,472,715</u>
---	---	928,611
<u>\$ 3,428,644</u>	<u>\$ 7,261,164</u>	<u>\$ 50,401,326</u>
\$ 75,693	\$ 132,915	\$ 1,366,245
---	---	3,296,424
---	---	49,831
<u>268,000</u>	<u>2,880,512</u>	<u>8,489,512</u>
<u>343,693</u>	<u>3,013,427</u>	<u>13,202,012</u>
3,081,527	3,743,109	6,824,636
---	---	41,833
<u>3,081,527</u>	<u>3,743,109</u>	<u>6,866,469</u>
<u>3,425,220</u>	<u>6,756,536</u>	<u>20,068,481</u>
---	---	928,611
<u>3,424</u>	<u>504,628</u>	<u>29,404,234</u>
<u>3,424</u>	<u>504,628</u>	<u>30,332,845</u>
<u>\$ 3,428,644</u>	<u>\$ 7,261,164</u>	<u>\$ 50,401,326</u>

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Year Ended June 30, 2007

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Operating Revenues:			
Premium revenue	\$ ---	\$ 60,927,406	\$ 3,317,855
Charges for services	6,784,892	---	---
Total operating revenues	<u>6,784,892</u>	<u>60,927,406</u>	<u>3,317,855</u>
Operating expenses:			
Salaries and wages	797,867	---	---
Fringe benefits	230,664	---	---
Supplies	1,520,052	---	---
Services	564,584	3,996,181	---
Professional and contracted services	16,883	875,530	---
Rent, utilities, and maintenance	4,093,588	---	---
Insurance	---	---	3,343,602
Depreciation	88,467	---	---
Other expenses	149	---	---
Claims incurred	---	49,134,248	202,601
Total operating expenses	<u>7,312,254</u>	<u>54,005,959</u>	<u>3,546,203</u>
Operating income (loss)	(527,362)	6,921,447	(228,348)
Nonoperating revenues (expenses):			
Interest income	---	1,969,221	91,771
Income (loss) before transfers	<u>(527,362)</u>	<u>8,890,668</u>	<u>(136,577)</u>
Other financing sources (uses):			
Transfers in	800,000	841,932	---
Transfers out	---	(399,400)	(841,932)
Net transfers	<u>800,000</u>	<u>442,532</u>	<u>(841,932)</u>
Change in net assets	272,638	9,333,200	(978,509)
Net assets:			
June 30, 2006	<u>659,964</u>	<u>19,558,991</u>	<u>978,509</u>
June 30, 2007	<u>\$ 932,602</u>	<u>\$ 28,892,191</u>	<u>\$ ---</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ 463,250	\$ 4,768,866	\$ 69,477,377
---	116,904	6,901,796
<u>463,250</u>	<u>4,885,770</u>	<u>76,379,173</u>
---	---	797,867
---	---	230,664
---	---	1,520,052
---	3,350	4,564,115
---	13,557	905,970
---	---	4,093,588
---	---	3,343,602
---	---	88,467
---	---	149
<u>1,531,522</u>	<u>3,405,220</u>	<u>54,273,591</u>
<u>1,531,522</u>	<u>3,422,127</u>	<u>69,818,065</u>
(1,068,272)	1,463,643	6,561,108
---	---	2,060,992
<u>(1,068,272)</u>	<u>1,463,643</u>	<u>8,622,100</u>
712,802	---	2,354,734
---	---	(1,241,332)
<u>712,802</u>	<u>---</u>	<u>1,113,402</u>
(355,470)	1,463,643	9,735,502
<u>358,894</u>	<u>(959,015)</u>	<u>20,597,343</u>
<u>\$ 3,424</u>	<u>\$ 504,628</u>	<u>\$ 30,332,845</u>

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2007

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Cash flows from operations:			
Receipts from customers	\$ 6,762,744	\$ ---	\$ ---
Premiums received	---	61,019,554	3,092,988
Refunds received from suppliers	---	186,063	---
Cash payments to suppliers	(6,173,717)	(4,001,345)	(3,343,602)
Cash payments to employees	(1,020,283)	---	---
Claims paid	---	(49,933,977)	(202,601)
Net cash provided by (used in) operating activities	<u>(431,256)</u>	<u>7,270,295</u>	<u>(453,215)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	800,000	841,932	---
Transfers to other funds	---	(399,400)	(841,932)
Net cash provided by (used in) noncapital financing activities	<u>800,000</u>	<u>442,532</u>	<u>(841,932)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(663,909)	---	---
Net cash used in capital and related financing activities	<u>(663,909)</u>	<u>---</u>	<u>---</u>
Cash flows from investing activities:			
Interest and investment earnings	---	1,969,221	91,771
Net cash provided by investing activities	<u>---</u>	<u>1,969,221</u>	<u>91,771</u>
Net increase (decrease) in cash and cash equivalents	(295,165)	9,682,048	(1,203,376)
Cash and cash equivalents, June 30, 2006	<u>592,648</u>	<u>28,135,404</u>	<u>1,203,376</u>
Cash and cash equivalents, June 30, 2007	<u>\$ 297,483</u>	<u>\$ 37,817,452</u>	<u>\$ ---</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ (527,362)</u>	<u>\$ 6,921,447</u>	<u>\$ (228,348)</u>
Adjustments:			
Depreciation	88,467	---	---
Changes in assets and liabilities			
Accounts receivable and accrued revenues	(22,148)	16,736	---
Inventories	65,310	---	---
Accounts payable and accrued liabilities	(43,771)	30,174	---
Sick and annual leave	8,248	---	---
Deferred revenue	---	75,413	(224,867)
Insurance claims payable	---	64,000	---
Deposits	---	162,525	---
Total adjustments	<u>96,106</u>	<u>348,848</u>	<u>(224,867)</u>
Net cash provided by (used in) operating activities	<u>\$ (431,256)</u>	<u>\$ 7,270,295</u>	<u>\$ (453,215)</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ ---	\$ ---	\$ 6,762,744
463,250	4,768,866	69,344,658
---	116,071	302,134
---	(16,907)	(13,535,571)
---	---	(1,020,283)
<u>(1,307,655)</u>	<u>(2,418,299)</u>	<u>(53,862,532)</u>
<u>(844,405)</u>	<u>2,449,731</u>	<u>7,991,150</u>
712,802	---	2,354,734
---	---	(1,241,332)
<u>712,802</u>	<u>---</u>	<u>1,113,402</u>
---	---	(663,909)
---	---	(663,909)
---	---	2,060,992
---	---	2,060,992
(131,603)	2,449,731	10,501,635
<u>3,560,247</u>	<u>4,810,600</u>	<u>38,302,275</u>
<u>\$ 3,428,644</u>	<u>\$ 7,260,331</u>	<u>\$ 48,803,910</u>
<u>\$ (1,068,272)</u>	<u>\$ 1,463,643</u>	<u>\$ 6,561,108</u>
---	---	88,467
---	(833)	(6,245)
---	---	65,310
64,093	92,190	142,686
---	---	8,248
---	---	(149,454)
159,774	894,731	1,118,505
---	---	162,525
<u>223,867</u>	<u>986,088</u>	<u>1,430,042</u>
<u>\$ (844,405)</u>	<u>\$ 2,449,731</u>	<u>\$ 7,991,150</u>

Nonmajor Component Units
Combining Statement of Net Assets
June 30, 2007

	Agricenter International	Emergency Communications District	Total
Assets:			
Cash and cash equivalents	\$ 136,757	\$ 4,894,207	\$ 5,030,964
Investments	200,000	9,746,357	9,946,357
Accounts receivable	64,528	1,015,128	1,079,656
Inventories	1,875	---	1,875
Other assets	19,522	312,129	331,651
Capital assets, net	1,839,856	3,727,623	5,567,479
Total Assets	\$ 2,262,538	\$ 19,695,444	\$ 21,957,982
Liabilities:			
Accounts payable and accrued expenses	\$ 339,561	\$ 136,765	\$ 476,326
Deferred revenue	123,270	---	123,270
Long-term liabilities			
Due within one year	23,824	---	23,824
Due in more than one year	35,711	---	35,711
Total Liabilities	522,366	136,765	659,131
Net Assets:			
Invested in capital assets, net of related debt	1,780,321	3,727,623	5,507,944
Unrestricted	(40,149)	15,831,056	15,790,907
Total Net Assets	1,740,172	19,558,679	21,298,851
Total Liabilities and Net Assets	\$ 2,262,538	\$ 19,695,444	\$ 21,957,982

**Nonmajor Component Units
Combining Statement of Activities
For the Year Ended June 30, 2007**

	Expenses	Program Revenues	Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Agricenter International	Emergency Communications District	Total Nonmajor Component Units
Agricenter International	\$ 3,136,126	\$ 2,811,408	\$ (324,718)	\$ ---	\$ (324,718)
Emergency Communications District	3,989,211	8,771,146	---	4,781,935	4,781,935
Total nonmajor component units	<u>\$ 7,125,337</u>	<u>\$ 11,582,554</u>	<u>(324,718)</u>	<u>4,781,935</u>	<u>4,457,217</u>
General revenues:					
Unrestricted investment earnings			12,364	513,266	525,630
Effect of extraordinary items			135,612	---	135,612
Total general revenues			<u>147,976</u>	<u>513,266</u>	<u>661,242</u>
Changes in net assets			(176,742)	5,295,201	5,118,459
Net assets - June 30, 2006			1,916,914	14,263,478	16,180,392
Net assets - June 30, 2007			<u>\$ 1,740,172</u>	<u>\$ 19,558,679</u>	<u>\$ 21,298,851</u>

**Constitutional Officers
General and Agency Funds
Combined Schedule of Assets and Liabilities
June 30, 2007**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court Clerk
Assets:					
Cash and cash equivalents	\$ ---	\$ 25,047,086	\$ 16,025,541	\$ 2,762,174	\$ 6,466,980
Investments	---	---	1,000,000	---	1,800,000
Accounts receivable	---	---	---	884,655	---
Total Assets	\$ ---	\$ 25,047,086	\$ 17,025,541	\$ 3,646,829	\$ 8,266,980
Liabilities:					
Funds held for others	\$ ---	\$ 24,750,690	\$ 16,483,967	\$ 2,269,589	\$ 6,579,867
Due to other governmental entities	---	---	33,613	214,231	268,096
Due to other funds and departments	---	296,396	507,961	1,163,009	1,419,017
Due to component units	---	---	---	---	---
Accounts payable and accrued expenses	---	---	---	---	---
Total Liabilities	\$ ---	\$ 25,047,086	\$ 17,025,541	\$ 3,646,829	\$ 8,266,980

**General and Agency Funds
Combined Schedule of Cash Receipts, Disbursements and Balance
For the Year Ended June 30, 2007**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court Clerk
Receipts:					
Fund accounts	\$ ---	\$ 20,737,769	\$ 12,038,220	\$ 5,746,570	\$ 12,281,475
Fee and commission	4,090,610	3,691,033	2,686,706	3,893,859	9,429,979
Interest	---	338,973	286,323	87,422	382,571
Total receipts	4,090,610	24,767,775	15,011,249	9,727,851	22,094,025
Disbursements	4,104,598	10,253,866	19,058,062	9,372,918	21,245,963
Excess of receipts over(under) disbursements	(13,988)	14,513,909	(4,046,813)	354,933	848,062
Balance - July 1, 2006	13,988	10,533,177	21,072,354	2,407,241	7,418,918
Balance - June 30, 2007	\$ ---	\$ 25,047,086	\$ 17,025,541	\$ 2,762,174	\$ 8,266,980

**General Fund
Combined Schedule of Changes in Fee and Commission Accounts
For the Year Ended June 30, 2007**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court Clerk
Revenues:					
Fees and commission	\$ 4,090,610	\$ 3,691,033	\$ 2,686,706	\$ 3,893,859	\$ 9,429,979
Interest	---	338,973	286,323	87,422	382,571
Total revenues	4,090,610	4,030,006	2,973,029	3,981,281	9,812,550
Expenditures and other uses:					
Other uses:					
Transfers	4,090,610	4,030,006	2,973,029	3,981,281	9,812,550
Total expenditures and other uses	4,090,610	4,030,006	2,973,029	3,981,281	9,812,550
Excess of revenues and other uses over (under) expenditures and other uses	---	---	---	---	---
Excess fees - June 30, 2006	---	---	---	---	---
Excess fees - June 30, 2007	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Elimination of General Funds	Total
\$ 10,286,163	\$ 7,289,412	\$ 10,848,716	\$ 3,408,919	\$ 470,480,860	\$ (352,085,880)	\$ 200,529,971
---	---	1,000,000	---	---	---	3,800,000
---	---	936,999	---	509,212	(764,050)	1,566,816
<u>\$ 10,286,163</u>	<u>\$ 7,289,412</u>	<u>\$ 12,785,715</u>	<u>\$ 3,408,919</u>	<u>\$ 470,990,072</u>	<u>\$ (352,849,930)</u>	<u>\$ 205,896,787</u>
\$ 10,201,475	\$ 7,113,844	\$ 1,733	\$ 2,829,922	\$ 10,906,093	\$ ---	\$ 81,137,180
2,488	---	5,998,661	---	10,398,306	---	16,915,395
50,753	175,568	6,785,321	578,997	341,872,908	(352,849,930)	---
---	---	---	---	107,812,765	---	107,812,765
31,447	---	---	---	---	---	31,447
<u>\$ 10,286,163</u>	<u>\$ 7,289,412</u>	<u>\$ 12,785,715</u>	<u>\$ 3,408,919</u>	<u>\$ 470,990,072</u>	<u>\$ (352,849,930)</u>	<u>\$ 205,896,787</u>

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 14,837,794	\$ 8,353,211	\$ 142,028,047	\$ 35,189,343	\$ 3,139,227,151	\$ 3,390,439,580
661,265	1,801,617	9,328,476	6,431,603	20,069,955	62,085,103
---	---	940,572	134,608	1,955,594	4,126,063
<u>15,499,059</u>	<u>10,154,828</u>	<u>152,297,095</u>	<u>41,755,554</u>	<u>3,161,252,700</u>	<u>3,456,650,746</u>
13,412,779	9,661,043	154,877,217	42,008,604	3,049,157,847	3,333,152,897
2,086,280	493,785	(2,580,122)	(253,050)	112,094,853	123,497,849
<u>8,199,883</u>	<u>6,795,627</u>	<u>14,428,838</u>	<u>3,661,969</u>	<u>358,386,007</u>	<u>432,918,002</u>
<u>\$ 10,286,163</u>	<u>\$ 7,289,412</u>	<u>\$ 11,848,716</u>	<u>\$ 3,408,919</u>	<u>\$ 470,480,860</u>	<u>\$ 556,415,851</u>

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 661,265	\$ 1,801,617	\$ 9,328,476	\$ 6,431,603	\$ 20,069,955	\$ 62,085,103
---	---	940,572	134,608	1,955,594	4,126,063
<u>661,265</u>	<u>1,801,617</u>	<u>10,269,048</u>	<u>6,566,211</u>	<u>22,025,549</u>	<u>66,211,166</u>
661,265	1,801,617	10,269,048	6,566,211	22,025,549	66,211,166
<u>661,265</u>	<u>1,801,617</u>	<u>10,269,048</u>	<u>6,566,211</u>	<u>22,025,549</u>	<u>66,211,166</u>
---	---	---	---	---	---
---	---	---	---	---	---
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Schedule of General Obligation Bonds-Except for School Purposes

June 30, 2007

	General Obligation		General Obligation		General Obligation		General Obligation		General Obligation	
Date of Issuance	04/30/1992	c	05/15/1993	11/14/1996	c	11/01/1996	05/01/1997	11/01/1997		
	04/01/1992	s		11/01/1996	s					
Interest Rate %	\$ 51,129,321	\$ 43,028,564	\$ 43,640,742	\$ 19,045,000	\$ 10,770,000	\$ 34,019,243				
	3.15-6.50	3.40-5.50	5.00-6.00	4.05-5.20	5.25-5.60	4.50-5.75				
Fiscal Year										
2008	\$ 1,094,491	\$ 1,718,237	\$ ---	\$ 2,265,000	\$ 1,065,000	\$ 1,323,945				
2009	1,026,675	1,824,404	---	1,900,000	1,125,000	7,592,292				
2010	---	1,936,160	---	---	1,195,000	2,800,050				
2011	---	---	---	---	---	1,846,307				
2012	---	---	5,568,495	---	---	1,954,544				
2013	---	---	5,548,176	---	---	938,662				
2014	---	---	928,841	---	---	888,604				
2015	---	---	871,662	---	---	839,725				
2016	---	---	817,210	---	---	2,094,155				
2017	---	---	772,912	---	---	790,142				
2018	---	---	---	---	---	2,229,059				
2019	---	---	---	---	---	2,362,395				
2020	---	---	---	---	---	1,027,469				
2021	---	---	---	---	---	---				
2022	---	---	---	---	---	---				
2023	---	---	---	---	---	---				
2024	---	---	---	---	---	---				
2025	---	---	---	---	---	---				
2026	---	---	---	---	---	---				
2027	---	---	---	---	---	---				
2028	---	---	---	---	---	---				
2029	---	---	---	---	---	---				
2030	---	---	---	---	---	---				
2031	---	---	---	---	---	---				
2032	---	---	---	---	---	---				
TOTAL	\$ 2,121,166	\$ 5,478,801	\$ 14,507,296	\$ 4,165,000	\$ 3,385,000	\$ 26,687,349				

(c) Capital Appreciation Bonds
(s) Serial Bonds

Note: Certain bonds are treated as defeased and not included above. The specific series and maturities are shown following these schedules of general obligation bonds.

**Schedule of General Obligation Bonds-Except for School Purposes
(continued)
June 30, 2007**

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	10/01/2000	10/01/2000	12/01/2000	12/1/2001	06/10/2003	03/31/2004
Interest Rate %	\$ 6,037,543	\$ 4,879,089	\$ 16,284,078	\$ 100,033,534	\$ 57,220,000	\$ 18,881,170
	4.75-5.625	5.00	(Variable)	4.50 - 5.00	4.00-5.00	3.00-5.00
Fiscal Year						
2008	\$ 137,857	\$ 802,789	\$ 821,674	\$ 3,535,258	\$ 1,180,000	\$ 1,680,875
2009	148,926	841,760	896,371	3,677,936	1,340,000	1,850,940
2010	148,926	---	896,371	3,804,762	1,270,000	2,036,825
2011	---	---	7,320,365	3,963,293	865,000	2,240,508
2012	---	---	---	---	---	2,461,987
2013	---	---	---	---	---	2,709,175
2014	---	---	---	---	---	2,980,092
2015	---	---	---	---	---	---
2016	---	---	---	---	---	---
2017	---	---	---	---	3,725,000	---
2018	---	---	---	---	4,095,000	---
2019	---	---	---	---	4,505,000	---
2020	---	---	---	---	4,955,000	---
2021	---	---	---	---	5,450,000	---
2022	---	---	---	---	5,995,000	---
2023	---	---	---	---	6,595,000	---
2024	---	---	---	---	---	---
2025	---	---	---	---	---	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
2031	---	---	---	---	---	---
2032	---	---	---	---	---	---
TOTAL	\$ 435,709	\$ 1,644,549	\$ 9,934,781	\$ 14,981,249	\$ 39,975,000	\$ 15,960,402

Schedule of General Obligation Bonds-School Purposes

June 30, 2007

	General Obligation		General Obligation		General Obligation		General Obligation		General Obligation	
Date of Issuance	04/30/1992	c	05/15/1993	11/14/1996	c	11/01/1997	02/15/1998	01/28/1999		
	04/01/1992	s		11/01/1996	s					
	\$ 33,689,029		\$ 33,976,436	\$ 51,045,323		\$ 74,415,173	\$ 50,730,825	\$ 33,855,377		
Interest Rate %	3.15-6.50		3.40-5.50		5.00-6.00		4.50-5.75		5.00-5.10 (Variable)	
Fiscal Year										
2008	\$ 721,159	\$ 1,356,763	\$ ---	\$ 2,896,055	\$ 232,803	\$ 5,712,985				
2009	676,475	1,440,596	---	16,607,708	253,047	220,069				
2010	---	1,528,840	---	6,124,950	263,169	237,674				
2011	---	---	---	4,038,693	273,291	3,397,862				
2012	---	---	6,513,311	4,275,456	283,412	4,691,866				
2013	---	---	6,489,541	2,053,270	3,502,168	3,274,623				
2014	---	---	1,086,439	1,943,772	4,554,843	5,149,609				
2015	---	---	1,019,558	1,836,850	4,747,158	4,489,403				
2016	---	---	955,867	4,580,845	5,415,202	1,443,651				
2017	---	---	904,052	1,728,391	5,376,739	1,496,468				
2018	---	---	---	4,875,941	5,364,592	1,584,495				
2019	---	---	---	5,167,605	5,635,858	1,646,114				
2020	---	---	---	2,247,531	5,951,661	184,858				
2021	---	---	---	---	5,263,374	---				
2022	---	---	---	---	2,024,374	---				
2023	---	---	---	---	---	---				
2024	---	---	---	---	---	---				
2025	---	---	---	---	---	---				
2026	---	---	---	---	---	---				
2027	---	---	---	---	---	---				
2028	---	---	---	---	---	---				
2029	---	---	---	---	---	---				
2030	---	---	---	---	---	---				
2031	---	---	---	---	---	---				
2032	---	---	---	---	---	---				
TOTAL	\$ 1,397,634	\$ 4,326,199	\$ 16,968,768	\$ 58,377,067	\$ 49,141,691	\$ 33,529,675				

**Schedule of General Obligation Bonds-School Purposes
(continued)
June 30, 2007**

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	12/01/2000	12/01/2001	06/10/2003	11/12/2003	03/31/2004	04/15/2004
	\$ 5,515,922	\$ 57,716,466	\$ 89,355,000	\$ 32,110,000	\$ 28,858,830	\$ 176,950,269
Interest Rate %	(Variable)	4.50-5.00	4.00-5.00	2.50-5.00	3.00-5.00	(Variable)
Fiscal Year						
2008	\$ 278,326	\$ 2,039,742	\$ 790,000	\$ 875,000	\$ 2,569,125	\$ ---
2009	303,629	2,122,063	925,000	895,000	2,829,060	---
2010	303,629	2,195,238	720,000	920,000	3,113,175	---
2011	2,479,635	2,286,706	2,260,000	950,000	3,424,493	---
2012	---	---	---	980,000	3,763,013	---
2013	---	---	---	1,020,000	4,140,825	---
2014	---	---	---	1,060,000	4,554,908	---
2015	---	---	---	1,105,000	---	5,011,305
2016	---	---	---	1,150,000	---	5,513,040
2017	---	---	3,275,000	1,200,000	---	6,063,135
2018	---	---	3,600,000	1,250,000	---	6,667,635
2019	---	---	3,960,000	1,310,000	---	7,338,630
2020	---	---	4,355,000	1,365,000	---	8,070,075
2021	---	---	4,795,000	1,430,000	---	8,877,083
2022	---	---	5,270,000	1,495,000	---	9,765,698
2023	---	---	5,800,000	1,570,000	---	10,741,965
2024	---	---	6,380,000	1,645,000	---	11,814,953
2025	---	---	7,015,000	1,725,000	---	12,996,750
2026	---	---	7,720,000	1,810,000	---	13,775,000
2027	---	---	8,490,000	1,905,000	---	15,150,000
2028	---	---	9,340,000	2,000,000	---	16,665,000
2029	---	---	---	1,910,000	---	18,335,000
2030	---	---	---	---	---	20,165,000
2031	---	---	---	---	---	---
2032	---	---	---	---	---	---
TOTAL	\$ 3,365,219	\$ 8,643,750	\$ 74,695,000	\$ 29,570,000	\$ 24,394,598	\$ 176,950,269

<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>Combined Total</u>
03/10/2005	02/22/2006	02/22/2006	11/30/2006	
\$ 241,373,000	\$ 42,161,627	\$ 159,590,000	\$ 197,846,127	
3.00-5.00	5.00	(Variable)	(Variable)	
\$ 5,133,000	\$ ---	\$ ---	\$ 3,663,189	\$ 36,829,541
4,992,000	---	---	3,816,833	45,842,155
6,911,000	---	---	16,725,599	48,520,709
12,719,000	6,981,627	---	10,807,416	53,522,122
13,068,000	9,555,000	---	2,667,068	48,600,766
10,413,000	7,070,000	---	2,772,164	42,160,811
19,085,000	6,220,000	---	3,246,252	46,900,823
23,034,000	3,360,000	---	3,375,177	47,978,450
27,887,000	8,975,000	---	3,504,101	59,424,706
20,044,000	---	7,425,000	3,646,249	51,159,033
25,380,000	---	2,020,000	2,265,884	53,008,547
20,504,000	---	---	3,364,202	48,926,409
19,026,000	---	2,705,000	3,527,016	47,432,140
6,195,000	---	8,505,000	6,464,976	41,530,433
6,090,000	---	9,575,000	14,410,000	48,630,072
5,205,000	---	7,130,000	26,290,000	56,736,965
5,170,000	---	7,450,000	27,330,000	59,789,953
4,700,000	---	23,900,000	6,530,000	56,866,750
---	---	26,130,000	6,785,000	56,220,000
---	---	20,110,000	7,050,000	52,705,000
---	---	6,625,000	7,325,000	41,955,000
---	---	12,680,000	7,610,000	40,535,000
---	---	6,055,000	7,910,000	34,130,000
---	---	19,280,000	8,220,000	27,500,000
---	---	---	8,540,000	8,540,000
<u>\$ 235,556,000</u>	<u>\$ 42,161,627</u>	<u>\$ 159,590,000</u>	<u>\$ 197,846,127</u>	1,155,445,388
Total general obligation bonds - except for school purposes				<u>626,558,892</u>
Total general obligation bonds				<u>\$ 1,782,004,280</u>

June 30, 2007

Defeased Bonds: **

	<u>Bond Series</u>		<u>Maturity Dates</u>	<u>Total Defeased Principal</u>
1999 Series A	Public Improvement/School	Current interest bonds	05/01/10-24	\$ 48,400,000
1999 Series B	Public Improvement/School	Current interest bonds	06/01/10-24	69,100,000
2000 Series A	Public Improvement/School	Current interest bonds	04/01/11-21,25	124,975,000
2001 Series A	Public Improvement/School	Current interest bonds	04/01/12-24	111,475,000
2003 Series A	Public Improvement/School	Current interest bonds	03/01/12-16	26,530,000
Total				<u>\$ 380,480,000</u>

** All issues shown at original issue par value amounts. See Note (IV)(H) for an explanation of refundings and defeasance.

Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 131,540,000	\$ 131,540,000	\$ 137,909,050	\$ 6,369,050
Other local taxes	19,140,000	19,140,000	20,910,087	1,770,087
Local revenue	2,275,964	2,275,964	2,399,069	123,105
State revenue	254,227	254,227	254,227	---
Elected officials' fines and fees	---	---	892,186	892,186
Other revenues	3,450	3,450	3,790,436	3,786,986
Total revenues	<u>153,213,641</u>	<u>153,213,641</u>	<u>166,155,055</u>	<u>12,941,414</u>
Expenditures:				
Professional and contracted services	51,868	51,868	30,938	20,930
Debt service	159,497,908	160,630,308	159,735,535	894,773
Contingencies and restrictions	1,154,030	1,154,030	---	1,154,030
Total expenditures	<u>160,703,806</u>	<u>161,836,206</u>	<u>159,766,473</u>	<u>2,069,733</u>
Excess (deficiency) of revenues over expenditures	<u>(7,490,165)</u>	<u>(8,622,565)</u>	<u>6,388,582</u>	<u>15,011,147</u>
Other financing sources (uses):				
Transfers in	9,119,011	7,710,294	7,218,419	(491,875)
Transfers out	(7,581,000)	(6,481,000)	(6,478,700)	2,300
Other sources (uses)	5,952,154	7,393,271	348,631	(7,044,640)
Total other financing sources (uses)	<u>7,490,165</u>	<u>8,622,565</u>	<u>1,088,350</u>	<u>(7,534,215)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 7,476,932</u>	<u>\$ 7,476,932</u>

General Fund
Budgetary Comparison Schedule-Summary By Type
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 196,782,000	\$ 204,660,000	\$ 204,704,877	\$ 44,877
Other local taxes	22,270,000	25,379,000	25,440,837	61,837
Local revenue	27,545,246	28,463,026	25,164,696	(3,298,330)
State revenue	19,317,164	19,825,136	21,963,864	2,138,728
Federal revenue	10,000	10,000	41,215	31,215
Patient service revenue	897,900	897,900	1,009,668	111,768
Elected officials' fines and fees	57,201,578	59,656,578	61,145,914	1,489,336
Other revenues	5,712,258	6,334,262	9,499,568	3,165,306
Total revenues	<u>329,736,146</u>	<u>345,225,902</u>	<u>348,970,639</u>	<u>3,744,737</u>
Expenditures:				
Salaries	166,681,795	171,079,403	170,791,506	287,897
Other compensation	9,524,027	10,806,228	10,592,062	214,166
Fringe benefits	52,579,454	47,989,508	47,659,466	330,042
Supplies	12,783,617	12,572,975	12,040,879	532,096
Services	4,976,482	5,026,641	4,767,891	258,750
Professional and contracted services	33,850,187	32,349,759	31,763,189	586,570
Rent, utilities, and maintenance	16,071,370	16,783,744	16,363,367	420,377
Interdepartmental expenditures	77,660	311,247	198,591	112,656
Intergovernmental expenditures	250,000	250,000	244,531	5,469
Asset acquisitions	2,601,795	3,663,207	3,655,448	7,759
Debt service	2,850,000	2,150,000	1,975,568	174,432
Special funded projects	26,774,167	26,379,167	26,379,167	---
Grants	206,000	206,000	206,000	---
Contingencies and restrictions	(2,591,813)	---	---	---
Total expenditures	<u>326,634,741</u>	<u>329,567,879</u>	<u>326,637,665</u>	<u>2,930,214</u>
Excess (deficiency) of revenues over expenditures	<u>3,101,405</u>	<u>15,658,023</u>	<u>22,332,974</u>	<u>6,674,951</u>
Other financing sources (uses):				
Transfers in	11,612,662	11,703,525	10,562,251	(1,141,274)
Transfers out	(14,714,067)	(27,677,878)	(26,895,225)	782,653
Other sources (uses)	---	316,330	---	(316,330)
Total other financing sources (uses)	<u>(3,101,405)</u>	<u>(15,658,023)</u>	<u>(16,332,974)</u>	<u>(674,951)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>

General Fund

Budgetary Comparison Schedule-Summary By Department
For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
County Attorney	\$ 105,000	\$ 103,323	\$ (1,677)
Director of Administration and Finance	332,820	228,960	(103,860)
Central Operations	251,477,581	253,787,829	2,310,248
Personnel	---	588	588
Purchasing	150,000	453	(149,547)
Information Technology	1,796,960	1,731,135	(65,825)
Finance	459,176	465,434	6,258
Board of Equalization	120,000	115,910	(4,090)
Election Commission	582,672	370,308	(212,364)
	<u>255,024,209</u>	<u>256,803,940</u>	<u>1,779,731</u>
Planning and Development			
Department of Housing	5,000	2,605	(2,395)
	<u>5,000</u>	<u>2,605</u>	<u>(2,395)</u>
Public Works			
Director and Staff of Public Works	---	5,449	5,449
County Engineer	206,500	162,154	(44,346)
Emergency Services	494,900	494,900	---
Environmental Improvement	112,000	14,505	(97,495)
Shelby Farms	132,000	135,212	3,212
Agricultural Extension Service	5,000	3,100	(1,900)
Conservation Board	475,000	421,486	(53,514)
Port Commission	800,000	936,659	136,659
Support Services	2,450,860	1,537,715	(913,145)
	<u>4,676,260</u>	<u>3,711,180</u>	<u>(965,080)</u>
Health Services			
Forensic Services	250,000	143,835	(106,165)
Administration and Finance - Health Services	11,825,399	11,836,622	11,223
Environmental Health Services	2,181,148	2,220,073	38,925
Personal Health Services	2,720,886	2,284,768	(436,118)
Assessment and Assurance	850,000	976,502	126,502
	<u>17,827,433</u>	<u>17,461,800</u>	<u>(365,633)</u>
Community Services			
Crime Victims Center	200,000	66,829	(133,171)
Pretrial Services	375,000	268,100	(106,900)
	<u>575,000</u>	<u>334,929</u>	<u>(240,071)</u>
Law Enforcement			
Sheriff	3,915,420	4,222,573	307,153
	<u>3,915,420</u>	<u>4,222,573</u>	<u>307,153</u>

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Judicial			
General Sessions Civil Court Judges	\$ 300,000	\$ 345,952	\$ 45,952
General Sessions Criminal Court Judges	525,000	504,063	(20,937)
Chancery Court Clerk	3,280,000	4,030,006	750,006
Circuit Court Clerk	2,780,000	2,991,918	211,918
Criminal Court Clerk	5,673,500	3,962,390	(1,711,110)
General Sessions Court Clerk	7,988,620	9,353,105	1,364,485
Probate Court Clerk	500,000	661,265	161,265
Juvenile Court Clerk	1,300,000	1,552,371	252,371
Juvenile Court	224,600	249,246	24,646
Public Defender	3,228,950	3,142,860	(86,090)
Divorce Referee	325,000	312,600	(12,400)
Attorney General	117,045	134,886	17,841
	<u>26,242,715</u>	<u>27,240,662</u>	<u>997,947</u>
Other Elected Officials			
Legislative Operations	5,500	2,911	(2,589)
Assessor	279,000	329,231	50,231
County Clerk	9,083,622	10,269,048	1,185,426
Register	6,365,000	6,566,211	201,211
Trustee	21,226,743	22,025,549	798,806
	<u>36,959,865</u>	<u>39,192,950</u>	<u>2,233,085</u>
Total revenues	<u>345,225,902</u>	<u>348,970,639</u>	<u>3,744,737</u>
Expenditures:			
General Government			
Mayor's Office	453,788	446,613	7,175
Public Affairs	453,246	452,156	1,090
Chief Administrative Officer	1,897,989	1,870,929	27,060
Office on Health Policy	234,101	222,157	11,944
County Attorney	3,243,381	3,237,111	6,270
Director of Administration and Finance	1,592,797	1,570,779	22,018
Central Operations	26,637,388	26,301,186	336,202
County Grants	1,518,500	1,518,500	---
Personnel	2,630,755	2,610,046	20,709
Purchasing	898,019	892,244	5,775
Information Technology	9,712,794	9,643,913	68,881
Finance	3,287,667	3,272,247	15,420
Board of Equalization	397,597	394,884	2,713
Election Commission	4,106,430	3,978,285	128,145
	<u>57,064,452</u>	<u>56,411,050</u>	<u>653,402</u>
Planning and Development			
Department of Housing	453,742	443,279	10,463
	<u>453,742</u>	<u>443,279</u>	<u>10,463</u>

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Public Works			
Director and Staff of Public Works	\$ 680,550	\$ 675,626	\$ 4,924
County Engineer	2,414,295	2,404,240	10,055
Emergency Services	1,315,397	1,315,397	---
Environmental Improvement	14,505	14,505	---
Soil Conservation	61,033	60,011	1,022
Shelby Farms	660,872	626,595	34,277
Agricultural Extension Service	279,922	279,653	269
Conservation Board	585,677	571,040	14,637
Port Commission	455,119	455,119	---
Support Services	13,664,439	13,585,507	78,932
	<u>20,131,809</u>	<u>19,987,693</u>	<u>144,116</u>
Health Services			
Director of Health Services	317,970	317,970	---
Forensic Services	2,469,268	2,459,187	10,081
Administration and Finance - Health Services	13,285,163	13,244,775	40,388
Environmental Health Services	2,972,951	2,918,497	54,454
Personal Health Services	10,752,661	10,415,141	337,520
Assessment and Assurance	1,583,493	1,531,636	51,857
	<u>31,381,506</u>	<u>30,887,206</u>	<u>494,300</u>
Community Services			
Director of Community Services	229,481	225,992	3,489
Special Funded Projects	325,000	322,700	2,300
Crime Victims Center	317,869	315,910	1,959
Office on Aging	85,398	83,427	1,971
Pretrial Services	3,066,930	3,066,614	316
	<u>4,024,678</u>	<u>4,014,643</u>	<u>10,035</u>
Law Enforcement			
Sheriff	134,295,485	134,007,234	288,251
	<u>134,295,485</u>	<u>134,007,234</u>	<u>288,251</u>
Judicial			
Chancery Court Judges	39,116	37,628	1,488
Circuit Court Judges	118,036	111,704	6,332
Criminal Court Judges	55,164	47,108	8,056
General Sessions Civil Court Judges	1,142,408	1,134,273	8,135
General Sessions Criminal Court Judges	2,933,757	2,875,550	58,207
Probate Court Judges	452,017	448,860	3,157
Chancery Court Clerk	1,320,332	1,269,395	50,937
Circuit Court Clerk	2,595,315	2,523,574	71,741
Criminal Court Clerk	4,635,428	4,575,648	59,780
General Sessions Court Clerk	7,236,335	7,085,302	151,033
Probate Court Clerk	567,308	559,273	8,035
Juvenile Court Clerk	3,989,238	3,864,389	124,849
Juvenile Court	14,582,090	14,579,061	3,029
Public Defender	7,611,299	7,580,065	31,234
Divorce Referee	457,085	456,283	802
Jury Commission	759,565	758,457	1,108
Attorney General	7,479,189	7,473,775	5,414
	<u>55,973,682</u>	<u>55,380,345</u>	<u>593,337</u>

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Other Elected Officials			
Legislative Operations	\$ 2,012,458	\$ 1,761,958	\$ 250,500
Equal Opportunity Compliance	793,627	732,999	60,628
Assessor	9,964,871	9,750,320	214,551
County Clerk	4,894,792	4,805,028	89,764
Register	1,893,060	1,830,078	62,982
Trustee	6,683,717	6,625,832	57,885
	<u>26,242,525</u>	<u>25,506,215</u>	<u>736,310</u>
 Total Expenditures	 <u>329,567,879</u>	 <u>326,637,665</u>	 <u>2,930,214</u>
 Excess (deficiency) of revenues over expenditures	 <u>15,658,023</u>	 <u>22,332,974</u>	 <u>6,674,951</u>
Other Financing Sources and Uses			
Transfers in			
Director of Administration and Finance	367,417	146	(367,271)
Central Operations	4,122,863	4,122,863	---
Finance	300,523	523	(300,000)
Director and Staff of Public Works	48,164	48,164	---
County Engineer	1,750,000	1,750,000	---
Support Services	989	989	---
Administration and Finance - Health Services	1,973,820	1,643,283	(330,537)
Environmental Health Services	---	121,717	121,717
Personal Health Services	1,157,750	1,010,900	(146,850)
Assessment and Assurance	33,267	33,267	---
Special Funded Projects	325,000	322,700	(2,300)
Sheriff	5,785	5,785	---
Juvenile Court Clerk	90,225	50,232	(39,993)
Juvenile Court	1,527,722	1,451,682	(76,040)
Total transfers in	<u>11,703,525</u>	<u>10,562,251</u>	<u>(1,141,274)</u>
Transfers out			
Director of Administration and Finance	(95,262)	(88,280)	6,982
Central Operations	(24,087,802)	(24,086,670)	1,132
Department of Housing	(178,084)	(172,868)	5,216
Director and Staff of Public Works	(498,335)	(408,279)	90,056
Environmental Improvement	(35,105)	---	35,105
Port Commission	(344,881)	---	344,881
Environmental Health Services	(1,479,606)	(1,228,513)	251,093
Personal Health Services	(483,119)	(483,118)	1
Special Funded Projects	(143,906)	(143,906)	---
Crime Victims Center	(67,792)	(67,792)	---
Pretrial Services	(25,000)	(25,000)	---
Juvenile Court Clerk	(231,590)	(183,403)	48,187
Juvenile Court	(7,396)	(7,396)	---
Total transfers out	<u>(27,677,878)</u>	<u>(26,895,225)</u>	<u>782,653</u>
Other sources (uses)			
Central Operations	316,330	---	(316,330)
Total other sources (uses)	<u>316,330</u>	<u>---</u>	<u>(316,330)</u>
 Total other financing sources (uses)	 <u>(15,658,023)</u>	 <u>(16,332,974)</u>	 <u>(674,951)</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ ---</u>	 <u>\$ 6,000,000</u>	 <u>\$ 6,000,000</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Mayor's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 330,418	\$ 274,906	\$ 274,906	\$ ---
Other compensation	---	9,996	9,996	---
Fringe benefits	85,517	70,836	70,475	361
Supplies	33,500	43,500	40,022	3,478
Services	13,550	29,092	25,965	3,127
Professional and contracted services	3,000	4,848	4,848	---
Rent, utilities, and maintenance	16,000	13,985	13,985	---
Interdepartmental expenditures	6,000	6,625	6,416	209
Total expenditures	487,985	453,788	446,613	7,175
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (487,985)	\$ (453,788)	\$ (446,613)	\$ 7,175

Public Affairs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 338,797	\$ 326,821	\$ 326,821	\$ ---
Other compensation	---	5,174	5,174	---
Fringe benefits	94,527	93,451	93,451	---
Supplies	14,000	22,200	21,609	591
Services	5,800	5,600	5,101	499
Total expenditures	453,124	453,246	452,156	1,090
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (453,124)	\$ (453,246)	\$ (452,156)	\$ 1,090

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,360,025	\$ 1,294,793	\$ 1,294,497	\$ 296
Fringe benefits	335,055	326,811	325,654	1,157
Supplies	43,004	52,103	46,098	6,005
Services	34,211	38,061	29,003	9,058
Professional and contracted services	25,000	148,440	137,896	10,544
Asset acquisitions	---	37,781	37,781	---
Total expenditures	1,797,295	1,897,989	1,870,929	27,060
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,797,295)	\$ (1,897,989)	\$ (1,870,929)	\$ 27,060

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Office on Health Policy

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 193,032	\$ 160,110	\$ 160,110	\$ ---
Fringe benefits	48,952	44,508	44,132	376
Supplies	1,983	913	(7,152)	8,065
Services	3,000	4,070	4,067	3
Professional and contracted services	---	24,500	21,000	3,500
Total expenditures	246,967	234,101	222,157	11,944
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (246,967)	\$ (234,101)	\$ (222,157)	\$ 11,944

County Attorney

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 105,000	\$ 105,000	\$ 103,323	\$ (1,677)
Total revenues	105,000	105,000	103,323	(1,677)
Expenditures:				
Salaries	2,100,754	2,133,582	2,133,582	---
Fringe benefits	548,615	568,515	568,395	120
Supplies	48,350	42,350	42,143	207
Services	93,600	110,600	105,547	5,053
Professional and contracted services	216,953	386,359	385,637	722
Rent, utilities, and maintenance	600	1,975	1,807	168
Total expenditures	3,008,872	3,243,381	3,237,111	6,270
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,903,872)	\$ (3,138,381)	\$ (3,133,788)	\$ 4,593

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Director of Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 169,535	\$ 169,535
Elected officials' fines and fees	63,000	175,000	59,425	(115,575)
Other revenues	157,820	157,820	---	(157,820)
Total revenues	<u>220,820</u>	<u>332,820</u>	<u>228,960</u>	<u>(103,860)</u>
Expenditures:				
Salaries	731,739	684,900	684,900	---
Fringe benefits	176,630	176,492	176,209	283
Supplies	11,000	20,682	18,282	2,400
Services	6,000	8,200	5,348	2,852
Professional and contracted services	774,357	609,840	593,359	16,481
Rent, utilities, and maintenance	41,450	41,939	41,937	2
Asset acquisitions	---	50,744	50,744	---
Total expenditures	<u>1,741,176</u>	<u>1,592,797</u>	<u>1,570,779</u>	<u>22,018</u>
Excess (deficiency) of revenues over expenditures	<u>(1,520,356)</u>	<u>(1,259,977)</u>	<u>(1,341,819)</u>	<u>(81,842)</u>
Other financing sources (uses):				
Transfers in	368,217	367,417	146	(367,271)
Transfers out	(81,083)	(95,262)	(88,280)	6,982
Total other financing sources (uses)	<u>287,134</u>	<u>272,155</u>	<u>(88,134)</u>	<u>(360,289)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,233,222)</u>	<u>\$ (987,822)</u>	<u>\$ (1,429,953)</u>	<u>\$ (442,131)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Central Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 196,782,000	\$ 204,660,000	\$ 204,704,877	\$ 44,877
Other local taxes	22,270,000	25,379,000	25,440,837	61,837
Local revenue	2,424,000	3,224,000	2,076,230	(1,147,770)
State revenue	12,595,000	12,595,000	14,192,271	1,597,271
Elected officials' fines and fees	1,596,000	1,665,000	2,231,941	566,941
Other revenues	3,374,581	3,954,581	5,141,673	1,187,092
Total revenues	239,041,581	251,477,581	253,787,829	2,310,248
Expenditures:				
Salaries	(2,161,191)	(2,161,191)	(2,161,191)	---
Other compensation	---	18,893	18,757	136
Fringe benefits	---	(2,414,391)	(2,414,391)	---
Supplies	175,000	191,000	190,016	984
Services	540,224	540,224	531,934	8,290
Professional and contracted services	1,450,000	1,323,175	1,271,014	52,161
Rent, utilities, and maintenance	500,000	1,072,861	979,088	93,773
Interdepartmental expenditures	47,296	47,296	46,339	957
Intergovernmental expenditures	250,000	250,000	244,531	5,469
Asset acquisitions	---	552,854	552,854	---
Debt service	2,850,000	2,150,000	1,975,568	174,432
Special funded projects	24,066,667	25,066,667	25,066,667	---
Contingencies and restrictions	(2,000,000)	---	---	---
Total expenditures	25,717,996	26,637,388	26,301,186	336,202
Excess (deficiency) of revenues over expenditures	213,323,585	224,840,193	227,486,643	2,646,450
Other financing sources (uses):				
Transfers in	4,122,863	4,122,863	4,122,863	---
Transfers out	(11,200,000)	(24,087,802)	(24,086,670)	1,132
Other sources (uses)	---	316,330	---	(316,330)
Total other financing sources (uses)	(7,077,137)	(19,648,609)	(19,963,807)	(315,198)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 206,246,448	\$ 205,191,584	\$ 207,522,836	\$ 2,331,252

County Grants

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Special funded projects	\$ 2,707,500	\$ 1,312,500	\$ 1,312,500	\$ ---
Grants	206,000	206,000	206,000	---
Total expenditures	2,913,500	1,518,500	1,518,500	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,913,500)	\$ (1,518,500)	\$ (1,518,500)	\$ ---

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Personnel

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenues	\$ ---	\$ ---	\$ 588	\$ 588
Total revenues	<u>---</u>	<u>---</u>	<u>588</u>	<u>588</u>
Expenditures:				
Salaries	2,079,875	1,952,373	1,951,384	989
Other compensation	---	1,500	1,038	462
Fringe benefits	560,467	539,897	539,132	765
Supplies	78,400	62,085	50,577	11,508
Services	37,750	30,166	28,008	2,158
Professional and contracted services	43,250	32,900	30,317	2,583
Rent, utilities, and maintenance	15,585	11,834	9,590	2,244
Asset acquisitions	15,000	---	---	---
Total expenditures	<u>2,830,327</u>	<u>2,630,755</u>	<u>2,610,046</u>	<u>20,709</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,830,327)</u>	<u>\$ (2,630,755)</u>	<u>\$ (2,609,458)</u>	<u>\$ 21,297</u>

Purchasing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 150,000	\$ 150,000	\$ 453	\$ (149,547)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>453</u>	<u>(149,547)</u>
Expenditures:				
Salaries	748,128	676,825	676,825	---
Fringe benefits	201,007	181,756	181,604	152
Supplies	24,650	22,563	20,136	2,427
Services	16,175	9,750	6,910	2,840
Rent, utilities, and maintenance	1,000	7,125	6,769	356
Total expenditures	<u>990,960</u>	<u>898,019</u>	<u>892,244</u>	<u>5,775</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (840,960)</u>	<u>\$ (748,019)</u>	<u>\$ (891,791)</u>	<u>\$ (143,772)</u>

