

COMPREHENSIVE ANNUAL FINANCIAL REPORT

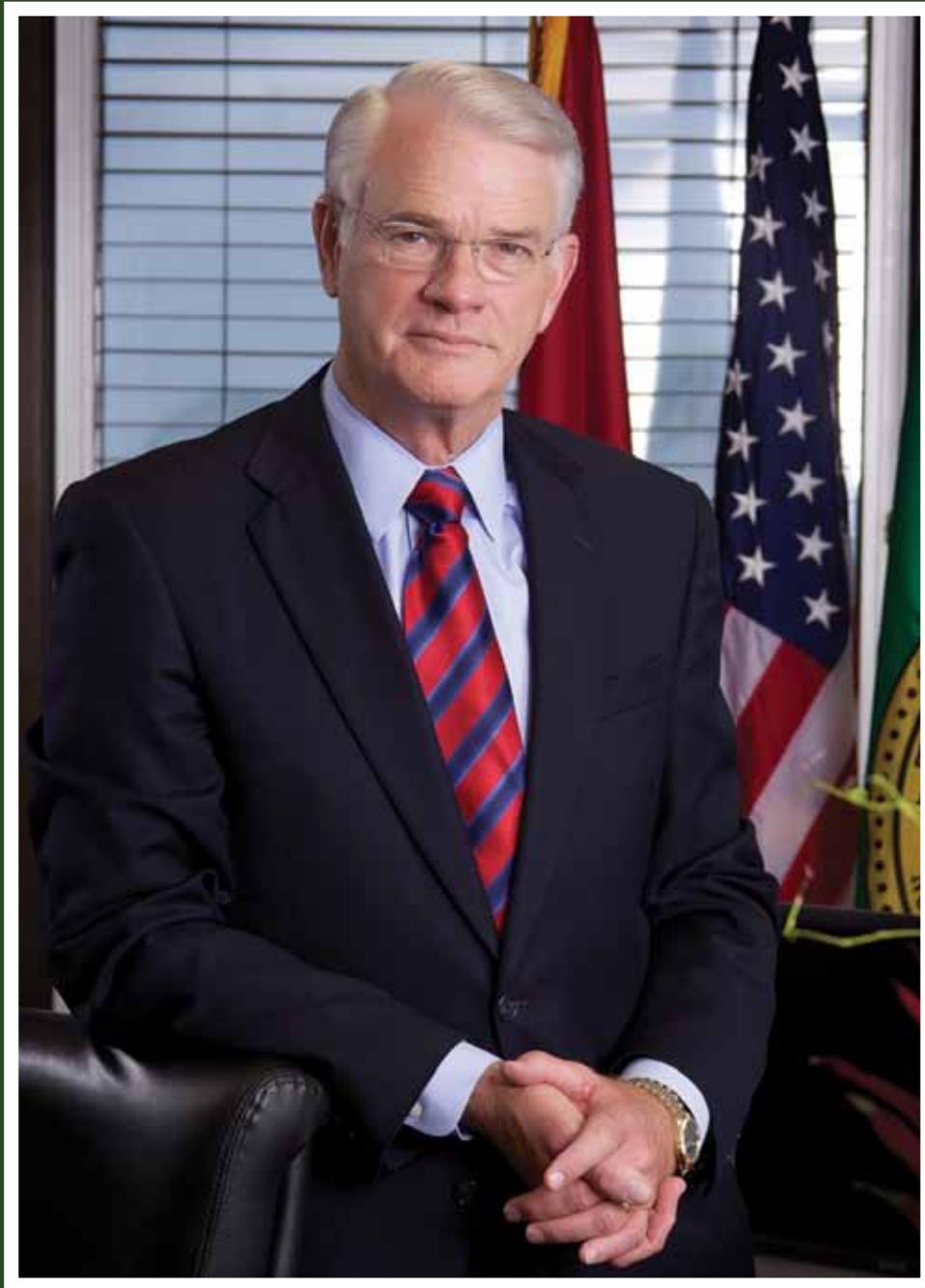


SHELBY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

**Comprehensive
Annual Financial Report
Of
Shelby County, Tennessee
For The Year Ended
June 30, 2011**

Prepared by the Department of Finance

Page	Page
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	A-1
County Officials	A-6
County Organization Chart	A-7
GFOA Certificate of Achievement	A-8
<u>FINANCIAL SECTION</u>	
AUDITORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS	
Independent Auditors' Report	B-1
Management's Discussion and Analysis	B-3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	C-1
Statement of Activities	C-2
Fund Financial Statements	
<u>Governmental Funds</u>	
Balance Sheet	C-4
Reconciliation of Fund Balances of Governmental Funds to the Statement of Net Assets	C-7
Statement of Revenues, Expenditures and Changes in Fund Balances	C-8
Reconciliation of Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-10
<u>Proprietary Funds</u>	
Statement of Net Assets	C-11
Statement of Revenues, Expenses and Changes in Fund Net Assets	C-12
Statement of Cash Flows	C-13
<u>Fiduciary Funds</u>	
Statement of Fiduciary Net Assets	C-15
Statement of Changes in Fiduciary Net Assets	C-16
<u>Component Units</u>	
Combining Statement of Net Assets	C-17
Combining Statement of Activities	C-18
Notes to Financial Statements	
Index of Notes to Financial Statements	D-1
Notes to Financial Statements	D-2
REQUIRED SUPPLEMENTARY INFORMATION	
<u>Budgetary Comparison Schedules</u>	
General Fund	E-1
Education Fund	E-1
Grants Fund	E-2
<u>Other Required Supplementary Information</u>	
Shelby County Retirement System	E-3
Other Post Employment Benefits (OPEB)	E-3
Trust Fund	E-3
Notes to the Required Supplementary Information	E-4
COMBINING AND OTHER STATEMENTS AND SCHEDULES	
<u>Nonmajor Enterprise Funds</u>	
Combining Statement of Net Assets	F-1
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	F-2
Combining Statement of Cash Flows	F-3
<u>Nonmajor Governmental Funds</u>	
Combining Balance Sheet	F-4
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	F-6
Budgetary Comparison Schedules	F-8
<u>Internal Service Funds</u>	
Combining Statement of Net Assets	F-13
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	F-14
Combining Statement of Cash Flows	F-15
<u>Fiduciary Funds</u>	
Postemployment Benefit Trust Funds	
Combining Statement of Fiduciary Net Assets	F-16
Combining Statement of Changes in Fiduciary Net Assets	F-16
<u>Constitutional Officers</u>	
General and Agency Funds-Combined Schedule of Changes in Assets and Liabilities	F-17
<u>General Obligation Bonds</u>	
Schedule of General Obligation Bonds-Except for School Purposes	F-20
Schedule of General Obligation Bonds-School Purposes	F-22
OTHER BUDGETARY COMPARISON SCHEDULES	
Debt Service Fund	G-1
<u>General Fund Budgetary Comparisons</u>	
Summary By Type	G-2
Summary By Department	G-3
Mayor's Office	G-8
Public Affairs	G-8
Chief Administrative Officer	G-9
County Attorney	G-9
Director of Administration and Finance	G-10
Central Operations	G-11
County Grants	G-11
Personnel	G-12
Purchasing	G-12
Information Technology	G-13
Finance	G-13
Board of Equalization	G-14
Election Commission	G-14
Department of Housing	G-15
Director and Staff of Public Works	G-15
County Engineer	G-16
Soil Conservation	G-16
Shelby Farms	G-17



Shelby County Mayor Mark Luttrell



Shelby County Government

MARK H. LUTTRELL, JR.
MAYOR

November 23, 2011

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, 2011 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, 2011. 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 927,644. The County is empowered to levy, without limit, a property tax on both real and personal property located within its boundaries.

The County operates 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 late February. After a series of reviews, the County Mayor presents a proposed consolidated budget to the County Commission. 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 a decline in the local economy this past year as did most of the country. The decline in the housing market has not been as severe as in much of the country because our housing market had been relatively steady rather than experiencing excessive growth. In recent years, the economy of the County has experienced notable success attracting new businesses along with the continued growth of existing businesses.

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, 2011 was 10.8%, as compared to the state's rate of 9.8% and the national rate of 9.1%.

Long-term financial planning

Long-term planning includes both our operations and capital needs. We look at our historical data and project our future requirements. Close cooperation exists 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.

During the past ten years, governmental total revenue has increased 33%. For this period, local taxes have increased as a percent of total revenue from 75.4% to 76.6% because the areas of relative increase in expenditures are primarily supported by local taxes. For this period, property taxes have increased from 65.6% to 67.9% of total revenue. While Shelby County did incur a small decline in property taxes in 2011 compared to 2010, this decline was less than 1% because our property tax base is much more stable than many parts of our country. An increase in grants caused State, Federal and Other Local revenue to increase from 14.1% to 15.4% as a percent of total revenue over the past ten years. Fines, fees and permits have decreased from 6.9% of total revenue to 6.6% and all other revenues have decreased from 3.6% to 1.4%. Most fees and fines as well as many other revenues are set by the State and are not regularly increased to provide for inflationary cost increases. Other revenue declined primarily in investment income due to the extremely low interest rates in 2011.

During this same ten year period, excluding capital projects, the County's governmental expenditures related to our core functions of education, law enforcement, judicial and health plus debt service have decreased as a percent of total expenditures from 82.6% to 80.3%. An increase in grants such as Head Start has caused Community Service expenditures to increase from 4.9% to 7.9% of total expenditures. In total governmental expenditures have increased 34%, which is consistent with the increase in revenue.

As part of our annual budget process, operating revenue and expenditures are projected for the next five years. This provides a basis to consider the longer term implications of decisions regarding items such as new programs, program level changes, raises, benefits and the property tax rate. We have also considered the need to plan for cash flow requirements. Our property taxes become delinquent on March 1 and most payments are received in December (for individual income tax purposes) and February. With our fiscal year starting July 1, we will always have negative cash flow from July 1 through late December. For many years we utilized short term borrowing for these cash flow needs. In 2009 the County adopted a policy of maintaining the General Fund unassigned fund balance as a percent of General Fund revenue between 15% and 25%. This percentage has increased for eight consecutive years and is 23.3% as of June 30, 2011. A result of increasing fund balances, in 2009 the County ended the use of short term borrowing for cash flow purposes.

Annually, as part of the budget process the County adopts a five year capital improvements plan. Several years ago we recognized the need to stop the growth in both our debt outstanding and our annual debt service payments. 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 general obligation debt, excluding accretion, peaked at \$1.85 billion and it has declined to \$1.62 billion as of June 30, 2011. We expect a slow steady decline in future years as long as we keep our annual local capital funding at approximately \$75 million. Debt service expenditures have also now peaked and will start declining in fiscal 2012.

Major initiatives

The Administration has identified a number of priorities designed to strengthen 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. Economic Development and Smart Growth** – Shelby County is committed to providing programs and policies that ensure aggressive growth and to promote high quality long-term job opportunities. During fiscal 2011 Electrolux and Mitsubishi committed to build large facilities in Shelby County that will directly provide over 1,300 jobs. Smarter development regulations have been adopted that will curtail suburban sprawl and facilitate development. In addition, a joint entity with the City of Memphis has been created called the Economic Development Growth Engine (EDGE) to provide one entity to focus on economic development and to provide companies one entity that can deal with all governmental issues.
- 2. Support Quality Public Education** – In 2011 the Memphis City Schools decided to revoke their charter and consolidate into the Shelby County Schools. The County is providing support to and the Mayor is a member of the Shelby County Schools Transition Planning Commission that is tasked with developing a consolidation plan to be recommended to the Shelby County Board of Education and the State of Tennessee Department of Education. The consolidation of the two schools systems will be effective at the start of the school year in August 2013.
- 3. Focus on Budget and Financial Stability** – Preparation of the first budget of this Administration was focused on shrinking County Government as much as practical while maintaining those services that are important to our citizens. All programs and services were thoroughly evaluated to consider the need for those functions that are not mandated and to provide programs and services more efficiently. We are working with each elected official to enhance efficiency through elimination of duplications particularly of information technologies. Considering the current economic conditions, the fiscal 2012 budget was prepared based on assumptions we believe to be conservative including a 2% decline in property taxes and it is balanced.
- 4. Provide and Promote Community and Environmental Health** – We are committed to provide and support integrated healthcare services that focus on wellness, early intervention and prevention in order to ensure a high quality of life and a safe environment for our citizens. We have had an outside review of our Health Services Division to focus our efforts on integrated healthcare services that focus our efforts in these areas. An “Office of Sustainability” has been established to develop green initiatives and aspects of community and environmental health.
- 5. Provide Efficient and Responsive Government Operations** – A training office has been established to enhance the capabilities and foster professionalism of the employee workforce through improved training programs and succession planning. Trust and confidence in government are being built through transparent, accessible and responsive interactions with all internal and external customers.

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, 2010. This was the twenty-sixth 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. The County also received GFOA's Distinguished Budget Presentation Award for the fiscal year ended June 30, 2010.

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,



Mark H. Luttrell, Jr.
County Mayor



Harvey Kennedy
Chief administrative Officer



Michael A. Swift
Director, Division of Administration and Finance

**Shelby County, Tennessee
County Officials
As of June 30, 2011**

Shelby County Board of Commissioners

**Sidney Chism, Chairman
Wyatt Bunker, Chairman Pro Tempore**

**Walter Bailey, Jr.
Henri E. Brooks
Melvin Burgess, Jr.
Mike Carpenter**

**Justin Ford
James M. Harvey
Steve Mulroy
Terry Roland**

**Mike Ritz
Heidi Shafer
Chris Thomas**

Publicly Elected Officials

**Assessor of Property – Cheyenne Johnson
Attorney General – Amy P. Weirich
County Clerk – Wayne Mashburn
Mayor – Mark H. Luttrell, Jr.
County Register – Tom Leatherwood
County Trustee – David Lenoir
Juvenile Court Clerk – Joy Touliatos
Chancery Court Clerk and Master – Dewun Settle (Appointed)
Circuit Court Clerk – Jimmy Moore
Criminal Court Clerk – Kevin Key
General Sessions Court Clerk – Otis Jackson, Jr.
Probate Court Clerk – Paul C. Boyd
Sheriff – William Oldham**

Shelby County Administrative Officials

**Mark H. Luttrell, Jr. – Mayor
Harvey Kennedy - Chief Administrative Officer
Michael A Swift - Director of Administration and Finance
Kelly Rayne - County Attorney
Richard S. Copeland - Director of Planning and Development
Tom Needham - Director of Public Works
James Coleman - Director of Corrections
Yvonne Smith-Madlock - Director of Health Services
Dorothy Jones - Director of Community Services**

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, 2010

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



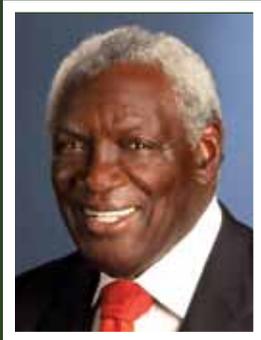
Mike Ritz



Heidi Shafer



Mike Carpenter



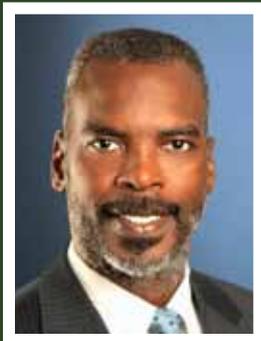
Walter Bailey



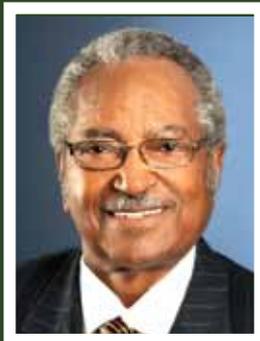
Henri E. Brooks



Melvin Burgess



James Harvey



Sidney Chism



Justin Ford



Chris Thomas



Wyatt Bunker



Terry Roland



Steve Mulroy

COMMISSIONERS



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, 2011, 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, Agricenter International, Inc., and Emergency Communications District of Shelby County, Tennessee, which represents \$258,450,769, \$215,416,576, and \$378,245,802, respectively, of the assets, net assets, and revenues of the component units, and Shelby County Retirement System, which represents \$988,249,661, \$982,539,680, and \$217,061,200 of the assets, total plan net assets, and net additions of the fiduciary funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units and Shelby County Retirement System, is based solely 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 provide 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, 2011, and the respective changes in financial position, and cash flows, where applicable, 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 November 23, 2011, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-3 through B-17 and the budgetary comparison schedules and other required supplementary information on pages E-1 through E-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Tennessee's financial statements as a whole. The introductory section, combining and other statements and schedules, other budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal 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 also not a required part of the financial statements. The combining and other statements and schedules, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, other budgetary comparison schedules, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Memphis, Tennessee
November 23, 2011

Watkins Librall, PLLC
Banks, Jindly, White & Co.

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, 2011. 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, unassigned fund balance for the General Fund was \$85.6 million, or 23.3% of total General Fund revenue. This compares to the unassigned fund balance at the end of the previous year of \$75.7 million, or 21.1% of General Fund revenue.
- Fund balance for the Debt Service Fund increased \$5.3 million to \$107.8 million, which is 57.5% of total revenue of the Debt Service Fund. The balance is consistent with our debt plan to provide for future debt service requirements.
- The Capital Projects Fund balance increased \$38.9 million to a balance of \$140.2 million. This was the primarily the result of the proceeds of a \$67.26 million loan for school capital projects through the State of Tennessee under the Qualified School Construction Bond Program.
- Total liabilities of Shelby County exceed total assets as of June 30, 2011 by \$714.6 million. 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. Outstanding debt for these entities as of June 30, 2011 was \$1,347,100,087.
- Total government-wide net assets increased \$87.8 million as a result of activity for the fiscal year, with an increase of \$87.6 million from governmental activities and an increase of \$0.2 million from business-type activities.

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
- 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 cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 (9-1-1). 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 twelve 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 seven 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 Health, 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. Enterprise funds and internal service funds are each combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the enterprise funds and internal service funds are provided in the form of *combining statements* 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 statements 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, but also included are the Shelby County OPEB Trust and Agency Funds.

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 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. Supplementary information is presented for the Shelby County Retirement System and the Shelby County OPEB Trust. Shelby County is also 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, non-major enterprise 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, 2011). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2011 and as of June 30, 2010.

Property taxes receivable is by far the largest portion of Shelby County's assets (40.9 % at June 30, 2011 and 44.0% at June 30, 2010). The June 30, 2011 property taxes receivable includes \$741.4 million, offset by an equal unearned revenue amount in other liabilities, which became a property lien on January 1, 2011 but are levied for next fiscal year's operations. The similar amount at June 30, 2010 was \$753.4 million. Total assets increased by \$96.1 million. This included increases in cash and cash equivalents and investments combined of \$34.9 million and deferred derivative outflows of \$74.6 million and a decrease in taxes receivable of \$18.2 million.

Liabilities increased by \$8.3 million during the year. Significant changes included an increase of \$74.6 million for the derivative instruments fair value (offset to the asset increase noted above) and decreases of \$15.3 million in various payables, \$11.2 in unearned revenue and \$39.1 in long-term liabilities.

Table 1
Condensed Statement of Net Assets
As of June 30, 2011 and June 30, 2010

	June 30, 2011	June 30, 2010 (Restated)	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 798,066,867	\$ 816,217,944	\$(18,151,077)
Current and other assets	560,130,762	449,189,750	110,941,012
Capital assets	545,965,961	543,765,068	2,200,893
Total assets	1,904,163,590	1,809,172,762	94,990,828
Long-term liabilities	1,736,783,513	1,777,143,478	(40,359,965)
Other liabilities	918,496,577	870,729,611	47,766,966
Total liabilities	2,655,280,090	2,647,873,089	7,407,001
Invested in capital, net of related debt	328,687,913	240,569,297	88,118,616
Restricted	148,784,078	207,993,719	(59,209,641)
Unrestricted	(1,228,588,491)	(1,287,263,343)	58,674,852
Total net assets	(751,116,500)	(838,700,327)	87,583,827
<u>Business-Type Activities</u>			
Current and other assets	24,116,897	22,604,693	1,512,204
Capital assets	24,792,359	25,154,882	(362,523)
Total assets	48,909,256	47,759,575	1,149,681
Long-term liabilities	9,876,233	8,651,466	1,224,767
Other liabilities	2,482,231	2,768,956	(286,725)
Total liabilities	12,358,464	11,420,422	938,042
Invested in capital, net of related debt	24,274,150	24,388,818	(114,668)
Unrestricted	12,276,642	11,950,335	326,307
Total net assets	36,550,792	36,339,153	211,639
<u>Total Primary Government</u>			
Property taxes receivable	798,066,867	816,217,944	(18,151,077)
Current and other assets	584,247,659	471,794,443	112,453,216
Capital assets	570,758,320	568,919,950	1,838,370
Total assets	1,953,072,846	1,856,932,337	96,140,509
Long-term liabilities	1,746,659,746	1,785,794,944	(39,135,198)
Other liabilities	920,978,808	873,498,567	47,480,241
Total liabilities	2,667,638,554	2,659,293,511	8,345,043
Invested in capital, net of related debt	352,962,063	264,958,115	88,003,948
Restricted	148,784,078	207,993,719	(59,209,641)
Unrestricted	(1,216,311,849)	(1,275,313,008)	59,001,159
Total net assets	\$ (714,565,708)	\$ (802,361,174)	\$ 87,795,466

“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, 2011	June 30, 2010
Shelby County and City of Memphis Schools	\$ 1,192,498,927	\$ 1,185,181,389
Shelby County Health Care Corp. (component unit)	67,348,508	74,932,946
Convention Center (joint venture)	53,964,791	58,273,905
Other	33,287,861	37,542,089
Total	\$ 1,347,100,087	\$ 1,355,930,329

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 \$87.8 million. The net increase in invested in capital assets, net of related debt constituted \$88.0 million of this increase; this was primarily due to the liquidation of long-term debt in an amount greater than the amount of new debt for capital projects. Restricted net assets decreased by \$59.2 million and unrestricted net assets increased by almost an offsetting amount of \$59.0 million. The significant reasons for these changes can be generally understood from information in the sections below about “Changes in Net Assets” and the “Financial Analysis of the Government’s Funds.” 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, 2011, with comparative amounts for the fiscal year ending June 30, 2010.