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Information Technology

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,795,760	\$ 1,795,760	\$ 1,729,935	\$ (65,825)
State revenue	1,200	1,200	1,200	---
Total revenues	1,796,960	1,796,960	1,731,135	(65,825)
Expenditures:				
Salaries	5,242,448	4,916,305	4,916,305	---
Other compensation	136,292	59,797	58,864	933
Fringe benefits	1,388,638	1,300,648	1,300,569	79
Supplies	814,228	743,554	733,765	9,789
Services	53,802	57,413	45,286	12,127
Professional and contracted services	1,156,970	1,130,780	1,106,136	24,644
Rent, utilities, and maintenance	1,418,344	1,337,333	1,317,274	20,059
Interdepartmental expenditures	6,200	6,450	6,283	167
Asset acquisitions	93,731	160,514	159,431	1,083
Total expenditures	10,310,653	9,712,794	9,643,913	68,881
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (8,513,693)	\$ (7,915,834)	\$ (7,912,778)	\$ 3,056

Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 459,176	\$ 459,176	\$ 465,434	\$ 6,258
Total revenues	459,176	459,176	465,434	6,258
Expenditures:				
Salaries	2,604,894	2,497,871	2,497,871	---
Other compensation	10,000	12,813	12,645	168
Fringe benefits	681,199	676,486	675,653	833
Supplies	58,651	58,513	49,523	8,990
Services	14,400	10,750	7,919	2,831
Professional and contracted services	43,810	25,834	25,833	1
Rent, utilities, and maintenance	1,700	1,500	685	815
Interdepartmental expenditures	3,900	3,900	2,118	1,782
Total expenditures	3,418,554	3,287,667	3,272,247	15,420
Excess (deficiency) of revenues over expenditures	(2,959,378)	(2,828,491)	(2,806,813)	21,678
Other financing sources (uses):				
Transfers in	300,000	300,523	523	(300,000)
Total other financing sources (uses)	300,000	300,523	523	(300,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,659,378)	\$ (2,527,968)	\$ (2,806,290)	\$ (278,322)

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Board of Equalization

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 120,000	\$ 120,000	\$ 115,910	\$ (4,090)
Total revenues	120,000	120,000	115,910	(4,090)
Expenditures:				
Salaries	270,606	265,329	264,662	667
Fringe benefits	83,774	80,320	80,320	---
Supplies	14,000	16,500	14,475	2,025
Services	62,000	34,898	34,898	---
Professional and contracted services	5,000	350	350	---
Rent, utilities, and maintenance	---	200	179	21
Total expenditures	435,380	397,597	394,884	2,713
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (315,380)	\$ (277,597)	\$ (278,974)	\$ (1,377)

Election Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 39,200	\$ 39,200	\$ 14,800	\$ (24,400)
State revenue	18,000	541,072	353,200	(187,872)
Other revenues	2,400	2,400	2,308	(92)
Total revenues	59,600	582,672	370,308	(212,364)
Expenditures:				
Salaries	2,000,477	1,886,325	1,886,231	94
Other compensation	203,060	218,621	218,190	431
Fringe benefits	341,458	322,510	316,017	6,493
Supplies	239,853	268,180	228,182	39,998
Services	543,165	729,602	682,193	47,409
Professional and contracted services	191,325	144,803	140,859	3,944
Rent, utilities, and maintenance	450,608	491,830	463,012	28,818
Interdepartmental expenditures	2,982	8,052	7,227	825
Asset acquisitions	43,907	36,507	36,374	133
Total expenditures	4,016,835	4,106,430	3,978,285	128,145
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,957,235)	\$ (3,523,758)	\$ (3,607,977)	\$ (84,219)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Department of Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,000	\$ 5,000	\$ 2,605	\$ (2,395)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,605</u>	<u>(2,395)</u>
Expenditures:				
Salaries	370,439	326,545	326,545	---
Other compensation	---	53	53	---
Fringe benefits	104,140	88,122	88,122	---
Supplies	12,945	12,540	9,946	2,594
Services	12,307	8,307	6,222	2,085
Professional and contracted services	1,077	1,257	1,085	172
Rent, utilities, and maintenance	7,561	5,561	5,538	23
Interdepartmental expenditures	11,357	11,357	5,768	5,589
Total expenditures	<u>519,826</u>	<u>453,742</u>	<u>443,279</u>	<u>10,463</u>
Excess (deficiency) of revenues over expenditures	<u>(514,826)</u>	<u>(448,742)</u>	<u>(440,674)</u>	<u>8,068</u>
Other financing sources (uses):				
Transfers out	(118,000)	(178,084)	(172,868)	5,216
Total other financing sources (uses)	<u>(118,000)</u>	<u>(178,084)</u>	<u>(172,868)</u>	<u>5,216</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (632,826)</u>	<u>\$ (626,826)</u>	<u>\$ (613,542)</u>	<u>\$ 13,284</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Director and Staff of Public Works

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 5,449	\$ 5,449
Total revenues	---	---	5,449	5,449
Expenditures:				
Salaries	444,041	393,748	393,748	---
Other compensation	---	15,578	15,530	48
Fringe benefits	112,574	94,743	94,743	---
Supplies	4,388	3,978	3,843	135
Services	1,250	1,085	502	583
Professional and contracted services	300,000	10,418	10,417	1
Interdepartmental expenditures	204,000	161,000	156,843	4,157
Total expenditures	1,066,253	680,550	675,626	4,924
Excess (deficiency) of revenues over expenditures	(1,066,253)	(680,550)	(670,177)	10,373
Other financing sources (uses):				
Transfers in	35,170	48,164	48,164	---
Transfers out	(221,378)	(498,335)	(408,279)	90,056
Total other financing sources (uses)	(186,208)	(450,171)	(360,115)	90,056
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,252,461)	\$ (1,130,721)	\$ (1,030,292)	\$ 100,429

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

County Engineer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 206,500	\$ 206,500	\$ 162,154	\$ (44,346)
Total revenues	<u>206,500</u>	<u>206,500</u>	<u>162,154</u>	<u>(44,346)</u>
Expenditures:				
Salaries	1,616,876	1,572,666	1,572,666	---
Other compensation	---	14,757	14,757	---
Fringe benefits	451,008	408,401	408,401	---
Supplies	39,450	33,845	33,599	246
Services	22,175	15,116	11,877	3,239
Professional and contracted services	153,800	200,715	195,302	5,413
Rent, utilities, and maintenance	155,500	97,695	97,003	692
Interdepartmental expenditures	79,100	71,100	70,635	465
Total expenditures	<u>2,517,909</u>	<u>2,414,295</u>	<u>2,404,240</u>	<u>10,055</u>
Excess (deficiency) of revenues over expenditures	<u>(2,311,409)</u>	<u>(2,207,795)</u>	<u>(2,242,086)</u>	<u>(34,291)</u>
Other financing sources (uses):				
Transfers in	1,750,000	1,750,000	1,750,000	---
Total other financing sources (uses)	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (561,409)</u>	<u>\$ (457,795)</u>	<u>\$ (492,086)</u>	<u>\$ (34,291)</u>

Emergency Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 494,900	\$ 494,900	\$ 494,900	\$ ---
Total revenues	<u>494,900</u>	<u>494,900</u>	<u>494,900</u>	<u>---</u>
Expenditures:				
Services	---	1,693	1,693	---
Professional and contracted services	1,363,592	1,313,704	1,313,704	---
Total expenditures	<u>1,363,592</u>	<u>1,315,397</u>	<u>1,315,397</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (868,692)</u>	<u>\$ (820,497)</u>	<u>\$ (820,497)</u>	<u>\$ ---</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Environmental Improvement

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 112,000	\$ 112,000	\$ 14,505	\$ (97,495)
Total revenues	<u>112,000</u>	<u>112,000</u>	<u>14,505</u>	<u>(97,495)</u>
Expenditures:				
Supplies	5,000	---	---	---
Professional and contracted services	112,000	14,505	14,505	---
Total expenditures	<u>117,000</u>	<u>14,505</u>	<u>14,505</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>97,495</u>	<u>---</u>	<u>(97,495)</u>
Other financing sources (uses):				
Transfers out	<u>(35,105)</u>	<u>(35,105)</u>	<u>---</u>	<u>35,105</u>
Total other financing sources (uses)	<u>(35,105)</u>	<u>(35,105)</u>	<u>---</u>	<u>35,105</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (40,105)</u>	<u>\$ 62,390</u>	<u>\$ ---</u>	<u>\$ (62,390)</u>

Soil Conservation

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 38,724	\$ 38,996	\$ 38,996	\$ ---
Fringe benefits	14,530	15,137	15,137	---
Supplies	2,600	2,600	1,873	727
Services	1,300	1,300	1,105	195
Professional and contracted services	<u>3,000</u>	<u>3,000</u>	<u>2,900</u>	<u>100</u>
Total expenditures	<u>60,154</u>	<u>61,033</u>	<u>60,011</u>	<u>1,022</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (60,154)</u>	<u>\$ (61,033)</u>	<u>\$ (60,011)</u>	<u>\$ 1,022</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Shelby Farms

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 132,000	\$ 132,000	\$ 134,357	\$ 2,357
Other revenues	---	---	855	855
Total revenues	132,000	132,000	135,212	3,212
Expenditures:				
Salaries	354,662	303,652	303,652	---
Other compensation	10,612	14,144	14,144	---
Fringe benefits	114,957	84,897	84,897	---
Supplies	21,301	31,382	15,051	16,331
Professional and contracted services	8,500	44,325	42,464	1,861
Rent, utilities, and maintenance	87,500	66,477	63,019	3,458
Interdepartmental expenditures	109,500	89,499	76,873	12,626
Asset acquisitions	20,000	26,496	26,495	1
Total expenditures	727,032	660,872	626,595	34,277
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (595,032)	\$ (528,872)	\$ (491,383)	\$ 37,489

Agricultural Extension Service

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,000	\$ 5,000	\$ 3,100	\$ (1,900)
Total revenues	5,000	5,000	3,100	(1,900)
Expenditures:				
Salaries	162,124	167,820	167,820	---
Fringe benefits	35,757	25,506	25,506	---
Rent, utilities, and maintenance	82,096	86,596	86,327	269
Total expenditures	279,977	279,922	279,653	269
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (274,977)	\$ (274,922)	\$ (276,553)	\$ (1,631)

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Conservation Board

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 475,000	\$ 475,000	\$ 416,848	\$ (58,152)
Other revenues	---	---	4,638	4,638
Total revenues	475,000	475,000	421,486	(53,514)
Expenditures:				
Salaries	80,761	80,761	80,761	---
Fringe benefits	21,874	17,387	17,387	---
Supplies	52,165	44,098	41,752	2,346
Services	6,700	2,700	942	1,758
Professional and contracted services	285,735	170,944	170,944	---
Rent, utilities, and maintenance	164,400	181,216	175,121	6,095
Interdepartmental expenditures	54,000	88,571	84,133	4,438
Total expenditures	665,635	585,677	571,040	14,637
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (190,635)	\$ (110,677)	\$ (149,554)	\$ (38,877)

Port Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 800,000	\$ 800,000	\$ 913,651	\$ 113,651
Other revenues	---	---	23,008	23,008
Total revenues	800,000	800,000	936,659	136,659
Expenditures:				
Supplies	413,682	455,119	455,119	---
Contingencies and restrictions	(267,280)	---	---	---
Total expenditures	146,402	455,119	455,119	---
Excess (deficiency) of revenues over expenditures	653,598	344,881	481,540	136,659
Other financing sources (uses):				
Transfers out	(653,598)	(344,881)	---	344,881
Total other financing sources (uses)	(653,598)	(344,881)	---	344,881
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 481,540	\$ 481,540

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,438,000	\$ 2,450,860	\$ 1,537,073	\$ (913,787)
Other revenues	---	---	642	642
Total revenues	2,438,000	2,450,860	1,537,715	(913,145)
Expenditures:				
Salaries	5,261,814	5,004,220	5,001,093	3,127
Other compensation	37,766	24,738	24,738	---
Fringe benefits	1,493,213	1,423,114	1,423,017	97
Supplies	277,700	359,725	343,465	16,260
Services	18,550	18,685	11,121	7,564
Professional and contracted services	1,421,280	1,408,388	1,387,946	20,442
Rent, utilities, and maintenance	4,724,642	5,192,464	5,165,647	26,817
Interdepartmental expenditures	86,050	143,198	138,574	4,624
Asset acquisitions	---	89,907	89,906	1
Total expenditures	13,321,015	13,664,439	13,585,507	78,932
Excess (deficiency) of revenues over expenditures	(10,883,015)	(11,213,579)	(12,047,792)	(834,213)
Other financing sources (uses):				
Transfers in	---	989	989	---
Total other financing sources (uses)	---	989	989	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (10,883,015)	\$ (11,212,590)	\$ (12,046,803)	\$ (834,213)

Director of Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 297,100	\$ 258,005	\$ 258,005	\$ ---
Fringe benefits	67,925	59,965	59,965	---
Total expenditures	365,025	317,970	317,970	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (365,025)	\$ (317,970)	\$ (317,970)	\$ ---

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Forensic Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 250,000	\$ 250,000	\$ 143,835	\$ (106,165)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>143,835</u>	<u>(106,165)</u>
Expenditures:				
Supplies	3,244	16,244	14,861	1,383
Services	223	223	41	182
Professional and contracted services	2,501,873	2,293,942	2,291,085	2,857
Rent, utilities, and maintenance	79,977	99,977	96,267	3,710
Interdepartmental expenditures	---	2,000	51	1,949
Asset acquisitions	---	56,882	56,882	---
Total expenditures	<u>2,585,317</u>	<u>2,469,268</u>	<u>2,459,187</u>	<u>10,081</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,335,317)</u>	<u>\$ (2,219,268)</u>	<u>\$ (2,315,352)</u>	<u>\$ (96,084)</u>

Administration and Finance - Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 11,823,899	\$ 11,823,899	\$ 11,834,827	\$ 10,928
Patient service revenue	500	500	51	(449)
Other revenues	1,000	1,000	1,744	744
Total revenues	<u>11,825,399</u>	<u>11,825,399</u>	<u>11,836,622</u>	<u>11,223</u>
Expenditures:				
Salaries	2,698,765	3,793,424	3,793,423	1
Other compensation	59,246	34,558	34,511	47
Fringe benefits	532,391	521,398	521,395	3
Supplies	100,425	92,144	77,371	14,773
Services	30,152	36,429	29,569	6,860
Professional and contracted services	8,458,182	8,245,047	8,242,585	2,462
Rent, utilities, and maintenance	438,112	505,037	497,368	7,669
Interdepartmental expenditures	24,103	30,003	21,431	8,572
Asset acquisitions	---	27,123	27,122	1
Contingencies and restrictions	(174,969)	---	---	---
Total expenditures	<u>12,166,407</u>	<u>13,285,163</u>	<u>13,244,775</u>	<u>40,388</u>
Excess (deficiency) of revenues over expenditures	<u>(341,008)</u>	<u>(1,459,764)</u>	<u>(1,408,153)</u>	<u>51,611</u>
Other financing sources (uses):				
Transfers in	1,935,727	1,973,820	1,643,283	(330,537)
Total other financing sources (uses)	<u>1,935,727</u>	<u>1,973,820</u>	<u>1,643,283</u>	<u>(330,537)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 1,594,719</u>	<u>\$ 514,056</u>	<u>\$ 235,130</u>	<u>\$ (278,926)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,173,800	\$ 1,112,225	\$ 862,189	\$ (250,036)
State revenue	1,068,923	1,068,923	1,357,884	288,961
Total revenues	<u>2,242,723</u>	<u>2,181,148</u>	<u>2,220,073</u>	<u>38,925</u>
Expenditures:				
Salaries	2,123,840	2,040,609	2,040,606	3
Other compensation	23,712	36,388	36,387	1
Fringe benefits	625,748	595,305	595,035	270
Supplies	67,525	55,949	32,031	23,918
Services	76,835	74,059	68,579	5,480
Professional and contracted services	116,054	24,808	19,719	5,089
Rent, utilities, and maintenance	52,955	61,305	47,181	14,124
Interdepartmental expenditures	31,838	38,338	32,770	5,568
Asset acquisitions	60,000	46,190	46,189	1
Total expenditures	<u>3,178,507</u>	<u>2,972,951</u>	<u>2,918,497</u>	<u>54,454</u>
Excess (deficiency) of revenues over expenditures	<u>(935,784)</u>	<u>(791,803)</u>	<u>(698,424)</u>	<u>93,379</u>
Other financing sources (uses):				
Transfers in	---	---	121,717	121,717
Transfers out	<u>(1,541,181)</u>	<u>(1,479,606)</u>	<u>(1,228,513)</u>	<u>251,093</u>
Total other financing sources (uses)	<u>(1,541,181)</u>	<u>(1,479,606)</u>	<u>(1,106,796)</u>	<u>372,810</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,476,965)</u>	<u>\$ (2,271,409)</u>	<u>\$ (1,805,220)</u>	<u>\$ 466,189</u>

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Personal Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,751,911	\$ 1,813,486	\$ 1,271,589	\$ (541,897)
State revenue	10,000	10,000	1,562	(8,438)
Patient service revenue	897,400	897,400	1,009,617	112,217
Other revenues	---	---	2,000	2,000
Total revenues	<u>2,659,311</u>	<u>2,720,886</u>	<u>2,284,768</u>	<u>(436,118)</u>
Expenditures:				
Salaries	4,142,873	3,525,535	3,502,376	23,159
Other compensation	57,622	48,655	48,603	52
Fringe benefits	1,168,219	972,303	962,089	10,214
Supplies	1,090,193	997,315	899,281	98,034
Services	155,888	134,645	84,223	50,422
Professional and contracted services	4,592,392	4,286,535	4,218,275	68,260
Rent, utilities, and maintenance	875,489	785,378	700,220	85,158
Interdepartmental expenditures	(12,500)	2,295	74	2,221
Asset acquisitions	11,000	---	---	---
Contingencies and restrictions	(649,564)	---	---	---
Total expenditures	<u>11,431,612</u>	<u>10,752,661</u>	<u>10,415,141</u>	<u>337,520</u>
Excess (deficiency) of revenues over expenditures	<u>(8,772,301)</u>	<u>(8,031,775)</u>	<u>(8,130,373)</u>	<u>(98,598)</u>
Other financing sources (uses):				
Transfers in	1,157,750	1,157,750	1,010,900	(146,850)
Transfers out	(421,544)	(483,119)	(483,118)	1
Total other financing sources (uses)	<u>736,206</u>	<u>674,631</u>	<u>527,782</u>	<u>(146,849)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (8,036,095)</u>	<u>\$ (7,357,144)</u>	<u>\$ (7,602,591)</u>	<u>\$ (245,447)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Assessment and Assurance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 850,000	\$ 850,000	\$ 972,690	\$ 122,690
State revenue	---	---	3,812	3,812
Total revenues	850,000	850,000	976,502	126,502
Expenditures:				
Salaries	910,374	903,276	903,276	---
Other compensation	17,436	19,063	19,063	---
Fringe benefits	270,527	258,675	258,675	---
Supplies	71,120	85,450	67,166	18,284
Services	19,413	28,213	12,804	15,409
Professional and contracted services	162,500	224,669	215,172	9,497
Rent, utilities, and maintenance	84,447	64,147	55,480	8,667
Asset acquisitions	2,500	---	---	---
Total expenditures	1,538,317	1,583,493	1,531,636	51,857
Excess (deficiency) of revenues over expenditures	(688,317)	(733,493)	(555,134)	178,359
Other financing sources (uses):				
Transfers in	---	33,267	33,267	---
Total other financing sources (uses)	---	33,267	33,267	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (688,317)	\$ (700,226)	\$ (521,867)	\$ 178,359

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 205,026	\$ 179,806	\$ 179,806	\$ ---
Fringe benefits	47,736	40,055	40,055	---
Supplies	2,120	6,420	3,599	2,821
Services	1,500	1,700	1,032	668
Professional and contracted services	---	1,500	1,500	---
Total expenditures	256,382	229,481	225,992	3,489
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (256,382)	\$ (229,481)	\$ (225,992)	\$ 3,489

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Special Funded Projects

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Services	\$ 325,000	\$ 325,000	\$ 322,700	\$ 2,300
Total expenditures	<u>325,000</u>	<u>325,000</u>	<u>322,700</u>	<u>2,300</u>
Excess (deficiency) of revenues over expenditures	<u>(325,000)</u>	<u>(325,000)</u>	<u>(322,700)</u>	<u>2,300</u>
Other financing sources (uses):				
Transfers in	325,000	325,000	322,700	(2,300)
Transfers out	<u>(143,906)</u>	<u>(143,906)</u>	<u>(143,906)</u>	<u>---</u>
Total other financing sources (uses)	<u>181,094</u>	<u>181,094</u>	<u>178,794</u>	<u>(2,300)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (143,906)</u>	<u>\$ (143,906)</u>	<u>\$ (143,906)</u>	<u>\$ ---</u>

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 200,000	\$ 200,000	\$ 65,029	\$ (134,971)
Other revenues	---	---	1,800	1,800
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>66,829</u>	<u>(133,171)</u>
Expenditures:				
Salaries	219,363	231,209	231,209	---
Fringe benefits	49,412	60,507	60,507	---
Supplies	12,684	8,803	7,093	1,710
Services	<u>15,450</u>	<u>17,350</u>	<u>17,101</u>	<u>249</u>
Total expenditures	<u>296,909</u>	<u>317,869</u>	<u>315,910</u>	<u>1,959</u>
Excess (deficiency) of revenues over expenditures	<u>(96,909)</u>	<u>(117,869)</u>	<u>(249,081)</u>	<u>(131,212)</u>
Other financing sources (uses):				
Transfers out	<u>(65,811)</u>	<u>(67,792)</u>	<u>(67,792)</u>	<u>---</u>
Total other financing sources (uses)	<u>(65,811)</u>	<u>(67,792)</u>	<u>(67,792)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (162,720)</u>	<u>\$ (185,661)</u>	<u>\$ (316,873)</u>	<u>\$ (131,212)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Office on Aging

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 46,356	\$ 46,356	\$ 46,356	\$ ---
Fringe benefits	18,842	19,842	19,155	687
Services	33,400	17,400	16,583	817
Rent, utilities, and maintenance	1,800	1,800	1,333	467
Total expenditures	<u>100,398</u>	<u>85,398</u>	<u>83,427</u>	<u>1,971</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (100,398)</u>	<u>\$ (85,398)</u>	<u>\$ (83,427)</u>	<u>\$ 1,971</u>

Pretrial Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 350,000	\$ 375,000	\$ 268,100	\$ (106,900)
Total revenues	<u>350,000</u>	<u>375,000</u>	<u>268,100</u>	<u>(106,900)</u>
Expenditures:				
Salaries	2,336,807	2,230,211	2,230,211	---
Other compensation	5,310	5,497	5,497	---
Fringe benefits	693,470	672,310	672,310	---
Supplies	29,567	24,798	24,619	179
Services	4,250	7,690	7,623	67
Professional and contracted services	102,194	102,194	102,128	66
Rent, utilities, and maintenance	12,900	24,230	24,226	4
Total expenditures	<u>3,184,498</u>	<u>3,066,930</u>	<u>3,066,614</u>	<u>316</u>
Excess (deficiency) of revenues over expenditures	<u>(2,834,498)</u>	<u>(2,691,930)</u>	<u>(2,798,514)</u>	<u>(106,584)</u>
Other financing sources (uses):				
Transfers out	---	(25,000)	(25,000)	---
Total other financing sources (uses)	<u>---</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,834,498)</u>	<u>\$ (2,716,930)</u>	<u>\$ (2,823,514)</u>	<u>\$ (106,584)</u>

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Sheriff

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 675,000	\$ 754,920	\$ 676,646	\$ (78,274)
State revenue	1,565,000	1,565,000	1,870,465	305,465
Elected officials' fines and fees	1,311,500	1,461,500	1,536,071	74,571
Other revenues	134,000	134,000	139,391	5,391
Total revenues	3,685,500	3,915,420	4,222,573	307,153
Expenditures:				
Salaries	79,226,627	80,138,242	80,120,573	17,669
Other compensation	8,229,190	9,441,433	9,400,488	40,945
Fringe benefits	26,669,795	25,200,035	25,133,698	66,337
Supplies	5,763,938	5,779,282	5,679,054	100,228
Services	1,104,234	1,116,327	1,090,905	25,422
Professional and contracted services	7,287,383	7,109,657	7,086,155	23,502
Rent, utilities, and maintenance	4,221,198	4,014,667	4,002,922	11,745
Interdepartmental expenditures	(635,144)	(471,501)	(471,501)	---
Asset acquisitions	1,836,600	1,967,343	1,964,940	2,403
Total expenditures	133,703,821	134,295,485	134,007,234	288,251
Excess (deficiency) of revenues over expenditures	(130,018,321)	(130,380,065)	(129,784,661)	595,404
Other financing sources (uses):				
Transfers in	---	5,785	5,785	---
Total other financing sources (uses)	---	5,785	5,785	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (130,018,321)	\$ (130,374,280)	\$ (129,778,876)	\$ 595,404