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. Program revenues increased by 10.9% or \$24.4 million, primarily due to a net increase in revenues from other governments. Capital grants increased \$15.2 million, including \$9.4 million for developer subdivision road contributions and \$5.4 million of grants for road and infrastructure improvements. General revenues decreased \$16.1 million, with a 2.3% or \$18.0 million decrease in property taxes; this decrease was

consistent with decreases in assessed values of property for tax purposes. Other taxes had a net increase of \$1.3 million, primarily by increases in sales and business taxes.

Table 2
Shelby County Change in Net Assets
Fiscal Years Ended June 30, 2011 and 2010

	FY 2011	FY 2010	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 115,155,763	\$ 108,459,891	\$ 6,695,872
Operating grants and contributions	116,897,799	114,344,216	2,553,583
Capital grants and contributions	15,901,708	710,000	15,191,708
Total program revenues	<u>247,955,270</u>	<u>223,514,107</u>	<u>24,441,163</u>
General revenues:			
Property taxes	755,877,920	773,832,412	(17,954,492)
Other taxes	94,978,411	93,635,983	1,342,428
Other	3,620,803	3,105,416	515,387
Total general revenues	<u>854,477,134</u>	<u>870,573,811</u>	<u>(16,096,677)</u>
Total revenues-governmental activities	<u>1,102,432,404</u>	<u>1,094,087,918</u>	<u>8,344,486</u>
<u>Expenses:</u>			
General government	68,219,812	63,105,682	5,114,130
Hospital	36,816,000	38,816,666	(2,000,666)
Planning and development	6,061,205	5,151,177	910,028
Public works	48,985,516	47,801,753	1,183,763
Corrections	1,608,821	1,481,007	127,814
Health services	53,249,533	59,823,299	(6,573,766)
Community services	83,537,889	72,340,940	11,196,949
Law enforcement	152,448,879	149,248,036	3,200,843
Judicial	67,809,546	66,108,459	1,701,087
Other elected officials	26,302,063	25,700,703	601,360
Education	387,692,028	363,281,302	24,410,726
Interest on debt	71,559,500	70,146,945	1,412,555
Total expenses-governmental activities	<u>1,004,290,792</u>	<u>963,005,969</u>	<u>41,284,823</u>
Increase (decrease) in net assets before transfers	98,141,612	131,081,949	(32,940,337)
<u>Transfers</u>	<u>(10,557,785)</u>	<u>(7,683,295)</u>	<u>(2,874,490)</u>
Increase (decrease) in net assets	87,583,827	123,398,654	(35,814,827)
Net assets - beginning of year	<u>(838,700,327)</u>	<u>(962,098,981)</u>	<u>123,398,654</u>
Net assets - end of year	<u><u>\$ (751,116,500)</u></u>	<u><u>\$ (838,700,327)</u></u>	<u><u>\$ 87,583,827</u></u>

Total expenses for the year in governmental activities increased \$41.3 million (4.4%). The increase of \$24.4 million for education was due to capital projects funding during the year, which are expenses to the County since the capital assets resulting from the funding are not County assets. The increase of \$11.2 million in community services resulted from increased grants. The decrease in health services was primarily the result of program reductions because

the City of Memphis discontinued partial funding of the program. The increase in interest was because of lower interest in the previous year due to the liquidation of a swap agreement.

	FY 2011	FY 2010 (Restated)	Change
Business-type activities:			
<u>Revenues:</u>			
Operating revenues:			
Charges for services	\$ 74,759,319	\$ 73,292,415	\$ 1,466,904
Operating grants and contributions	1,736,920	75,600	1,661,320
Total operating revenues	<u>76,496,239</u>	<u>73,368,015</u>	<u>3,128,224</u>
Non-operating revenues	<u>22,979</u>	<u>48,728</u>	<u>(25,749)</u>
Total revenues	<u>76,519,218</u>	<u>73,416,743</u>	<u>3,102,475</u>
<u>Expenses:</u>			
Operating expenses	86,659,348	83,374,056	3,285,292
Non-operating expenses and losses	206,016	-0-	206,016
Total expenses	<u>86,865,364</u>	<u>83,374,056</u>	<u>3,491,308</u>
Increase (decrease) in net assets before transfers	(10,346,146)	(9,957,313)	(388,833)
<u>Transfers</u>	<u>10,557,785</u>	<u>7,683,295</u>	<u>2,874,490</u>
Increase (decrease) in net assets	211,639	(2,274,018)	2,485,657
Net assets - beginning of year	<u>36,339,153</u>	<u>38,613,171</u>	<u>(2,274,018)</u>
Net assets - end of year	<u>36,550,792</u>	<u>36,339,153</u>	<u>211,639</u>
Total primary government:			
Increase (decrease) in net assets	87,795,466	121,124,636	(33,329,170)
Net assets - beginning of year	<u>(802,361,174)</u>	<u>(923,485,810)</u>	<u>121,124,636</u>
Net assets - end of year	<u>\$(714,565,708)</u>	<u>\$(802,361,174)</u>	<u>\$ 87,795,466</u>

In business-type activities, operating revenues increased by \$3.1 million. Of this increase, \$2.9 million was in Corrections Center reimbursement for housing State inmates. Nominal changes occurred in Fire Services and Consolidated Codes Enforcement. However, Consolidated Codes Enforcement revenue included a \$1.7 million operating subsidy from the City of Memphis to fund one-half of the operating deficit due to lower inspection fees. Non-operating revenue decreased \$25,749 due to lower interest rates and lower cash balances available for investment. Operating expenses increased \$3.3 million, or 3.9% most of this increase (\$3.1 million) was in the Corrections Center, with a small increase in Fire Services and a small decrease in Consolidated Codes enforcement.

CHANGE IN FINANCIAL POSITION DURING YEAR

The overall change in the financial position of Shelby County during the current fiscal year was an increase in net assets of \$87.8 million. The County's governmental activities operated with an increase in net assets of \$87.6 million. The business-type activities had a net increase of \$0.2 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Readers will notice a change in the classifications of fund balances within the governmental funds from previous years. The County chose to implement a new financial accounting standard for FY 2010 (GASB Statement No. 54). This standard establishes fund balance categories in a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The categories, in order of the constraints, are restricted, committed, assigned and unassigned. More details on these classifications are presented in the Notes to Financial Statements I (E) under "Net Assets and Fund Equity."

As of the end of the current fiscal year, Shelby County's governmental funds reported a combined ending fund balance of \$335,414,600. The components of the balances are:

	June 30, 2011	June 30, 2010
General Fund	\$ 86,867,384	\$ 78,157,913
Debt Service Fund	107,814,958	102,529,235
Special Revenue Funds	527,941	11,157,276
Total, except Capital Projects Fund	195,210,283	191,844,424
Capital Projects Fund	140,204,317	101,339,609
Total all governmental funds	<u>\$ 335,414,600</u>	<u>\$ 293,184,033</u>

There was a \$3.4 million net increase in fund balance excluding capital projects. There was an increase of \$8.7 million in the General Fund, an increase of \$5.3 million in the Debt Service Fund and a decrease of \$10.6 million in all special revenue funds. There was also an increase of \$38.9 million in the Capital Projects Fund. Each of these changes is discussed below.

The General Fund is the chief operating fund of Shelby County and operated with a net increase in fund balance of \$8.7 million, compared to a net increase of \$3.0 million in the previous year. The General Fund had an increase in revenue of \$9.5 million, with an increase of \$15.7 million in property taxes and decreases in several other revenues. General Fund expenditures and other financing sources/uses (mostly transfers out) increased \$2.8 million. The General Fund also had an extraordinary loss of \$1.0 million. The General Fund unassigned fund balance increased \$9.9 million to \$85.6 million; this amount is available for spending at the government's discretion.

As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund revenue. Unassigned fund balance represents 23.26% of total General Fund

revenue. Management is committed to maintaining an unassigned fund balance in the General Fund of 15% to 25% of General Fund revenue.

The Debt Service Fund has a total fund balance of \$107.8 million, all restricted or committed for the payment of debt service. The net increase in fund balance during the current year was \$5.3 million, compared to \$27.9 million the previous year. Revenue decreased \$9.5, mostly from decreased property taxes that were shifted to the General Fund. The Debt Service fund balance is 58.7% of the current year expenditures.

The fund balance of the Capital Projects Fund fluctuates significantly as funds are borrowed for capital project purposes and are then expended for the projects. This fund balance increased \$38.9 million, from \$101.3 million to \$140.2 million. The increase in fund balance was primarily the result of a \$67.3 million loan from the State of Tennessee under the Qualified School Construction Bond Program, less expenditures made from the loan proceeds during the year. The proceeds of this loan will be paid to the Shelby County and Memphis City school systems as they expend funds for capital projects. All fund balances of the Capital Projects Fund are restricted, committed or assigned.

All special revenue fund balances are used for the specific purposes designated by the provider of the funds or the legislation establishing the fees and charges that generate the revenue. The Education Fund, a special revenue fund, had an ending fund balance of \$9.1 million at the end of the previous year. This balance resulted from more property tax revenue during the year than the expenditure appropriation to the Shelby County and City of Memphis school systems. The fund balance plus all current year revenue was paid to the school systems during the current year. There was a zero fund balance at June 30, 2011.

The Grant Fund balance decreased further from a deficit of \$15.5 million at June 30, 2010 to a deficit of \$16.2 million at June 30, 2011. These negative fund balances are caused by receivables not being paid by sponsors/grantors in time to be considered "available" in the current year. Other special revenue funds had a net decrease in fund balances during the year of \$0.8 million as slightly more was expended than received. Significant balances at year-end, all positive and all restricted, include \$2.8 million in the Health Services Restricted Fees Fund, \$5.6 million in the Roads and Bridges Fund and \$6.2 million in the Sheriff Forfeitures 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 historically been able to support themselves; these are the Consolidated Codes Enforcement Fund and the Fire Services Fund. However, economic conditions have resulted in a reduction in construction activities resulting in much lower codes enforcement fees, requiring shared support from the County's general fund and the City of Memphis. During this fiscal year \$1.7 million was transferred from the General Fund and \$1.7

million was contributed by the City to maintain the net asset balance of \$2.2 million, of which only \$0.6 million is unrestricted. The Fire Services Fund operates entirely on user fees; the net asset balance decreased slightly during this fiscal year by \$277,025 to a balance of \$5.3 million, of which \$2.7 million is unrestricted. 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. The Center operated with an increase of \$0.6 million in net assets to a balance of \$31.3 million, of which \$11.2 million is unrestricted. Overall the net assets of the enterprise funds increased by \$0.4 million during the year with total net assets at year-end of \$38.8 million, of which \$14.5 million was unrestricted. Unrestricted net assets increased 3.4% or \$0.5 million.

The County has four 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, 2011 these funds combined had net assets of \$18.4 million, a decrease of \$0.4 million. The Group Health Insurance Fund had a decrease of \$2.0 million in net assets to total net assets of \$7.3 million. The Employer Insurance Fund had a decrease of \$149,922 to total net assets of \$5.0 million. At year-end the Central Services Fund had net assets of \$2.4 million and the Tort Liability Fund had net assets of \$3.7 million.

Fiduciary funds. Shelby County reports three 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 at June 30, 2011 were 89.9% of the currently calculated actuarial accrued liability. The County provides funding as required each year for the increased liability for benefits being earned by current employees. At June 30, 2011 the Retirement System had net assets held in trust of \$982,539,680.

The Shelby County OPEB Trust was created as of July 1, 2007 to accumulate funds and pay other post-employment benefits to terminated County employees. At June 30, 2011 the Trust had net assets held in trust of \$88.2 million. The ratio of current funding to the actuarial liability improved from 15.1% to 19.1% during the past year.

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 and between the final budget and actual results for the General Fund can be briefly summarized as follows:

- Differences between the original and final amended budgets for revenue and expenditures were insignificant in total (less than .05%). The expenditure variations largely reflect allocations of the salary and O&M restrictions from central operations to the divisions where surplus amounts were realized.
- Actual revenues exceeded the final budget by \$5.9 million – about 1.6% more than the budgeted level. Stronger property tax collections than projected accounted for \$2.4 million of that amount – about 1% higher than budget. An additional \$3.4 million was

collected in fines, fees and permits (6% above budget) by the courts and the Trustee. An unfavorable variance of \$1.2 million in investment income reflects continued low interest rates.

- Actual expenditures were \$9.2 million (almost 2.6%) below the amended budget. Significant personnel savings (\$6.6 million) resulted from an ongoing hiring freeze and the elimination of 75 vacant positions during the year. Savings of \$2.6 million were also realized from cutbacks and cost containment efforts in most operating account categories.

Capital Asset and Debt Administration

Capital assets. Shelby County Government's investment in capital assets for its governmental and business type activities at the end of the current fiscal year amounts to \$570.8 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 \$22.0 million and depreciation was \$27.1 million. Construction in progress as of the end of the current fiscal year was \$21.2 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:

- Although not recorded as assets of the County, during FY 2011 the County provided capital improvement funding of approximately \$29.4 million to the Memphis and Shelby County school systems.
- Roadway improvements and drainage improvements continued within the County with expenditures of approximately \$1.0 million.
- Renovation work continued on the Shelby County Office Building at 157 Poplar Avenue; expenditures on this renovation were approximately \$3.8 million.
- Renovation work continued on the Cotton Creek Sewer System, with expenditures of approximately \$0.2 million.
- Expenditures for obtaining and implementing an integrated system to maintain, share and track personal health records for inmates and others were \$0.8 million.

Long-term debt. At June 30, 2011 Shelby County's general obligation bonded debt (bonds payable) outstanding totaled \$1,665,674,209, which represented approximately 8.7% of assessed value of taxable property. The County's bonds, loans and notes payable decreased by approximately \$41.6 million (2.5%) 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 generally uses a notes payable program 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. During FY 2011 no short-term notes were issued or outstanding.

During FY 2011 the County entered into an agreement with the State of Tennessee. The State issued \$67,260,000 of bonds under the federal Qualified School Construction Bonds Program and loaned the proceeds to the County. The County is making the funds available to the Shelby County and City of Memphis schools for specific capital projects. The County will repay the State over the life of the bonds. Since the loan is a general obligation of the County and is backed by the full faith and credit and unlimited taxing power of the County, the County is reporting the loan with other long-term debt.

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.
Aa1	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 1 indicates that the bonds are in the top 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 September 2011 unemployment rate for Shelby County was 10.8%, which compares to the rate of 9.8% for the State of Tennessee and 9.1% for the nation. General economic conditions in the region have been parallel to those across the nation.

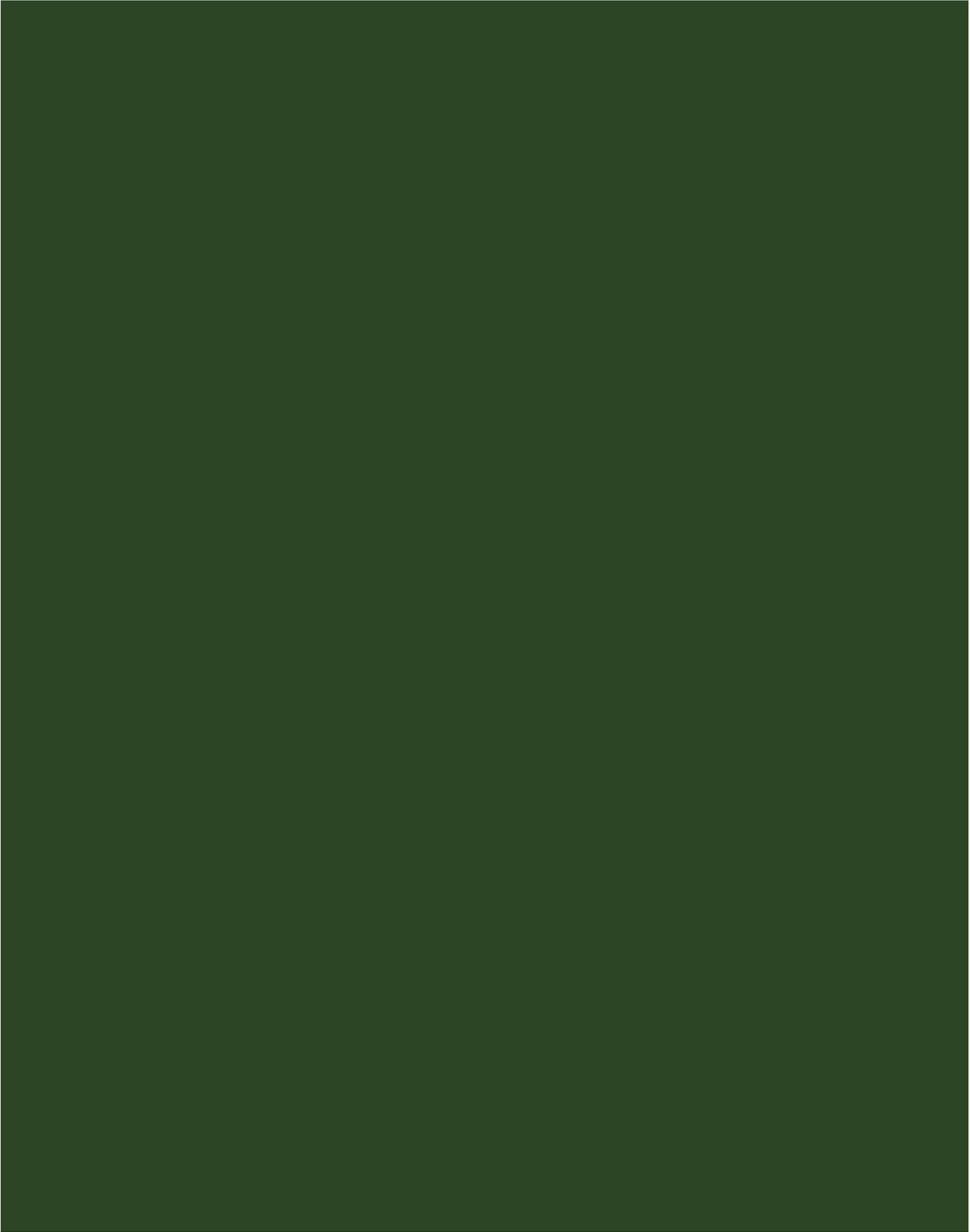
The total property tax rate for the FY 2012 budget was maintained at the same level as FY 2011, with some adjustments to fund allocations within that rate. Considering the ongoing challenges in the real estate market a reduction in property taxes of 2% has been forecasted for fiscal 2012. The budgeted level for FY 2012 is 2% less than actual collections for FY 2011.

Total General Fund revenue for FY 2012 is projected at 1% less than the FY 2011 budget and about 2.5% less than actual receipts for FY 2011. The reduction is attributed primarily to shifting the FY 2012 budget for the county share of local sales tax from the General Fund to the Debt Service Fund in relation to an economic development project. General Fund expenditures have been reduced in total by about 2% compared to prior year. Factors contributing to control of personnel expense for FY 2012 included deferral of employee pay raises, adjustments to pension and health benefit plans, the continuation of a hiring freeze implemented in FY 2009 as a means of evaluating staffing priorities, and the elimination of 75 positions through attrition. A significant reduction also resulted from an agreement with the Regional Medical Center to forgo additional funding of \$10 million previously necessary to sustain their operations. The County Mayor and Commission are committed to holding General Fund expenditures at the same level as projected General Fund revenue growth.

Debt service expenditures increased \$11.5 million in FY 2011, mainly as a result of the County's participation in the Qualified School Construction Bond Program. Expenditures in FY 2012 are budgeted to decrease slightly compared to the final FY 2011 budget. Projections based on the County's five-year capital plan indicate debt service expenditures will slowly decline in future years. The County plans to maintain annual capital expenditures at \$75 million or less.

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, Suite 1150, Memphis, Tennessee 38103.



Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Cash and cash equivalents	\$ 282,263,622	\$ 3,926,338	\$ 286,189,960	\$ 67,851,790
Investments	109,272,226	---	109,272,226	148,874,194
Accrued interest receivable	1,333,373	---	1,333,373	---
Property taxes receivable, net of allowance for uncollectibles	798,066,867	---	798,066,867	---
Accounts receivable and accrued revenues	18,647,612	1,635,865	20,283,477	40,183,508
Due from primary government	---	---	---	11,182,997
Due from other governmental entities	32,069,188	16,899,398	48,968,586	25,818,200
Internal balances	3,085,848	(3,085,848)	---	---
Inventories	45,159	---	45,159	7,583,452
Prepaid and deferred charges	495,814	16,375	512,189	373,721
Deposits held by others	774,440	---	774,440	---
Notes receivable	9,613,779	---	9,613,779	---
Other assets	---	---	---	477,581
Restricted and other investments	---	---	---	5,840,419
Deferred derivative outflows	74,565,127	---	74,565,127	---
Net pension obligation	27,964,574	4,724,769	32,689,343	---
Land	25,977,596	---	25,977,596	23,325,374
Construction in progress	21,153,929	67,692	21,221,621	26,877,116
Depreciable capital assets, net	498,834,436	24,724,667	523,559,103	398,393,765
Total assets	\$ 1,904,163,590	\$ 48,909,256	\$ 1,953,072,846	\$ 756,782,117
Liabilities:				
Accounts payable and accrued liabilities	\$ 29,728,235	\$ 1,933,368	\$ 31,661,603	\$ 67,753,243
Accrued interest payable	10,838,943	18,439	10,857,382	---
Due to other governmental entities	31,633,635	30,685	31,664,320	---
Due to component units	11,182,997	---	11,182,997	---
Deposits held for others	5,501,072	410,024	5,911,096	---
Unearned revenue	747,868,523	89,715	747,958,238	1,070,468
Claims payable	7,178,045	---	7,178,045	---
Derivative instruments fair value	74,565,127	---	74,565,127	---
Long-term liabilities				
Due within one year	117,573,640	3,617,422	121,191,062	111,772
Net post employment benefit obligations	14,774,954	4,161,848	18,936,802	181,539,807
Other due in more than one year	1,604,434,919	2,096,963	1,606,531,882	11,717,955
Total liabilities	2,655,280,090	12,358,464	2,667,638,554	262,193,245
Net assets:				
Invested in capital assets, net of related debt	328,687,913	24,274,150	352,962,063	448,369,739
Restricted for:				
Education	---	---	---	20,090,590
Debt service	8,295,149	---	8,295,149	---
Capital improvement projects	92,826,243	---	92,826,243	6,289,391
Roads and bridges	5,617,595	---	5,617,595	---
Law enforcement	6,282,576	---	6,282,576	---
Other purposes	35,762,515	---	35,762,515	10,573,473
Unrestricted	(1,228,588,491)	12,276,642	(1,216,311,849)	9,265,679
Total net assets	(751,116,500)	36,550,792	(714,565,708)	494,588,872
Total liabilities and net assets	\$ 1,904,163,590	\$ 48,909,256	\$ 1,953,072,846	\$ 756,782,117

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

**Statement of Activities
For the Year Ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 68,219,812	\$ 23,553,934	\$ 4,926,028	\$ 228,669
Hospital	36,816,000	---	---	---
Planning and Development	6,061,205	868,894	5,554,431	---
Public Works	48,985,516	5,229,077	1,131,750	14,761,948
Corrections	1,608,821	---	1,323,644	---
Health Services	53,249,533	12,350,842	21,419,501	151,177
Community Services	83,537,889	865,347	75,843,478	469,765
Law Enforcement	152,448,879	8,375,562	1,277,829	265,264
Judicial	67,809,546	28,299,152	3,916,720	24,885
Other Elected Officials	26,302,063	35,612,955	73,250	---
Education	387,692,028	---	1,431,168	---
Interest on debt	71,559,500	---	---	---
Total governmental activities	<u>1,004,290,792</u>	<u>115,155,763</u>	<u>116,897,799</u>	<u>15,901,708</u>
Business-type activities:				
Code Enforcement	10,394,909	7,251,123	1,699,528	---
Fire Services	19,733,109	19,228,630	540	---
Corrections	56,737,346	48,279,566	36,852	---
Total business-type activities	<u>86,865,364</u>	<u>74,759,319</u>	<u>1,736,920</u>	<u>---</u>
Total primary government	<u>\$ 1,091,156,156</u>	<u>\$ 189,915,082</u>	<u>\$ 118,634,719</u>	<u>\$ 15,901,708</u>
Component units:				
Board of Education	\$ 469,908,036	\$ 37,215,857	\$ 219,946,511	\$ ---
Shelby County Health Care Corporation	292,475,647	240,421,490	97,916,765	---
Agricenter International	3,504,123	3,274,705	5,566	---
Emergency Communications District	4,795,119	6,708,708	1,523,919	---
Total component units	<u>\$ 770,682,925</u>	<u>\$ 287,620,760</u>	<u>\$ 319,392,761</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/Car Rental taxes
 Wheel taxes
 Litigation taxes
 Beverage taxes
 Severance and Income taxes
 Gasoline tax
 Grants and contributions not restricted for specific programs:
 Payments from Shelby County
 Other sources (uses)
 Unrestricted investment earnings
 Extraordinary item - employee dishonesty loss
 Transfers, net
 Total general revenues and transfers
 Changes in net assets
 Net assets - June 30, 2010 restated
 Net assets - June 30, 2011

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	
\$ (39,511,181)	\$ ---	\$ (39,511,181)	\$ ---
(36,816,000)	---	(36,816,000)	---
362,120	---	362,120	---
(27,862,741)	---	(27,862,741)	---
(285,177)	---	(285,177)	---
(19,328,013)	---	(19,328,013)	---
(6,359,299)	---	(6,359,299)	---
(142,530,224)	---	(142,530,224)	---
(35,568,789)	---	(35,568,789)	---
9,384,142	---	9,384,142	---
(386,260,860)	---	(386,260,860)	---
(71,559,500)	---	(71,559,500)	---
<u>(756,335,522)</u>	<u>---</u>	<u>(756,335,522)</u>	<u>---</u>
---	(1,444,258)	(1,444,258)	---
---	(503,939)	(503,939)	---
---	<u>(8,420,928)</u>	<u>(8,420,928)</u>	---
---	<u>(10,369,125)</u>	<u>(10,369,125)</u>	---
<u>(756,335,522)</u>	<u>(10,369,125)</u>	<u>(766,704,647)</u>	<u>---</u>
---	---	---	(212,745,668)
---	---	---	45,862,608
---	---	---	(223,852)
---	---	---	3,437,508
---	---	---	<u>(163,669,404)</u>
350,524,961	---	350,524,961	---
153,605,330	---	153,605,330	---
251,747,629	---	251,747,629	---
22,983,679	---	22,983,679	41,681,158
12,208,730	---	12,208,730	---
13,701,394	---	13,701,394	---
29,090,186	---	29,090,186	---
3,604,939	---	3,604,939	---
2,530,519	---	2,530,519	---
992,835	---	992,835	---
9,866,129	---	9,866,129	---
---	---	---	150,509,489
---	---	---	5,746,747
3,703,351	22,979	3,726,330	1,506,461
(82,548)	---	(82,548)	---
<u>(10,557,785)</u>	<u>10,557,785</u>	<u>---</u>	<u>---</u>
<u>843,919,349</u>	<u>10,580,764</u>	<u>854,500,113</u>	<u>199,443,855</u>
87,583,827	211,639	87,795,466	35,774,451
<u>(838,700,327)</u>	<u>36,339,153</u>	<u>(802,361,174)</u>	<u>458,814,421</u>
<u>\$ (751,116,500)</u>	<u>\$ 36,550,792</u>	<u>\$ (714,565,708)</u>	<u>\$ 494,588,872</u>

**Governmental Funds
Balance Sheet
June 30, 2011**

	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 43,972,320	\$ 62,943,022	\$ 108,637,280
Investments	30,250,000	41,000,000	38,022,226
Accrued interest receivable	1,147,808	27,504	---
Property taxes receivable, net of allowance for uncollectibles	279,179,640	148,777,446	---
Accounts receivable and accrued revenues	1,017,916	86,511	---
Due from other governmental entities	4,071,006	---	91,927
Due from other funds	29,615,481	3,469,036	---
Deposits held by others	21,200	---	---
Notes receivable	340,255	4,603,033	2,325,000
Total assets	\$ 389,615,626	\$ 260,906,552	\$ 149,076,433
Liabilities:			
Accounts payable and accrued liabilities	\$ 9,582,694	\$ 805,098	\$ 619,854
Accrued interest payable	---	398,586	---
Due to other governmental entities	11,012,120	---	571,485
Due to component units	---	---	2,377,650
Due to other funds	4,122,273	---	---
Deposits held for others	343,513	---	2,771,562
Deferred revenue	277,609,131	151,887,910	2,531,565
Claims payable, current	78,511	---	---
Total liabilities	302,748,242	153,091,594	8,872,116
Fund balances:			
Restricted	737,713	8,193,886	92,826,243
Committed	278,675	99,621,072	4,425,564
Assigned	215,871	---	42,952,510
Unassigned	85,635,125	---	---
Total fund balance	86,867,384	107,814,958	140,204,317
Total liabilities and fund balances	\$ 389,615,626	\$ 260,906,552	\$ 149,076,433

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 852,258	\$ 9,358,878	\$ 22,339,905	\$ 248,103,663
---	---	---	109,272,226
---	---	---	1,175,312
370,109,781	---	---	798,066,867
---	14,787,895	1,744,091	17,636,413
---	24,749,277	1,769,120	30,681,330
1,358,285	---	1,333,548	35,776,350
---	4,966	698,274	724,440
---	2,345,491	---	9,613,779
<u>\$ 372,320,324</u>	<u>\$ 51,246,507</u>	<u>\$ 27,884,938</u>	<u>\$ 1,251,050,380</u>
\$ ---	\$ 9,867,187	\$ 7,984,380	\$ 28,859,213
---	---	---	398,586
3,938,818	45,985	409,906	15,978,314
1,791,508	---	---	4,169,158
---	28,783,043	2,038,596	34,943,912
---	1,687,723	698,274	5,501,072
366,589,998	27,062,698	25,712	825,707,014
---	---	---	78,511
<u>372,320,324</u>	<u>67,446,636</u>	<u>11,156,868</u>	<u>915,635,780</u>
---	5,438,738	16,728,070	123,924,650
---	---	---	104,325,311
---	---	---	43,168,381
---	(21,638,867)	---	63,996,258
---	(16,200,129)	16,728,070	335,414,600
<u>\$ 372,320,324</u>	<u>\$ 51,246,507</u>	<u>\$ 27,884,938</u>	<u>\$ 1,251,050,380</u>



**Reconciliation of Fund Balances of Governmental
Funds to the Statement of Net Assets
June 30, 2011**

Fund balance - total governmental funds (page C-5)	\$	335,414,600
Amounts reported for the governmental activities in the Statement of Net Assets (page C-1) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		544,419,850
Receivables not available to pay for current expenditures are reported as deferred revenue in the funds.		81,778,789
Accrued interest receivable in the statement of activities that does not provide current financial resources is not reported as revenue in the funds.		158,061
Other receivables not available to pay for current expenditures are not recorded in the funds		2,270,899
Amounts payable to schools from receivables not available to pay current expenditures are reported as deferred revenue in the funds.		(22,669,160)
Certain types of services paid for in advance and reported as prepaid are reported as expenditures in the funds under the purchases method.		54,824
Interest on long-term debt is not payable with current financial resources and, therefore, is not reported in the funds.		(10,440,357)
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.)		(1,730,658,092)
Excess contributions to the pension trust funds are not reported in the funds.		27,858,798
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. This includes \$2,253,410 related to "look back" adjustments for internal service funds.		20,695,288
Net assets of governmental activities (page C-1)	\$	(751,116,500)

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

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2011

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues:			
Property taxes	\$ 240,027,270	\$ 147,047,410	\$ ---
Other local taxes	36,481,924	35,372,934	---
State revenue	17,585,648	---	106,913
Federal and local revenue	4,508,066	3,538,587	1,760,725
Charges for services	3,720,574	136,000	102,230
Fines, fees and permits	64,386,433	---	---
Other revenue	1,067,862	812,339	---
Investment income	407,728	467,758	529,679
Total revenues	368,185,505	187,375,028	2,499,547
Expenditures:			
Current			
General Government	28,268,211	---	---
Hospital	36,816,000	---	---
Planning and Development	363,064	---	---
Public Works	19,275,332	---	---
Corrections	---	---	---
Health Services	24,708,153	---	106,009
Community Services	8,083,943	310,500	---
Law Enforcement	142,512,918	---	1,317,085
Judicial	60,638,382	---	---
Other Elected Officials	25,038,082	---	11,000
Education	---	---	---
Debt service and related cost	---	183,240,991	---
Capital outlay: capital projects	---	---	37,035,762
Total expenditures	345,704,085	183,551,491	38,469,856
Excess (deficiency) of revenues over (under) expenditures	22,481,420	3,823,537	(35,970,309)
Other financing sources (uses):			
Transfers in	1,373,906	7,460,264	8,489,200
Transfers out	(14,517,504)	(6,916,000)	(942,721)
Refunding bonds issued	---	73,795,000	---
Premium on bonds issued	---	6,892,922	---
Payment to refunding bond escrow agent	---	(79,770,000)	---
Long term debt issued other than bonds	---	---	67,260,000
Sale of capital assets	243,250	---	28,538
Insurance recoveries	110,947	---	---
Total other financing sources (uses)	(12,789,401)	1,462,186	74,835,017
Extraordinary item:			
Employee dishonesty loss	(982,548)	---	---
Net change in fund balances	8,709,471	5,285,723	38,864,708
Fund balances June 30, 2010	78,157,913	102,529,235	101,339,609
Fund balances June 30, 2011	\$ 86,867,384	\$ 107,814,958	\$ 140,204,317

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 344,434,029	\$ ---	\$ ---	\$ 731,508,709
7,717,112	---	13,819,173	93,391,143
---	66,295,893	20,350,763	104,339,217
---	52,063,266	43,544	61,914,188
---	1,990,956	2,958,117	8,907,877
---	297,364	6,591,668	71,275,465
---	1,026,447	2,195,161	5,101,809
---	83,345	77,034	1,565,544
<u>352,151,141</u>	<u>121,757,271</u>	<u>46,035,460</u>	<u>1,078,003,952</u>
---	4,362,993	17,580,538	50,211,742
---	---	---	36,816,000
---	6,335,038	---	6,698,102
---	7,775,144	13,616,209	40,666,685
---	1,458,284	---	1,458,284
---	24,297,356	3,943,502	53,055,020
---	74,835,379	---	83,229,822
---	1,604,250	2,783,510	148,217,763
---	4,523,078	---	65,161,460
---	50,000	404,862	25,503,944
361,288,000	---	---	361,288,000
---	---	---	183,240,991
---	---	---	37,035,762
<u>361,288,000</u>	<u>125,241,522</u>	<u>38,328,621</u>	<u>1,092,583,575</u>
<u>(9,136,859)</u>	<u>(3,484,251)</u>	<u>7,706,839</u>	<u>(14,579,623)</u>
---	4,862,892	663,248	22,849,510
---	(2,063,861)	(9,228,658)	(33,668,744)
---	---	---	73,795,000
---	---	---	6,892,922
---	---	---	(79,770,000)
---	---	---	67,260,000
---	1,200	13,375	286,363
---	12,497	24,243	147,687
---	<u>2,812,728</u>	<u>(8,527,792)</u>	<u>57,792,738</u>
---	---	---	(982,548)
(9,136,859)	(671,523)	(820,953)	42,230,567
<u>9,136,859</u>	<u>(15,528,606)</u>	<u>17,549,023</u>	<u>293,184,033</u>
<u>\$ ---</u>	<u>\$ (16,200,129)</u>	<u>\$ 16,728,070</u>	<u>\$ 335,414,600</u>

**Reconciliation of Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2011**

Net change in fund balances - total governmental funds (page C-9)	\$	42,230,567
<p>Amounts reported for the governmental activities in the Statement of Activities (page C-3) 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 gain and losses on retirements in the current period. (See Note II.B.)</p>		2,269,314
<p>Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds.</p>		(1,478,530)
<p>Changes in accrued interest receivable.</p>		60,980
<p>Revenues in the Statement of Activities from other long-term receivables that do not provide current resources are not reported in the funds.</p>		1,621,535
<p>Changes in the amounts payable to schools from receivables not available in the funds.</p>		3,011,265
<p>Expenditures recorded under the purchases method that apply to a future period are reported as prepaid expenses in the Statement of Net Assets.</p>		(121,068)
<p>Changes in interest payable on long-term debt.</p>		1,077,913
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while 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>		41,029,533
<p>Changes in other long-term liabilities other than internal service funds. (See Note II.B)</p>		(888,538)
<p>Unfunded contributions to the pension trust fund are reported as a reduction to prepaid expenses in the Statement of Net Assets.</p>		(976,499)
<p>Internal service funds are used by management to charge the costs of central services to individual funds. The net loss of certain activities of internal service funds is reported with governmental activities.</p>		(252,645)
Change in net assets of governmental activities (page C-3)	\$	<u><u>87,583,827</u></u>

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

**Proprietary Funds
Statement of Net Assets
June 30, 2011**

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
Assets:		
Current assets		
Cash and cash equivalents	\$ 3,926,338	\$ 34,159,959
Accounts receivable and accrued revenues	1,635,865	111,199
Due from other governmental entities	16,899,398	16,959
Inventories	---	45,159
Prepays and deferred charges	16,375	408,746
Deposits held by others	---	50,000
Total current assets	22,477,976	34,792,022
Noncurrent assets		
Net pension obligation	4,724,769	105,776
Construction in progress	67,692	---
Depreciable capital assets, net	24,724,667	1,546,111
Total noncurrent assets	29,517,128	1,651,887
Total assets	\$ 51,995,104	\$ 36,443,909
Liabilities and net assets:		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,933,368	\$ 836,778
Accrued interest payable	18,439	---
Due to other governmental entities	30,685	---
Due to other funds	832,438	---
Deposits held for others	410,024	---
Deferred revenue	89,715	3,940,298
Claims payable, current	---	7,703,352
Sick and annual leave payable	3,463,565	48,911
Capital lease obligations, current portion	153,857	---
Total current liabilities	6,932,091	12,529,339
Noncurrent liabilities		
Long term claims payable	---	5,311,800
Sick and annual leave payable	1,631,580	43,004
Capital lease obligations	465,383	---
Net postemployment benefit obligations	4,161,848	117,888
Total noncurrent liabilities	6,258,811	5,472,692
Total liabilities	13,190,902	18,002,031
Net assets:		
Invested in capital assets, net of related debt	24,274,150	1,546,111
Unrestricted	14,530,052	16,895,767
Total net assets	38,804,202	18,441,878
Total liabilities and net assets	\$ 51,995,104	\$ 36,443,909
Total net assets	\$ 38,804,202	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(2,253,410)	
Net assets of business-type activities on Statement of Net Assets (page C-1)	\$ 36,550,792	

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, 2011

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:		
State revenue	\$ 46,931,152	\$ ---
Federal and local revenue	1,632,660	74,079
Charges for services	1,384,236	6,728,270
Fines, fees and permits	24,838,800	---
Other revenue	9,863	6,667
Premium revenue	---	52,805,801
Total operating revenues	<u>74,796,711</u>	<u>59,614,817</u>
Operating expenses:		
Salaries	38,964,759	698,302
Other compensation	6,336,044	12,253
Fringe benefits	15,346,818	333,620
Supplies and materials	5,885,284	522,257
Services and other expenses	581,065	1,431,360
Professional and contracted services	9,699,828	3,220,748
Rent, utilities and maintenance	2,990,727	2,846,256
Interfund services	5,089,022	13,175
Depreciation	1,621,987	182,283
Claims incurred	143,814	51,104,552
Total operating expenses	<u>86,659,348</u>	<u>60,364,806</u>
Operating income (loss)	(11,862,637)	(749,989)
Nonoperating revenues (expenses):		
Intergovernmental	1,699,528	---
Interest income	22,979	82,450
Interest expense	(65,924)	---
Gain (loss) on asset disposal	9,126	---
Insurance proceeds	4,227	---
Income (loss) before transfers	<u>(10,192,701)</u>	<u>(667,539)</u>
Transfers:		
Transfers in	10,899,309	500,000
Transfers out	(341,524)	(238,551)
Net transfers	<u>10,557,785</u>	<u>261,449</u>
Change in net assets	365,084	(406,090)
Net assets:		
June 30, 2010 restated	<u>38,439,118</u>	<u>18,847,968</u>
June 30, 2011	<u>\$ 38,804,202</u>	<u>\$ 18,441,878</u>
Change in net assets	\$ 365,084	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(153,445)</u>	
Change in net assets of business-type activities on Statement of Activities (page C-3)	<u>\$ 211,639</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, 2011

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
Cash flows from operations:		
Receipts from customers	\$ 75,681,352	\$ 278,869
Receipts for special programs	90,871	---
Receipts from interfund services provided	625,236	6,524,914
Premiums received	---	52,818,224
Refunds received from suppliers	186	88,629
Refunds paid to customers	(2,598,330)	---
Cash payments to suppliers	(19,609,522)	(7,947,492)
Cash payments to employees	(59,358,482)	(988,051)
Claims paid	(143,814)	(51,695,633)
Payments for interfund services used	(5,476,038)	(14,587)
Net cash provided by (used in) operating activities	(10,788,541)	(935,127)
Cash flows from noncapital financing activities:		
Transfers from other funds	10,899,309	500,000
Transfers to other funds	(341,524)	(238,551)
Advances from other funds	832,438	---
Payments from City of Memphis	1,699,528	---
Repayment of advances from other funds	(892,772)	(55,647)
Insurance recoveries	2,419	---
Net cash provided by (used in) noncapital financing activities	12,199,398	205,802
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,225,910)	(64,843)
Proceeds from the sale of capital assets	4,750	---
Capital lease obligation payments	(146,824)	---
Interest paid	(36,560)	---
Insurance recoveries	6,184	---
Net cash provided by (used in) capital and related financing activities	(1,398,360)	(64,843)
Cash flows from investing activities:		
Interest and investment earnings	22,979	82,450
Interest paid	(33,994)	---
Net cash provided by investing activities	(11,015)	82,450
Net increase (decrease) in cash and cash equivalents	1,482	(711,718)
Cash and cash equivalents, June 30, 2010	3,924,856	34,871,677
Cash and cash equivalents, June 30, 2011	\$ 3,926,338	\$ 34,159,959

(continued)

Proprietary Funds
Statement of Cash Flows (continued)
For the Year Ended June 30, 2011

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (11,862,637)	\$ (749,989)
Adjustments:		
Depreciation	1,621,987	182,283
Changes in assets and liabilities:		
Accounts receivable and accrued revenues	(11,688)	(94,121)
Due from other governmental entities	(1,758,333)	669
Inventories	---	(7,104)
Prepays and deferred charges	(16,375)	267,064
Notes receivable	3,509	---
Net pension obligation	179,054	---
Accounts payable and accrued liabilities	(239,655)	(9,914)
Due to other governments	(79,042)	---
Deposits held for others	(1,775)	---
Deferred revenue	4,823	57,277
Sick and annual leave payable	(169,284)	(23,550)
Claims payable	---	(634,146)
Net postemployment benefit obligations	1,540,875	76,404
Total adjustments	1,074,096	(185,138)
Net cash provided by (used in) operating activities	\$ (10,788,541)	\$ (935,127)
Noncash investing, capital, and financing activities:		
Capital assets accrued, not reflected in capital financing activities	\$ 181,105	\$ 49,019