Chancery Court Judges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 45,381	\$ 34,837	\$ 34,481	\$ 356
Fringe benefits	4,279	4,279	3,147	1,132
Total expenditures	49,660	39,116	37,628	1,488
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (49,660)	\$ (39,116)	\$ (37,628)	\$ 1,488

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Circuit Court Judges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 107,865	\$ 107,865	\$ 101,992	\$ 5,873
Fringe benefits	10,171	10,171	9,712	459
Total expenditures	<u>118,036</u>	<u>118,036</u>	<u>111,704</u>	<u>6,332</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (118,036)</u>	<u>\$ (118,036)</u>	<u>\$ (111,704)</u>	<u>\$ 6,332</u>

Criminal Court Judges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 63,708	\$ 49,157	\$ 43,137	\$ 6,020
Fringe benefits	6,007	6,007	3,971	2,036
Total expenditures	<u>69,715</u>	<u>55,164</u>	<u>47,108</u>	<u>8,056</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (69,715)</u>	<u>\$ (55,164)</u>	<u>\$ (47,108)</u>	<u>\$ 8,056</u>

General Sessions Civil Court Judges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 300,000	\$ 300,000	\$ 345,952	\$ 45,952
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>345,952</u>	<u>45,952</u>
Expenditures:				
Salaries	932,048	899,777	899,167	610
Other compensation	---	10	2	8
Fringe benefits	206,312	195,967	195,356	611
Supplies	24,100	23,000	19,980	3,020
Services	20,333	16,754	15,311	1,443
Rent, utilities, and maintenance	6,400	6,900	4,457	2,443
Total expenditures	<u>1,189,193</u>	<u>1,142,408</u>	<u>1,134,273</u>	<u>8,135</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (889,193)</u>	<u>\$ (842,408)</u>	<u>\$ (788,321)</u>	<u>\$ 54,087</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

General Sessions Criminal Court Judges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 75,000	\$ ---	\$ ---	\$ ---
Elected officials' fines and fees	525,000	525,000	504,063	(20,937)
Total revenues	<u>600,000</u>	<u>525,000</u>	<u>504,063</u>	<u>(20,937)</u>
Expenditures:				
Salaries	2,156,205	2,127,290	2,118,047	9,243
Other compensation	---	2,850	1,350	1,500
Fringe benefits	534,591	509,241	504,502	4,739
Supplies	62,850	58,963	47,093	11,870
Services	35,000	36,287	36,050	237
Professional and contracted services	297,784	178,626	149,519	29,107
Rent, utilities, and maintenance	17,200	20,500	18,989	1,511
Total expenditures	<u>3,103,630</u>	<u>2,933,757</u>	<u>2,875,550</u>	<u>58,207</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,503,630)</u>	<u>\$ (2,408,757)</u>	<u>\$ (2,371,487)</u>	<u>\$ 37,270</u>

Probate Court Judges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 361,562	\$ 362,562	\$ 361,932	\$ 630
Fringe benefits	90,455	89,455	86,928	2,527
Total expenditures	<u>452,017</u>	<u>452,017</u>	<u>448,860</u>	<u>3,157</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (452,017)</u>	<u>\$ (452,017)</u>	<u>\$ (448,860)</u>	<u>\$ 3,157</u>

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Chancery Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 3,200,000	\$ 3,200,000	\$ 3,691,033	\$ 491,033
Other revenues	80,000	80,000	338,973	258,973
Total revenues	3,280,000	3,280,000	4,030,006	750,006
Expenditures:				
Salaries	934,250	888,738	876,330	12,408
Fringe benefits	263,056	259,056	234,548	24,508
Supplies	51,950	59,849	52,195	7,654
Services	18,750	16,914	15,782	1,132
Professional and contracted services	1,500	150	150	---
Rent, utilities, and maintenance	92,500	87,698	82,463	5,235
Asset acquisitions	15,000	7,927	7,927	---
Total expenditures	1,377,006	1,320,332	1,269,395	50,937
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,902,994	\$ 1,959,668	\$ 2,760,611	\$ 800,943

Circuit Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 1,750,000	\$ 2,680,000	\$ 2,686,706	\$ 6,706
Other revenues	100,000	100,000	305,212	205,212
Total revenues	1,850,000	2,780,000	2,991,918	211,918
Expenditures:				
Salaries	1,845,409	1,831,845	1,829,181	2,664
Other compensation	5,771	5,771	527	5,244
Fringe benefits	494,803	484,803	470,859	13,944
Supplies	104,700	100,253	80,646	19,607
Services	31,300	25,798	24,107	1,691
Professional and contracted services	1,100	1,600	1,552	48
Rent, utilities, and maintenance	151,804	145,245	116,702	28,543
Asset acquisitions	5,800	---	---	---
Total expenditures	2,640,687	2,595,315	2,523,574	71,741
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (790,687)	\$ 184,685	\$ 468,344	\$ 283,659

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Criminal Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 4,464,000	\$ 5,658,000	\$ 3,874,968	\$ (1,783,032)
Other revenues	15,500	15,500	87,422	71,922
Total revenues	4,479,500	5,673,500	3,962,390	(1,711,110)
Expenditures:				
Salaries	3,542,187	3,333,507	3,317,081	16,426
Other compensation	12,000	12,700	12,616	84
Fringe benefits	1,002,198	1,001,498	970,617	30,881
Supplies	124,787	122,487	118,624	3,863
Services	47,420	62,070	55,218	6,852
Professional and contracted services	2,900	1,250	1,250	---
Rent, utilities, and maintenance	122,391	98,666	98,336	330
Interdepartmental expenditures	3,250	3,250	1,906	1,344
Asset acquisitions	20,000	---	---	---
Total expenditures	4,877,133	4,635,428	4,575,648	59,780
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (397,633)	\$ 1,038,072	\$ (613,258)	\$ (1,651,330)

General Sessions Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 7,750,620	\$ 7,750,620	\$ 8,970,534	\$ 1,219,914
Other revenues	238,000	238,000	382,571	144,571
Total revenues	7,988,620	7,988,620	9,353,105	1,364,485
Expenditures:				
Salaries	4,940,744	4,900,244	4,887,175	13,069
Other compensation	116,057	94,057	31,441	62,616
Fringe benefits	1,531,346	1,509,936	1,484,151	25,785
Supplies	329,388	302,774	300,487	2,287
Services	256,090	198,799	187,433	11,366
Professional and contracted services	48,500	48,500	45,248	3,252
Rent, utilities, and maintenance	224,192	171,926	141,384	30,542
Interdepartmental expenditures	3,889	3,889	1,918	1,971
Asset acquisitions	51,784	6,210	6,065	145
Total expenditures	7,501,990	7,236,335	7,085,302	151,033
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 486,630	\$ 752,285	\$ 2,267,803	\$ 1,515,518

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Probate Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 500,000	\$ 500,000	\$ 661,265	\$ 161,265
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>661,265</u>	<u>161,265</u>
Expenditures:				
Salaries	395,340	392,569	391,340	1,229
Fringe benefits	121,194	115,194	111,693	3,501
Supplies	31,045	33,045	32,230	815
Services	9,500	9,500	8,463	1,037
Professional and contracted services	2,500	2,174	2,164	10
Rent, utilities, and maintenance	14,500	14,826	13,383	1,443
Asset acquisitions	2,000	---	---	---
Total expenditures	<u>576,079</u>	<u>567,308</u>	<u>559,273</u>	<u>8,035</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (76,079)</u>	<u>\$ (67,308)</u>	<u>\$ 101,992</u>	<u>\$ 169,300</u>

Juvenile Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 775,000	\$ 775,000	\$ 792,332	\$ 17,332
Elected officials' fines and fees	525,000	525,000	760,039	235,039
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,552,371</u>	<u>252,371</u>
Expenditures:				
Salaries	2,827,313	2,732,109	2,667,036	65,073
Other compensation	31,042	31,042	28,557	2,485
Fringe benefits	857,209	857,209	835,471	21,738
Supplies	145,650	126,230	115,511	10,719
Services	76,750	56,478	52,949	3,529
Professional and contracted services	131,000	132,850	128,962	3,888
Rent, utilities, and maintenance	48,000	38,820	28,619	10,201
Interdepartmental expenditures	4,500	14,500	7,284	7,216
Total expenditures	<u>4,121,464</u>	<u>3,989,238</u>	<u>3,864,389</u>	<u>124,849</u>
Excess (deficiency) of revenues over expenditures	<u>(2,821,464)</u>	<u>(2,689,238)</u>	<u>(2,312,018)</u>	<u>377,220</u>
Other financing sources (uses):				
Transfers in	90,225	90,225	50,232	(39,993)
Transfers out	(231,590)	(231,590)	(183,403)	48,187
Total other financing sources (uses)	<u>(141,365)</u>	<u>(141,365)</u>	<u>(133,171)</u>	<u>8,194</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,962,829)</u>	<u>\$ (2,830,603)</u>	<u>\$ (2,445,189)</u>	<u>\$ 385,414</u>

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Juvenile Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 218,600	\$ 218,600	\$ 246,441	\$ 27,841
Other revenues	6,000	6,000	2,805	(3,195)
Total revenues	<u>224,600</u>	<u>224,600</u>	<u>249,246</u>	<u>24,646</u>
Expenditures:				
Salaries	8,851,187	8,995,755	9,006,426	(10,671)
Other compensation	25,000	107,229	107,228	1
Fringe benefits	2,613,746	2,565,949	2,565,949	---
Supplies	592,866	572,205	568,425	3,780
Services	67,978	45,109	45,109	---
Professional and contracted services	1,397,294	1,293,374	1,285,500	7,874
Rent, utilities, and maintenance	987,360	939,475	937,430	2,045
Interdepartmental expenditures	9,000	12,854	12,854	---
Asset acquisitions	---	50,140	50,140	---
Total expenditures	<u>14,544,431</u>	<u>14,582,090</u>	<u>14,579,061</u>	<u>3,029</u>
Excess (deficiency) of revenues over expenditures	<u>(14,319,831)</u>	<u>(14,357,490)</u>	<u>(14,329,815)</u>	<u>27,675</u>
Other financing sources (uses):				
Transfers in	1,527,710	1,527,722	1,451,682	(76,040)
Transfers out	(871)	(7,396)	(7,396)	---
Total other financing sources (uses)	<u>1,526,839</u>	<u>1,520,326</u>	<u>1,444,286</u>	<u>(76,040)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (12,792,992)</u>	<u>\$ (12,837,164)</u>	<u>\$ (12,885,529)</u>	<u>\$ (48,365)</u>

Public Defender

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,900,000	\$ 2,959,900	\$ 3,034,100	\$ 74,200
Elected officials' fines and fees	269,050	269,050	108,760	(160,290)
Total revenues	<u>3,169,050</u>	<u>3,228,950</u>	<u>3,142,860</u>	<u>(86,090)</u>
Expenditures:				
Salaries	6,047,067	5,968,631	5,968,621	10
Fringe benefits	1,481,060	1,495,970	1,495,960	10
Supplies	63,500	83,500	65,977	17,523
Services	19,100	17,800	15,817	1,983
Professional and contracted services	66,000	11,784	11,784	---
Rent, utilities, and maintenance	9,500	15,800	14,217	1,583
Interdepartmental expenditures	16,000	15,000	7,689	7,311
Asset acquisitions	33,814	2,814	---	2,814
Total expenditures	<u>7,736,041</u>	<u>7,611,299</u>	<u>7,580,065</u>	<u>31,234</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (4,566,991)</u>	<u>\$ (4,382,349)</u>	<u>\$ (4,437,205)</u>	<u>\$ (54,856)</u>

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Divorce Referee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 325,000	\$ 325,000	\$ 312,600	\$ (12,400)
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>312,600</u>	<u>(12,400)</u>
Expenditures:				
Salaries	315,683	339,283	339,248	35
Fringe benefits	109,802	115,602	115,569	33
Supplies	1,700	1,700	1,376	324
Services	500	500	90	410
Total expenditures	<u>427,685</u>	<u>457,085</u>	<u>456,283</u>	<u>802</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (102,685)</u>	<u>\$ (132,085)</u>	<u>\$ (143,683)</u>	<u>\$ (11,598)</u>

Jury Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 203,400	\$ 203,400	\$ 203,400	\$ ---
Fringe benefits	62,247	61,747	61,739	8
Supplies	2,724	2,724	2,445	279
Services	496,750	484,144	483,598	546
Professional and contracted services	7,550	7,550	7,275	275
Total expenditures	<u>772,671</u>	<u>759,565</u>	<u>758,457</u>	<u>1,108</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (772,671)</u>	<u>\$ (759,565)</u>	<u>\$ (758,457)</u>	<u>\$ 1,108</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 30,000	\$ 30,000	\$ 23,079	\$ (6,921)
State revenue	35,041	35,041	37,428	2,387
Federal revenue	10,000	10,000	41,215	31,215
Other revenues	---	42,004	33,164	(8,840)
Total revenues	<u>75,041</u>	<u>117,045</u>	<u>134,886</u>	<u>17,841</u>
Expenditures:				
Salaries	5,459,944	5,680,908	5,680,908	---
Other compensation	---	49,316	49,316	---
Fringe benefits	1,423,601	1,482,147	1,482,147	---
Supplies	159,827	73,501	73,468	33
Services	43,125	33,435	33,434	1
Professional and contracted services	36,399	25,087	25,086	1
Rent, utilities, and maintenance	138,510	123,629	118,250	5,379
Interdepartmental expenditures	13,500	11,166	11,166	---
Total expenditures	<u>7,274,906</u>	<u>7,479,189</u>	<u>7,473,775</u>	<u>5,414</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (7,199,865)</u>	<u>\$ (7,362,144)</u>	<u>\$ (7,338,889)</u>	<u>\$ 23,255</u>

Commissioner's Contingency

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ (5,100,000)	\$ ---	\$ ---	\$ ---
Contingencies and restrictions	500,000	---	---	---
Total expenditures	<u>(4,600,000)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 4,600,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Legislative Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,500	\$ 5,500	\$ 2,911	\$ (2,589)
Total revenues	5,500	5,500	2,911	(2,589)
Expenditures:				
Salaries	780,681	780,681	780,530	151
Other compensation	371,433	352,433	311,906	40,527
Fringe benefits	284,590	289,590	288,761	829
Supplies	65,650	165,567	123,408	42,159
Services	45,800	55,314	54,998	316
Professional and contracted services	100,000	336,564	171,046	165,518
Rent, utilities, and maintenance	15,500	27,315	26,315	1,000
Asset acquisitions	12,013	4,994	4,994	---
Total expenditures	1,675,667	2,012,458	1,761,958	250,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,670,167)	\$ (2,006,958)	\$ (1,759,047)	\$ 247,911

Equal Opportunity Compliance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 554,899	\$ 515,134	\$ 496,516	\$ 18,618
Other compensation	---	2,000	1,881	119
Fringe benefits	152,100	150,100	134,031	16,069
Supplies	23,500	23,500	20,585	2,915
Services	39,950	23,496	22,506	990
Professional and contracted services	150,000	74,417	55,889	18,528
Rent, utilities, and maintenance	4,300	4,300	1,591	2,709
Asset acquisitions	2,000	680	---	680
Total expenditures	926,749	793,627	732,999	60,628
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (926,749)	\$ (793,627)	\$ (732,999)	\$ 60,628

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Assessor

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,000	\$ 5,000	\$ 9,621	\$ 4,621
State revenue	274,000	274,000	319,610	45,610
Total revenues	279,000	279,000	329,231	50,231
Expenditures:				
Salaries	6,777,171	6,637,849	6,625,148	12,701
Other compensation	60,612	50,612	10,996	39,616
Fringe benefits	1,883,731	1,885,231	1,855,917	29,314
Supplies	237,500	205,876	197,621	8,255
Services	120,500	145,792	138,132	7,660
Professional and contracted services	420,100	467,007	363,549	103,458
Rent, utilities, and maintenance	310,400	283,565	272,124	11,441
Interdepartmental expenditures	2,500	2,500	394	2,106
Asset acquisitions	105,000	286,439	286,439	---
Total expenditures	9,917,514	9,964,871	9,750,320	214,551
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (9,638,514)	\$ (9,685,871)	\$ (9,421,089)	\$ 264,782

County Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 8,732,795	\$ 8,732,795	\$ 9,328,476	\$ 595,681
Other revenues	350,827	350,827	940,572	589,745
Total revenues	9,083,622	9,083,622	10,269,048	1,185,426
Expenditures:				
Salaries	3,208,615	3,121,613	3,106,976	14,637
Other compensation	27,739	27,739	16,371	11,368
Fringe benefits	1,043,376	1,043,376	980,427	62,949
Supplies	304,199	354,368	354,366	2
Services	169,243	109,747	109,747	---
Professional and contracted services	9,500	1,229	1,229	---
Rent, utilities, and maintenance	175,021	209,543	208,735	808
Interdepartmental expenditures	4,781	8,177	8,177	---
Asset acquisitions	18,320	19,000	19,000	---
Total expenditures	4,960,794	4,894,792	4,805,028	89,764
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 4,122,828	\$ 4,188,830	\$ 5,464,020	\$ 1,275,190

General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Register

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 25,000	\$ 25,000	\$ ---	\$ (25,000)
Elected officials' fines and fees	6,300,000	6,300,000	6,431,603	131,603
Other revenues	40,000	40,000	134,608	94,608
Total revenues	6,365,000	6,365,000	6,566,211	201,211
Expenditures:				
Salaries	1,351,357	1,341,755	1,318,926	22,829
Other compensation	44,000	49,500	49,481	19
Fringe benefits	406,056	371,056	370,314	742
Supplies	46,042	72,917	72,363	554
Services	5,550	13,425	13,416	9
Professional and contracted services	37,097	7,717	7,408	309
Rent, utilities, and maintenance	36,800	36,530	36,520	10
Interdepartmental expenditures	---	160	(38,350)	38,510
Asset acquisitions	5,260	---	---	---
Total expenditures	1,932,162	1,893,060	1,830,078	62,982
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 4,432,838	\$ 4,471,940	\$ 4,736,133	\$ 264,193

Trustee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 100,000	\$ 100,000	\$ 114,877	\$ 14,877
Elected officials' fines and fees	19,914,613	19,914,613	19,955,078	40,465
Other revenues	1,212,130	1,212,130	1,955,594	743,464
Total revenues	21,226,743	21,226,743	22,025,549	798,806
Expenditures:				
Salaries	3,703,205	3,689,864	3,639,883	49,981
Other compensation	40,127	39,311	31,955	7,356
Fringe benefits	959,567	960,383	960,383	---
Supplies	884,973	636,681	636,680	1
Services	220,539	258,931	258,930	1
Professional and contracted services	361,736	472,443	472,443	---
Rent, utilities, and maintenance	283,128	391,874	391,874	---
Interdepartmental expenditures	1,558	1,568	1,519	49
Asset acquisitions	248,066	232,662	232,165	497
Total expenditures	6,702,899	6,683,717	6,625,832	57,885
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 14,523,844	\$ 14,543,026	\$ 15,399,717	\$ 856,691

Grants Fund
Budgetary Comparison Schedule-Summary By Type
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 10,764,632	\$ 12,120,538	\$ 6,750,060	\$ (5,370,478)
State revenue	61,470,357	81,306,159	62,569,784	(18,736,375)
Federal revenue	31,708,123	39,833,050	29,153,760	(10,679,290)
Patient service revenue	1,430,244	1,432,502	1,316,089	(116,413)
Other revenues	544,996	664,026	656,906	(7,120)
Total revenues	105,918,352	135,356,275	100,446,599	(34,909,676)
Expenditures:				
Salaries	42,738,211	41,992,856	37,342,549	4,650,307
Other compensation	228,990	938,013	881,204	56,809
Fringe benefits	12,568,662	12,539,076	11,132,401	1,406,675
Supplies	2,005,649	10,951,874	7,667,244	3,284,630
Services	8,435,298	8,921,490	3,123,086	5,798,404
Professional and contracted services	37,666,108	48,084,386	28,323,917	19,760,469
Rent, utilities, and maintenance	2,347,235	8,914,542	8,324,657	589,885
Interdepartmental expenditures	(60,783)	53,759	20,358	33,401
Intergovernmental expenditures	1,000	1,000	---	1,000
Asset acquisitions	172,635	3,643,064	2,555,045	1,088,019
Contingencies and restrictions	(13,371)	2,623	---	2,623
Total expenditures	106,089,634	136,042,683	99,370,461	36,672,222
Excess (deficiency) of revenues over expenditures	(171,282)	(686,408)	1,076,138	1,762,546
Other financing sources (uses):				
Transfers in	4,094,846	5,406,281	3,878,250	(1,528,031)
Transfers out	(5,273,564)	(6,069,873)	(4,731,462)	1,338,411
Other sources (uses)	1,350,000	1,350,000	---	(1,350,000)
Total other financing sources (uses)	171,282	686,408	(853,212)	(1,539,620)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 222,926	\$ 222,926

Grants Fund

Budgetary Comparison Schedule-Summary By Department
For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ 484,730	\$ 433,852	\$ (50,878)
Office on Health Policy	301,816	253,652	(48,164)
Director of Administration and Finance	336,736	317,984	(18,752)
Finance	523	523	---
	<u>1,123,805</u>	<u>1,006,011</u>	<u>(117,794)</u>
Planning and Development			
Economic and Resource Management	2,072,208	540,980	(1,531,228)
Department of Housing	12,522,789	3,738,022	(8,784,767)
Regional Services	7,847,240	1,446,648	(6,400,592)
	<u>22,442,237</u>	<u>5,725,650</u>	<u>(16,716,587)</u>
Public Works			
County Engineer	3,694,105	850,627	(2,843,478)
Emergency Services	8,309,865	5,403,146	(2,906,719)
Environmental Improvement	1,044,668	636,939	(407,729)
Chickasaw Basin Authority	93,703	54,655	(39,048)
Fire Department	399,132	399,079	(53)
Roads and Bridges	241,388	208,173	(33,215)
Support Services	50,989	989	(50,000)
	<u>13,833,850</u>	<u>7,553,608</u>	<u>(6,280,242)</u>
Corrections			
Corrections	1,221,306	804,512	(416,794)
	<u>1,221,306</u>	<u>804,512</u>	<u>(416,794)</u>
Health Services			
Administration and Finance - Health Services	928,459	928,459	---
Environmental Health Services	1,925,120	1,513,695	(411,425)
Personal Health Services	23,983,048	19,513,401	(4,469,647)
Assessment and Assurance	1,872,972	1,851,539	(21,433)
	<u>28,709,599</u>	<u>23,807,094</u>	<u>(4,902,505)</u>
Community Services			
Community Services Administration	11,433,378	10,972,637	(460,741)
Headstart	24,229,425	21,954,658	(2,274,767)
Crime Victims Center	396,811	319,328	(77,483)
Pretrial Services	295,546	211,036	(84,510)
Aging Commission of the Mid-South	7,610,260	5,832,554	(1,777,706)
	<u>43,965,420</u>	<u>39,290,213</u>	<u>(4,675,207)</u>
Law Enforcement			
Sheriff	2,031,853	1,664,260	(367,593)
	<u>2,031,853</u>	<u>1,664,260</u>	<u>(367,593)</u>

Budgetary Comparison Schedule-Summary By Department (continued)

For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Judicial			
General Sessions Criminal Court Judges	\$ 943,188	\$ 933,103	\$ (10,085)
Juvenile Court Clerk	483,125	356,018	(127,107)
Juvenile Court	19,280,320	18,334,290	(946,030)
Attorney General	1,271,572	921,840	(349,732)
	<u>21,978,205</u>	<u>20,545,251</u>	<u>(1,432,954)</u>
Other Elected Officials			
Register	50,000	50,000	---
	<u>50,000</u>	<u>50,000</u>	<u>---</u>
 Total revenues	 <u>135,356,275</u>	 <u>100,446,599</u>	 <u>(34,909,676)</u>
Expenditures:			
General Government			
Chief Administrative Officer	484,730	433,852	50,878
Office on Health Policy	301,816	257,001	44,815
Director of Administration and Finance	419,188	406,118	13,070
	<u>1,205,734</u>	<u>1,096,971</u>	<u>108,763</u>
Planning and Development			
Economic and Resource Management	2,072,208	540,980	1,531,228
Department of Housing	14,050,873	3,687,964	10,362,909
Regional Services	8,068,389	1,556,383	6,512,006
	<u>24,191,470</u>	<u>5,785,327</u>	<u>18,406,143</u>
Public Works			
County Engineer	3,694,105	850,627	2,843,478
Emergency Services	8,573,828	5,661,993	2,911,835
Environmental Improvement	1,079,773	636,939	442,834
Chickasaw Basin Authority	58,533	19,485	39,048
Fire Department	569,180	569,127	53
Roads and Bridges	241,388	208,173	33,215
Support Services	50,000	---	50,000
	<u>14,266,807</u>	<u>7,946,344</u>	<u>6,320,463</u>
Corrections			
Corrections	1,258,442	824,652	433,790
	<u>1,258,442</u>	<u>824,652</u>	<u>433,790</u>
Health Services			
Environmental Health Services	3,145,289	2,538,909	606,380
Personal Health Services	23,233,199	18,878,489	4,354,710
Assessment and Assurance	1,834,705	1,809,928	24,777
	<u>28,213,193</u>	<u>23,227,326</u>	<u>4,985,867</u>

Budgetary Comparison Schedule-Summary By Department (continued)

For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Community Services			
Community Services Administration	\$ 11,433,378	\$ 10,972,637	\$ 460,741
Headstart	24,229,425	21,954,658	2,274,767
Crime Victims Center	464,602	387,120	77,482
Pretrial Services	320,546	236,036	84,510
Aging Commission of the Mid-South	7,743,266	5,976,460	1,766,806
	<u>44,191,217</u>	<u>39,526,911</u>	<u>4,664,306</u>
Law Enforcement			
Sheriff	2,116,576	1,728,794	387,782
	<u>2,116,576</u>	<u>1,728,794</u>	<u>387,782</u>
Judicial			
General Sessions Criminal Court Judges	943,188	933,103	10,085
Juvenile Court Clerk	624,490	489,189	135,301
Juvenile Court	17,759,994	16,890,004	869,990
Attorney General	1,271,572	921,840	349,732
	<u>20,599,244</u>	<u>19,234,136</u>	<u>1,365,108</u>
Total Expenditures	<u>136,042,683</u>	<u>99,370,461</u>	<u>36,672,222</u>
Excess (deficiency) of revenues over expenditures	<u>(686,408)</u>	<u>1,076,138</u>	<u>1,762,546</u>
Other Financing Sources and Uses			
Transfers in			
Director of Administration and Finance	95,262	88,280	(6,982)
Economic and Resource Management	273,624	146,595	(127,029)
Department of Housing	534,416	176,507	(357,909)
Regional Services	493,832	222,943	(270,889)
Emergency Services	740,658	735,542	(5,116)
Environmental Improvement	95,315	---	(95,315)
Fire Department	170,048	170,048	---
Corrections	70,136	53,140	(16,996)
Environmental Health Services	1,541,181	1,228,513	(312,668)
Personal Health Services	421,544	483,118	61,574
Community Services Administration	13,400	8,514	(4,886)
Crime Victims Center	67,791	67,792	1
Pretrial Services	25,000	25,000	---
Aging Commission of the Mid-South	534,592	211,140	(323,452)
Sheriff	90,508	70,319	(20,189)
Juvenile Court Clerk	231,590	183,403	(48,187)
Juvenile Court	7,384	7,396	12
Total transfers in	<u>5,406,281</u>	<u>3,878,250</u>	<u>(1,528,031)</u>

Budgetary Comparison Schedule-Summary By Department (continued)

For the Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance
Transfers out			
Director of Administration and Finance	\$ (12,810)	\$ (146)	\$ 12,664
Finance	(523)	(523)	---
Economic and Resource Management	(273,624)	(146,595)	127,029
Department of Housing	(356,332)	(3,639)	352,693
Regional Services	(272,683)	(113,208)	159,475
Emergency Services	(476,695)	(476,695)	---
Environmental Improvement	(60,210)	---	60,210
Chickasaw Basin Authority	(35,170)	(35,170)	---
Support Services	(989)	(989)	---
Corrections	(33,000)	(33,000)	---
Administration and Finance - Health Services	(928,459)	(928,459)	---
Environmental Health Services	(321,012)	(203,299)	117,713
Personal Health Services	(1,171,393)	(1,118,030)	53,363
Assessment and Assurance	(38,267)	(38,262)	5
Community Services Administration	(13,400)	(8,514)	4,886
Aging Commission of the Mid-South	(401,586)	(67,234)	334,352
Sheriff	(5,785)	(5,785)	---
Juvenile Court Clerk	(90,225)	(50,232)	39,993
Juvenile Court	(1,527,710)	(1,451,682)	76,028
Register	(50,000)	(50,000)	---
Total transfers out	<u>(6,069,873)</u>	<u>(4,731,462)</u>	<u>1,338,411</u>
Other sources (uses)			
Department of Housing	<u>1,350,000</u>	---	<u>(1,350,000)</u>
Total other financing sources (uses)	<u>1,350,000</u>	---	<u>(1,350,000)</u>
Total other financing sources (uses)	<u>686,408</u>	<u>(853,212)</u>	<u>(1,539,620)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ 222,926</u>	<u>\$ 222,926</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 90,948	\$ 69,676	\$ (21,272)
Federal revenue	---	393,782	364,176	(29,606)
Total revenues	---	484,730	433,852	(50,878)
Expenditures:				
Professional and contracted services	---	484,730	433,852	50,878
Total expenditures	---	484,730	433,852	50,878
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Office on Health Policy

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal revenue	\$ 493,839	\$ 301,816	\$ 253,652	\$ (48,164)
Total revenues	493,839	301,816	253,652	(48,164)
Expenditures:				
Supplies	11,790	11,677	3,349	8,328
Services	6,128	8,366	5,175	3,191
Professional and contracted services	475,921	281,773	248,477	33,296
Total expenditures	493,839	301,816	257,001	44,815
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (3,349)	\$ (3,349)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Director of Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal revenue	\$ 227,787	\$ 331,448	\$ 317,984	\$ (13,464)
Other revenues	---	5,288	---	(5,288)
Total revenues	227,787	336,736	317,984	(18,752)
Expenditures:				
Professional and contracted services	295,260	419,188	406,118	13,070
Total expenditures	295,260	419,188	406,118	13,070
Excess (deficiency) of revenues over expenditures	(67,473)	(82,452)	(88,134)	(5,682)
Other financing sources (uses):				
Transfers in	81,083	95,262	88,280	(6,982)
Transfers out	(13,610)	(12,810)	(146)	12,664
Total other financing sources (uses)	67,473	82,452	88,134	5,682
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 523	\$ 523	\$ ---
Total revenues	---	523	523	---
Excess (deficiency) of revenues over expenditures	---	523	523	---
Other financing sources (uses):				
Transfers out	---	(523)	(523)	---
Total other financing sources (uses)	---	(523)	(523)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Economic and Resource Management

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,069,076	\$ 2,072,208	\$ 540,980	\$ (1,531,228)
Total revenues	<u>2,069,076</u>	<u>2,072,208</u>	<u>540,980</u>	<u>(1,531,228)</u>
Expenditures:				
Salaries	358,279	358,279	179,548	178,731
Other compensation	---	4,366	4,366	---
Fringe benefits	78,404	74,038	40,539	33,499
Supplies	20,200	16,058	11,375	4,683
Services	22,300	19,300	6,028	13,272
Professional and contracted services	1,572,793	1,570,067	275,249	1,294,818
Rent, utilities, and maintenance	17,100	30,100	23,875	6,225
Total expenditures	<u>2,069,076</u>	<u>2,072,208</u>	<u>540,980</u>	<u>1,531,228</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	273,624	273,624	146,595	(127,029)
Transfers out	<u>(273,624)</u>	<u>(273,624)</u>	<u>(146,595)</u>	<u>127,029</u>
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Department of Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 708,896	\$ 716,134	\$ 316,983	\$ (399,151)
State revenue	2,490,000	2,463,009	31,872	(2,431,137)
Federal revenue	5,781,623	9,316,655	3,110,986	(6,205,669)
Other revenues	---	26,991	278,181	251,190
Total revenues	<u>8,980,519</u>	<u>12,522,789</u>	<u>3,738,022</u>	<u>(8,784,767)</u>
Expenditures:				
Salaries	429,672	507,900	495,431	12,469
Other compensation	---	80	80	---
Fringe benefits	138,020	146,967	143,443	3,524
Supplies	31,460	98,301	18,566	79,735
Services	4,056,066	4,233,805	134,281	4,099,524
Professional and contracted services	5,791,476	9,047,713	2,896,163	6,151,550
Rent, utilities, and maintenance	1,825	11,825	---	11,825
Asset acquisitions	---	4,282	---	4,282
Total expenditures	<u>10,448,519</u>	<u>14,050,873</u>	<u>3,687,964</u>	<u>10,362,909</u>
Excess (deficiency) of revenues over expenditures	<u>(1,468,000)</u>	<u>(1,528,084)</u>	<u>50,058</u>	<u>1,578,142</u>
Other financing sources (uses):				
Transfers in	372,075	534,416	176,507	(357,909)
Transfers out	(254,075)	(356,332)	(3,639)	352,693
Other sources (uses)	1,350,000	1,350,000	---	(1,350,000)
Total other financing sources (uses)	<u>1,468,000</u>	<u>1,528,084</u>	<u>172,868</u>	<u>(1,355,216)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 222,926</u>	<u>\$ 222,926</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Regional Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 7,771,263	\$ 7,847,240	\$ 1,446,648	\$ (6,400,592)
Total revenues	7,771,263	7,847,240	1,446,648	(6,400,592)
Expenditures:				
Salaries	1,034,580	1,034,580	477,121	557,459
Other compensation	---	6,438	6,438	---
Fringe benefits	260,275	253,837	150,675	103,162
Supplies	205,700	228,378	52,272	176,106
Services	349,500	288,820	70,148	218,672
Professional and contracted services	6,088,857	6,212,836	787,771	5,425,065
Rent, utilities, and maintenance	33,500	33,500	5,788	27,712
Asset acquisitions	20,000	10,000	6,170	3,830
Total expenditures	7,992,412	8,068,389	1,556,383	6,512,006
Excess (deficiency) of revenues over expenditures	(221,149)	(221,149)	(109,735)	111,414
Other financing sources (uses):				
Transfers in	493,832	493,832	222,943	(270,889)
Transfers out	(272,683)	(272,683)	(113,208)	159,475
Total other financing sources (uses)	221,149	221,149	109,735	(111,414)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

County Engineer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 3,207,053	\$ 846,702	\$ (2,360,351)
Federal revenue	---	487,052	3,925	(483,127)
Total revenues	---	3,694,105	850,627	(2,843,478)
Expenditures:				
Professional and contracted services	---	3,694,105	850,627	2,843,478
Total expenditures	---	3,694,105	850,627	2,843,478
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Emergency Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 46,684	\$ 8,309,865	\$ 5,403,146	\$ (2,906,719)
Total revenues	<u>46,684</u>	<u>8,309,865</u>	<u>5,403,146</u>	<u>(2,906,719)</u>
Expenditures:				
Salaries	38,608	243,945	243,945	---
Other compensation	---	3,176	3,173	3
Fringe benefits	8,076	65,598	65,598	---
Supplies	---	4,517,525	3,723,849	793,676
Services	---	983,892	320,650	663,242
Professional and contracted services	---	723,895	236,749	487,146
Asset acquisitions	---	2,035,797	1,068,029	967,768
Total expenditures	<u>46,684</u>	<u>8,573,828</u>	<u>5,661,993</u>	<u>2,911,835</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>(263,963)</u>	<u>(258,847)</u>	<u>5,116</u>
Other financing sources (uses):				
Transfers in	---	740,658	735,542	(5,116)
Transfers out	---	(476,695)	(476,695)	---
Total other financing sources (uses)	<u>---</u>	<u>263,963</u>	<u>258,847</u>	<u>(5,116)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Environmental Improvement

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 102,351	\$ 571,778	\$ 271,804	\$ (299,974)
State revenue	662,356	472,890	365,135	(107,755)
Total revenues	764,707	1,044,668	636,939	(407,729)
Expenditures:				
Salaries	117,353	59,657	40,389	19,268
Fringe benefits	35,877	15,560	11,631	3,929
Supplies	1,652	1,000	---	1,000
Professional and contracted services	644,330	976,768	584,919	391,849
Interdepartmental expenditures	600	600	---	600
Asset acquisitions	---	26,188	---	26,188
Total expenditures	799,812	1,079,773	636,939	442,834
Excess (deficiency) of revenues over expenditures	(35,105)	(35,105)	---	35,105
Other financing sources (uses):				
Transfers in	95,315	95,315	---	(95,315)
Transfers out	(60,210)	(60,210)	---	60,210
Total other financing sources (uses)	35,105	35,105	---	(35,105)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Chickasaw Basin Authority

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenues	\$ 93,772	\$ 93,703	\$ 54,655	\$ (39,048)
Total revenues	93,772	93,703	54,655	(39,048)
Expenditures:				
Supplies	6,810	6,741	4,347	2,394
Services	19,240	19,240	3,468	15,772
Professional and contracted services	22,552	22,552	11,670	10,882
Rent, utilities, and maintenance	10,000	10,000	---	10,000
Total expenditures	58,602	58,533	19,485	39,048
Excess (deficiency) of revenues over expenditures	35,170	35,170	35,170	---
Other financing sources (uses):				
Transfers out	(35,170)	(35,170)	(35,170)	---
Total other financing sources (uses)	(35,170)	(35,170)	(35,170)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Fire Department

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal revenue	\$ ---	\$ 396,632	\$ 396,632	\$ ---
Other revenues	---	2,500	2,447	(53)
Total revenues	---	399,132	399,079	(53)
Expenditures:				
Supplies	---	2,500	2,447	53
Asset acquisitions	---	566,680	566,680	---
Total expenditures	---	569,180	569,127	53
Excess (deficiency) of revenues over expenditures	---	(170,048)	(170,048)	---
Other financing sources (uses):				
Transfers in	---	170,048	170,048	---
Total other financing sources (uses)	---	170,048	170,048	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Roads and Bridges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 275,579	\$ 241,388	\$ 208,173	\$ (33,215)
Total revenues	275,579	241,388	208,173	(33,215)
Expenditures:				
Salaries	195,988	170,479	141,717	28,762
Fringe benefits	59,798	51,116	50,052	1,064
Supplies	7,393	18,293	16,344	1,949
Services	4,400	1,500	60	1,440
Professional and contracted services	8,000	---	---	---
Total expenditures	275,579	241,388	208,173	33,215
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 50,000	\$ ---	\$ (50,000)
State revenue	---	989	989	---
Total revenues	---	50,989	989	(50,000)
Expenditures:				
Supplies	---	50,000	---	50,000
Total expenditures	---	50,000	---	50,000
Excess (deficiency) of revenues over expenditures	---	989	989	---
Other financing sources (uses):				
Transfers out	---	(989)	(989)	---
Total other financing sources (uses)	---	(989)	(989)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Corrections

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 3,600	\$ (3)	\$ (3,603)
State revenue	5,275	62,364	57,734	(4,630)
Federal revenue	331,459	1,155,342	746,781	(408,561)
Total revenues	<u>336,734</u>	<u>1,221,306</u>	<u>804,512</u>	<u>(416,794)</u>
Expenditures:				
Salaries	64,178	492,574	274,376	218,198
Other compensation	---	3,496	3,496	---
Fringe benefits	25,544	134,914	58,066	76,848
Supplies	33,065	137,953	130,349	7,604
Services	14,114	85,969	46,994	38,975
Professional and contracted services	193,082	357,457	290,642	66,815
Rent, utilities, and maintenance	1,751	20,350	---	20,350
Interdepartmental expenditures	5,000	5,729	729	5,000
Asset acquisitions	---	20,000	20,000	---
Total expenditures	<u>336,734</u>	<u>1,258,442</u>	<u>824,652</u>	<u>433,790</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>(37,136)</u>	<u>(20,140)</u>	<u>16,996</u>
Other financing sources (uses):				
Transfers in	---	70,136	53,140	(16,996)
Transfers out	---	(33,000)	(33,000)	---
Total other financing sources (uses)	<u>---</u>	<u>37,136</u>	<u>20,140</u>	<u>(16,996)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Administration and Finance - Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 917,800	\$ 928,459	\$ 928,459	\$ ---
Total revenues	<u>917,800</u>	<u>928,459</u>	<u>928,459</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>917,800</u>	<u>928,459</u>	<u>928,459</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	(917,800)	(928,459)	(928,459)	---
Total other financing sources (uses)	<u>(917,800)</u>	<u>(928,459)</u>	<u>(928,459)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 757	\$ 859	\$ 102
State revenue	956,093	1,111,728	837,417	(274,311)
Federal revenue	666,090	812,635	675,419	(137,216)
Total revenues	<u>1,622,183</u>	<u>1,925,120</u>	<u>1,513,695</u>	<u>(411,425)</u>
Expenditures:				
Salaries	1,862,069	1,830,273	1,596,747	233,526
Other compensation	---	10,848	10,848	---
Fringe benefits	505,282	496,043	431,005	65,038
Supplies	92,544	363,054	194,149	168,905
Services	62,651	106,162	49,421	56,741
Professional and contracted services	65,734	86,290	78,617	7,673
Rent, utilities, and maintenance	120,384	147,068	118,508	28,560
Interdepartmental expenditures	20,570	22,320	16,333	5,987
Asset acquisitions	109,500	83,231	43,281	39,950
Total expenditures	<u>2,838,734</u>	<u>3,145,289</u>	<u>2,538,909</u>	<u>606,380</u>
Excess (deficiency) of revenues over expenditures	<u>(1,216,551)</u>	<u>(1,220,169)</u>	<u>(1,025,214)</u>	<u>194,955</u>
Other financing sources (uses):				
Transfers in	1,541,181	1,541,181	1,228,513	(312,668)
Transfers out	(324,630)	(321,012)	(203,299)	117,713
Total other financing sources (uses)	<u>1,216,551</u>	<u>1,220,169</u>	<u>1,025,214</u>	<u>(194,955)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Personal Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 6,572,763	\$ 6,406,605	\$ 4,509,373	\$ (1,897,232)
State revenue	12,937,703	13,970,670	12,592,437	(1,378,233)
Federal revenue	1,229,669	1,897,594	918,527	(979,067)
Patient service revenue	1,430,244	1,432,502	1,316,089	(116,413)
Other revenues	297,000	275,677	176,975	(98,702)
Total revenues	<u>22,467,379</u>	<u>23,983,048</u>	<u>19,513,401</u>	<u>(4,469,647)</u>
Expenditures:				
Salaries	15,051,984	14,923,824	12,764,752	2,159,072
Other compensation	195,460	283,621	283,605	16
Fringe benefits	4,299,201	4,231,954	3,615,472	616,482
Supplies	978,032	1,341,545	967,718	373,827
Services	399,553	467,675	286,061	181,614
Professional and contracted services	333,552	1,400,549	498,345	902,204
Rent, utilities, and maintenance	488,871	549,434	437,701	111,733
Interdepartmental expenditures	15,300	34,597	24,835	9,762
Contingencies and restrictions	(13,371)	---	---	---
Total expenditures	<u>21,748,582</u>	<u>23,233,199</u>	<u>18,878,489</u>	<u>4,354,710</u>
Excess (deficiency) of revenues over expenditures	<u>718,797</u>	<u>749,849</u>	<u>634,912</u>	<u>(114,937)</u>
Other financing sources (uses):				
Transfers in	421,544	421,544	483,118	61,574
Transfers out	(1,140,341)	(1,171,393)	(1,118,030)	53,363
Total other financing sources (uses)	<u>(718,797)</u>	<u>(749,849)</u>	<u>(634,912)</u>	<u>114,937</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Assessment and Assurance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,335	\$ 5,335	\$ 3,964	\$ (1,371)
State revenue	1,345,800	1,369,040	1,504,606	135,566
Federal revenue	142,000	498,597	342,969	(155,628)
Total revenues	1,493,135	1,872,972	1,851,539	(21,433)
Expenditures:				
Salaries	231,589	224,869	224,869	---
Fringe benefits	60,610	60,630	60,413	217
Supplies	27,478	44,641	39,144	5,497
Services	10,930	12,447	10,638	1,809
Professional and contracted services	1,141,428	1,478,172	1,463,521	14,651
Rent, utilities, and maintenance	16,100	13,946	11,343	2,603
Total expenditures	1,488,135	1,834,705	1,809,928	24,777
Excess (deficiency) of revenues over expenditures	5,000	38,267	41,611	3,344
Other financing sources (uses):				
Transfers out	(5,000)	(38,267)	(38,262)	5
Total other financing sources (uses)	(5,000)	(38,267)	(38,262)	5
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 3,349	\$ 3,349

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Community Services Administration

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 191,925	\$ 90,214	\$ (101,711)
State revenue	7,692,859	11,241,453	10,882,423	(359,030)
Total revenues	<u>7,692,859</u>	<u>11,433,378</u>	<u>10,972,637</u>	<u>(460,741)</u>
Expenditures:				
Salaries	1,768,971	1,923,654	1,732,425	191,229
Other compensation	---	10,602	10,602	---
Fringe benefits	541,206	567,938	530,129	37,809
Supplies	123,718	125,164	55,452	69,712
Services	3,276,753	1,693,826	1,629,118	64,708
Professional and contracted services	1,014,010	1,095,337	1,044,949	50,388
Rent, utilities, and maintenance	1,086,454	6,144,901	6,077,487	67,414
Interdepartmental expenditures	(118,253)	(128,687)	(107,525)	(21,162)
Contingencies and restrictions	---	643	---	643
Total expenditures	<u>7,692,859</u>	<u>11,433,378</u>	<u>10,972,637</u>	<u>460,741</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	---	13,400	8,514	(4,886)
Transfers out	---	(13,400)	(8,514)	4,886
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Headstart

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 165,436	\$ 212,402	\$ 46,966
State revenue	---	1,745,964	1,278,810	(467,154)
Federal revenue	21,871,742	22,249,525	20,453,986	(1,795,539)
Other revenues	---	68,500	9,460	(59,040)
Total revenues	21,871,742	24,229,425	21,954,658	(2,274,767)
Expenditures:				
Salaries	10,882,680	8,757,590	8,679,092	78,498
Other compensation	---	363,891	363,891	---
Fringe benefits	3,450,726	3,232,089	3,029,021	203,068
Supplies	---	3,118,801	1,790,185	1,328,616
Services	---	677,275	394,283	282,992
Professional and contracted services	7,538,336	6,534,810	6,292,601	242,209
Rent, utilities, and maintenance	---	1,194,870	1,119,603	75,267
Interdepartmental expenditures	---	108,250	78,952	29,298
Asset acquisitions	---	241,849	207,030	34,819
Total expenditures	21,871,742	24,229,425	21,954,658	2,274,767
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Special Funded Projects

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 63,672	\$ ---	\$ ---	\$ ---
Total revenues	63,672	---	---	---
Expenditures:				
Professional and contracted services	63,672	---	---	---
Total expenditures	63,672	---	---	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 192,800	\$ 192,052	\$ 185,617	\$ (6,435)
Federal revenue	38,366	204,759	133,711	(71,048)
Total revenues	231,166	396,811	319,328	(77,483)
Expenditures:				
Salaries	223,996	257,052	235,590	21,462
Fringe benefits	63,197	74,284	70,648	3,636
Supplies	3,434	36,846	13,252	23,594
Services	6,350	42,869	28,169	14,700
Professional and contracted services	---	51,571	39,461	12,110
Contingencies and restrictions	---	1,980	---	1,980
Total expenditures	296,977	464,602	387,120	77,482
Excess (deficiency) of revenues over expenditures	(65,811)	(67,791)	(67,792)	(1)
Other financing sources (uses):				
Transfers in	65,811	67,791	67,792	1
Total other financing sources (uses)	65,811	67,791	67,792	1
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Pretrial Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 36,328	\$ 120,573	\$ 37,223	\$ (83,350)
State revenue	97,161	73,973	73,034	(939)
Federal revenue	101,000	101,000	100,779	(221)
Total revenues	<u>234,489</u>	<u>295,546</u>	<u>211,036</u>	<u>(84,510)</u>
Expenditures:				
Salaries	174,938	226,407	164,637	61,770
Other compensation	---	5,771	5,771	---
Fringe benefits	56,778	68,382	50,669	17,713
Supplies	1,493	17,707	13,616	4,091
Services	1,280	2,279	1,343	936
Total expenditures	<u>234,489</u>	<u>320,546</u>	<u>236,036</u>	<u>84,510</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	<u>---</u>	<u>25,000</u>	<u>25,000</u>	<u>---</u>
Total other financing sources (uses)	<u>---</u>	<u>25,000</u>	<u>25,000</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Aging Commission of the Mid-South