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

Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2011

	Postemployment Benefit Trust Funds	Constitutional Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 34,506,882	\$ 113,798,441
Investments		
Domestic equity	374,029,395	---
Fixed income	237,427,581	---
International equity	229,254,222	---
Hedge funds	121,820,692	---
Limited partnership interests	33,602,921	---
Private real estate and infrastructure	27,858,038	---
Certificates of deposit	---	26,150,000
Alternative investments	13,212,142	---
Accounts receivable	79,148	2,278,156
Accrued interest and dividends receivable	3,130,634	---
Due from brokers - investment sales	3,167,505	---
	<u>\$ 1,078,089,160</u>	<u>\$ 142,226,597</u>
Liabilities:		
Accounts payable	2,740,057	18,557
Funds held for others	---	73,611,473
Due to brokers and others	4,576,973	---
Due to component units	---	53,495,387
Due to other governmental entities	---	15,101,180
	<u>7,317,030</u>	<u>\$ 142,226,597</u>
Net assets held in trust for pension and OPEB benefits	<u>1,070,772,130</u>	
Total plan net assets	<u>1,070,772,130</u>	
Total liabilities and plan net assets	<u>\$ 1,078,089,160</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, 2011

	Postemployment Benefit Trust Funds
Additions:	
Contributions:	
Employer contributions	\$ 43,638,242
Member contributions	14,713,194
Total contributions	58,351,436
Investment income:	
Net change in fair value of investments	189,087,801
Interest income	10,197,352
Dividend income	7,250,400
Other income	931,123
Total investment income	207,466,676
Less investment management expenses	4,534,901
Net investment income	202,931,775
Net additions	261,283,211
Deductions:	
Benefit payments	70,077,474
Administrative expenses	1,784,625
Refund of member contributions	6,005,144
Total deductions	77,867,243
Change in net assets	183,415,968
Net assets held in trust for benefits	
June 30, 2010	887,356,162
June 30, 2011	\$ 1,070,772,130

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

Component Units
Combining Statement of Net Assets
June 30, 2011

	Board of Education	Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total Component Units
Assets:					
Cash and cash equivalents	\$ 15,447,156	\$ 46,817,462	\$ 187,362	\$ 5,399,810	\$ 67,851,790
Investments	48,667,712	69,854,051	---	30,352,431	148,874,194
Accounts receivable and accrued revenues	1,767,667	37,677,243	291,881	446,717	40,183,508
Due from primary government	11,074,013	108,984	---	---	11,182,997
Due from other governmental entities	25,217,314	---	---	600,886	25,818,200
Inventories	4,193,159	3,322,659	67,634	---	7,583,452
Prepaid and deferred charges	---	---	---	373,721	373,721
Other assets	---	464,064	13,517	---	477,581
Restricted and other investments	---	5,840,419	---	---	5,840,419
Land	23,325,374	---	---	---	23,325,374
Construction in progress	25,580,039	1,297,077	---	---	26,877,116
Depreciable capital assets, net	343,058,914	52,518,461	1,643,145	1,173,245	398,393,765
Total assets	\$ 498,331,348	\$ 217,900,420	\$ 2,203,539	\$ 38,346,810	\$ 756,782,117
Liabilities:					
Accounts payable and accrued liabilities	\$ 32,756,039	\$ 33,946,524	\$ 358,045	\$ 692,635	\$ 67,753,243
Unearned revenue	737,890	---	332,578	---	1,070,468
Long-term liabilities					
Due within one year	---	---	111,772	---	111,772
Net post employment benefit obligations	180,627,807	912,000	---	---	181,539,807
Other due in more than one year	5,037,316	6,500,000	180,639	---	11,717,955
Total liabilities	219,159,052	41,358,524	983,034	692,635	262,193,245
Net assets:					
Invested in capital assets, net of related debt	391,964,327	53,815,538	1,416,629	1,173,245	448,369,739
Restricted for:					
Building construction	2,987,803	3,301,588	---	---	6,289,391
Indigent care	---	687,422	---	---	687,422
Insurance claims	9,886,051	---	---	---	9,886,051
Education	20,090,590	---	---	---	20,090,590
Unrestricted	(145,756,475)	118,737,348	(196,124)	36,480,930	9,265,679
Total net assets	279,172,296	176,541,896	1,220,505	37,654,175	494,588,872
Total liabilities and net assets	\$ 498,331,348	\$ 217,900,420	\$ 2,203,539	\$ 38,346,810	\$ 756,782,117

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

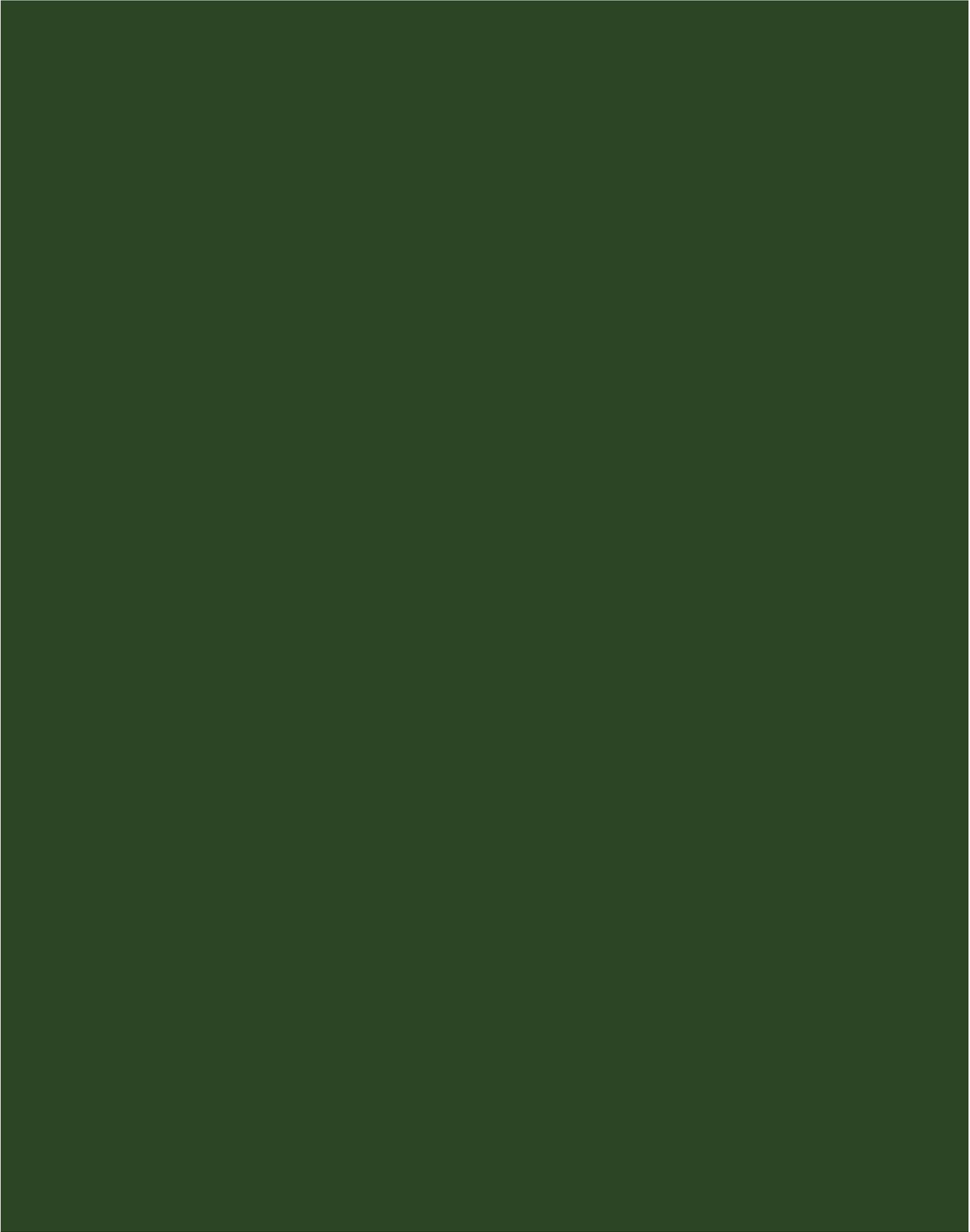
**Component Units
Combining Statement of Activities
For the Year Ended June 30, 2011**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Board of Education
Board of Education	\$ 469,908,036	\$ 37,215,857	\$ 219,946,511	\$ (212,745,668)
Shelby County Health Care Corporation	292,475,647	240,421,490	97,916,765	---
Agricenter International	3,504,123	3,274,705	5,566	---
Emergency Communications District	4,795,119	6,708,708	1,523,919	---
Total Component Units	\$ 770,682,925	\$ 287,620,760	\$ 319,392,761	(212,745,668)
		General revenues:		
			Shelby County	123,693,489
			Local sales tax	41,681,158
			Other sources (uses)	5,674,559
			Unrestricted investment earnings	---
			Total general revenues	171,049,206
			Change in net assets	(41,696,462)
			Net assets - June 30, 2010	320,868,758
			Net assets - June 30, 2011	\$ 279,172,296

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

Net (Expenses) Revenues and
Changes in Net Assets

Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total Component Units
\$ ---	\$ ---	\$ ---	\$ (212,745,668)
45,862,608	---	---	45,862,608
---	(223,852)	---	(223,852)
---	---	3,437,508	3,437,508
45,862,608	(223,852)	3,437,508	(163,669,404)
26,816,000	---	---	150,509,489
---	---	---	41,681,158
72,188	---	---	5,746,747
1,175,199	1,372	329,890	1,506,461
28,063,387	1,372	329,890	199,443,855
73,925,995	(222,480)	3,767,398	35,774,451
102,615,901	1,442,985	33,886,777	458,814,421
\$ 176,541,896	\$ 1,220,505	\$ 37,654,175	\$ 494,588,872



	Page
I. Summary of Significant Accounting Policies	
A. Reporting Entity.....	D-2
B. Governmental Accounting Standards.....	D-3
C. Government-wide and Fund Financial Statements.....	D-3
D. Measurement Focus, Basis of Accounting and Financial Statement Presentation.....	D-3
E. Assets, Liabilities and Equity.....	D-6
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.....	D-9
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.....	D-10
III. Stewardship, Compliance and Accountability	
A. Budgetary Information.....	D-11
B. Deficit Fund Equity.....	D-11
IV. Detailed Notes on All Funds	
A. Deposits and Investments.....	D-11
B. Property Taxes Receivable.....	D-13
C. Notes Receivable.....	D-14
D. Leases Receivable.....	D-15
E. Capital Assets.....	D-16
F. Lease Obligations.....	D-18
G. Deferred Revenue.....	D-19
H. Debt and Long-term Liabilities.....	D-19
I. Fund Balances by Purpose.....	D-29
J. Interfund Receivables, Payables and Transfers.....	D-30
K. Other Revenue.....	D-31
L. Risk Financing and Related Insurance Issues.....	D-32
M. Extraordinary Item.....	D-33
N. Contingencies and Commitments.....	D-33
O. Joint Ventures, Jointly Governed Organizations and Related Organizations.....	D-34
P. Other Postemployment Benefits.....	D-37
Q. Pensions.....	D-38
R. Subsequent Events.....	D-41
S. Restatement of Net Assets.....	D-41

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:

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 48,000 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.

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 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.

On February 10, 2011 the Memphis City Council passed a resolution accepting the surrender of the Memphis City Schools' charter. The residents of the City of Memphis later cosigned the decision by voting "Yes" to the referendum to abolish the Memphis City Schools and surrender its charter to the Shelby County Schools. By Tennessee statute the merger will not be complete until August 2013.

Upon completion of the merger, Shelby County Government will be solely responsible for local funding of all public schools in Shelby County. This could have a significant impact on the future financial requirements from Shelby County Government.

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 *Nonmajor Governmental Funds* are other funds with revenue raised for a specific purpose. The County reports the following funds as Special Revenue Funds:

- Roads and Bridges Fund accounts for the proceeds received from the County's share of State Gasoline taxes and State Gas Inspection taxes. These revenues are used for the maintenance of public roads and bridges in the unincorporated areas of the County.
- Hotel and TDZ Taxes Fund accounts for the proceeds received from the hotel/motel tax levied by the County on hotel/motel occupancy within the County. Hotel/Motel tax is used to first provide debt service requirements for the Sports Authority on the FedEx Forum and then funding for the Convention and Visitors Bureau as provided in State law. Any remainder may be used for Convention Center debt, Convention Center operations and additional funding to the Convention and Visitors Bureau. This fund also accounts for incremental sales tax received from the "Tourist Development Zone" (TDZ) which was developed for the City of Memphis by State

legislation. The State pays the City the State's share of sales tax; through an inter-local agreement most of the funds are paid to the County. The proceeds are used to pay for Convention Center debt and capital funding as authorized by the State of Tennessee. As described in Note IV(R) Subsequent Events, in September 2011 Shelby County Government sold and transferred all rights to the Convention Center to the City of Memphis.

- Sheriff Forfeitures Fund accounts for the proceeds from seizure and forfeiture of properties related to certain drug cases and property acquired and accumulated as a result of criminal offenses. These funds are used to support law enforcement efforts, drug investigation enforcement and certain non-recurring purposes.
- Data Processing Fund accounts for a separate computerization fee charged by the Courts and the County Register restricted by State statute. The funds are to be used for the purchase of computer equipment, upgrades, imaging systems and other related supplies and maintenance to support their data processing needs.
- Car Rental Tax Fund accounts for the tax proceeds on car rentals levied by the County. The proceeds are used only to help retire debt on bonds issued by the Memphis and Shelby County Sports Authority, Inc. for construction of the FedEx Forum.
- Health Services Restricted Fees Fund accounts for proceeds received from pollution control permits and fees for specific industries. There are also fees received for vector control services as a component of the fees collected through the City and County's utility services. These proceeds are used, respectively, to control pollution and control rodents, mosquitoes and other pests in the County.
- Storm Water Fees Fund accounts for fees collected from unincorporated portions of the County for storm water expenses as specified in the Shelby County Code of Ordinances.

Additionally, the County reports the following fund types:

Proprietary Funds/Enterprise Funds are funds that report an activity for which a fee is charged to external users for goods or services. The County reports the following funds (all are nonmajor):

- Consolidated Codes Enforcement Fund
- Fire Services Fund
- Corrections Center Fund

Proprietary Funds/Internal Service Funds are a separate category of proprietary funds (all are nonmajor). These funds account for telecommunications, mail services, printing, group health 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.

Fiduciary Funds include the Other Postemployment Benefits (OPEB) Trust and the Shelby County Retirement System. The Shelby County Retirement System accounts for the activities of the County's retirement plan, which accumulates resources for pension payments to employees. The OPEB Trust accounts for the fund used to accumulate and provide health and life insurance to retirees. Agency Funds account 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.

In consolidating internal activities in the government-wide financial statements, direct expenses are not eliminated from the various functional categories, whereas indirect expenses are eliminated. The net effect of the interfund services provided by internal service funds is reported as an adjustment to the expenses of the functional categories using those services.

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 including all taxes are reported as general revenues rather than as program revenues.

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 an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available, it shall be the policy of the County to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts. In both instances when a proposed expenditure is made with specific balances indentified as the source of the funding, that specific fund balance will be used.

(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 the average balance.

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 2a-7 of the Investment Company Act of 1940. Rule 2a-7 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. By policy investments in commercial paper must be rated A1/P1 by at least two rating services.

The OPEB Trust and the Shelby County Retirement System are 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 Shelby County Retirement System is also authorized to invest 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 proprietary fund financial statements. In governmental funds prepaid items are accounted for using the purchases method. As of June 30, 2011, the County had net overpayments for the net pension obligation. These overpayments are reported in the assets section.

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 of \$5,000 or more 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 improvement	10-30
Building	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 post 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.

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 fund financial statements, fund equity is reported as either Nonspendable, Restricted, Committed, Assigned and/or Unassigned fund balances.

- Nonspendable fund balance reflects amounts not in spendable form or amounts that legally or contractually must be maintained intact.
- Restricted fund balance reflects amounts subject to external enforceable legal restrictions that are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

- Committed fund balance reflects amounts whose use is constrained by limitations that the County imposes upon itself by the Shelby County Commission through resolution and shall remain binding unless removed in the same manner. The County Commission is the County’s highest level of decision-making authority.
- Assigned fund balance reflects the County’s intended use of resources. It allows decision making authority to be delegated to some other body or official. This authority is delegated by approved County Commission resolution. No formal action is required to remove this authority.
- Unassigned fund balance is the residual net resources.

Minimum Fund Balance Policy

The County Board of Commissioners, the County’s legislative body, has by resolution adopted a formal fund balance policy. The policy specifies a minimum fund balance of between 15-25% of revenues for the General Fund and 20-30% of revenues for the Debt Service Fund.

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 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 \$(6,125,421) of long-term liabilities and are not part of this reconciling amount. The details of this \$(1,730,658,092) are as follows:

Bonds payable	\$ (1,615,107,696)
Accreted value on bonds	(50,566,513)
Net premium and issuance cost on bonds issued	(27,880,445)
Compensated absences	(18,951,835)
Landfill postclosure	(3,150,398)
Claims and judgments	(344,138)
Net post employment benefit obligation	<u>(14,657,067)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u><u>\$ (1,730,658,092)</u></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 \$2,269,314 difference are as follows:

Capital outlay	\$ 19,930,062
Developer contributions	9,394,000
Loss on asset disposals	(166,836)
Depreciation expense	<u>(26,887,912)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 2,269,314</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 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.”

The details of this \$41,029,533 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (73,795,000)
Premium on debt issued of \$6,892,922, net of issuance costs of \$811,777 and amortization of \$5,524,705	(556,440)
Accretion of zero coupon bonds	(4,936,812)
Long-term debt issued other than bonds	(67,260,000)
Refunding debt payments	79,770,000
Principal repayments on debt	<u>107,807,785</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 41,029,533</u>

Another element of that reconciliation is “changes in other long-term liabilities other than in internal service funds.”

The details of this \$(888,538) difference are as follows:

Landfill post closure costs	\$ 111,848
Claims and judgements	11,710
Sick and annual leave	2,642,168
Net postemployment benefit obligations	<u>(3,654,264)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (888,538)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) Budgetary Information

The revenues and expenditures accounted for in each of the General Fund, Special Revenue Funds, Debt Service Fund and Enterprise Funds 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 (i.e. revenue, personnel related expenditures or other expenditures) of the same division (group of departments). Any adjustments that 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.

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 do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

(B) Deficit Fund Equity

The deficit in the Grants Fund of \$16,200,129 results from deferring revenue for amounts billed to grantors for program expenditures and for which payment had not been received within sixty days of the statement date.

IV. DETAILED NOTES ON ALL FUNDS

(A) Deposits and Investments

Shelby County Government, except for the Retirement System and OPEB Trust:

The County, including agency funds but excluding the Retirement System and the OPEB Trust, had the following investments at June 30, 2011. Of the total investments per financial reports, \$109,272,226 is reported on the Statement of Net Assets and \$26,150,000 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	\$ 41,522,226
Tennessee Local Government Pool (LGIP)	126,241,212
Total investments for disclosure purposes	<u>167,763,438</u>
Add certificates of deposit reported as investments	97,400,000
Less amounts reported as cash equivalents	<u>(129,741,212)</u>
Total investments per financial reports	<u>\$ 135,422,226</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. All investments mature in two years 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, 2011 the Retirement System had deposits of \$29,644,010 in money-market mutual funds that were not insured and were uncollateralized. At June 30, 2011 the Retirement System reported the following investments with carrying amounts as shown:

Domestic equity	\$ 344,492,084
Fixed income	213,191,481
International equity	213,509,177
Hedge funds	121,820,692
Limited partnership interest	33,602,921
Private real estate	24,750,188
Total investments	<u>\$ 951,366,543</u>

The fair values of fixed income investments grouped by maturity at June 30, 2011 are as follows:

Current to one year	\$ 5,132,712
One to two years	11,106,563
Two to three years	20,467,990
Three to four years	8,406,125
Four to five years	15,972,527
Five years or more	147,963,665
	<hr/>
	209,049,582
Funds with indeterminable maturities	4,141,899
Total	<hr/> <u>\$ 213,191,481</u>

At June 30, 2011 the Retirement System had \$341,262,964 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, 2011. 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.

Shelby County OPEB Trust (Fiduciary Fund): At June 30, 2011 the OPEB Trust had deposits of \$3,780,468 that were not insured and were uncollateralized; most of this was held in the Tennessee LGIP short term investment fund. At June 30, 2011 the OPEB Trust reported the following investments with carrying amounts as shown:

Domestic equity	\$ 29,537,311
Fixed income	24,236,100
International equity	15,745,045
Private real estate	3,107,850
Alternative investments	13,212,142
Total investments	<hr/> <u>\$ 85,838,448</u>

(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 2011 tax bills were based was \$19,312,088,190. The estimated market value was \$65,216,500,736, making the overall assessed value 29.61% 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 91.87% of the original tax levy and 94.28% 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	\$ 1.33
Debt Service Funds	.79
Boards of Education	<u>1.90</u>
Countywide tax rate	<u>\$ 4.02</u>
 Debt Service - Rural School Bonds	 <u>\$.04</u>

The \$0.04 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	Debt Service Fund	Education Fund	Total
Property taxes receivable	\$ 298,700,032	\$ 159,780,280	\$ 396,828,976	\$ 855,309,288
Less allowance for uncollectibles	<u>(19,520,392)</u>	<u>(11,002,834)</u>	<u>(26,719,195)</u>	<u>(57,242,421)</u>
	<u>\$ 279,179,640</u>	<u>\$ 148,777,446</u>	<u>\$ 370,109,781</u>	<u>\$ 798,066,867</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	<u>\$ 340,255</u>	Land & Building
<i>Debt Service Fund</i>		
Mortgage loans receivable due in various monthly installments at interest rates ranging from 3.125% to 8.125% through 2010	<u>\$ 4,603,033</u>	Land & Building
<i>Capital Projects Fund</i>		
Depot Redevelopment note due in annual payments plus semi-annual interest payments through August 1, 2010. Interest rates range from 4.75% to 5.625%	<u>\$ 2,325,000</u>	None
<i>Grants Fund</i>		
Mortgage loans receivable due in various monthly installments at 0% to 5% interest through 2021	<u>\$ 2,345,491</u>	Land & Building

Note IV (G) includes details of deferred revenue relating to notes receivable.