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 911,043	\$ 911,043	\$ 200,482	\$ (710,561)
State revenue	6,172,808	6,639,718	5,587,094	(1,052,624)
Federal revenue	59,699	59,499	44,978	(14,521)
Total revenues	<u>7,143,550</u>	<u>7,610,260</u>	<u>5,832,554</u>	<u>(1,777,706)</u>
Expenditures:				
Salaries	1,398,743	1,398,743	1,144,062	254,681
Other compensation	---	373	373	---
Fringe benefits	386,030	385,657	310,776	74,881
Supplies	95,475	151,427	93,669	57,758
Services	93,121	115,871	47,348	68,523
Professional and contracted services	5,085,497	5,477,564	4,193,445	1,284,119
Rent, utilities, and maintenance	211,590	196,681	179,753	16,928
Interdepartmental expenditures	11,000	10,950	7,034	3,916
Intergovernmental expenditures	1,000	1,000	---	1,000
Asset acquisitions	5,000	5,000	---	5,000
Total expenditures	<u>7,287,456</u>	<u>7,743,266</u>	<u>5,976,460</u>	<u>1,766,806</u>
Excess (deficiency) of revenues over expenditures	<u>(143,906)</u>	<u>(133,006)</u>	<u>(143,906)</u>	<u>(10,900)</u>
Other financing sources (uses):				
Transfers in	502,392	534,592	211,140	(323,452)
Transfers out	(358,486)	(401,586)	(67,234)	334,352
Total other financing sources (uses)	<u>143,906</u>	<u>133,006</u>	<u>143,906</u>	<u>10,900</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Sheriff

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 121,048	\$ 419,168	\$ 226,367	\$ (192,801)
State revenue	65,661	709,800	697,903	(11,897)
Federal revenue	276,653	902,885	739,990	(162,895)
Total revenues	<u>463,362</u>	<u>2,031,853</u>	<u>1,664,260</u>	<u>(367,593)</u>
Expenditures:				
Salaries	304,996	906,784	646,321	260,463
Other compensation	26,050	180,742	148,426	32,316
Fringe benefits	65,837	67,774	56,154	11,620
Supplies	32,872	220,367	158,973	61,394
Services	---	55,142	35,593	19,549
Professional and contracted services	11,000	69,730	67,472	2,258
Asset acquisitions	38,135	616,037	615,855	182
Total expenditures	<u>478,890</u>	<u>2,116,576</u>	<u>1,728,794</u>	<u>387,782</u>
Excess (deficiency) of revenues over expenditures	<u>(15,528)</u>	<u>(84,723)</u>	<u>(64,534)</u>	<u>20,189</u>
Other financing sources (uses):				
Transfers in	15,528	90,508	70,319	(20,189)
Transfers out	---	(5,785)	(5,785)	---
Total other financing sources (uses)	<u>15,528</u>	<u>84,723</u>	<u>64,534</u>	<u>(20,189)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

General Sessions Criminal Court Judges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 75,000	\$ 175,000	\$ 175,000	\$ ---
State revenue	---	682,098	672,327	(9,771)
Federal revenue	80,488	80,802	80,488	(314)
Other revenues	---	5,288	5,288	---
Total revenues	<u>155,488</u>	<u>943,188</u>	<u>933,103</u>	<u>(10,085)</u>
Expenditures:				
Salaries	---	57,781	57,780	1
Fringe benefits	---	18,057	16,254	1,803
Supplies	---	4,434	3,077	1,357
Services	---	7,164	5,749	1,415
Professional and contracted services	155,488	852,949	849,750	3,199
Rent, utilities, and maintenance	---	2,803	493	2,310
Total expenditures	<u>155,488</u>	<u>943,188</u>	<u>933,103</u>	<u>10,085</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Juvenile Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 449,558	\$ 483,125	\$ 356,018	\$ (127,107)
Total revenues	<u>449,558</u>	<u>483,125</u>	<u>356,018</u>	<u>(127,107)</u>
Expenditures:				
Salaries	327,404	327,404	319,642	7,762
Other compensation	7,480	6,265	739	5,526
Fringe benefits	111,974	113,189	113,188	1
Supplies	47,330	50,283	13,862	36,421
Services	70,153	70,153	39,671	30,482
Rent, utilities, and maintenance	26,582	57,196	2,087	55,109
Total expenditures	<u>590,923</u>	<u>624,490</u>	<u>489,189</u>	<u>135,301</u>
Excess (deficiency) of revenues over expenditures	<u>(141,365)</u>	<u>(141,365)</u>	<u>(133,171)</u>	<u>8,194</u>
Other financing sources (uses):				
Transfers in	231,590	231,590	183,403	(48,187)
Transfers out	<u>(90,225)</u>	<u>(90,225)</u>	<u>(50,232)</u>	<u>39,993</u>
Total other financing sources (uses)	<u>141,365</u>	<u>141,365</u>	<u>133,171</u>	<u>(8,194)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007

Juvenile Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 19,010,957	\$ 19,115,314	\$ 18,196,394	\$ (918,920)
Federal revenue	67,411	161,006	137,896	(23,110)
Other revenues	---	4,000	---	(4,000)
Total revenues	<u>19,078,368</u>	<u>19,280,320</u>	<u>18,334,290</u>	<u>(946,030)</u>
Expenditures:				
Salaries	7,773,486	7,544,110	7,360,050	184,060
Other compensation	---	28,219	28,219	---
Fringe benefits	2,295,364	2,288,847	2,181,266	107,581
Supplies	225,697	383,419	357,486	25,933
Services	35,585	29,735	8,888	20,847
Professional and contracted services	6,911,992	6,949,796	6,578,076	371,720
Rent, utilities, and maintenance	309,405	501,868	348,019	153,849
Asset acquisitions	---	34,000	28,000	6,000
Total expenditures	<u>17,551,529</u>	<u>17,759,994</u>	<u>16,890,004</u>	<u>869,990</u>
Excess (deficiency) of revenues over expenditures	<u>1,526,839</u>	<u>1,520,326</u>	<u>1,444,286</u>	<u>(76,040)</u>
Other financing sources (uses):				
Transfers in	871	7,384	7,396	12
Transfers out	<u>(1,527,710)</u>	<u>(1,527,710)</u>	<u>(1,451,682)</u>	<u>76,028</u>
Total other financing sources (uses)	<u>(1,526,839)</u>	<u>(1,520,326)</u>	<u>(1,444,286)</u>	<u>76,040</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 99,120	\$ 310,976	\$ 164,412	\$ (146,564)
State revenue	380,000	346,496	346,647	151
Federal revenue	340,297	432,021	280,881	(151,140)
Other revenues	154,224	182,079	129,900	(52,179)
Total revenues	973,641	1,271,572	921,840	(349,732)
Expenditures:				
Salaries	498,697	746,951	564,055	182,896
Other compensation	---	30,125	11,177	18,948
Fringe benefits	126,463	192,202	147,402	44,800
Supplies	59,506	5,760	3,763	1,997
Services	7,174	---	---	---
Professional and contracted services	253,128	296,534	195,443	101,091
Rent, utilities, and maintenance	23,673	---	---	---
Interdepartmental expenditures	5,000	---	---	---
Total expenditures	973,641	1,271,572	921,840	349,732
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Register

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal revenue	\$ ---	\$ 50,000	\$ 50,000	\$ ---
Total revenues	---	50,000	50,000	---
Excess (deficiency) of revenues over expenditures	---	50,000	50,000	---
Other financing sources (uses):				
Transfers out	---	(50,000)	(50,000)	---
Total other financing sources (uses)	---	(50,000)	(50,000)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Shelby County, Tennessee

Statistical Section Index For the Year Ended June 30, 2007

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the County's overall financial health.

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Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Shelby County Government

Financial Trends Information
Net Assets by Component
Last Six Fiscal Years (accrual basis of accounting)

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 176,161,144	\$ 179,516,173	\$ 160,714,397	\$ 175,194,990	\$ 156,764,887	\$ 157,206,332
Restricted	42,849,339	33,428,619	25,939,996	46,561,030	80,104,201	91,417,704
Unrestricted	(1,082,043,535)	(1,181,961,431)	(1,214,254,660)	(1,281,070,298)	(1,259,839,639)	(1,247,320,422)
Total governmental activities net assets	<u>\$ (863,033,052)</u>	<u>\$ (969,016,639)</u>	<u>\$ (1,027,600,267)</u>	<u>\$ (1,059,314,278)</u>	<u>\$ (1,022,970,551)</u>	<u>\$ (998,696,386)</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 30,631,245	\$ 33,372,974	\$ 29,047,386	\$ 28,180,902	\$ 27,213,452	\$ 26,737,011
Unrestricted	9,560,888	5,101,901	5,352,161	3,447,095	5,422,857	7,996,464
Total business-type activities net assets	<u>\$ 40,192,133</u>	<u>\$ 38,474,875</u>	<u>\$ 34,399,547</u>	<u>\$ 31,627,997</u>	<u>\$ 32,636,309</u>	<u>\$ 34,733,475</u>
Total Shelby County Government						
Invested in capital assets, net of related debt	\$ 206,792,389	\$ 212,889,147	\$ 189,761,783	\$ 203,375,892	\$ 183,978,339	\$ 183,943,343
Restricted	42,849,339	33,428,619	25,939,996	46,561,030	80,104,201	91,417,704
Unrestricted	(1,072,482,647)	(1,176,859,530)	(1,208,902,499)	(1,277,623,203)	(1,254,416,782)	(1,239,323,958)
Total Shelby County Government net assets	<u>\$ (822,840,919)</u>	<u>\$ (930,541,764)</u>	<u>\$ (993,200,720)</u>	<u>\$ (1,027,686,281)</u>	<u>\$ (990,334,242)</u>	<u>\$ (963,962,911)</u>

(a) Net assets for 2002 - 2005 have been restated for the addition of prior years infrastructure assets in 2006.

Shelby County Government

Financial Trends Information
Changes in Net Assets
Last Six Fiscal Years (accrual basis of accounting)

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses						
Governmental activities						
General government	\$ 72,812,915	\$ 56,964,268	\$ 43,091,692	\$ 38,865,681	\$ 32,850,485	\$ 48,815,450
Hospital	27,111,884	33,452,571	28,213,585	25,566,667	25,566,667	27,566,667
Planning and development	3,615,987	5,274,947	5,274,622	6,084,407	6,558,085	6,133,345
Public works	42,207,221	41,979,217	46,589,533	47,194,361	49,927,770	52,071,835
Corrections	948,137	937,223	825,555	371,598	505,384	928,659
Health services	47,139,841	51,345,969	50,318,012	50,576,288	53,781,890	57,842,725
Community services	38,884,757	39,462,255	39,778,703	41,010,999	43,060,057	42,808,278
Law enforcement	128,316,505	142,686,117	128,056,729	128,391,275	130,666,941	138,231,040
Judicial	62,931,363	64,985,833	64,354,821	66,622,877	71,267,471	74,919,142
Other elected officials	22,482,483	23,358,560	23,223,119	24,553,977	24,573,915	25,988,417
Education	392,612,929	398,704,841	428,873,650	404,270,674	446,365,688	451,071,817
Interest on debt	66,824,357	71,847,109	65,885,498	75,944,617	83,880,247	87,802,538
Total governmental activities expense:	<u>905,888,379</u>	<u>930,998,910</u>	<u>924,485,519</u>	<u>909,453,421</u>	<u>969,004,600</u>	<u>1,014,179,913</u>
Business-type activities:						
Codes enforcement	9,434,296	9,607,056	10,170,162	12,753,672	11,694,624	12,024,192
Nursing homes (a)	16,928,491	15,372,131	15,783,099	---	---	---
Fire services	11,142,638	10,727,950	11,408,991	11,218,053	11,564,013	12,842,381
Corrections	44,072,389	43,873,787	44,288,051	42,568,864	43,953,488	46,259,142
Total business-type activities expense:	<u>81,577,814</u>	<u>79,580,924</u>	<u>81,650,303</u>	<u>66,540,589</u>	<u>67,212,125</u>	<u>71,125,715</u>
Total Shelby County Government expense:	<u>\$ 987,466,193</u>	<u>\$ 1,010,579,834</u>	<u>\$ 1,006,135,822</u>	<u>\$ 975,994,010</u>	<u>\$ 1,036,216,725</u>	<u>\$ 1,085,305,628</u>
Program Revenues						
Governmental activities						
Charges for services:						
General government	\$ 10,343,904	\$ 6,641,545	\$ 4,948,724	\$ 12,573,440	\$ 10,609,617	\$ 7,249,940
Health services	12,321,614	11,191,945	12,377,808	12,413,470	13,828,345	13,308,900
Judicial	19,016,809	16,779,465	18,865,870	17,991,087	22,736,318	22,679,021
Other elected officials	29,014,084	31,385,899	33,130,555	33,568,741	38,011,061	36,255,228
Other governmental activities	11,084,741	13,243,388	10,935,310	10,532,832	10,847,470	11,784,252
Operating grants and contributions	108,115,963	110,997,403	121,711,056	119,186,843	138,189,459	121,125,431
Capital grants and contributions	6,092,830	7,703,724	7,818,000	277,257	12,460,564	3,440,619
Total governmental activities program revenue:	<u>195,989,945</u>	<u>197,943,369</u>	<u>209,787,323</u>	<u>206,543,670</u>	<u>246,682,834</u>	<u>215,843,391</u>

Business-type activities:						
Charges for services:						
Nursing homes (a)	13,629,938	11,281,438	10,140,279	---	---	---
Codes enforcement	8,448,266	9,562,309	9,671,556	9,966,304	9,877,918	9,957,347
Fire services	12,159,617	12,108,592	11,972,840	12,921,848	14,023,656	14,809,843
Corrections	39,052,540	38,132,559	33,137,935	33,394,199	38,624,196	40,610,450
Operating grants and contributions	78,620	47,175	60,960	56,960	43,050	49,050
Total business-type activities program revenue:	<u>73,368,981</u>	<u>71,132,073</u>	<u>64,983,570</u>	<u>56,339,311</u>	<u>62,568,820</u>	<u>65,426,690</u>
Total Shelby County Government program revenue	<u>\$ 269,358,926</u>	<u>\$ 269,075,442</u>	<u>\$ 274,770,893</u>	<u>\$ 262,882,981</u>	<u>\$ 309,251,654</u>	<u>\$ 281,270,081</u>
Net (Expense)/Revenue						
Governmental activities	\$ (709,898,434)	\$ (733,055,541)	\$ (714,698,196)	\$ (702,909,751)	\$ (722,321,766)	\$ (798,336,522)
Business-type activities	<u>(8,208,833)</u>	<u>(8,448,851)</u>	<u>(16,666,733)</u>	<u>(10,201,278)</u>	<u>(4,643,305)</u>	<u>(5,699,025)</u>
Total Shelby County Government net expense:	<u>\$ (718,107,267)</u>	<u>\$ (741,504,392)</u>	<u>\$ (731,364,929)</u>	<u>\$ (713,111,029)</u>	<u>\$ (726,965,071)</u>	<u>\$ (804,035,547)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	\$ 549,809,147	\$ 559,384,367	\$ 582,711,510	\$ 587,164,493	\$ 654,551,938	\$ 680,615,376
Sales taxes	8,752,100	8,694,724	8,097,229	10,200,007	10,343,331	10,151,491
Business taxes	8,157,869	7,472,985	8,608,379	8,123,470	8,970,348	9,307,206
Hotel/Motel taxes	9,875,416	10,298,422	10,723,410	10,522,938	12,377,312	14,175,629
Wheel taxes	25,118,607	29,178,582	29,237,924	29,237,237	29,962,996	30,077,684
Other taxes	13,271,375	9,837,177	26,059,181	27,434,241	33,667,862	60,978,512
Investment earnings	8,677,491	8,549,134	2,782,079	5,660,042	14,068,619	24,575,622
Transfers	<u>(7,099,871)</u>	<u>(6,343,437)</u>	<u>(12,105,144)</u>	<u>(7,146,688)</u>	<u>(5,276,913)</u>	<u>(7,270,833)</u>
Total governmental activities:	<u>616,562,134</u>	<u>627,071,954</u>	<u>656,114,568</u>	<u>671,195,740</u>	<u>758,665,493</u>	<u>822,610,687</u>
Business-type activities:						
Investment earnings	(916,965)	388,156	486,261	283,040	374,704	525,358
Transfers	<u>7,099,871</u>	<u>6,343,437</u>	<u>12,105,144</u>	<u>7,146,688</u>	<u>5,276,913</u>	<u>7,270,833</u>
Total business-type activities:	<u>6,182,906</u>	<u>6,731,593</u>	<u>12,591,405</u>	<u>7,429,728</u>	<u>5,651,617</u>	<u>7,796,191</u>
Total Shelby County Governmen	<u>\$ 622,745,040</u>	<u>\$ 633,803,547</u>	<u>\$ 668,705,973</u>	<u>\$ 678,625,468</u>	<u>\$ 764,317,110</u>	<u>\$ 830,406,878</u>
Change in Net Assets						
Governmental activities	\$ (93,336,300)	\$ (105,983,587)	\$ (58,583,628)	\$ (31,714,011)	\$ 36,343,727	\$ 24,274,165
Business-type activities	<u>(2,025,927)</u>	<u>(1,717,258)</u>	<u>(4,075,328)</u>	<u>(2,771,550)</u>	<u>1,008,312</u>	<u>2,097,166</u>
Total Shelby County Governmen	<u>\$ (95,362,227)</u>	<u>\$ (107,700,845)</u>	<u>\$ (62,658,956)</u>	<u>\$ (34,485,561)</u>	<u>\$ 37,352,039</u>	<u>\$ 26,371,331</u>

Several organizational changes have occurred over the past five years. Expenses, program revenues, general revenues, and other changes in net assets of prior years have been adjusted to be consistent with the current organizational structure.

(a) Nursing Homes - Oakville Health Care Center, an enterprise fund, was sold to an outside party at the end of fiscal year 2004.

Shelby County Government

Financial Trends Information Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund										
Reserved	\$ 3,559,193	\$ 2,816,010	\$ 3,207,470	\$ 5,088,956	\$ 7,472,886	\$ 5,736,619	\$ 4,085,059	\$ 4,158,337	\$ 4,150,637	\$ 4,119,786
Unreserved (a)	13,750,536	23,266,351	25,321,498	28,867,929	34,782,084	18,770,288	30,663,278	37,539,543	41,147,243	47,178,094
Total general fund	\$ 17,309,729	\$ 26,082,361	\$ 28,528,968	\$ 33,956,885	\$ 42,254,970	\$ 24,506,907	\$ 34,748,337	\$ 41,697,880	\$ 45,297,880	\$ 51,297,880
All Other Governmental Funds										
Reserved	\$ 124,415,059	\$ 95,772,745	\$ 91,903,209	\$ 76,958,992	\$ 592,512	\$ 1,213,424	\$ 1,028,370	\$ 2,102,322	\$ 662,791	\$ 716,305
Unreserved, reported in:										
Debt service funds	386,037	2,085,946	1,603,174	4,902,416	19,777,038	10,702,422	9,457,475	29,241,588	55,924,980	63,401,912
Capital projects funds	(131,154,395)	(97,858,576)	(303,412,574)	(311,500,944)	(233,964,662)	(211,212,848)	(24,919,442)	(136,651,444)	28,418,919	97,730,872
Grants funds	121,392	77,676	75,372	75,380	1,440,581	1,421,000	1,517,638	1,659,168	3,250,037	3,472,963
Special revenue funds	5,606,397	5,639,516	12,006,644	12,463,672	12,425,508	13,921,329	13,936,513	13,613,278	20,266,393	23,826,524
Total all other governmental funds	\$ (625,510)	\$ 5,717,307	\$ (197,824,175)	\$ (217,100,484)	\$ (199,729,023)	\$ (183,954,673)	\$ 1,020,554	\$ (90,035,088)	\$108,523,120	\$ 189,148,576

(a) Fiscal yeas 1998 - 2004 have been adjusted for restatements in subsequent years

Shelby County Government

Financial Trends Information
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Local taxes	\$ 349,910,099	\$ 385,058,126	\$ 472,996,777	\$ 489,953,461	\$ 604,609,455	\$ 620,977,188	\$ 665,184,712	\$ 672,036,081	\$ 747,473,316	\$ 775,390,069
Local revenue	20,149,434	38,986,550	36,442,946	41,421,530	36,081,681	39,687,932	44,342,048	48,542,177	43,130,241	40,852,174
State revenue	55,453,617	67,994,506	67,387,155	63,989,958	70,259,167	72,583,287	76,701,026	82,506,185	103,465,561	104,008,480
Federal revenue	16,191,632	19,181,728	20,339,229	25,803,149	27,185,094	26,894,944	25,492,482	26,481,217	28,888,268	30,351,230
Patient service revenue	3,758,762	2,919,111	467,043	764,939	1,058,773	1,425,748	2,300,228	2,012,041	2,265,632	2,325,757
Elected officials' fines and fees	47,138,374	45,446,063	45,931,497	47,641,570	54,284,328	54,335,743	56,302,501	56,155,830	63,174,615	65,375,834
Other revenue	28,954,259	16,054,604	13,498,358	16,714,499	16,971,962	8,608,493	3,341,228	7,007,908	13,780,466	22,375,003
Total revenues	521,556,177	575,640,688	657,063,005	686,289,106	810,450,460	824,513,335	873,664,225	894,741,439	1,002,178,099	1,040,678,547
Expenditures (d)										
General government	41,061,564	40,683,122	43,940,678	42,058,890	41,756,607	46,350,061	44,714,397	42,036,417	42,029,564	45,895,174
Hospital (b)	24,566,667	22,566,667	22,566,667	27,566,667	22,566,667	22,566,667	22,566,667	20,566,667	20,566,667	25,066,667
Planning and development	7,342,899	7,582,911	9,108,782	5,208,106	3,583,784	5,046,331	4,914,861	6,110,142	6,562,951	6,228,606
Public works	26,139,165	24,650,876	24,011,466	26,280,913	28,360,797	27,740,800	31,321,491	29,498,235	40,715,864	38,515,733
Corrections	437,195	776,348	945,388	1,211,235	948,137	937,223	790,715	371,598	432,171	824,652
Health services	32,563,099	35,936,190	38,127,890	43,137,942	46,778,955	50,403,756	49,965,324	50,395,188	53,591,503	58,263,865
Community services (c)	27,292,023	29,992,623	28,350,928	38,402,630	38,764,862	39,331,953	39,850,995	40,915,126	43,067,122	43,541,554
Law enforcement	73,998,421	83,532,436	94,616,827	99,515,132	125,391,302	139,714,965	127,948,541	127,315,702	130,234,277	137,012,750
Judicial	45,234,906	49,188,299	44,389,359	54,376,229	60,349,160	62,263,405	63,937,661	65,070,182	69,633,785	74,624,323
Other elected officials	18,206,996	18,967,693	26,974,886	21,337,910	22,153,989	23,001,551	23,154,077	23,721,774	25,146,009	26,173,457
Education (a)	192,447,420	228,060,395	244,226,988	274,269,490	301,622,626	320,530,670	321,953,079	325,859,655	360,019,604	360,019,604
Debt service:										
Interest	43,748,725	51,319,633	59,704,419	64,209,850	52,606,584	61,404,778	66,493,148	69,852,019	78,956,185	83,211,018
Principal	23,859,580	29,574,342	37,435,260	41,581,241	44,760,484	50,148,192	54,173,503	67,734,747	68,555,308	79,663,851
Capital outlay	72,529,373	92,282,537	161,006,035	106,613,346	154,104,764	130,256,656	135,066,176	116,166,362	105,741,913	107,970,051
Total expenditures	629,428,033	715,114,072	835,405,573	845,769,581	943,748,718	979,697,008	986,850,635	985,613,814	1,045,252,923	1,087,011,305
Excess (deficiency) of revenues over (under) expenditures	(107,871,856)	(139,473,384)	(178,342,568)	(159,480,475)	(133,298,258)	(155,183,673)	(113,186,410)	(90,872,375)	(43,074,824)	(46,332,758)

Other financing sources (uses)

Proceeds of general obligation bonds	---	160,737,233	---	150,000,000	160,707,801	153,308,115	323,026,282	443,740,125	251,027,782	140,358,887
Proceeds of refunding bonds	236,981,365	160,763,911	16,600,000	37,683,025	21,065,848	---	---	---	---	146,416,113
Payment to refunding bond escrow agent	(234,702,606)	(159,729,058)	(16,809,029)	(37,868,108)	(20,817,729)	---	---	(433,055,801)	---	(146,067,482)
Transfers in	21,619,694	31,739,095	23,263,240	26,007,729	37,917,304	42,026,892	22,362,765	36,262,244	43,788,657	40,798,067
Transfers out	(25,229,254)	(32,622,598)	(25,336,034)	(29,417,488)	(46,563,922)	(44,798,620)	(36,252,522)	(42,179,231)	(49,583,407)	(48,547,371)
Total other financing sources (uses)	(1,330,801)	160,888,583	(2,281,823)	146,405,158	152,309,302	150,536,387	309,136,525	4,767,337	245,233,032	132,958,214
Net change in fund balances	<u>\$(109,202,657)</u>	<u>\$ 21,415,199</u>	<u>\$(180,624,391)</u>	<u>\$ (13,075,317)</u>	<u>\$ 19,011,044</u>	<u>\$ (4,647,286)</u>	<u>\$ 195,950,115</u>	<u>\$ (86,105,038)</u>	<u>\$ 202,158,208</u>	<u>\$ 86,625,456</u>

Debt service as a percentage of non capital expenditures

11.12%	11.59%	12.06%	12.93%	10.62%	11.69%	12.49%	14.42%	14.44%	15.22%
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(a) Education expenditures are those made to the City of Memphis Board of Education and the County Board of Education. The County Board of Education operations are reported as a discrete component unit. Prior to 2002, payments to the County Board of Education were reported as transfers to component units. Education expenditures for those years have been restated in this schedule.