D) Leases Receivable

The County leases certain real property described as Butcher Shop, LLC for the sum of \$204,000 annually. The term of the lease commenced on May 1, 2008. There are two additional option terms of five years each available. The option term currently in effect will expire in 2013. The rental income is recognized as revenue in the Debt Service Fund.

The County leases certain real property described as 150 Washington Avenue to the Shelby County Federal Credit Union for the sum of \$24,000 annually over a period of five years. The term of the lease commenced on October 1, 2009 and will end September 30, 2014. There is one additional option term of five years. The monthly installments of \$2,000 are recognized as rental income in the General Fund.

The County leases certain real property with improvements described as Fire Station #65 to the City of Memphis, Tennessee through June 30, 2016. There are no lease fees or charges. All charges for gas, water, sewer, electricity, light, heat, power, telephone, and other utilities and services used, rendered or supplied to or in connection with the leased premises will be paid for by the City of Memphis.

The Tennessee Department of Health maintains office space as a regional office at the Memphis and Shelby County Health Department, described as 814 Jefferson, to carry out various State activities. The County agrees to lease the space for a sum of \$112,716 annually for six years; commencing January 1, 2006 and ending December 31, 2011. The rental income is recognized as revenue in the General Fund.

(E) Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2011 is detailed below.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 25,981,294	\$ ---	\$ (11,500)	\$ 7,802	\$ 25,977,596
Construction in progress	14,836,093	7,630,133	---	(1,312,297)	21,153,929
Total not being depreciated	<u>40,817,387</u>	<u>7,630,133</u>	<u>(11,500)</u>	<u>(1,304,495)</u>	<u>47,131,525</u>
Capital assets being depreciated:					
Land improvements	14,083,141	3,780,767	---	16,212	17,880,120
Buildings	243,392,713	283,927	---	124,995	243,801,635
Equipment	98,911,414	5,027,495	(5,087,327)	1,240,009	100,091,591
Infrastructure	498,404,968	12,807,267	---	---	511,212,235
Total being depreciated	<u>854,792,236</u>	<u>21,899,456</u>	<u>(5,087,327)</u>	<u>1,381,216</u>	<u>872,985,581</u>
Less accumulated depreciation:					
Land improvements	5,320,884	453,148	---	---	5,774,032
Buildings	109,384,612	7,083,307	---	2,070	116,469,989
Equipment	54,268,682	7,053,861	(4,840,326)	74,651	56,556,868
Infrastructure	182,870,377	12,479,879	---	---	195,350,256
Total accumulated depreciation	<u>351,844,555</u>	<u>27,070,195</u>	<u>(4,840,326)</u>	<u>76,721</u>	<u>374,151,145</u>
Total capital assets being depreciated, net	<u>502,947,681</u>	<u>(5,170,739)</u>	<u>(247,001)</u>	<u>1,304,495</u>	<u>498,834,436</u>
Governmental activities capital assets, net	<u>\$ 543,765,068</u>	<u>\$ 2,459,394</u>	<u>\$ (258,501)</u>	<u>\$ ---</u>	<u>\$ 545,965,961</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Construction in progress	\$ ---	\$ 67,692	\$ ---	\$ ---	\$ 67,692
Total not being depreciated	---	67,692	---	---	67,692
Capital assets being depreciated:					
Land improvements	14,942	---	---	---	14,942
Buildings	47,635,104	62,730	---	---	47,697,834
Equipment	9,357,423	1,129,043	(252,882)	(76,721)	10,156,863
Total being depreciated	57,007,469	1,191,773	(252,882)	(76,721)	57,869,639
Less accumulated depreciation:					
Land improvements	---	747	---	---	747
Buildings	25,112,488	1,121,932	---	---	26,234,420
Equipment	6,740,099	499,309	(252,882)	(76,721)	6,909,805
Total accumulated depreciation	31,852,587	1,621,988	(252,882)	(76,721)	33,144,972
Total capital assets being depreciated, net	25,154,882	(430,215)	---	---	24,724,667
Business-type activities capital assets, net	\$ 25,154,882	\$ (362,523)	\$ ---	\$ ---	\$ 24,792,359

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
Depreciable assets:		
General Government	\$ 11,711,041	\$ 1,742,826
Planning and Development	7,345	28,367
Public Works	398,137,539	15,383,791
Corrections	1,455,526	83,285
Health Services	4,963,483	505,350
Community Services	4,816,933	306,617
Law Enforcement	64,792,642	6,000,639
Judicial	11,198,414	2,265,421
Other Elected Officials	1,751,513	753,899
Depreciable assets total	498,834,436	27,070,195
Non-depreciable assets:		
Land	25,977,596	---
Construction in progress	21,153,929	---
Non-depreciable assets total	47,131,525	---
Governmental activities total	\$ 545,965,961	\$ 27,070,195

(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, 2011 was \$3,812,920 for the primary government.

Capital Leases

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 the Ferrara truck was purchased for a total cost of \$584,925. The amortization of these leased assets is included as part of depreciation expense. The total remaining balance on the capital leases is \$619,240.

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, 2011:

Fiscal Year	Operating Leases	Capital Leases
2012	\$ 1,810,689	\$ 183,384
2013	855,665	183,384
2014	684,515	183,384
2015	387,621	72,395
2016	74,592	72,395
Total minimum lease payments	3,813,082	694,942
Less: amount representing interest	---	(75,702)
Present value of minimum lease payments	\$ 3,813,082	\$ 619,240

The County has entered into a capital lease agreement with the State of Tennessee for a new Regional Forensic Center. The lease will become effective when the building currently under construction is completed and the State has issued bonds for the long term funding for the construction cost. The lease agreement provides that the County's lease payments will be the amount required to fund debt service requirements for \$8 million of the bonds to be issued by the State. The building has not been completed and the bonds have not been sold, so no transactions have yet been recorded. The estimated annual capital lease cost will be \$500,000.

(G) Deferred Revenue

Deferred revenues consist of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Education Fund	Grants Fund	Nonmajor Governmental Fund	Totals
Unearned:							
Property taxes receivable	\$ 259,713,871	\$ 137,756,706	\$ ---	\$ 343,920,838	\$ ---	\$ ---	\$ 741,391,415
Grant revenue	---	---	---	---	2,330,245	---	2,330,245
Advance project contributions	---	---	206,565	---	---	---	206,565
Not Available:							
Property taxes receivable	17,031,523	9,528,171	---	22,669,160	---	---	49,228,854
Grant revenue	---	---	---	---	22,386,963	---	22,386,963
Notes receivable	340,255	4,603,033	2,325,000	---	2,345,490	---	9,613,778
Due from State	499,601	---	---	---	---	---	499,601
Other receivables	23,881	---	---	---	---	25,712	49,593
	<u>\$ 277,609,131</u>	<u>\$ 151,887,910</u>	<u>\$ 2,531,565</u>	<u>\$ 366,589,998</u>	<u>\$ 27,062,698</u>	<u>\$ 25,712</u>	<u>\$ 825,707,014</u>

Internal service funds have deferred revenue of \$3,940,298 for unearned premiums. The proprietary Consolidated Codes Enforcement Fund has deferred revenue of \$89,715 for building permits and licensing fees paid in advance.

(H) Debt and Long-term Liabilities

Debt issued during current year:

In March 2011, General Obligation Public Improvement and School Bonds, 2011 Series A were issued to refund a portion of 2003 Series A General Obligation Bonds previously issued by the County.

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. The County had no outstanding short-term debt at any time during this fiscal year.

Changes in long-term liabilities:

Changes in long-term liabilities during the year were:

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental activities:					
Bonds and loans payable	\$ 1,707,260,182	\$ 145,991,812	\$ (187,577,785)	\$ 1,665,674,209	\$ 97,608,385
Net premium and issuance cost of bonds issued	27,324,005	6,081,145	(5,524,705)	27,880,445	6,714,747
Claims and judgments	6,543,290	1,088,875	(1,372,409)	6,259,756	616,129
Landfill postclosure care costs	3,262,246	---	(111,848)	3,150,398	126,016
Sick and annual leave	21,709,468	8,867,206	(11,532,923)	19,043,751	12,508,363
Net postemployment benefit obligations	11,044,287	25,048,591	(21,317,924)	14,774,954	---
Total governmental activities	<u>\$ 1,777,143,478</u>	<u>\$ 187,077,629</u>	<u>\$ (227,437,594)</u>	<u>\$ 1,736,783,513</u>	<u>\$ 117,573,640</u>
Business-type activities:					
Capitalized lease obligations	\$ 766,064	\$ ---	\$ (146,824)	\$ 619,240	\$ 153,857
Sick and annual leave	5,264,429	4,233,296	(4,402,580)	5,095,145	3,463,565
Net postemployment benefit obligations	2,620,973	5,073,409	(3,532,534)	4,161,848	---
Total business-type activities	<u>\$ 8,651,466</u>	<u>\$ 9,306,705</u>	<u>\$ (8,081,938)</u>	<u>\$ 9,876,233</u>	<u>\$ 3,617,422</u>

Bonds and loans payable additions include \$4,936,812 accretion of zero coupon bonds.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$91,915 of sick and annual leave payable, \$5,915,618 of claims and judgments payable, and \$117,888 of postemployment benefit obligations from the internal service funds are included in the above amounts. All other long-term liabilities of governmental activities other than debt are liquidated by the general fund.

General obligation bonds and loans:

These obligations are direct general obligations of the County and are backed by its full faith and credit and the unlimited taxing power of the County. The following bond issues are outstanding:

Description	Date Issued	Interest Rates	Principal Balance	Last Maturity Date
1996B Refunding Issue	11/01/1996	5.00 - 6.00	\$ 31,476,065	12/01/2016
1997B Refunding Issue	11/01/1997	4.50 - 5.75	11,019,416	08/01/2016
1999B Refunding Issue	02/01/1999	3.55 -5.25	9,940,000	04/01/2013
2003A Public Imp/Schools	06/10/2003	4.375 - 5.00	25,550,000	03/01/2028
2003A Special Rural Schools	12/02/2003	2.50 - 5.00	25,930,000	11/01/2028
2004A Public Imp/Schools	03/31/2004	3.00 - 5.00	20,610,000	04/01/2014
2004B Public Imp/Schools (a)	04/15/2004	Variable	237,705,000	04/01/2030
2005A Refunding Issue	03/10/2005	3.00 - 5.00	322,310,000	04/01/2025
2006A Public Imp/Schools	02/22/2006	5.00	35,180,000	03/01/2016
2006B Public Imp/Schools (a)	02/22/2006	Variable	159,590,000	03/01/2031
2006C Refunding Issue (a)	11/30/2006	Variable	219,050,000	12/01/2031
2009A Refunding Issue	04/02/2009	2.75 - 5.00	207,115,000	04/01/2022
2009A Public Imp/Schools	09/30/2009	2.25 - 5.00	56,610,000	04/01/2024
2009C Public Imp/Schools	09/30/2009	2.25 - 5.00	60,000,000	04/04/2034
2009 QSCB Loan	12/01/2009	1.515	51,967,215	09/15/2026
2010 QSCB Loan	12/01/2009	0.00	67,260,000	09/15/2027
2011A Refunding Issue	03/30/2011	4.00 - 5.00	73,795,000	03/01/2025
			<u>1,615,107,696</u>	
		Accreted value of bonds	<u>50,566,513</u>	
		Total General Obligation Bonds and other loans	<u>\$ 1,665,674,209</u>	

(a)Interest rate swap agreements are in place related to these bond issues, as explained below in this note.

These bonds represent borrowings for the following:

General Government	\$ 422,608,768
Education	<u>1,192,498,928</u>
	1,615,107,696
Accreted value of bonds	<u>50,566,513</u>
	<u>\$ 1,665,674,209</u>

Interest expense in the Debt Service Fund during the fiscal year ended June 30, 2011 was \$72,637,412 (current financial resources measurement focus and modified accrual basis of accounting). Entity wide interest was \$71,559,500 (economic resources measurement focus and accrual basis of accounting) which includes interest paid for the Debt Service Fund and interest paid on the loans.

The County is indebted for serial bonds and capital appreciation bonds and notes and variable bonds with interest rates varying from 2.50% to 6.00%. 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 variable rate bond notes are 5.345% for the 2001 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds, 2.996% for the 2004 Series B General Obligation Variable Rated 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% on the notional amount of \$52,615,000 for the 2006 Series C Variable Rate Demand Refunding Bonds are as follows:

Years Ended June 30	Principal	Interest	Total
2012	\$ 97,608,385	\$ 82,830,811	\$ 180,439,196
2013	90,215,970	84,572,144	174,788,114
2014	101,323,977	67,276,151	168,600,128
2015-2019	486,752,974	260,569,780	747,322,754
2020-2024	432,726,605	143,708,004	576,434,609
2025-2029	303,339,785	64,205,872	367,545,657
2030-2034	103,140,000	9,519,603	112,659,603
	<u>1,615,107,696</u>	<u>712,682,365</u>	<u>2,327,790,061</u>
Accreted value of Bonds	50,566,513	(50,566,513)	---
Total long-term debt	<u>\$ 1,665,674,209</u>	<u>\$ 662,115,852</u>	<u>\$ 2,327,790,061</u>

Interest rate swap agreements:

As of June 30, 2011 Shelby County has six interest rate swap agreements, described below. Interest rate swap agreements are accounted for at fair value in accordance with GASB Statement No. 53 *Accounting and Reporting for Derivative Instruments*.

Item	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Fair Value
1)	Pay-fixed interest rate swap	To lower borrowing costs by entering into a swap in connection with its 1998 Series A Variable Rate Bonds and to receive an upfront cash payment	\$ 119,700,000	3/1/2008	3/1/2022	Pay 4.66%, receive SIFMA Swap Index	\$ (19,501,824)
2)	Pay-fixed interest rate swap	To lower borrowing costs by entering into a swap in connection with its 1998 Series A Variable Rate Bonds and to receive an upfront cash payment	\$ 68,050,000	1/28/1999	4/1/2020	Pay 4.115%, receive 76.6% of USD-LIBOR	\$ (6,305,746)
3)	Pay-fixed interest rate swap	To take advantage of low interest rates, to refund high coupon debt, and receive an upfront cash payment	\$ 217,615,000	11/30/2006	12/1/2031	Pay 3.83%, receive SIFMA Swap Index	\$ (21,133,942)
4)	Pay-fixed interest rate swap	To take advantage of low interest rates, to refund high coupon debt, and receive an upfront cash payment	\$ 1,435,000	12/1/2006	12/1/2011	Pay 4.26%, receive SIFMA Swap Index	\$ (28,620)
5)	Pay-fixed interest rate swap	To hedge variable rate exposure on the underlying debt	\$ 119,590,000	2/22/2006	3/1/2031	Pay 3.503% until 3/1/16; 4.43% thereafter, receive SIFMA Swap Index	\$ (20,678,522)
6)	Pay-fixed interest rate swap	To hedge variable rate exposure on the underlying debt	\$ 40,000,000	2/22/2006	3/1/2031	Pay 3.503% until 3/1/16; 4.43% thereafter, receive SIFMA Swap Index	\$ (6,916,473)

Swaps One and Two: In April 2009, the 2008 Series A General Obligation Refunding Bonds and the 2008 Series B General Obligation Variable Rate Demand Refunding Bonds were refunded and the related swaps were transferred to the 2004B General Obligation Bonds and a swap related to the 2004B General Obligation Bonds was cancelled. One transferred swap was executed with Goldman Sachs Mitsui Marines Derivative Products (Goldman) on 1/15/1999 in connection with the 1999 Series A General Obligation Variable Rate Demand and subsequently kept in place for the 2008 Series B Bonds (which refunded the 1999 issue) and the second transferred swap was executed with Loop Financial Produces (LFP) on 6/23/2005 in connection with the 2008 Series A General Obligation Refunding Bonds (which refunded a portion of the 1998 issue):

Swap Objective: These two swaps were issued to lower borrowing costs by entering into a swap in connection with its 1998 Series A General Obligation Variable Rate Demand Refunding Bonds and to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment for expenditures to reduce debt issuance in the future.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
1/15/1999	1/28/1999	4/1/2020	\$ 96,150,000	4.115%	7.6% 1-month	None
6/23/2005	3/1/2008	3/1/2022	\$ 121,485,000	4.66%	SIFMA	\$ 8,571,000

On 1/28/1999, the Goldman swap became effective at the same time the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds were issued. On 5/1/2008, the 2008 Series B General Obligation Variable Rate Demand Refunding Bonds refunded the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds. The 2008 Series B bonds kept the swap in place but changed the type of the underlying variable rate bonds

from auction rate securities to variable rate demand bonds. In April 2009, the 2008 Series B Bonds were refunded and this swap was transferred to the 2004B General Obligation Bonds. Under the terms of the swap, the County pays 4.115% to the counterparty, Goldman Sachs Mitsui Marines Derivative Products, L.P., and in return receives 76.6% of 1-month LIBOR. The swap refunding bonds have the same original notional amount of \$96,150,000 and have the same principal amortization and maturity. On 3/1/2008, the county received a payment of \$8,571,000 from the counterparty for granting the counterparty, Loop Financial Products, the right to enter into a swap on 6/23/2005. The swap was exercised and the County refunded a portion of its 1998 Series A 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 4.66% and receive SIFMA. The swap has 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: The swaps, as of June 30, 2011 have a net value of (\$23,764,738). The total mark-to-market was (\$25,807,570) of which approximately (\$2,042,832) is accrued interest from May 28, 2011, to the valuation date, June 30, 2011. This fair value was measured by a swap pricing system in which the future net 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: These swaps are in conjunction with the 2004B General Obligation Bonds which have a principal balance at June 30, 2011 of \$237,705,000. The two swaps have a notional amount of \$187,750,000 and have a more rapid maturity than the bonds. The cash flows below assume that for the LFP swap SIFMA equals its current level, as of June 30, 2011 of 0.09% and for the Goldman swap 1-month LIBOR equals its current level of 0.185% for the term of the swaps. Interest and net swap payments will fluctuate as SIFMA and LIBOR change.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2012	\$ ---	\$ 831,968	\$ 8,231,702	\$ 9,063,670
2013	---	831,968	7,594,131	8,426,099
2014	---	831,968	6,717,741	7,549,709
2015	8,290,000	831,968	5,600,185	14,722,153
2016	9,120,000	802,953	4,594,125	14,517,078
2017	10,030,000	771,033	3,797,388	14,598,421
2018	11,030,000	735,928	2,997,644	14,763,572
2019	12,140,000	697,323	2,182,268	15,019,591
2020	13,350,000	654,833	1,372,205	15,377,038
2021	14,685,000	608,108	688,865	15,981,973
2022	16,155,000	556,710	175,100	16,886,810
2023	17,770,000	500,168	---	18,270,168
2024	19,545,000	437,973	---	19,982,973
2025	21,500,000	369,565	---	21,869,565
2026	13,775,000	294,315	---	14,069,315
2027	15,150,000	246,103	---	15,396,103
2028	16,665,000	193,078	---	16,858,078
2029	18,335,000	134,750	---	18,469,750
2030	20,165,000	70,578	---	20,235,578
Total	\$ 237,705,000	\$ 10,401,290	\$ 43,951,354	\$ 292,057,644

Credit Risk: The County has credit exposure to Goldman and LFP equivalent to the fair value of the swaps. If Goldman or LFP fail 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 for Goldman are Aa1 and AAA by Moody's and Standard & Poor's, respectively. The current ratings of LFP are AA-, Aa1, and A+ by Fitch, Moody's and Standard & Poor's, respectively. The County could also be exposed to credit risk depending on the fair value of the swap at any given time. To mitigate credit risk, if Standard & Poor's and Moody's rate the credit worthiness 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: If either swap has an unanticipated termination or the County exercises its option to terminate, the County may owe a termination payment to Goldman and/or LFP equal to the fair value of the swap at that time, if 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. As of June 30, 2011, LFP has credit guarantee from Deutsche Bank AG, rated Aa1 and 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 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 2022.

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 Goldman of 76.6% of 1-month LIBOR or the receipt from LFP of SIFMA. This basis differential could cause the expected savings to not be achieved.

Swaps Three and Four: Executed with Goldman Sachs Mitsui Marines Derivatives Products (Goldman) on 11/2/2006 and Morgan Keegan Financial Products, Inc. (MKFP) 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.

Swap Terms:

Open Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
11/29/2006	12/1/2006	12/1/2011	\$ 52,615,000	4.26%	SIFMA	\$1,503,000
N/A	11/30/2006	12/1/2031	\$ 234,160,000	3.83%	SIFMA	None

The County received a payment of \$1,503,000 on 12/1/2006 from Morgan Keegan Financial Products, Inc. for entering into a swaption on the trade date of 6/23/2005. This swaption gave the counterparty the option to cause the County to enter into a swap on 8/1/2007. 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 MKFP 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: The swaps, as of June 30, 2011 have a net value of (\$20,508,740). The total mark-to-market was (\$21,162,562) of which approximately (\$653,822) is accrued interest from May 28, 2011, to the valuation date, June 30, 2011. 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 2006 Series C General Obligation Variable Rate Demand Refunding Bonds. This analysis assumes the MKFP swap stays in place until December 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 June 30, 2011 assuming SIFMA equals its current level of .09% for the term of the swap. Interest and net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Fixed Rate Bonds		Net Swap	Total
	Principal	Interest	Payment	
2012	\$ 5,980,000	\$ 3,141,453	\$ 7,767,973	\$ 16,889,426
2013	4,725,000	3,063,629	7,550,311	15,338,940
2014	4,910,000	2,993,584	7,377,700	15,281,284
2015	5,105,000	2,920,777	7,198,282	15,224,059
2016	5,300,000	2,845,134	7,032,413	15,177,547
2017	5,515,000	2,766,510	6,818,127	15,099,637
2018	5,725,000	2,684,797	6,616,763	15,026,560
2019	9,195,000	2,576,330	6,349,641	18,120,971
2020	9,640,000	2,439,403	6,029,554	18,108,957
2021	24,080,000	2,194,263	5,408,859	31,683,122
2022	25,285,000	1,835,386	4,524,501	31,644,887
2023	26,290,000	1,460,443	3,600,538	31,350,981
2024	27,330,000	1,070,633	2,646,319	31,046,952
2025	6,530,000	824,475	2,032,198	9,386,673
2026	6,785,000	727,677	1,793,660	9,306,337
2027	7,050,000	627,098	1,545,807	9,222,905
2028	7,325,000	522,594	1,291,714	9,139,308
2029	7,610,000	414,019	1,020,719	9,044,738
2030	7,910,000	301,190	742,679	8,953,869
2031	8,220,000	183,928	453,711	8,857,639
2032	8,540,000	62,085	153,457	8,755,542
Total	<u>\$ 219,050,000</u>	<u>\$ 35,655,408</u>	<u>\$ 87,954,926</u>	<u>\$ 342,660,334</u>

Credit Risk: Because both swaps have a negative value on June 30, 2011, the County does not have credit risk. However, if the fair value of the swaps 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 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 long-term, unsecured, unenhanced debt rating below A3 by Moody's or A- by Standard & Poor's, an additional termination event has occurred.