(b) Hospital expenditures are those made to the Shelby County Health Care Corporation (the Med). Shelby County Health Care Corporation operations are reported as a discrete component unit. Prior to 2002, payments to the Shelby County Health Care Corporation were reported as transfers to component units. Hospital expenditures for those years have been restated in this schedule.

(c) From 1999 to 2001 Headstart Inc. was a component unit of Shelby County Government. Expenditures made to Headstart Inc. in those years were reported as transfers to component units of Shelby County Government's Community Services Division. Community Services expenditures for those years have been restated in this schedule.

(d) Several organizational changes have occurred over the past ten years. Revenues, expenditures, and other financing sources (uses) of prior years have been adjusted with the current organizational structure.

Shelby County, Tennessee

**Revenue Capacity Information
Assessed and Estimated Value of Taxable Property
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Public Utilities (b)</u>	<u>Total Taxable Assessed Value (a)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value (c)</u>
1998	1997	\$4,919,492,257	\$ 2,879,906,290	\$1,086,143,225	\$ 684,891,672	\$9,570,433,444	\$ 3.16	\$ 32,419,977,870	29.52%
1999	1998	6,171,961,525	4,447,216,805	1,145,601,660	831,393,533	12,596,173,523	2.82	41,212,712,405	30.56%
2000	1999	6,285,898,425	4,372,146,930	1,289,019,555	857,790,565	12,804,855,475	3.54	42,023,145,109	30.47%
2001	2000	6,502,973,185	4,172,329,810	1,278,675,930	875,325,387	12,829,304,312	3.54	42,423,800,004	30.24%
2002	2001	7,679,702,923	5,123,764,525	1,303,138,720	1,013,049,391	15,119,655,559	3.79	49,858,145,639	30.33%
2003	2002	7,779,710,568	5,142,401,180	1,347,626,455	957,048,226	15,226,786,429	3.79	50,347,238,284	30.24%
2004	2003	7,972,813,784	4,958,614,785	1,301,588,530	880,949,964	15,113,967,063	4.04	50,379,365,307	30.00%
2005	2004	8,212,018,085	4,830,896,025	1,232,343,955	910,598,020	15,185,856,085	4.04	50,841,730,464	29.87%
2006	2005	9,425,210,140	5,471,742,335	1,289,881,700	1,033,424,138	17,220,258,313	4.04	57,726,276,478	29.83%
2007	2006	9,695,032,075	5,441,266,015	1,326,178,545	1,040,281,497	17,502,758,132	4.04	58,862,669,304	29.73%

- (a) Assessed value is the most current tax year value prepared by the County Property Assessor as of year-end.
- (b) Public Utilities information is based on information received from the State of Tennessee Comptroller of the Treasury Assessments.
- (c) The State of Tennessee tax statutes classify property as follows for computing assessed valuations:
 - Real Estate-Residential and Farms 25% of actual value
 - Real Estate-Commercial and Industrial 40% of actual value
 - Personal Property-Commercial and Industrial 30% of actual value
 - Public Utilities 55% of actual value

Property reappraisals were implemented in FY 1999, 2002 and 2006

Shelby County, Tennessee

**Revenue Capacity Information
Property Tax Rates-Direct and Overlapping Governments
Last Ten Fiscal Years**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
County Direct Rates										
General Fund	\$ 1.31	\$ 1.17	\$ 1.38	\$ 1.31	\$ 1.25	\$ 1.25	\$ 1.43	\$ 1.31	\$ 1.22	\$ 1.22
Education (a)	1.51	1.35	1.65	1.69	2.03	2.03	2.03	2.03	2.02	2.02
Debt Service	0.34	0.30	0.51	0.54	0.51	0.51	0.58	0.70	0.80	0.80
Total Direct Rate	3.16	2.82	3.54	3.54	3.79	3.79	4.04	4.04	4.04	4.04
Rural School Bonds (b)						0.05	0.05	0.05	0.05	0.05
City & Town Rates (d)										
Memphis (c)	3.18	2.77	2.77	3.37	3.23	3.23	3.23	3.23	3.43	3.43
Arlington	1.20	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Bartlett	1.54	1.29	1.29	1.29	1.23	1.23	1.38	1.38	1.38	1.31
Collierville	1.89	1.47	1.47	1.47	1.47	1.47	1.45	1.47	1.47	1.28
Germantown	1.72	1.72	1.47	1.47	1.47	1.30	1.30	1.70	1.54	1.54
Millington	1.10	0.92	0.92	0.92	0.92	1.23	1.23	1.23	1.23	1.23

Rates are applicable to fiscal year ending June 30.

- (a) The portion of property taxes designated for education are allocated between the Shelby County Board of Education and the City of Memphis Board of Education based on the average daily attendance.
- (b) Beginning in 2003 an additional \$0.05 tax rate funds only Rural School Bonds and is applied only to taxpayers living outside the City of Memphis.
- (c) Approximately three-fourths of the County's population resides in the City of Memphis.
- (d) The City of Lakeland does not have a City Property tax.

Shelby County, Tennessee

**Revenue Capacity Information
Principal Property Tax Payers - Current and Nine Years Ago
June 30, 2007**

Name of Taxpayer	Fiscal 2007 Assessments			Fiscal 1998 Assessments		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Federal Express Corporation	\$ 449,118,508	1	2.57%	\$ 284,410,427	1	2.28%
Bellsouth Telecommunications	158,907,924	2	0.91%	166,432,635	2	1.34%
Belz Enterprises	76,971,365	3	0.44%	117,877,915	3	0.95%
Wolfchase Galleria	53,311,870	4	0.30%	50,456,025	4	0.41%
Prolois	44,018,240	5	0.25%			
Wal-mart	43,631,640	6	0.25%			
Cingular Wireless	43,424,027	7	0.25%			
Carriage Avenue	40,934,165	8	0.23%			
AMIBUB	38,720,000	9	0.22%			
Mid-America Apartments	37,152,040	10	0.21%			
Union Planters National Bank				37,758,905	5	0.30%
Boyle Investments				32,525,570	6	0.26%
Gables-Tenn Properties				31,026,760	7	0.25%
Nike Inc.				29,992,070	8	0.24%
Mapco Petroleum Incorporated				28,819,985	9	0.23%
Time Warner Entertainment				28,203,240	10	0.23%
Total Assessed Valuation of Top Ten Taxpayers	\$ 986,189,779		5.63%	\$ 807,503,532		6.49%
Balance of Assessed Valuation	16,516,568,353		94.37%	8,762,929,912		93.51%
Total Assessed Valuation	<u>\$ 17,502,758,132</u>		<u>100.00%</u>	<u>\$ 9,570,433,444</u>		<u>100.00%</u>

Source: Shelby County Assessor and Trustee's Offices.

Shelby County, Tennessee

**Revenue Capacity Information
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tax Year	Original Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Adjusted Tax Levy	Total Collections to Date		
			Amount	Percentage of Original Levy			Amount	Percentage of Adjusted Levy	Percentage of Original Levy
1998	1997	\$ 299,645,896	\$ 287,884,320	96.07%	\$ 7,653,470	\$ 295,674,092	\$ 295,537,790	99.95%	98.63%
1999	1998	355,212,093	329,543,247	92.77%	5,370,908	335,220,331	334,914,155	99.91%	94.29%
2000	1999	453,291,684	412,703,834	91.05%	21,603,758	435,779,520	434,307,592	99.66%	95.81%
2001	2000	454,157,373	427,388,176	94.11%	19,014,674	447,808,677	446,402,850	99.69%	98.29%
2002	2001	573,034,946	523,851,896	91.42%	23,251,698	549,355,956	547,103,594	99.59%	95.47%
2003	2002	577,095,200	526,168,220	91.18%	26,156,138	555,311,765	552,324,358	99.46%	95.71%
2004	2003	610,604,269	570,445,227	93.42%	22,218,277	596,378,594	592,663,504	99.38%	97.06%
2005	2004	613,508,586	577,008,988	94.05%	23,887,145	606,615,294	600,896,133	99.06%	97.94%
2006	2005	698,709,093	645,263,773	92.35%	21,344,674	681,245,173	666,608,447	97.85%	95.41%
2007	2006	707,170,608	666,613,568	94.26%	N/A	704,279,575	666,613,568	94.65%	94.26%

Source: Shelby County Assessor and Trustee Offices.

Note: Property reappraisals were implemented in FY 1999, 2002 and 2006.

Shelby County, Tennessee

**Debt Capacity Information
Schedule of Direct and Overlapping Debt
June 30, 2007**

	Estimated Assessed Value	Debt
Direct Debt		
Special General Obligation School debt (a)	\$ 6,352,828,595	\$ 29,570,000
Total bonded debt (b)	17,502,758,132	1,782,004,280
Overlapping Debt (c)		
City of Memphis	11,149,929,537	980,791,000
City of Germantown	1,298,866,008	23,885,000
City of Bartlett	1,033,216,377	23,715,000
City of Collierville	1,249,786,942	30,729,567
Town of Arlington	193,320,643	55,000
Town of Millington	147,825,130	---

- (a) These bonds are limited tax obligation of the County. The County has the power and is obligated to levy ad valorem without limitation as to rate or amount upon all taxable property in the County located outside the boundaries of the Board of Education of the City of Memphis, Tennessee, which constitutes the area of the County outside of the boundaries of the City of Memphis, Tennessee.
- (b) The total bonded debt amount corresponds with all Shelby County assessed property.
- (c) The tax base within each city corresponds with that city's debt.

Shelby County, Tennessee

**Debt Capacity Information
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities	Business Type Activities	Total Government Debt(a)	Percentage Of Actual Property Value(b)	Percentage Of Assessed Property Value(b)	Per Capita(b)	Percentage Of Personal Income(b)
	General Obligation Bonds	Capital Leases					
1998	\$ 902,396,669	\$ 637,898	\$ 903,034,567	2.78%	9.50%	\$ 1,010	3.52%
1999	1,049,875,280	384,582	1,050,259,862	2.56%	8.44%	1,169	3.94%
2000	1,018,363,517	116,393	1,018,479,910	2.43%	7.97%	1,134	3.72%
2001	1,133,081,290	---	1,133,081,290	2.67%	8.84%	1,262	3.95%
2002	1,251,790,508	608,328	1,252,398,836	2.50%	8.37%	1,391	4.24%
2003	1,354,259,107	510,915	1,354,770,022	2.66%	8.89%	1,502	4.48%
2004	1,619,508,672	863,307	1,620,371,979	3.17%	10.74%	1,794	5.14%
2005	1,569,111,426	794,188	1,569,905,614	3.06%	10.36%	1,733	4.79%
2006	1,753,166,331	721,717	1,753,888,048	3.02%	10.26%	(c)	(c)
2007	1,820,107,968	1,170,996	1,821,278,965	3.06%	10.41%	(c)	(c)

(a) The full faith, credit and unlimited taxing power of the County are pledged for payment of the Bonds without limitation as to rate or amount.

(b) See page 206 for Actual and Assessed Property Values and page 212 for Population Amounts and Personal Income Values.

(c) Not available for FY2006 and FY2007.

Shelby County, Tennessee

**Demographic and Economic Information
Demographic and Economic Statistics
Last Ten Calendar Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1997	880,862	\$ 23,418,356	26,586	4.7%
1998	893,826	25,651,277	28,952	3.8%
1999	898,214	26,638,485	29,803	3.8%
2000	898,265	27,393,670	30,498	3.9%
2001	898,197	28,689,993	31,942	4.4%
2002	900,244	29,550,580	32,825	5.3%
2003	902,205	30,267,908	33,549	5.9%
2004	903,362	31,507,851	34,878	6.2%
2005	905,705	32,750,408	36,160	6.4%
2006	N/A	N/A	N/A	5.7%

Sources:

Population and personal income data provided by the U.S. Bureau of the Census through Bureau of Economic Analysis (BEA). Unemployment rates provided by Tennessee Department of Labor and Workforce Development.

Note:

Population data are midyear estimates. Personal income amounts are totals for each calendar year. Per capita personal income amounts are computed on the basis of the mid-year population estimates given at left. Unemployment rates are non-seasonally adjusted calendar year average rates for the civilian workforce.

Shelby County, Tennessee

**Demographic and Economic Information
Principal Employers
Current Year and Nine Years Ago**

Employer	2006			1997		
	Employees	Rank	Percentage of Total SMSA Employment	Employees	Rank	Percentage of Total SMSA Employment
FedEx Corp	30,000	1	3.83%	28,000	1	3.87%
Memphis City Schools	15,240	2	1.94%	14,500	3	2.00%
United States Government	15,000	3	1.91%	17,900	2	2.47%
Methodist Healthcare	7,369	4	0.94%	4,335	7	60.00%
Memphis City Government	6,667	5	0.85%	6,572	4	0.91%
Shelby County Government	6,513	6	0.83%	6,565	5	0.91%
Baptist Memorial Health Care Corp.	6,463	7	0.82%	5,162	6	0.71%
Naval Support Activity Millington	6,372	8	0.81%			
Wal-Mart Stores	6,000	9	0.77%			
Harrah's Entertainment	5,541	10	0.71%			
Shelby County Board of Education				4,222	8	5.80%
Tennessee State Government				3,890	9	54.00%
MS Carriers				3,100	10	0.43%
Total	105,165		13.41%	94,246		13.02%

Sources: Largest employer data from Memphis Regional Chamber of Commerce. The largest numbers are for the Memphis SMSA as a whole. This is the best reliable information that can be located. The 2006 statistics are the most recent available. Total employment (not shown, but used in computations) from U.S. Department of Commerce Bureau of Economic Analysis. The total employment numbers are also for the Memphis SMSA. Total employment for 2005 was used as a surrogate for the 2006 figure, which is not expected to be available until spring 2008. Total employment for 1997 is adjusted to include Marshall, Tate, and Tunica counties, Mississippi, which were added to the Memphis SMSA following the 2000 census.

Shelby County, Tennessee

**Operating Information
Full-time Equivalent Government Employees-By Function (a)
Last Seven Fiscal Years**

Function/Program:	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
General Government	553	574	532	294	297	317	297
Planning & Development	200	196	202	211	219	215	215
Public Works	364	362	383	473	496	474	480
Corrections	804	785	750	629	650	630	629
Health Services	777	764	647	674	677	674	653
Community Services (b)	177	178	204	560	590	572	545
Health Care Centers (c)	452	292	263	---	---	---	---
Law Enforcement: (d)							
Administrative & Support			234	257	253	243	243
Enforcement			558	550	536	544	566
Jail			1,304	1,121	1,179	1,143	1,133
Total Law Enforcement	<u>2,010</u>	<u>2,227</u>	<u>2,096</u>	<u>1,928</u>	<u>1,968</u>	<u>1,930</u>	<u>1,942</u>
Judicial	748	809	809	1,049	1,049	1,067	1,045
Other Elected Officials	<u>447</u>	<u>469</u>	<u>476</u>	<u>380</u>	<u>371</u>	<u>398</u>	<u>394</u>
Total Full-time Equivalent Employees	<u><u>6,532</u></u>	<u><u>6,656</u></u>	<u><u>6,362</u></u>	<u><u>6,198</u></u>	<u><u>6,317</u></u>	<u><u>6,277</u></u>	<u><u>6,200</u></u>

- (a) This schedule shows filled positions as of January 1, within each fiscal year.
- (b) On November 1, 2003 the County acquired additional employees for Head Start.
- (c) In fiscal year 2004 the County sold its Health Services facility.
- (d) In 2003, Law Enforcement was separated into the three divisions.

Shelby County, Tennessee

**Operating Information
Operating Indicators - By Function (a)
Last Ten Fiscal Years**

Function/Program:	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government:										
Pretrial Services										
Misdemeanor Interviews				33,363	30,089	29,397	29,121	28,538	26,973	21,278
Misdemeanor Arraignments				62,106	57,427	55,143	49,554	59,566	56,222	43,275
Felony Interviews				9,907	9,820	9,529	10,141	10,827	10,913	8,109
Felony Arraignments				10,329	10,048	9,635	10,456	11,061	11,012	8,450
Election Commission										
Number of Elections	1	2	2	3	1	2	4	5	4	6
Community Services										
Head Start										
Students					3,349	3,311	3,414	3,872	3,586	3,590
Housing										
Loans Outstanding							85	93	106	121
Law Enforcement										
Inmate Days per Year	1,004,440	1,041,256	1,076,828	882,933	759,663	721,143	806,562	881,162	948,892	1,024,920
Judicial (b)										
Chancery Court										
Filings	3,013	2,830	2,742	2,792	2,385	2,631	2,669	2,575	2,717	2,524
Dispositions	2,869	2,478	2,673	2,623	2,235	2,402	1,854	2,502	3,268	2,717
Circuit Court										
Filings	11,520	10,599	9,723	8,809	8,065	7,890	8,129	7,735	6,770	6,671
Dispositions	10,936	9,798	9,746	10,270	7,892	7,086	7,917	7,710	7,361	6,730
Criminal Court (e)										
Filings	22,653	21,132	22,054	22,293			25,735	24,869	29,928	26,977
Dispositions	21,120	20,396	21,886	23,747			27,872	24,742	26,621	29,923
General Sessions Criminal Court										
Filings			166,872	146,639	148,559	145,589	152,346	153,087	159,157	171,091
Dispositions			163,783	156,832	145,882	147,093	145,162	150,547	157,091	160,761
General Sessions Civil Court										
Filings		68,447	65,409	65,774	66,351	58,741	72,562	63,154	64,459	75,214
Dispositions						47,197	61,848	53,636	55,080	59,095
Juvenile Court (c)										
Disposed/Adjusted				22,125	24,934	20,729	20,490	22,817	21,211	19,195
Children Affected				16,164	15,684	14,573	14,760	15,987	15,561	14,205
Probate Court										
Filings	1,950	2,037	2,047	2,274	2,003	2,480	3,330	3,624	3,493	3,506
Dispositions	1,367	1,637	2,073	2,887	2,437	2,863	3,621	4,455	3,493	3,557

Other Elected Officials										
Register										
New Documents Filed	210,017	233,431	200,896	197,747	221,443	253,403	233,594	210,030	214,467	206,918
Assessor										
Parcels Assessed										
Real Property	307,442	311,043	314,893	320,901	325,493	328,565	331,881	335,896	340,264	349,963
Personal Property	35,896	36,510	36,523	37,101	38,235	38,105	37,989	38,168	38,846	39,773
Attorney General (c)										
Criminal Court Indictments						9,620	8,586	8,667	9,271	9,765
New Juvenile Delinquency Cases						2,828	2,753	2,947	3,090	3,168
Enterprise Funds:										
Fire (c)										
Fire Responses				8,600	9,326	6,488	6,051	6,433	7,087	8,926
Ambulance Calls				8,822	9,406	9,759	9,498	9,808	10,376	11,084
Codes Enforcement										
Building Inspections							58,790	63,665	61,482	59,332
Building Permits (d)	3,559	3,656	3,818	3,250	3,157	9,189	12,917	11,789	10,860	9,889
Board of Education (Component Unit)										
Enrollment										
Board of Education- County Shelby County	56,292	58,202	52,774	53,653	53,453	54,310	56,039	53,435	54,943	55,745
Board of Education- City of Memphis	127,758	129,762	136,683	136,754	137,013	135,236	135,183	138,043	137,932	135,268

- (a) Information not reported is not available for these periods.
- (b) Data for the latest year, except for Juvenile Court, was provided by Shelby County. All General Sessions data provided by Shelby County. All other data taken from reports of the Tennessee Administrative Office of the Courts.
- (c) Data is reported on a calendar year basis as of December 31 within each fiscal year.
- (d) Data prior to 2003 excludes hotels, motels, additions, alterations, conversions, hazardous storage facilities, churches, garages, carports, educational facilities and swimming pools.
- (e) No data reported in fiscal years 2002 and 2003 due to problems with the case management system during the year.

Shelby County, Tennessee

**Operating Information
Capital Assets Statistics - By Function
June 30, 2007**

Function/Program: (a)	Fiscal Year (a)									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government: Election Commission Polling Locations							283	279	279	279
Assessor Offices	2	2	2	2	2	2	2	2	2	2
Public Works Bridges (b)		325	294	275	257	235	217	201	199	184
Health Services Public Health Clinics							8	8	8	8
Law Enforcement Jail Capacity										
Male	2,825	2,825	2,825	2,825	2,825	2,825	2,825	3,025	3,025	3,068
Female		384	384	384	384	384	384	384	384	384
Judicial Courts	41	41	41	41	41	41	41	41	41	41
Enterprise Funds: Fire Stations (c)		8	8	8	8	8	8	8	7	7

- (a) Some data is not available for some years.
- (b) The number of bridges has declined due to annexations by municipalities.
- (c) Fire stations decreased due to transfer to municipality.

Shelby County, Tennessee

Schedule of Salaries and Fidelity Bonds

June 30, 2007

<u>Official</u>	<u>Designation</u>	<u>Salary Amounts</u>	<u>Bond Expiration Date</u>	<u>Bond Amount</u>
Mayor and Staff				
A C Wharton, Jr.	Mayor	\$ 150,000	09/01/10	\$ 100,000
John T. Fowlkes	Chief Administrative Officer	140,682	09/01/10	100,000
James F. Huntzicker	Director of Administration and Finance	140,657	09/01/10	100,000
Theodore C. Fox, III	Director of Public Works	122,005	09/01/10	100,000
Yvonne Smith Madlock	Director of Health Services	122,004	09/01/10	25,000
Dorothy Day Jones	Director of Community Services	106,000	09/01/10	25,000
Andrew Taber, Jr.	Director of Corrections	122,004	09/01/10	100,000
Court Clerks				
Dewun R. Settle	Chancery Court Clerk and Master	103,703	10/01/12	1,060,000
Jimmy Moore	Circuit Court Clerk	103,703	09/01/10	60,000
William R. Key	Criminal Court Clerk	103,703	09/01/10	65,000
William C. Turner	General Sessions Court Clerk	103,703	09/01/08	60,000
Chris R. Thomas	Probate Court Clerk	103,703	09/01/10	60,000
Steve Stamson	Juvenile Court Clerk	103,703	09/01/10	60,000
Others				
Mark H. Luttrell, Jr.	Sheriff	114,074	09/01/10	50,000
Debra J. Stamson	County Clerk	103,703	09/01/10	95,000
Thomas F. Leatherwood	Register	103,703	09/01/10	25,000
Robert D. Patterson, Sr.	Trustee	103,703	09/01/10	24,775,000
Rita Clark	Assessor	103,703	09/01/08	10,000
All Employees	Employee Theft Coverage		09/01/07	900,000 per claim

SHELBY COUNTY, TENNESSEE
FEDERAL I.D. #62-6000841

SINGLE AUDIT REPORT
For the Year Ended June 30, 2007

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



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

To the Chairperson and Members of the
Shelby County Board of Commissioners and
Mayor of Shelby County, Tennessee

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, (the "County") as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 27, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Shelby County Health Care Corporation, Agricenter International, Inc., and Shelby County Retirement System, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than **inconsequential will not be prevented** or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

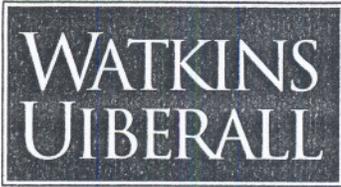
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated December 27, 2007.

This report is intended solely for the information and use of the County Mayor and Commissioners, management, the audit committee, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Memphis, Tennessee
December 27, 2007

Watkins Liberiall PLLC
Banks, Finley, White & Co.



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



CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
 APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
 COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Chairperson and Members of the
 Shelby County Board of Commissioners and
 Mayor of Shelby County, Tennessee

Compliance

We have audited the compliance of Shelby County, Tennessee (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Shelby County Board of Education, which received \$19,204,431 in federal awards that is not included in the schedule during the year ended June 30, 2007. Our audit, described below, did not include the operations of the Shelby County Board of Education because the component unit issues separate financial statements performed in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County Mayor and Commissioners, management, the audit committee, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Memphis Tennessee
December 27, 2007

Watkins Universal, PLLC
Brent H. Imley, L.L.C. & Co.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2007

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred
10.557	GG-06-12319-00	WIC Program	TN Department of Health	\$ 1,063,478
10.557	GG-07-20478-00	WIC Program	TN Department of Health	2,261,587
			Total WIC Program	<u>3,325,065</u>
10.558	03-47-64531-00-0	Child & Adult Care Food Program	TN Department of Human Services	236,907
10.558	03-47-64531-00-0	Child & Adult Care Food Program	TN Department of Human Services	1,041,903
			Total CACF Program	<u>1,278,810</u>
10.565	GG-06-11615-00	CSFP	TN Department of Health	143,166
10.565	GG-07-12959-00	CSFP	TN Department of Health	299,119
			Total commodity supplemental food program	<u>442,285</u>
10.568	Z-06-028679-01	Commodities Distribution	TN Department of Agriculture	29,966
10.568	DG-07-02048-00	Commodities Distribution	TN Department of Agriculture	106,341
			Total emergency food assist. program	<u>136,307</u>
14.218	B-02-UC-47-0002	Community Development Block	HUD	304,474
14.218	B-02-UC-47-0002	Community Development Block	HUD	394,385
14.218	B97-UC-47-0002	Community Development Block	HUD	568,199
14.218	B03UC47002	Community Development Block	HUD	25,000
			Total community development block grant program	<u>1,292,058</u>
14.235	TN37D150799	Emergency Mental Hlth & Detox Program	HUD	337,118
14.239	MOU4UC470205	Home Entitlement	HUD	105,813
14.239	MOU4UC470205	Home Entitlement	HUD	396,067
14.239	MO1UC470205	Home Entitlement	HUD	153,698
14.239	M95-UC-47-0205	Home Entitlement	HUD	38,146
			Total home invest. partnerships program	<u>693,724</u>
14.243	Y-02-IM-TN-0097	Youth Build Program	HUD	199,863
14.900	TNLHB0244-03	Lead Based Paint	HUD	1,138,929
14.900	23372	City Lead Grant Program	City of Memphis Housing & Comm. Svcs.	137,887
14.900	TNLHB0342-06	Lead-Based Paint Reduction	HUD	213,871
			Total lead base paint hazard control prog	<u>1,490,687</u>
15.809	06ERAG0034	Resolution Imagery Program	U.S. Department of the Interior - US Geological Survey	50,000

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred
16.523	GG-07-12615-00	Juvenile Accountability Block Grant	TN Commission on Children & Youth	\$ 90,250
16.523	GG-06-12119-00	Juvenile Accountability Block Grant	TN Commission on Children & Youth	58,869
16.523	GG-07-12752-00	Juvenile Accountability Block Grant	TN Commission on Children & Youth	<u>164,931</u>
			Total juvenile accountability incentive block grant program	314,050
16.527	2006-CW-AX-0027	Safe Exchange Program	Department of Justice Office of Violence Against Women	70,259
16.540	GG-06-12209-00	REACHH	TN Commission on Children & Youth	9,734
16.540	CFFG-38-06	REACHH	TN Commission on Children & Youth	13,388
16.540	90FR0095/01	REACHH	TN Commission on Children & Youth	113,102
16.540	90FR0067-01	REACHH	TN Commission on Children & Youth	<u>115,627</u>
			Total juvenile prevention program	251,851
16.542	2005-JL-FX-0131	Student Conflict Resolution	Office of Juvenile Justice and Delinquency Prevention	31,539
16.575	2002-VF-GX-K015	Bilingual Victim Advocate	Office of Criminal Justice Programs	43,252
16.575	Z00099343-01	Victims of Crime Act	Office of Criminal Justice Programs	151,678
16.575	Z00001401-01	STOP	Office of Criminal Justice Programs	<u>58,478</u>
			Total crime victim assist. program	253,408
16.579	06 01-01554W	TBI Electronic Fingerprint System	U.S. Department of Education	33,000
16.579	Z99088450-00	Pre Trial Day Reporting Center	TN Office of Criminal Justice Programs	<u>98,034</u>
			Total Byrne formula grant program	131,034
16.582	2004-WE-AX-0031	Arrest Policies	U.S. Department of Justice Office for Victims of Crime	159,159
16.582	2004-WE-AX-0031	Arrest Policies	U.S. Department of Justice Office for Victims of Crime	137,090
16.582	2002-VF-GX-XK015	Linking Neighborhoods	U.S. Department of Justice Office for Victims of Crime	6,197
16.582	2002-VF-GX-XK015	Linking Neighborhoods	U.S. Department of Justice Office for Victims of Crime	<u>25,716</u>
			Total crime victim/assistance/ discretionary grant	328,162
16.592	2006-DJ-BX-0730	Edward Byrne Justice Assistance Grant	U.S. D.O.J. Bureau of Justice Assistance	620,090
16.607		Bulletproof Vest Program	U.S. D.O.J. Bureau of Justice Assistance	31,056
16.607		Bulletproof Vest Program	U.S. D.O.J. Bureau of Justice Assistance	<u>74,287</u>
			Total bulletproof vest program	105,343

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred
16.609	2003-GP-CX-0515	PSN Programs Attorney General	U.S. D.O.J. Bureau of Justice Assistance	\$ 143,738
16.609	2004-GPCX-0704	PSN Programs Attorney General	U.S. D.O.J. Bureau of Justice Assistance	36,730
16.609	2006-GP-CX-0043	PSN Programs Attorney General	U.S. D.O.J. Bureau of Justice Assistance	10,845
			Total project safe neighborhood program	<u>191,313</u>
16.710	2004SHWX0182	Cops in Schools 2004	U.S. Department of Justice	166,957
16.738	2005DJBX1160	Edward Byrne Justice Assistance Grant	U.S. D.O.J. Bureau of Justice Assistance	154,033
16.744	2006-PG-BX-0088	Anti-Gang Initiative	U.S. D.O.J. Bureau of Justice Assistance	84,090
17.258	23058	New-Recruit Training	Workforce Investment Network	81,377
20.205	Z-06-030936-00	Memphis Metropolitan Planning	TN Department of Transportation	223,571
20.205	Z-07-036299-00	Economic Impact Study	TN Department of Transportation	973,004
20.205	76008-0700410	Transportation Planning	TN Department of Transportation	7,789
20.205	CM-STP-3265(81)	CMAQ Rideshare	TN Department of Transportation	324,454
20.205	CM-STP-9409(69)	CMAQ Rideshare	TN Department of Transportation	26,593
20.205	CM-STP-9409 (89)	CMAQ Rideshare	TN Department of Transportation	80,808
20.205	CM-NHE-7900-28	CMAQ Intersection Improvements	TN Department of Transportation	846,702
20.205	79-5303-S3-004	FTA	TN Department of Transportation	10,788
20.205	STP-EN-7900(32)	TDOT	TN Department of Transportation	1,407,711
			Total hwy. planning and construct. program	<u>3,901,420</u>
20.505	MS-80-X008	MDOT Section 8	MS Department of Transportation	11,584
20.600	PT-06-08	Police Traffic Services	TN Department of Transportation	32,666
20.601	J8-07-04	Youth Alcohol Traffic Safety Program	TN Department of Transportation - Governor's Highway Safety Office	75,730
20.601	K4-07-281	Network Coordinator Grant Program	TN Department of Transportation - Governor's Highway Safety Office	13,445
20.601	PT-07-27	Police Traffic Services Program	TN Department of Transportation - Governor's Highway Safety Office	115,184
			Total alcohol traffic safety program	<u>204,359</u>
20.605	IN5-06-16	Domestic & Date Violence	TN Governor's Highway Safety Office	4,999
20.605	J8-06-03	Youth DUI Grant	TN Governor's Highway Safety Office	55,061
			Total traffic enforcement program	<u>60,060</u>
66.001	AO0408206	Air Pollution	Environmental Protection Agency	357,571
66.001	A-00408207-1	Air Pollution	Environmental Protection Agency	1,269,123
			Total air pollution control program	<u>1,626,694</u>

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred
66.034	PM-97475903	Special Air Pollution Section 103	Environmental Protection Agency	\$ 157,236
66.034	PM-964377-05-1	Special Air Pollution Section 103	Environmental Protection Agency	74,628
			Total special air pollution program	<u>231,864</u>
81.042	Z-05-021680-05	Weatherization	Department of Human Services	665,978
83.524	N14502/CA013024	Biological Response	TN Department of Health and Human Services	21,597
84.184	Q184L050266	Safe Schools/Healthy Students	TN Department of Education	13,181
84.184	Q184L050266	Safe Schools/Healthy Students	TN Department of Education	39,350
			Total safe & drug-free schools program	<u>52,531</u>
84.255A	Q255A030048	Women in Community Service	TN Department of Education	100,455
84.255A	Q255A030048	Women in Community Service	TN Department of Education	299,160
			Total women in community service	<u>399,615</u>
90.201	TN-3052	Brunswick Sewer Project	Delta Regional Authority	3,925
93.041	GG-02-09316-00	Aging Program -Elder Abuse	TN Commission on Aging	32,200
93.042	GG-02-09316-00	Aging Program - Family Caregiver	TN Commission on Aging	586,180
93.042	GG-02-09316-00	Aging Program - Ombudsman Services	TN Commission on Aging	47,200
			Total aging program title VII	<u>633,380</u>
93.043	GG-02-09316-00	SHIP I&A	TN Commission on Aging	257,596
93.043	GG-02-09316-00	Aging Program - Preventive Health	TN Commission on Aging	67,600
			Total aging program title III part D	<u>325,196</u>
93.044	GG607170600	Aging Program - Supportive Services	TN Commission on Aging	1,663,063
93.045	GG607170600	Aging Program - Nutrition Services	TN Commission on Aging	704,700
93.045	GG-02-09316-00	Aging Program - NSIP	TN Commission on Aging	536,900
			Total aging program title III part C	<u>1,241,600</u>
93.053	GG-02-09316-00	Aging Program - NSIP	TN Commission on Aging	300,400
93.116	GG-07-12737-00	TB Outreach	Department of Health	1,503,574
93.197	GG-06-11910-01	CDC Lead Grant - Childhood Poisoning	Department of Health & Human Services	178,520

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred
93.243	4H79SM55058-03-3	SAMHSA Co-Occurrence	Department of Health and Human Services - Substance Abuse & Mental Health Svcs.	\$ 222,036
93.243	6H79TI16384-02-1	SAMHSA Co-Occurrence	Department of Health and Human Services - Substance Abuse & Mental Health Svcs.	120,933
93.243	6H79TI16384-02-1	SAMHSA Co-Occurrence	Department of Health and Human Services - Substance Abuse & Mental Health Svcs.	<u>253,652</u>
			Total substance abuse and mental health services programs	596,621
93.268	GG-05-11097-01	WIC Immunization	Department of Health	69,151
93.268	GG-07-21311-00	WIC Immunization	Department of Health	63,050
93.268	GG-06-12157-00	Immunization	Department of Health	210,113
93.268	GG-06-12157-00	Immunization	Department of Health	<u>214,950</u>
			Total immunization program	557,264
93.283	GG-06-11915-00	Central Lab/Bio Terrorism	TN Department of Health	479
93.283	GG-07-12531-00	Central Lab/Bio Terrorism	TN Department of Health	98,173
93.283	GG-07-21366-00	Pandemic Influenza Preparedness	TN Department of Health	22,747
93.283	GG-07-12539-00	Tobacco Risk	TN Department of Health	80,253
93.283	GG-06-12168-01	Homeland Security Bioterrorism	Department of Health	223,201
93.283	GG-07-12997-00	Homeland Security Bioterrorism	Department of Health	571,716
93.283	GG-07-12540-00	Breast and Cervical Cancer	Department of Health	<u>62,113</u>
			Total CDC - investigations and technical assistance program	1,058,682
93.563	GG-07-12365-00	Child Support Enforcement	Department of Human Services	11,390,084
93.568	Z-05-021704-05	LIHEAP	Department of Human Services	7,311,465
93.568	Z-05-021680-05	LIHEAP	Department of Human Services	<u>411,258</u>
			Total LIHEAP program	7,722,723
93.569	Z-05-020698-02	Community Services Block Grant	Department of Health & Human Services	2,350,929
93.600	04CH3447-39	Head Start	Department of Health & Human Services	11,238,976
93.600	04CH3447	Head Start	Department of Health & Human Services	<u>9,287,341</u>
			Total Head Start program	20,526,317
93.667	CA061521	CSA-Special Funding	Department of Human Services	15,000
93.667	Z-05-020698-02	Operation Warm Homes	Department of Human Services	<u>4,125</u>
			Total social services program	19,125
93.778	GG-007-12764-00	Infant Mortality Campaign	TN Department of Finance and Admin. - Bureau of TennCare	33,267

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred
93.914	1 H89HA07940-01-00	HIV Emergency Relief Project	Department of Health & Human Services	\$ 138,751
93.917	GG-06-12259-00	HIV Case Management	Department of Health	164,602
93.917	GG-06-12259-00	HIV Case Management	Department of Health	53,893
			Total HIV care formula	<u>218,495</u>
93.926	2H49MC00036-05	Healthy Start Initiative	Department of Health and Human Services - Material & Child Burea	42,417
93.926	2H49MC00036-05	Healthy Start Initiative	Department of Health and Human Services - Material & Child Burea	548,552
93.926	2H49MC00036-05	Healthy Start Initiative	Department of Health and Human Services - Material & Child Burea	27,555
			Total healthy start initiative program	<u>618,524</u>
93.977	Z-07-038101-00	HIV Prevention	TN Department of Health	838,593
93.958	66-02-09210-00	Mentally Ill Inmate Services	TN Office of Criminal Justice Programs	100,779
93.959	GG-06-12340-00	Prevention Initiative for Children	TN Department of Health	280,036
93.959	GG-07-12566-00	Prevention Initiative for Children	TN Department of Health	887,726
			Total substance abuse treatment	<u>1,167,762</u>
93.977	Z-06-031124-00	HIV	Department of Health	982,825
93.991	GG-06-11911-00	Health Risk Reduction	TN Department of Health	4,648
93.991	GG-07-12359-00	Health Risk Reduction	TN Department of Health	102,741
93.991	Z00001448-01	Community Prevention Initiative	TN Department of Health	72,272
			Total preventive health services	<u>179,661</u>
93.994	GG-07-12541-00	HUGS - Help Us Grow Successfully	TN Department of Health	177,883
93.994	CA070488	MMRS Program	City of Memphis	23,777
93.994	GG-07-12536-00	Family Planning	Department of Health & Human Services	1,013,545
93.994	GG-07-12715-00	Toll Free Babies Hotline	TN Department of Health	20,100
93.994	GG-06-11978-00	Children's Special Services	Department of Health & Human Services	209
93.994	GG-06-11978-00	Children's Special Services	Department of Health & Human Services	475,393
93.994	GR-07-12601-00	Care Coordination	TN Department of Health	390,032
			Total children's health services	<u>2,100,939</u>

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred
94.002	05SRSTN001	Retired and Senior Volunteer Program	Corporation for National Community Service	\$ 45,078
97.004	Z-04-020192-00	FY 2003 Part II Planning/Admin	Department of Homeland Security	9,277
97.004	Z-04-020145-00	First Responders for WMD	Department of Homeland Security	467,722
97.004	Z-04-022523-00	Domestic Preparedness	Department of Homeland Security	237,902
97.004	Z-03-017800	CBRNE Search & Rescue	Department of Homeland Security	(254)
97.004	GG-07-20953-08	Responder Preparedness	Department of Homeland Security	6,860
97.004	GG-04-12970-01	FY04 Office of Domestic Preparedness	Department of Homeland Security	662,879
		Total domestic preparedness		<u>1,384,386</u>
97.006	Z-04-019759-00	CBRNE Drills	Department of Homeland Security	69,221
97.008	GG-05-11505-02	FY2003 UASI Training	Department of Homeland Security	21,222
97.008	GG-06-12933-01	2004 UASI	Department of Homeland Security	3,971,638
97.008	GG-05-11548-00	FY2003 UASI Equipment	Department of Homeland Security	(2,109)
		Total UASI program		<u>3,990,751</u>
97.036	Z-06-030973-00	Disaster Assistance - Hurricane Katrina	Department of Homeland Security	17,956
97.044	EMW-2004-FG-12980	Fire Grant	Department of Homeland Security	566,680
97.067	Z-05-025208-01	Domestic Preparedness	Department of Homeland Security	694,329
97.071	CA060488	MMRS Program	City of Memphis	859
97.078	Z-05-031016-00	Buffer Zone Protection Program	Department of Homeland Security	149,988
97.078	Z-05-031017-00	Buffer Zone Protection Program	Department of Homeland Security	449,405
		Total BZPP program		<u>599,393</u>
		Total federal awards		<u><u>83,089,643</u></u>

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

Contract Number	Program Name	Grantor Agency	State Expenditures Incurred
Z0502042800	Court Appointed Special Advocates	TN Commission on Childrem & Youth	\$ 9,000
GU-07-3456	Juvenile Off. Residential Care & Treatment	TN Department of Children's Services	6,633,902
GG-0612010-00	State IVD - Juvenile Court Clerk	TN Department of Human Services	539,422
06-009	Safe Haven Grant	The Assisi Foundation	27,604
GG-06-11973-00	Tendercare Outreach	TN Department of Health	4,103
GG-07-12767-00	Tendercare Outreach	TN Department of Health	845,077
	Juvenile Court GPS Grant	TN Department of Finance & Admin. - OCJP	6,595
CDC-MSCHD			
Task 9-10-05-2006	Lead Poisoning Prevention	TKC Integration Services, LLC	45,197
Z06029156-00	Congestion Management	TN Department of Transportation	11,000
	Girls Jumping in Memphis	General Mills Foundation	3,964
GG-041006	Pandemic Influenza Preparedness	TN Department of Health	19,753
	City Courts Child Safety Seats	City of Memphis - City Court	176,975
	Sheriff on the Job Training	City of Memphis/Consortium of Loc Govts & WIN	140,125
22807	SCCSA Out of School Youth Program	City of Memphis/Consortium of Loc Govts & WIN	74,949
	Prisoner Re-entry Initiative	TN Department of Agriculture	19,121
	Early Prognosis Screening and Diagnostic Testing	TN Department of Health	30
	Early Prognosis Screening and Diagnostic Testing	TN Department of Health	1,210,468
GG-07-12537-00	TennCare Dental Program	TN Department of Health	1,522,070
	United Way HIV Nutrition	United Way of Mid South	49,500
Z06027495-00	West TN Drug & Violent Crime Task Force	TN Office of Criminal Justice Programs	391,382
2006-EW-AX-K010	COMPASS Training Grant	COMPASS Coordination Inc.	1,467
GG-06-11911-00	Health Planning	TN Department of Health and Human Services	4,913
GG-07-12539-00	Health Planning	TN Department of Health and Human Services	218,411
GU-07-03380-00	Families First Health Planning	TN Department of Health	420,000
CG-02-09316-00	Aging Program State HCBS	TN Commission on Aging	1,029,708
CG-02-09316-00	Aging Program State Senior Centers	TN Commission on Aging	132,105
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	274,021
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	199,710
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	92,100
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	51,000
Z01098977-02	Electronic Fingerprinting Imaging System	TN Office of Criminal Justice Programs	20,000
	Down Payment Assistance Program	TN Housing Development Agency	56,031
	Down Payment Assistance Program	TN Housing Development Agency	173,182
	Shelby County Drug Court	City of Memphis Police Department	175,000
Z07-033847-00	TDOT Roadside Litter Grant	TN Highway Beautificaion Office	208,173
CA053261	Methodist Youth Care HIV Program	Meth-LeBonheur Healthcare Foundation	21,184
CA053261	Methodist Youth Care HIV Program	Meth-LeBonheur Healthcare Foundation	20,334
	Cops-Secure Our Schools	U.S. Department of Justice	19,790
	CSA-Special Funding World Overcomers	Religious Organizations	11,140
Z-03-011369-00	Tire Recycling	TN Department of Environment & Conservation	587,649
GG-07-12743-00	Household Hazardous Waste Facility	TN Department of Environment & Conservation	49,289
GG-07-12619-00	Grant-in-Aid	TN Department of Health	917,800
	City Schools Nursing	City Board of Education	190,231
	Public Guardianship	TN Commission on Aging	24,134

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2007

Contract Number	Program Name	Grantor Agency	State Expenditures Incurred
	County Schools Nursing	County Board of Education	\$ 1,104,447
	FM Global	FM Global Foundation	2,447
Z05025510-00	Shelby County Residential Drug Court Project	TN Office of Criminal Justice Programs	447,327
06-051	Domestic Violence Salon Initiative	The Assisi Foundation of Memphis, Inc.	39,817
	Chickasaw Basin Authority Operations	State of Tennessee	54,655
	DUI Offenders	TN Dept of Corrections	225,000
	At-Risk Youth	City Board of Education	149,532
	Industrial Development Board	Industrial Development Board	394,385
	Industrial Development Board	Industrial Development Board	293,190
	Arts and Culture Programs	TN Arts Commission	5,000
	Integrated Delivery System	Health Loop - The Regional Medical Center	<u>3,076,468</u>
		Total state awards	<u>22,419,877</u>
		Total federal and state awards	<u>\$ 105,509,520</u>

See accompanying notes to schedule of expenditures of federal and state awards.

SHELBY COUNTY, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2007

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of federal and state awards includes the transactions related to the receipt of federal funds by Shelby County, Tennessee (the “County”). The Shelby County Board of Education, a component unit of the County, issues a separate financial report under OMB Circular A-133 and is not included in this schedule.

The schedule of expenditures of federal and state awards is presented on the modified accrual basis of accounting, consistent with accounting for governmental type funds. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”), which is generally when the allowable program expenditures are incurred. Expenditures and transfers out are recorded when the related program liability is incurred, except for certain compensated absences.

NOTE 2 – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS TO THE FINANCIAL STATEMENTS

The following is a reconciliation of expenditures per the schedule of expenditures of federal and state awards to the expenditure balances in the grant fund, per the County’s financial statements:

Totals per schedule of expenditures	\$ 105,509,520
Less: Transfers to other funds	(4,731,315)
Less: Expenditures shown in capital projects fund	(1,407,744)
Total grant fund expenditures	<u><u>\$ 99,370,461</u></u>

SHELBY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Shelby County, Tennessee.
2. No reportable conditions or material weaknesses were reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Shelby County, Tennessee were disclosed during the audit.
4. No reportable conditions or material weaknesses were reported during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Shelby County, Tennessee expresses an unqualified opinion on all major federal programs.
6. The audit did not disclose any audit findings related to major programs that are required to be reported under OMB Circular A-133.
7. The programs tested as major programs included:
 - 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
 - 20.205 - Highway Planning and Construction
 - 93.044/93.045/93.053 - Aging Cluster
 - 93.563 - Child Support Enforcement
 - 93.568 - Low-Income Home Energy Assistance (LIHEAP)
8. The threshold for distinguishing Types A and B programs was \$2,409,738.
9. Shelby County, Tennessee was determined to be a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported

SHELBY COUNTY, TENNESSEE
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2007

No prior year audit findings were reported.