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.

Swaps Five and Six: Executed with Goldman Sachs Mitsui Marines Derivative Products (Goldman) and Morgan Keegan Financial Products, Inc.(MKFP) on 2/14/2006 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 3/1/2016 4.43% thereafter	SIFMA

On 2/14/2006, the County entered into a fixed payer swap with an effective date of 2/22/2006. Under the terms of the swap, the county pays a fixed rate of 3.503% until 3/1/2016 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. As of June 30, 2011 the notional amounts of the 2006B Goldman swap and the 2006B MKFP swap are \$119,590,000 and \$40,000,000 respectively.

Fair Value of Swap and Option: The swap, as of June 30, 2011 has a net value of (\$25,761,998). The total mark-to-market was (\$27,594,995) of which approximately (\$1,832,997) is accrued interest from May 28, 2011, to the valuation date, June 30, 2011. 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.

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 stays in place until maturity in 2031. Below are the principal and interest requirements of the debt and the net swap payments as of June 30, 2011 assuming SIFMA equals its current level of .09% for the term of the swap. Interest and net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2012	\$ ---	\$ 427,600	\$ 5,030,342	\$ 5,457,942
2013	---	427,600	5,031,873	5,459,473
2014	---	427,600	5,031,873	5,459,473
2015	---	427,600	5,031,873	5,459,473
2016	---	427,600	5,030,342	5,457,942
2017	7,425,000	427,600	6,511,272	14,363,872
2018	2,020,000	407,717	6,208,332	8,636,049
2019	---	402,308	6,125,916	6,528,224
2020	2,705,000	402,308	6,124,476	9,231,784
2021	8,505,000	395,024	6,015,552	14,915,576
2022	9,575,000	372,250	5,668,548	15,615,798
2023	7,130,000	346,610	5,277,888	12,754,498
2024	7,450,000	327,517	4,985,812	12,763,329
2025	23,900,000	307,457	4,683,024	28,890,481
2026	26,130,000	243,457	3,707,904	30,081,361
2027	20,110,000	173,486	2,641,800	22,925,286
2028	6,625,000	119,635	1,820,884	8,565,519
2029	12,680,000	101,797	1,551,012	14,332,809
2030	6,055,000	67,842	1,033,668	7,156,510
2031	19,280,000	51,628	786,624	20,118,252
Total	\$ 159,590,000	\$ 6,284,636	\$ 88,299,015	\$ 254,173,651

Credit Risk: Because the swap has a negative value on June 30, 2011, 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 March 1, 2016. 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.

Claims and Judgments

The County has recognized long-term debt liabilities for claims and judgments of \$6,259,756 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) Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	General Fund	Debt Service Fund	Capital Projects Fund	Grants Fund	Special Revenue Funds	Total
Fund balances:						
Restricted for:						
Grants and sponsored projects	\$ ---	\$ ---	\$ ---	\$ 5,438,738	\$ ---	\$ 5,438,738
Special revenue activities	737,713	---	---	---	16,728,070	17,465,783
Educational projects and funding	---	8,193,886	92,781,250	---	---	100,975,136
Conservation projects	---	---	44,993	---	---	44,993
Committed to:						
Approved carryforward appropriations	230,451	---	4,425,564	---	---	4,656,015
Public improvement and educational projects	48,224	99,621,072	---	---	---	99,669,296
Assigned to:						
Purchase order encumbrances	215,871	---	6,849,312	---	---	7,065,183
Infrastructure and administrative improvements	---	---	36,103,198	---	---	36,103,198
Unassigned	85,635,125	---	---	(21,638,867)	---	63,996,258
Total fund balances	<u>\$86,867,384</u>	<u>\$ 107,814,958</u>	<u>\$ 140,204,317</u>	<u>\$ (16,200,129)</u>	<u>\$ 16,728,070</u>	<u>\$ 335,414,600</u>

For flow assumption policy regarding use of fund balance types refer to Note I(D).

(J) Interfund Receivables, Payables and Transfers

Interfund receivables and payables consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Funds	\$ 832,438
	Grant Funds	28,783,043
Debt Service Fund	General Fund	1,430,440
	Nonmajor Governmental Funds	2,038,596
Education Fund	General Fund	1,358,285
Nonmajor Governmental Funds	General Fund	1,333,548
Total		<u>\$ 35,776,350</u>

Due To/From Component Units

Receivable Entity	Payable Entity	Amount
Board of Education (component unit)	Capital Projects Fund	\$ 2,377,650
	Education Fund	1,791,508
Total		<u>\$ 4,169,158</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 interfund amounts receivable by the Debt Service Fund and payable by the Nonmajor Governmental Funds represent an obligation in the Debt Service Fund to be paid by the restricted revenues of the Special Revenue Fund.

The amounts payable to the Board of Education (component unit) from the Capital Projects Fund result from the State of Tennessee reimbursements of capital expenditures, not yet disbursed by Shelby County Government, to Shelby County Board of Education under the Qualified School Construction Bonds program (QSCB). The amount payable to the Board of Education (component unit) from the Education Fund represents property and wheel taxes accrued at year-end but not yet paid to the Shelby County Board of Education.

The total due to component units disclosed here, \$4,169,158, is less than the amount disclosed on the Statement of Net Assets due to \$7,013,839 of deferred revenues in the funds that are earned but unavailable and are payable to the component unit when they become available.

Transfers during the year were as follows:

Transfers Out:	Transfers In:	Amounts
General Fund	Nonmajor Governmental Funds	\$ 562,654
	Grants Fund	2,755,322
	Enterprise Funds	10,699,528
	Internal Service Funds	500,000
Debt Service Fund	Capital Projects Fund	6,916,000
Capital Projects Fund	Grants Fund	613,165
	Debt Service Fund	329,556
Grants Fund	General Fund	1,134,629
	Nonmajor Governmental Funds	100,594
	Grants Fund	628,857
	Enterprise Funds	199,781
Nonmajor Governmental Funds	General Fund	726
	Grants Fund	524,024
	Debt Service Fund	7,130,708
	Capital Projects Fund	<u>1,573,200</u>
	Total transfers out of governmental fund types	<u>33,668,744</u>
Enterprise Funds	Grants Fund	341,524
Internal Service Funds	General Fund	<u>238,551</u>
	Total transfers out of proprietary fund types	<u>580,075</u>
	Total all fund types	<u><u>\$ 34,248,819</u></u>

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.

(K) 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 (property taxes, other local taxes, state revenue, federal and local revenue, charges for services, fines, fees and permits, investment income) are classified as other revenue.

Other revenue for the year ended June 30, 2011 is detailed below:

	General Fund	Debt Service Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Private donor grants	\$ 20,101	\$ ---	\$ 754,652	\$ ---	\$ 774,753
In-kind services	---	---	11,889	---	11,889
Miscellaneous income	414,961	162	168,935	550	584,608
Forfeitures and seizures	632,800	---	---	2,194,611	2,827,411
Housing principal & interest	---	812,177	90,971	---	903,148
Total other revenue	\$ 1,067,862	\$ 812,339	\$ 1,026,447	\$ 2,195,161	\$ 5,101,809

Miscellaneous income includes refunds and recoveries of prior year expenditures, unclaimed property, and various other small payments received for which there is no other suitable category.

(L) Risk Financing and Related Insurance Issues

Shelby County maintains a self-insured Group Health Insurance Fund for its active employees and their dependents, funded by participation of both the County and its employees. Incurred but not reported (IBNR) claims liabilities of the Group Health 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 Health Insurance Fund:

	2011	2010
Insurance claims liabilities at the beginning of the fiscal year	\$ 3,982,334	\$ 3,814,805
Incurred claims and claim adjustment expenses	51,445,398	45,552,416
Payment of claims and claim adjustment expenses	(50,955,044)	(45,384,887)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 4,472,688</u>	<u>\$ 3,982,334</u>

The County maintains a self-insured Tort Liability Fund funded by premiums paid by departments using County vehicles and by transfers 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:

	2011	2010
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 3,073,948	\$ 3,423,043
Incurred claims and claim adjustment expenses	(78,522)	276,004
Payment of claims and claim adjustment expenses	(633,755)	(625,099)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 2,361,671</u>	<u>\$ 3,073,948</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:

	2011	2010
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 6,593,016	\$ 6,874,384
Incurred claims and claim adjustment expenses	2,580,497	3,803,216
Payment of claims and claim adjustments expense	(2,992,720)	(4,084,584)
Claims and claim adjustment liabilities at the end of the fiscal year	\$ 6,180,793	\$ 6,593,016

The total of claims liability disclosed here, \$13,015,152, differs from the sum of claims reported on the Statement of Net Assets and the long-term claims disclosed in Note IV (H) due to claims that are solely short term in nature and a \$344,138 long term liability to be paid by the General Fund.

(M) Extraordinary Item

In February 2011 it was discovered that an employee in the Chancery Court Clerk’s Office had been fraudulently obtaining monies that were owed to various third parties. The net loss sustained by the Court Clerk is \$982,548 and is reported as an extraordinary loss in the governmental funds. The County submitted a claim to its insurance provider and expects to recover the full limit of the coverage of \$900,000. The loss net of expected insurance recovery is \$82,548 and is reported as an extraordinary loss on the Statement of Activities.

(N) Contingencies and Commitments

The County’s governmental funds have obligations at fiscal year-end contingent upon contractors’ and vendors’ performance, for outstanding purchase orders and outstanding contracts. These obligations are included in the restricted, committed, assigned, or unassigned fund balances in the governmental funds.

The amounts of these encumbrances are as follows:

General Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total
\$ 1,709,443	\$ 70,768,786	\$ 12,481,763	\$ 890,615	\$ 85,850,607

The Capital Projects Fund had additional commitments specific to capital projects of \$46,791,908 as of June 30, 2011.

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 (O).

(O) 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 Community Redevelopment Agency (CRA)

The Community Redevelopment Agency (CRA) is a joint venture between the City of Memphis and the County and is empowered to do all things necessary to plan, finance and implement development and redevelopment activities in blighted areas of Memphis and Shelby County. The CRA monitors trusts established to fund debt issued with repayment to be provided by tax increment financing for the Uptown Redevelopment project and the Highland Row project. Three board members are appointed by the City mayor with approval of the City Council, three members are appointed by the County mayor with approval of the County Commission and one member is jointly appointed by the City and County mayors with joint approval by the City Council and County Commission. All board member terms are for four years. Financial Statements for the Community Redevelopment Agency may be obtained from City of Memphis Division of Planning and Development, 125 N. Main, Suite 468, Memphis, Tennessee 38103.

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, 2011 the County contributed \$1,000,000 from the General Fund to the operations of the Convention Center and also contributed \$359,000 to the capital needs of the Convention Center from the Hotel and TDZ Tax Fund. 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. 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 \$205,949,979, net of discounted bond issuance, owed as of December 31, 2010, plus \$3,023,915 accrued 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, 2011 the County transferred to the Sports Authority for debt service purposes the amount of \$1,792,096 from car rental taxes and \$9,908,786 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.

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 \$131,993 for insurance on the facility. Since the PBA's only assets are the ownership rights to the FedEx Forum Arena, and since there has been no financial activity for the fiscal year, the Tennessee Comptroller of the Treasury has granted approval for an exemption from the annual audit requirement. As of December 31, 2007 - the most recent financial statements available - the PBA reported assets of \$209,123,653 and net assets of \$209,123,653.

The following is a summary of the financial information of the joint ventures, as of and for the year ended June 30, 2009 (the most recent financial statements available for CRA), for June 30, 2011 and December 31, 2010 as seen below:

	Community Redevelopment Agency (June 30, 2009)	Convention Center (June 30, 2011)	Port Commission Unaudited (June 30, 2011)	Sports Authority (December 31, 2011)
Assets	\$ 12,160,541	\$ 10,211,101	\$ 27,010,944	\$ 54,842,058
Liabilities	14,066,168	1,585,534	898,597	213,522,260
Net assets	(1,905,627)	8,625,567	26,112,347	(158,680,202)
Operating revenues	4,898,943	3,733,631	2,734,656	---
Operating expenses	597,507	7,068,672	1,721,089	14,226,889
Other revenues	62,246	3,129,684	117,592	25,543,507
Other expenses	280,363	82,354	819,061	---
Capital contributions	---	---	5,605,471	---
Change in net assets	4,083,319	(287,711)	5,917,569	11,316,618

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, 2011 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, a 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 \$2,325,000 as of June 30, 2011. During the year ended June 30, 2011 the Depot repaid \$205,000 of principal on this note plus \$124,556 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.

(P) Other Postemployment Benefits

Retired employees of the County and former employees receiving long-term disability benefits through the County’s program may participate in postemployment benefits (health and life insurance) through the Shelby County OPEB Trust (Trust). The Trust is a single-employer defined benefit plan. The benefits provided are health insurance and life insurance. Audited GAAP financial statements for the Trust can be obtained from Administrator of Finance, Shelby County Government, 160 N. Main Street, Suite 1150, Memphis, Tennessee 38103.

Annual OPEB Cost and Net OPEB Obligations

The County’s OPEB cost and net OPEB obligations to the Trust for the current year were as follows:

Annual Required Contribution (ARC)	\$	30,363,000
Interest on Net OPEB Obligation		717,000
Adjustment to ARC		(958,000)
Annual OPEB Cost		30,122,000
Contributions made		(24,850,458)
Increase in net OPEB Obligation		5,271,542
Net OPEB Obligation beginning of year		13,665,260
Net OPEB Obligation end of year	\$	18,936,802

The OPEB Trust has been in existence for only four years. Limited trend information may be seen from the table that follows. Note that a special, one-time employer contribution of \$23,892,191 was made in FY 2008.

Fiscal Year Ended	Annual OPEB Costs (AOC)	Actual Contributions	Percentage of AOC Contributed	Net OPEB Obligation
June 30, 2011	\$ 30,122,000	\$ 24,850,458	82.5%	\$ 18,936,802
June 30, 2010	29,007,000	20,611,575	71.1%	13,665,260
June 30, 2009	31,600,000	18,329,123	58.0%	5,269,835
June 30, 2008	34,227,000	42,228,042	123.4%	(8,001,042)

For government-wide and proprietary funds the County reports OPEB expenses and net OPEB obligation using the economic resources measurement focus and the accrual basis of accounting. In governmental funds expenses are reported at amounts paid or payable to the Trust in the current year.

Funded Status and Funding Progress:

As of July 1, 2010, the most recent actuarial valuation date, the plan was 19.1% funded. The actuarial accrued liability for benefits was \$323 million, and the actuarial value of assets was \$62 million, resulting in an unfunded actuarial accrued liability; (UAAL) of \$261 million. The covered payroll (annual payroll of active employees covered by the plan) was \$254 million and the ratio of the UAAL to the covered payroll was 102.9%.

Actuarial calculations of the OPEB plan reflect a long-term perspective. These calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation, Method and Assumptions

Valuation date	July 1, 2010
Actuarial cost method	Projected unit credit
Amortization method	Closed 30 year level dollar period beginning July 1, 2007
Remaining amortization period	27 years as July 1, 2010
Asset valuation method	Market value
Rate of investment return	5.25%
Projected salary increases	4.00%
Healthcare cost trend rate	8.5% to 9.25% graded to 5.0% over 7 to 10 years

(Q) 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. Audited GAAP financial statements may be obtained by writing to the Shelby County Retirement System, Suite 950, 160 N. Main, Memphis, Tennessee 38103 or calling (901) 222-1954.

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 2011 were based on the actuarial report as of June 30, 2010.

In accordance with the actuarial valuation as of June 30, 2010 the employer contribution rate required was 7.00% 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 \$28,439,479 (\$18,787,784 employer contributions and \$9,651,695 employee contributions). The actuarial required employer contribution of \$18,570,739 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.

Annual Pension Cost and Net Pension Obligation

The county’s annual pension cost and net pension obligation to the System for the current year were as follows:

Annual Required Contribution (ARC)	\$ 18,570,739
Interest on Net Pension Obligation	(2,792,226)
Adjustment to ARC	4,165,119
Annual Pension Cost	<u>19,943,632</u>
Contributions made	<u>(18,784,810)</u>
Increase in Net Pension Obligation	1,158,822
Net Pension Obligation beginning of year	<u>(33,848,165)</u>
Net Pension Obligation end of year	<u><u>\$ (32,689,343)</u></u>

Fiscal Year Ended	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	\$ 19,943,632	94.2%	\$ (32,689,343)
June 30, 2010	\$ 17,817,663	108.8%	\$ (33,845,165)
June 30, 2009	\$ 16,222,013	115.5%	\$ (32,272,678)

Funded Status and Funding Progress:

As of June 30, 2011 the most recent actuarial valuation date, the plan was 89.9 percent funded. The actuarial accrued liability for benefits was \$1,187 million, and the actuarial value of assets was \$1,066 million, resulting in an unfunded actuarial liability (UAAL) of \$120 million. The covered payroll (annual payroll of active employees covered by the plan) was \$265 million and the ratio of the UAAL to the covered payroll was 45.4%.

The actuarial calculations of the pension plan reflect a long-term perspective. The calculations are based on the pension benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial valuations for pension plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation, Method and Assumptions

Valuation date	June 30, 2011
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Amortizations are based on level dollar method and the period closed.
Remaining amortization period	15 years on June 30, 2011
Asset valuation method	10-year smoothing method
Rate of investment return	8.00%
Projected salary increases	Graded salary scale (3.00% to 8.50%)
Cost-of-living adjustments	CPI-U up to 4.00% for Plan A and Plan C; CPI-U up to 1.00% for Plan B

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.

(R) Subsequent Events

In August 2011 the County replaced its liquidity provider for the County’s General Obligation Variable Rate Demand Refunding Bonds, 2006 Series C with the selection of JPMorgan Chase Bank, National Association.

In a joint project with the City of Memphis and Shelby County Government, the Memphis Shelby County Port Commission sold \$40,795,000 of Tax Exempt Revenue Bonds, Series 2011 in September 2011. These bonds were issued in support of the Electrolux Project. The City of Memphis and Shelby County each separately guaranteed the debt service payments for 50% of this bond issue. The Port Commission is unlikely to have resources to make the bond payment and, therefore, the county will record a long term liability of \$20,397,500 for its 50% share and expects to make the debt service payments.

In September 2011 the County sold its interest in the Memphis and Shelby County Convention Center to the City of Memphis for \$71,490,000 and other considerations. Most of the proceeds of this sale will be placed in escrow to defease all outstanding debt related to the Convention Center.

(S) Restatement of Net Assets

In fiscal year 2011 the Correction Center Fund (an enterprise fund) received \$539,586 in excess of the recorded estimated receivables for the fiscal year 2010. Under the accrual basis of accounting this revenue should be recorded in the year earned.

Beginning net assets reported in the Corrections Center Fund (an enterprise fund) have been restated as follows:

	As Previously Reported June 30, 2010	Correction of Reported Revenue and Due From Other Governments	Balance as of June 30, 2010 Restated
Proprietary funds net assets	\$ 37,899,532	\$ 539,586	\$ 38,439,118
Business-type activities net assets	\$ 35,799,567	\$ 539,586	\$ 36,339,153



**Required Supplementary Information
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	General Fund
	Original	Final		Variance
	Revenues:			
Property taxes	\$ 237,666,000	\$ 237,601,070	\$ 240,027,270	\$ 2,426,200
Other local taxes	35,662,000	35,662,000	36,481,924	819,924
State revenue	15,914,922	16,253,102	17,585,648	1,332,546
Federal and local revenue	3,436,508	3,636,508	4,508,066	871,558
Charges for services	4,587,544	4,721,847	3,720,574	(1,001,273)
Fines, fees and permits	61,065,380	61,025,251	64,386,433	3,361,182
Other revenue	2,281,000	1,741,000	1,067,862	(673,138)
Investment income	1,646,137	1,646,137	407,728	(1,238,409)
Total revenues	<u>362,259,491</u>	<u>362,286,915</u>	<u>368,185,505</u>	<u>5,898,590</u>
Expenditures:				
General Government	26,248,519	30,443,634	28,268,211	2,175,423
Hospital	36,816,000	36,816,000	36,816,000	---
Planning and Development	437,872	437,872	363,064	74,808
Public Works	18,707,372	20,006,940	19,275,332	731,608
Health Services	27,231,408	25,024,423	24,708,153	316,270
Community Services	7,829,340	8,686,721	8,083,943	602,778
Law Enforcement	146,733,536	144,761,048	142,512,918	2,248,130
Judicial	64,207,019	62,621,089	60,638,382	1,982,707
Other Elected Officials	26,531,777	26,075,233	25,038,082	1,037,151
Total expenditures	<u>354,742,843</u>	<u>354,872,960</u>	<u>345,704,085</u>	<u>9,168,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,516,648</u>	<u>7,413,955</u>	<u>22,481,420</u>	<u>15,067,465</u>
Other financing sources (uses):				
Transfers in	7,151,338	7,299,064	1,373,906	(5,925,158)
Transfers out	(15,212,093)	(15,483,917)	(14,517,504)	966,413
Sale of capital assets	492,907	492,907	243,250	(249,657)
Insurance recoveries	51,200	51,200	110,947	59,747
Planned change in fund balance	---	226,791	---	(226,791)
Total other financing sources (uses)	<u>(7,516,648)</u>	<u>(7,413,955)</u>	<u>(12,789,401)</u>	<u>(5,375,446)</u>
Extraordinary item:				
Employee dishonesty loss	---	---	(982,548)	(982,548)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 8,709,471</u>	<u>\$ 8,709,471</u>

	Budgeted Amounts		Actual Amounts	Education Fund
	Original	Final		Variance
	Revenues:			
Property taxes	\$ 339,381,000	\$ 339,381,000	\$ 344,434,029	\$ 5,053,029
Other local taxes	21,907,000	21,907,000	7,717,112	(14,189,888)
Total revenues	<u>361,288,000</u>	<u>361,288,000</u>	<u>352,151,141</u>	<u>(9,136,859)</u>
Expenditures:				
Memphis City Schools	249,902,000	249,463,096	249,463,096	---
Shelby County Schools	111,386,000	111,824,904	111,824,904	---
Total expenditures	<u>361,288,000</u>	<u>361,288,000</u>	<u>361,288,000</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (9,136,859)</u>	<u>\$ (9,136,859)</u>

**Required Supplementary Information
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

	Budgeted Amounts		Grants Fund	
	Original	Final	Actual Amounts	Variance
Revenues:				
State revenue	\$ 84,526,965	\$ 119,081,005	\$ 66,295,893	\$ (52,785,112)
Federal and local revenue	63,492,099	72,817,827	52,063,266	(20,754,561)
Charges for services	1,626,167	1,626,167	1,990,956	364,789
Fines, fees and permits	309,487	334,487	297,364	(37,123)
Other revenue	3,149,259	3,564,366	1,026,447	(2,537,919)
Investment income	---	---	83,345	83,345
Total revenues	<u>153,103,977</u>	<u>197,423,852</u>	<u>121,757,271</u>	<u>(75,666,581)</u>
Expenditures:				
General Government	9,721,976	14,716,501	4,362,993	10,353,508
Planning and development	16,588,648	16,610,197	6,335,038	10,275,159
Public Works	10,746,807	16,063,629	7,775,144	8,288,485
Corrections	1,604,768	1,837,510	1,458,284	379,226
Health Services	29,009,802	30,909,918	24,297,356	6,612,562
Community Services	81,675,698	111,900,954	74,835,379	37,065,575
Law Enforcement	1,202,869	2,976,592	1,604,250	1,372,342
Judicial	5,617,303	5,975,491	4,523,078	1,452,413
Other Elected Officials	---	50,000	50,000	---
Total expenditures	<u>156,167,871</u>	<u>201,040,792</u>	<u>125,241,522</u>	<u>75,799,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,063,894)</u>	<u>(3,616,940)</u>	<u>(3,484,251)</u>	<u>132,689</u>
Other financing sources (uses):				
Transfers in	5,052,484	6,297,224	4,862,892	(1,434,332)
Transfers out	(2,468,590)	(3,160,284)	(2,063,861)	1,096,423
Sale of capital assets	380,000	380,000	1,200	(378,800)
Insurance recoveries	---	---	12,497	12,497
Planned change in fund balance	100,000	100,000	---	(100,000)
Total other financing sources (uses)	<u>3,063,894</u>	<u>3,616,940</u>	<u>2,812,728</u>	<u>(804,212)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (671,523)</u>	<u>\$ (671,523)</u>

Schedule of Funding Progress

Actuarial Valuation Date of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded		Covered Payroll	Unfunded Actuarial Accrued Liability/ (Surplus as a Percentage of Covered Payroll)
			Actuarial Accrued Liability/ (Surplus)	Funded Ratio		
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%)
2008	1,040,514,476	1,000,475,305	(40,039,171)	104.0%	264,640,554	(15.1%)
2009	1,052,640,000	1,025,867,000	(26,773,000)	102.6%	271,888,000	(9.8%)
2010	1,053,056,000	1,084,353,000	31,297,000	97.1%	266,559,000	11.7%
2011 (a)	1,066,406,000	1,186,788,000	120,382,000	89.9%	265,137,000	45.4%

(a) See Note IV (Q) in the Notes to Financial Statements for more information.

Required Supplementary Information
Other Postemployment Benefits (OPEB) Trust Fund
For the Year Ended June 30, 2011

Schedule of Funding Progress

(amounts rounded to thousands)

Actuarial Valuation Date of July 1	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded		Covered Payroll	Unfunded Actuarial Accrued Liability/ (Surplus as a Percentage of Covered Payroll)
			Actuarial Accrued Liability/ (Surplus)	Funded Ratio		
2007	\$ ---	\$ 319,685	\$ 319,685	0.0%	\$ 218,583	146.3%
2008	36,770	310,527	273,757	11.8%	256,191	106.9%
2009	45,847	303,390	257,543	15.1%	248,298	103.7%
2010	61,592	322,954	261,362	19.1%	253,977	102.9%

Schedule of Employer Contributions

(amounts rounded to thousands)

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 32,227	123.4%
2009	31,477	58.2%
2010	29,093	70.8%
2011	30,363	81.8%

Note 1: The Trust was established as of July 1, 2007 and only four actuarial valuations have been performed. Thus only limited trends may be discerned from the information at this time.

Note 2: Employer contributions in the year ended June 30, 2008 included a special, one-time contribution of \$23,892,191. Without this special contribution the employer would have contributed 53.6% of the annual required contribution.

I. Budgetary Information

The revenues and expenditures accounted for in each of the General Fund, Education Fund and Grants 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.

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.

II. OPEB Trust Fund

The Trust was established July 1, 2007 and has been active for only four fiscal years. Limited trend information may be discerned from the four valuations made to date. The reason for the significant change in the funded ratio between the first two years is that in FY 2008 an initial, special, one-time employer contribution of \$23,892,191 was made.

Combining and Other Statements and Schedules

Enterprise Funds: Consolidated Codes Enforcement, Fire Services, and Corrections Center

Nonmajor Special Revenue Funds: Roads and Bridges, Hotel and TDZ Taxes, Sheriff Forfeitures, Data Processing, Car Rental Tax, Health Services Restricted Fees and Storm Water Fees

Internal Services Funds: Central Services, Group Health Insurance, Tort Liability, and Employer Insurance

Postemployment Benefit Trust Funds account for the activities of the retirement plan and postemployment benefit plan which accumulate resources for pension, health and life insurance payments for retired employees.

Constitutional Officers' Schedules are used to account for the revenues and expenditures the Elected Officials collect and incur in the performance of their constitutionally assigned duties.

General Obligation Bonds Schedules report for each bond issue outstanding the issuance date, original principal amount, interest rate and outstanding principal payments by fiscal year.

**Nonmajor Enterprise Funds
Combining Statement of Net Assets
June 30, 2011**

	Consolidated Codes		Corrections Center	
	Enforcement Fund	Fire Services Fund	Fund	Total
Assets:				
Current assets				
Cash and cash equivalents	\$ 989,237	\$ 2,621,240	\$ 315,861	\$ 3,926,338
Accounts receivable and accrued revenues	42,789	1,508,759	84,317	1,635,865
Due from other governmental entities	279,171	118,807	16,501,420	16,899,398
Prepays and deferred charges	102	437	15,836	16,375
Total current assets	1,311,299	4,249,243	16,917,434	22,477,976
Noncurrent assets				
Net pension obligation	938,851	991,579	2,794,339	4,724,769
Construction in progress	---	67,692	---	67,692
Depreciable capital assets, net	1,620,129	3,053,102	20,051,436	24,724,667
Total noncurrent assets	2,558,980	4,112,373	22,845,775	29,517,128
Total assets	\$ 3,870,279	\$ 8,361,616	\$ 39,763,209	\$ 51,995,104
Liabilities and net assets:				
Current liabilities				
Accounts payable and accrued liabilities	\$ 105,848	\$ 143,315	\$ 1,684,205	\$ 1,933,368
Accrued interest payable	---	18,439	---	18,439
Due to other governmental entities	17,627	13,058	---	30,685
Due to other funds	---	---	832,438	832,438
Deposits held for others	96,062	---	313,962	410,024
Deferred revenue	89,715	---	---	89,715
Sick and annual leave payable	420,517	973,201	2,069,847	3,463,565
Capital lease obligations, current portion	---	153,857	---	153,857
Total current liabilities	729,769	1,301,870	4,900,452	6,932,091
Noncurrent liabilities				
Sick and annual leave payable	235,500	389,912	1,006,168	1,631,580
Capital lease obligations	---	465,383	---	465,383
Net postemployment benefit obligations	701,051	869,904	2,590,893	4,161,848
Total noncurrent liabilities	936,551	1,725,199	3,597,061	6,258,811
Total liabilities	1,666,320	3,027,069	8,497,513	13,190,902
Net assets:				
Invested in capital assets, net of related debt	1,620,128	2,602,588	20,051,434	24,274,150
Unrestricted	583,831	2,731,959	11,214,262	14,530,052
Total net assets	2,203,959	5,334,547	31,265,696	38,804,202
Total liabilities and net assets	\$ 3,870,279	\$ 8,361,616	\$ 39,763,209	\$ 51,995,104

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2011

	Consolidated Codes		Corrections Center	Total
	Enforcement Fund	Fire Services Fund	Fund	
Operating revenues:				
State revenue	\$ ---	\$ 76,800	\$ 46,854,352	\$ 46,931,152
Federal and local revenue	114,243	1,495,017	23,400	1,632,660
Charges for services	25,508	---	1,358,728	1,384,236
Fines, fees and permits	7,111,372	17,656,734	70,694	24,838,800
Other revenue	---	619	9,244	9,863
Total operating revenues	<u>7,251,123</u>	<u>19,229,170</u>	<u>48,316,418</u>	<u>74,796,711</u>
Operating expenses:				
Salaries	6,316,576	8,414,655	24,233,528	38,964,759
Other compensation	54,381	2,238,632	4,043,031	6,336,044
Fringe benefits	2,336,117	3,112,430	9,898,271	15,346,818
Supplies and materials	60,726	399,274	5,425,284	5,885,284
Services and other expenses	294,745	79,009	207,311	581,065
Professional and contracted services	145,287	3,753,935	5,800,606	9,699,828
Rent, utilities and maintenance	171,237	216,563	2,602,927	2,990,727
Interfund services	866,180	1,118,771	3,104,071	5,089,022
Depreciation	153,177	332,705	1,136,105	1,621,987
Claims incurred	---	---	143,814	143,814
Total operating expenses	<u>10,398,426</u>	<u>19,665,974</u>	<u>56,594,948</u>	<u>86,659,348</u>
Operating income (loss)	(3,147,303)	(436,804)	(8,278,530)	(11,862,637)
Nonoperating revenues (expenses):				
Intergovernmental	1,699,528	---	---	1,699,528
Interest income	1,979	15,850	5,150	22,979
Interest expense	---	(31,930)	(33,994)	(65,924)
Gain (loss) on asset disposal	---	4,750	4,376	9,126
Insurance proceeds	---	1,808	2,419	4,227
Income (loss) before transfers	<u>(1,445,796)</u>	<u>(446,326)</u>	<u>(8,300,579)</u>	<u>(10,192,701)</u>
Transfers:				
Transfers in	1,699,528	199,781	9,000,000	10,899,309
Transfers out	(220,122)	(30,480)	(90,922)	(341,524)
Net transfers	<u>1,479,406</u>	<u>169,301</u>	<u>8,909,078</u>	<u>10,557,785</u>
Change in net assets	33,610	(277,025)	608,499	365,084
Net assets:				
June 30, 2010 restated	<u>2,170,349</u>	<u>5,611,572</u>	<u>30,657,197</u>	<u>38,439,118</u>
June 30, 2011	<u>\$ 2,203,959</u>	<u>\$ 5,334,547</u>	<u>\$ 31,265,696</u>	<u>\$ 38,804,202</u>

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2011**

	Consolidated Codes		Corrections Center	Total
	Enforcement Fund	Fire Services Fund	Fund	
Cash flows from operations:				
Receipts from customers	\$ 7,879,433	\$ 19,080,302	\$ 48,721,617	\$ 75,681,352
Receipts for special programs	---	77,419	13,452	90,871
Receipts from interfund services provided	377,852	---	247,384	625,236
Refunds received from suppliers	---	---	186	186
Refunds paid to customers	(72,025)	(6,262)	(2,520,043)	(2,598,330)
Cash payments to suppliers	(707,922)	(4,706,734)	(14,194,866)	(19,609,522)
Cash payments to employees	(8,381,291)	(13,650,181)	(37,327,010)	(59,358,482)
Claims paid	---	---	(143,814)	(143,814)
Payments for interfund services used	(1,209,940)	(1,123,489)	(3,142,609)	(5,476,038)
Net cash provided by (used in) operating activities	<u>(2,113,893)</u>	<u>(328,945)</u>	<u>(8,345,703)</u>	<u>(10,788,541)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	1,699,528	199,781	9,000,000	10,899,309
Transfers to other funds	(220,122)	(30,480)	(90,922)	(341,524)
Advances from other funds	---	---	832,438	832,438
Paymnets from City of Memphis	1,699,528	---	---	1,699,528
Repayment of advances from other funds	(78,508)	---	(814,264)	(892,772)
Insurance recoveries	---	---	2,419	2,419
Net cash provided by (used in) noncapital financing activities	<u>3,100,426</u>	<u>169,301</u>	<u>8,929,671</u>	<u>12,199,398</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	---	(661,122)	(564,788)	(1,225,910)
Proceeds from the sale of capital assets	---	4,750	---	4,750
Capital lease obligation payments	---	(146,824)	---	(146,824)
Interest paid	---	(36,560)	---	(36,560)
Insurance recoveries	---	1,808	4,376	6,184
Net cash provided by (used in) capital and related financing activities	<u>---</u>	<u>(837,948)</u>	<u>(560,412)</u>	<u>(1,398,360)</u>
Cash flows from investing activities:				
Interest and investment earnings	1,979	15,850	5,150	22,979
Interest paid	---	---	(33,994)	(33,994)
Net cash provided by investing activities	<u>1,979</u>	<u>15,850</u>	<u>(28,844)</u>	<u>(11,015)</u>
Net increase (decrease) in cash and cash equivalents	988,512	(981,742)	(5,288)	1,482
Cash and cash equivalents, June 30, 2010	725	3,602,982	321,149	3,924,856
Cash and cash equivalents, June 30, 2011	<u>\$ 989,237</u>	<u>\$ 2,621,240</u>	<u>\$ 315,861</u>	<u>\$ 3,926,338</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (3,147,303)	\$ (436,804)	\$ (8,278,530)	\$ (11,862,637)
Adjustments:				
Depreciation	153,177	332,705	1,136,105	1,621,987
Changes in assets and liabilities:				
Accounts receivable and accrued revenues	(11,032)	(2,678)	2,022	(11,688)
Due from other governmental entities	549,328	(75,885)	(2,231,776)	(1,758,333)
Prepays and deferred charges	(102)	(437)	(15,836)	(16,375)
Notes receivable	3,509	---	---	3,509
Net pension obligation	28,436	40,109	110,509	179,054
Accounts payable and accrued liabilities	(12,927)	(141,275)	(85,453)	(239,655)
Due to other governments	(17,373)	(61,669)	---	(79,042)
Deposits held for others	3,800	---	(5,575)	(1,775)
Deferred revenue	4,823	---	---	4,823
Sick and annual leave payable	29,707	(86,563)	(112,428)	(169,284)
Net postemployment benefit obligations	302,064	103,552	1,135,259	1,540,875
Total adjustments	<u>1,033,410</u>	<u>107,859</u>	<u>(67,173)</u>	<u>1,074,096</u>
Net cash provided by (used in) operating activities	<u>\$ (2,113,893)</u>	<u>\$ (328,945)</u>	<u>\$ (8,345,703)</u>	<u>\$ (10,788,541)</u>
Noncash investing, capital, and financing activities:				
Capital assets accrued, not reflected in capital financing activities	\$ 89,650	---	\$ 91,455	\$ 181,105

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011**

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel and TDZ Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Assets:				
Cash and cash equivalents	\$ 4,507,046	\$ 6,625,876	\$ 6,684,434	\$ 1,020,188
Accounts receivable and accrued revenues	12,736	1,175,105	24,859	7,301
Due from other governmental entities	1,769,120	---	---	---
Due from other funds	---	1,163,354	579	---
Deposits held by others	---	---	698,274	---
Total assets	\$ 6,288,902	\$ 8,964,335	\$ 7,408,146	\$ 1,027,489
Liabilities:				
Accounts payable and accrued liabilities	\$ 671,307	\$ 6,290,872	\$ 427,296	\$ 68,956
Due to other governmental entities	---	401,270	---	---
Due to other funds	---	2,038,596	---	---
Deposits held for others	---	---	698,274	---
Deferred revenue	3,729	---	21,983	---
Total liabilities	675,036	8,730,738	1,147,553	68,956
Fund balances				
Restricted	5,613,866	233,597	6,260,593	958,533
Total fund balances	5,613,866	233,597	6,260,593	958,533
Total liabilities and fund balances	\$ 6,288,902	\$ 8,964,335	\$ 7,408,146	\$ 1,027,489

Car Rental Tax Fund	Health Services Restricted Fees Fund	Storm Water Fees Fund	Total
\$ 151,485	\$ 2,545,465	\$ 805,411	\$ 22,339,905
170,000	288,847	65,243	1,744,091
---	---	---	1,769,120
169,615	---	---	1,333,548
---	---	---	698,274
<u>\$ 491,100</u>	<u>\$ 2,834,312</u>	<u>\$ 870,654</u>	<u>\$ 27,884,938</u>
\$ 491,100	\$ 31,192	\$ 3,657	\$ 7,984,380
---	8,636	---	409,906
---	---	---	2,038,596
---	---	---	698,274
---	---	---	25,712
<u>491,100</u>	<u>39,828</u>	<u>3,657</u>	<u>11,156,868</u>
---	2,794,484	866,997	16,728,070
---	2,794,484	866,997	16,728,070
<u>\$ 491,100</u>	<u>\$ 2,834,312</u>	<u>\$ 870,654</u>	<u>\$ 27,884,938</u>

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel and TDZ Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Revenues:				
Other local taxes	\$ 117,779	\$ 11,909,298	\$ ---	\$ ---
State revenue	9,899,480	10,451,283	---	---
Federal and local revenue	43,544	---	---	---
Charges for services	2,863,285	---	93,880	---
Fines, fees and permits	59,485	---	39,157	493,926
Other revenue	---	---	2,195,161	---
Investment income	24,898	4,545	32,797	2,289
Total revenues	<u>13,008,471</u>	<u>22,365,126</u>	<u>2,360,995</u>	<u>496,215</u>
Expenditures:				
General Government	---	15,788,442	---	---
Public Works	13,242,814	---	---	---
Health Services	---	---	---	---
Law Enforcement	---	---	2,783,510	---
Other Elected Officials	---	---	---	404,862
Total expenditures	<u>13,242,814</u>	<u>15,788,442</u>	<u>2,783,510</u>	<u>404,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(234,343)</u>	<u>6,576,684</u>	<u>(422,515)</u>	<u>91,353</u>
Other financing sources (uses):				
Transfers in	328,185	---	335,063	---
Transfers out	(416,624)	(8,703,908)	(52,420)	---
Proceeds for sale of capital assets	13,375	---	---	---
Insurance recoveries	4,223	---	20,020	---
Total other financing sources (uses)	<u>(70,841)</u>	<u>(8,703,908)</u>	<u>302,663</u>	<u>---</u>
Net change in fund balances	(305,184)	(2,127,224)	(119,852)	91,353
Fund balances June 30, 2010	<u>5,919,050</u>	<u>2,360,821</u>	<u>6,380,445</u>	<u>867,180</u>
Fund balances June 30, 2011	<u>\$ 5,613,866</u>	<u>\$ 233,597</u>	<u>\$ 6,260,593</u>	<u>\$ 958,533</u>

Car Rental Tax Fund	Health Services Restricted Fees Fund	Storm Water Fees Fund	Total
\$ 1,792,096	\$ ---	\$ ---	\$ 13,819,173
---	---	---	20,350,763
---	---	---	43,544
---	952	---	2,958,117
---	5,217,317	781,783	6,591,668
---	---	---	2,195,161
---	9,336	3,169	77,034
<u>1,792,096</u>	<u>5,227,605</u>	<u>784,952</u>	<u>46,035,460</u>
1,792,096	---	---	17,580,538
---	---	373,395	13,616,209
---	3,943,502	---	3,943,502
---	---	---	2,783,510
---	---	---	404,862
<u>1,792,096</u>	<u>3,943,502</u>	<u>373,395</u>	<u>38,328,621</u>
---	1,284,103	411,557	7,706,839
---	---	---	663,248
---	(55,706)	---	(9,228,658)
---	---	---	13,375
---	---	---	24,243
---	<u>(55,706)</u>	---	<u>(8,527,792)</u>
---	1,228,397	411,557	(820,953)
---	1,566,087	455,440	17,549,023
<u>\$ ---</u>	<u>\$ 2,794,484</u>	<u>\$ 866,997</u>	<u>\$ 16,728,070</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Roads and Bridges Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 273,000	\$ 273,000	\$ 117,779	\$ (155,221)
State revenue	10,120,000	10,120,000	9,899,480	(220,520)
Federal and local revenue	45,000	45,000	43,544	(1,456)
Charges for services	3,816,544	2,995,226	2,863,285	(131,941)
Fines, fees and permits	140,383	140,383	59,485	(80,898)
Investment income	300,000	300,000	24,898	(275,102)
Total revenues	<u>14,694,927</u>	<u>13,873,609</u>	<u>13,008,471</u>	<u>(865,138)</u>
Expenditures:				
Salaries	4,821,393	4,805,269	4,582,094	223,175
Other compensation	126,299	88,032	73,231	14,801
Fringe benefits	1,636,172	1,620,573	1,479,662	140,911
Salary restriction	(214,547)	(144,557)	---	(144,557)
Supplies and materials	4,500,362	4,647,351	3,778,467	868,884
Services and other expenditures	173,704	175,967	124,334	51,633
Professional and contracted services	100,883	122,113	69,455	52,658
Rent, utilities and maintenance	285,895	367,105	243,271	123,834
Interfund services	2,237,704	1,235,044	1,201,645	33,399
Capital asset acquisitions	2,241,640	2,212,671	1,690,655	522,016
Total expenditures	<u>15,909,505</u>	<u>15,129,568</u>	<u>13,242,814</u>	<u>1,886,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,214,578)</u>	<u>(1,255,959)</u>	<u>(234,343)</u>	<u>1,021,616</u>
Other financing sources (uses):				
Transfers in	241,548	342,142	328,185	(13,957)
Transfers out	(432,880)	(447,193)	(416,624)	30,569
Sale of capital assets	20,000	20,000	13,375	(6,625)
Insurance recoveries	---	---	4,223	4,223
Planned change in fund balance	1,385,910	1,341,010	---	(1,341,010)
Total other financing sources (uses)	<u>1,214,578</u>	<u>1,255,959</u>	<u>(70,841)</u>	<u>(1,326,800)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (305,184)</u>	<u>\$ (305,184)</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Hotel and TDZ Taxes Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 11,000,000	\$ 11,000,000	\$ 11,909,298	\$ 909,298
State revenue	15,000,000	15,000,000	10,451,283	(4,548,717)
Investment income	100,000	100,000	4,545	(95,455)
Total revenues	<u>26,100,000</u>	<u>26,100,000</u>	<u>22,365,126</u>	<u>(3,734,874)</u>
Expenditures:				
Debt service	1,886,572	3,488,646	---	3,488,646
Affiliated organizations	14,710,148	19,526,822	15,788,442	3,738,380
Total expenditures	<u>16,596,720</u>	<u>23,015,468</u>	<u>15,788,442</u>	<u>7,227,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,503,280</u>	<u>3,084,532</u>	<u>6,576,684</u>	<u>3,492,152</u>
Other financing sources (uses):				
Transfers out	(9,503,280)	(9,503,280)	(8,703,908)	799,372
Planned change in fund balance	---	6,418,748	---	(6,418,748)
Total other financing sources (uses)	<u>(9,503,280)</u>	<u>(3,084,532)</u>	<u>(8,703,908)</u>	<u>(5,619,376)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (2,127,224)</u>	<u>\$ (2,127,224)</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Sheriff Forfeitures Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 40,000	\$ 40,000	\$ ---	\$ (40,000)
Charges for services	200,000	200,000	93,880	(106,120)
Fines, fees and permits	160,000	160,000	39,157	(120,843)
Other revenue	3,470,000	3,470,000	2,195,161	(1,274,839)
Investment income	295,000	295,000	32,797	(262,203)
Total revenues	4,165,000	4,165,000	2,360,995	(1,804,005)
Expenditures:				
Other compensation	600,000	600,000	---	600,000
Supplies and materials	644,592	651,767	210,676	441,091
Services and other expenditures	464,500	483,900	321,644	162,256
Professional and contracted services	130,000	134,200	124,933	9,267
Rent, utilities and maintenance	414,040	454,296	277,917	176,379
Interfund services	552,160	552,160	310,915	241,245
Capital asset acquisitions	3,027,995	2,916,839	1,537,425	1,379,414
Total expenditures	5,833,287	5,793,162	2,783,510	3,009,652
Excess (deficiency) of revenues over (under) expenditures	(1,668,287)	(1,628,162)	(422,515)	1,205,647
Other financing sources (uses):				
Transfers in	---	335,063	335,063	---
Transfers out	(39,005)	(108,094)	(52,420)	55,674
Sale of capital assets	75,000	75,000	---	(75,000)
Insurance recoveries	---	---	20,020	20,020
Planned change in fund balance	1,632,292	1,661,256	---	(1,661,256)
Total other financing sources (uses)	1,668,287	1,963,225	302,663	(1,660,562)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ 335,063	\$ (119,852)	\$ (454,915)

Data Processing Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 509,000	\$ 509,000	\$ 493,926	\$ (15,074)
Investment income	8,096	8,096	2,289	(5,807)
Total revenues	517,096	517,096	496,215	(20,881)
Expenditures:				
Salaries	68,303	68,303	68,303	---
Fringe benefits	18,714	18,714	16,345	2,369
Supplies and materials	41,050	48,279	36,739	11,540
Services and other expenditures	5,000	109,890	94,172	15,718
Professional and contracted services	144,366	68,633	68,000	633
Rent, utilities and maintenance	124,788	132,337	114,803	17,534
Capital asset acquisitions	114,875	70,940	6,500	64,440
Total expenditures	517,096	517,096	404,862	112,234
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 91,353	\$ 91,353

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Car Rental Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,792,096	\$ (207,904)
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,792,096</u>	<u>(207,904)</u>
Expenditures:				
Affiliated organizations	2,000,000	2,000,000	1,792,096	207,904
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,792,096</u>	<u>207,904</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Health Services Restricted Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 750	\$ 750	\$ 952	\$ 202
Fines, fees and permits	4,476,274	5,106,274	5,217,317	111,043
Other revenue	130,000	---	---	---
Investment income	50,000	50,000	9,336	(40,664)
Total revenues	<u>4,657,024</u>	<u>5,157,024</u>	<u>5,227,605</u>	<u>70,581</u>
Expenditures:				
Salaries	3,067,804	3,038,188	2,476,902	561,286
Other compensation	104,500	133,700	128,460	5,240
Fringe benefits	969,861	925,048	739,218	185,830
Salary restriction	(119,451)	(74,222)	---	(74,222)
Supplies and materials	167,730	175,858	126,216	49,642
Services and other expenditures	45,650	31,650	30,442	1,208
Professional and contracted services	25,000	48,710	37,802	10,908
Rent, utilities and maintenance	40,480	28,480	25,137	3,343
Interfund services	336,200	439,200	344,390	94,810
Capital asset acquisitions	145,128	36,290	34,935	1,355
Total expenditures	<u>4,782,902</u>	<u>4,782,902</u>	<u>3,943,502</u>	<u>839,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,878)</u>	<u>374,122</u>	<u>1,284,103</u>	<u>909,981</u>
Other financing sources (uses):				
Transfers out	(325,015)	(325,015)	(55,706)	269,309
Planned change in fund balance	450,893	(49,107)	---	49,107
Total other financing sources (uses)	<u>125,878</u>	<u>(374,122)</u>	<u>(55,706)</u>	<u>318,416</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,228,397</u>	<u>\$ 1,228,397</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Storm Water Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 700,000	\$ 700,000	\$ 781,783	\$ 81,783
Investment income	---	---	3,169	3,169
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>784,952</u>	<u>84,952</u>
Expenditures:				
Salaries	124,393	124,393	119,319	5,074
Other compensation	---	1,250	1,208	42
Fringe benefits	35,271	34,021	33,208	813
Supplies and materials	2,500	14,392	11,891	2,501
Services and other expenditures	16,460	13,260	7,918	5,342
Professional and contracted services	185,000	130,750	96,803	33,947
Rent, utilities and maintenance	16,100	4,895	2,722	2,173
Interfund services	24,700	20,813	10,658	10,155
Capital asset acquisitions	295,576	295,576	89,668	205,908
Total expenditures	<u>700,000</u>	<u>639,350</u>	<u>373,395</u>	<u>265,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>60,650</u>	<u>411,557</u>	<u>350,907</u>
Other financing sources (uses):				
Planned change in fund balance	---	(60,650)	---	60,650
Total other financing sources (uses)	<u>---</u>	<u>(60,650)</u>	<u>---</u>	<u>60,650</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 411,557</u>	<u>\$ 411,557</u>

**Internal Service Funds
Combining Statement of Net Assets
For the Year Ended June 30, 2011**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Assets:					
Current assets					
Cash and cash equivalents	\$ 1,023,464	\$ 15,889,187	\$ 6,103,911	\$ 11,143,397	\$ 34,159,959
Accounts receivable and accrued revenues	21,675	89,457	---	67	111,199
Due from other governmental entities	16,959	---	---	---	16,959
Inventories	45,159	---	---	---	45,159
Prepays and deferred charges	408,746	---	---	---	408,746
Deposits held by others	---	---	---	50,000	50,000
Total current assets	<u>1,516,003</u>	<u>15,978,644</u>	<u>6,103,911</u>	<u>11,193,464</u>	<u>34,792,022</u>
Noncurrent assets					
Net pension obligation	105,776	---	---	---	105,776
Depreciable capital assets, net	1,546,111	---	---	---	1,546,111
Total noncurrent assets	<u>1,651,887</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,651,887</u>
Total assets	<u>\$ 3,167,890</u>	<u>\$ 15,978,644</u>	<u>\$ 6,103,911</u>	<u>\$ 11,193,464</u>	<u>\$ 36,443,909</u>
Liabilities and net assets:					
Current liabilities					
Accounts payable and accrued liabilities	\$ 554,218	\$ 255,782	\$ ---	\$ 26,778	\$ 836,778
Deferred revenue	---	3,940,298	---	---	3,940,298
Claims payable, current	---	4,472,688	461,718	2,768,946	7,703,352
Sick and annual leave payable	48,911	---	---	---	48,911
Total current liabilities	<u>603,129</u>	<u>8,668,768</u>	<u>461,718</u>	<u>2,795,724</u>	<u>12,529,339</u>
Noncurrent liabilities					
Long term claims payable	---	---	1,899,953	3,411,847	5,311,800
Sick and annual leave payable	43,004	---	---	---	43,004
Net postemployment benefit obligations	117,888	---	---	---	117,888
Total noncurrent liabilities	<u>160,892</u>	<u>---</u>	<u>1,899,953</u>	<u>3,411,847</u>	<u>5,472,692</u>
Total liabilities	<u>764,021</u>	<u>8,668,768</u>	<u>2,361,671</u>	<u>6,207,571</u>	<u>18,002,031</u>
Net assets:					
Invested in capital assets, net of related debt	1,546,111	---	---	---	1,546,111
Unrestricted	857,758	7,309,876	3,742,240	4,985,893	16,895,767
Total net assets	<u>2,403,869</u>	<u>7,309,876</u>	<u>3,742,240</u>	<u>4,985,893</u>	<u>18,441,878</u>
Total liabilities and net assets	<u>\$ 3,167,890</u>	<u>\$ 15,978,644</u>	<u>\$ 6,103,911</u>	<u>\$ 11,193,464</u>	<u>\$ 36,443,909</u>

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2011

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Operating revenues:					
Federal and local revenue	\$ ---	\$ 74,079	\$ ---	\$ ---	\$ 74,079
Charges for services	6,728,270	---	---	---	6,728,270
Other revenue	---	---	---	6,667	6,667
Premium revenue	---	49,480,801	528,270	2,796,730	52,805,801
Total operating revenues	<u>6,728,270</u>	<u>49,554,880</u>	<u>528,270</u>	<u>2,803,397</u>	<u>59,614,817</u>
Operating expenses:					
Salaries	698,302	---	---	---	698,302
Other compensation	12,253	---	---	---	12,253
Fringe benefits	333,620	---	---	---	333,620
Supplies and materials	522,257	---	---	---	522,257
Services and other expenses	1,431,360	---	---	---	1,431,360
Professional and contracted services	---	2,842,821	5,105	372,822	3,220,748
Rent, utilities and maintenance	2,846,256	---	---	---	2,846,256
Interfund services	13,175	---	---	---	13,175
Depreciation	182,283	---	---	---	182,283
Claims incurred	---	48,602,577	(78,522)	2,580,497	51,104,552
Total operating expenses	<u>6,039,506</u>	<u>51,445,398</u>	<u>(73,417)</u>	<u>2,953,319</u>	<u>60,364,806</u>
Operating income (loss)	688,764	(1,890,518)	601,687	(149,922)	(749,989)
Nonoperating revenues (expenses):					
Interest income	---	82,450	---	---	82,450
Income (loss) before transfers	<u>688,764</u>	<u>(1,808,068)</u>	<u>601,687</u>	<u>(149,922)</u>	<u>(667,539)</u>
Transfers:					
Transfers in	---	---	500,000	---	500,000
Transfers out	---	(238,551)	---	---	(238,551)
Net transfers	<u>---</u>	<u>(238,551)</u>	<u>500,000</u>	<u>---</u>	<u>261,449</u>
Change in net assets	688,764	(2,046,619)	1,101,687	(149,922)	(406,090)
Net assets:					
June 30, 2010	<u>1,715,105</u>	<u>9,356,495</u>	<u>2,640,553</u>	<u>5,135,815</u>	<u>18,847,968</u>
June 30, 2011	<u>\$ 2,403,869</u>	<u>\$ 7,309,876</u>	<u>\$ 3,742,240</u>	<u>\$ 4,985,893</u>	<u>\$ 18,441,878</u>

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2011**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Cash flows from operations:					
Receipts from customers	\$ 278,869	\$ ---	\$ ---	\$ ---	\$ 278,869
Receipts from interfund services provided	6,524,914	---	---	---	6,524,914
Premiums received	---	49,493,291	528,270	2,796,663	52,818,224
Refunds received from suppliers	10,197	36,148	---	42,284	88,629
Cash payments to suppliers	(4,667,388)	(2,847,435)	(7,712)	(424,957)	(7,947,492)
Cash payments to employees	(988,051)	---	---	---	(988,051)
Claims paid	---	(48,069,158)	(633,755)	(2,992,720)	(51,695,633)
Payments for interfund services used	(14,587)	---	---	---	(14,587)
Net cash provided by (used in) operating activities	<u>1,143,954</u>	<u>(1,387,154)</u>	<u>(113,197)</u>	<u>(578,730)</u>	<u>(935,127)</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	---	---	500,000	---	500,000
Transfers to other funds	---	(238,551)	---	---	(238,551)
Repayment of advances from other funds	(55,647)	---	---	---	(55,647)
Net cash provided by (used in) noncapital financing activities	<u>(55,647)</u>	<u>(238,551)</u>	<u>500,000</u>	<u>---</u>	<u>205,802</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(64,843)	---	---	---	(64,843)
Net cash provided by (used in) capital and related financing activities	<u>(64,843)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(64,843)</u>
Cash flows from investing activities:					
Interest and investment earnings	---	82,450	---	---	82,450
Net cash provided by investing activities	<u>---</u>	<u>82,450</u>	<u>---</u>	<u>---</u>	<u>82,450</u>
Net increase (decrease) in cash and cash equivalents	1,023,464	(1,543,255)	386,803	(578,730)	(711,718)
Cash and cash equivalents, June 30, 2010	---	17,432,442	5,717,108	11,722,127	34,871,677
Cash and cash equivalents, June 30, 2011	<u>\$ 1,023,464</u>	<u>\$ 15,889,187</u>	<u>\$ 6,103,911</u>	<u>\$ 11,143,397</u>	<u>\$ 34,159,959</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 688,764	\$ (1,890,518)	\$ 601,687	\$ (149,922)	\$ (749,989)
Adjustments:					
Depreciation	182,283	---	---	---	182,283
Changes in assets and liabilities:					
Accounts receivable and accrued revenues	(11,336)	(82,718)	---	(67)	(94,121)
Due from other governmental entities	669	---	---	---	669
Inventories	(7,104)	---	---	---	(7,104)
Prepays and deferred charges	267,064	---	---	---	267,064
Accounts payable and accrued liabilities	(29,240)	38,451	(2,607)	(16,518)	(9,914)
Deferred revenue	---	57,277	---	---	57,277
Sick and annual leave payable	(23,550)	---	---	---	(23,550)
Claims payable	---	490,354	(712,277)	(412,223)	(634,146)
Net postemployment benefit obligations	76,404	---	---	---	76,404
Total adjustments	<u>455,190</u>	<u>503,364</u>	<u>(714,884)</u>	<u>(428,808)</u>	<u>(185,138)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,143,954</u>	<u>\$ (1,387,154)</u>	<u>\$ (113,197)</u>	<u>\$ (578,730)</u>	<u>\$ (935,127)</u>
Noncash investing, capital, and financing activities:					
Capital assets accrued, not reflected in capital financing activities	\$ 49,019	---	---	---	\$ 49,019

Fiduciary Funds
Postemployment Benefit Trust Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Assets:			
Cash and cash equivalents	\$ 3,780,468	\$ 30,726,414	\$ 34,506,882
Investments			
Domestic equity	29,537,311	344,492,084	374,029,395
Fixed income	24,236,100	213,191,481	237,427,581
International equity	15,745,045	213,509,177	229,254,222
Hedge funds	---	121,820,692	121,820,692
Limited partnership interests	---	33,602,921	33,602,921
Private real estate and infrastructure	3,107,850	24,750,188	27,858,038
Alternative investments	13,212,142	---	13,212,142
Accounts receivable	79,148	---	79,148
Accrued interest and dividends receivable	141,435	2,989,199	3,130,634
Due from brokers - investment sales	---	3,167,505	3,167,505
Total assets	<u>\$ 89,839,499</u>	<u>\$ 988,249,661</u>	<u>\$ 1,078,089,160</u>
Liabilities:			
Accounts payable	\$ 1,607,049	\$ 1,133,008	\$ 2,740,057
Due to brokers and others	---	4,576,973	4,576,973
Total liabilities	<u>1,607,049</u>	<u>5,709,981</u>	<u>7,317,030</u>
Net assets held in trust for pension and OPEB benefits	<u>88,232,450</u>	<u>982,539,680</u>	<u>1,070,772,130</u>
Total plan net assets	<u>88,232,450</u>	<u>982,539,680</u>	<u>1,070,772,130</u>
Total liabilities and plan net assets	<u>\$ 89,839,499</u>	<u>\$ 988,249,661</u>	<u>\$ 1,078,089,160</u>

Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Additions:			
Contributions:			
Employer contributions	\$ 24,850,458	\$ 18,787,784	\$ 43,638,242
Member contributions	5,061,499	9,651,695	14,713,194
Total contributions	<u>29,911,957</u>	<u>28,439,479</u>	<u>58,351,436</u>
Investment income:			
Net change in fair value of investments	13,464,163	175,623,638	189,087,801
Interest income	23,337	10,174,015	10,197,352
Dividend income	1,003,158	6,247,242	7,250,400
Other income	---	931,123	931,123
Total investment income	<u>14,490,658</u>	<u>192,976,018</u>	<u>207,466,676</u>
Less investment management expenses	180,604	4,354,297	4,534,901
Net investment income	<u>14,310,054</u>	<u>188,621,721</u>	<u>202,931,775</u>
Net additions	<u>44,222,011</u>	<u>217,061,200</u>	<u>261,283,211</u>
Deductions:			
Benefit payments	17,194,020	52,883,454	70,077,474
Administrative expenses	387,411	1,397,214	1,784,625
Refund of member contributions	---	6,005,144	6,005,144
Total deductions	<u>17,581,431</u>	<u>60,285,812</u>	<u>77,867,243</u>
Change in net assets	26,640,580	156,775,388	183,415,968
Net assets held in trust for benefits			
June 30, 2010	<u>61,591,870</u>	<u>825,764,292</u>	<u>887,356,162</u>
June 30, 2011	<u>\$ 88,232,450</u>	<u>\$ 982,539,680</u>	<u>\$ 1,070,772,130</u>

**Constitutional Officers - General and Agency Funds
Combined Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2011**

	Beginning Balance	Additions	Deductions	Ending Balance
Chancery Court				
Assets:				
Cash and cash equivalents	\$ 5,709,156	\$ 13,175,763	\$ (11,820,709)	\$ 7,064,210
Investments	2,000,000	2,000,000	(2,000,000)	2,000,000
Total Assets	<u>\$ 7,709,156</u>	<u>\$ 15,175,763</u>	<u>\$ (13,820,709)</u>	<u>\$ 9,064,210</u>
Liabilities:				
Funds held for others	\$ 7,143,379	\$ 9,653,490	\$ (8,223,258)	\$ 8,573,611
Due to other funds and departments	565,777	6,037,309	(6,112,487)	490,599
Total Liabilities	<u>\$ 7,709,156</u>	<u>\$ 15,690,799</u>	<u>\$ (14,335,745)</u>	<u>\$ 9,064,210</u>
Circuit Court Clerk				
Assets:				
Cash and cash equivalents	\$ 14,471,176	\$ 10,945,163	\$ (11,418,236)	\$ 13,998,103
Investments	1,000,000	1,000,000	(1,000,000)	1,000,000
Total Assets	<u>\$ 15,471,176</u>	<u>\$ 11,945,163</u>	<u>\$ (12,418,236)</u>	<u>\$ 14,998,103</u>
Liabilities:				
Funds held for others	\$ 15,090,065	\$ 8,016,292	\$ (8,574,445)	\$ 14,531,912
Due to other governmental agencies	34,280	403,246	(406,165)	31,361
Due to other funds and departments	346,831	3,734,307	(3,646,308)	434,830
Total Liabilities	<u>\$ 15,471,176</u>	<u>\$ 12,153,845</u>	<u>\$ (12,626,918)</u>	<u>\$ 14,998,103</u>
Criminal Court Clerk				
Assets:				
Cash and cash equivalents	\$ 3,480,880	\$ 8,588,234	\$ (9,379,630)	\$ 2,689,484
Accounts receivable	952,107	980,173	(952,107)	980,173
Total Assets	<u>\$ 4,432,987</u>	<u>\$ 9,568,407</u>	<u>\$ (10,331,737)</u>	<u>\$ 3,669,657</u>
Liabilities:				
Funds held for others	\$ 2,178,624	\$ 364,738	\$ (185,464)	\$ 2,357,898
Due to other governmental agencies	770,777	1,890,266	(2,580,721)	80,322
Due to other funds and departments	1,483,586	6,704,838	(6,956,987)	1,231,437
Total Liabilities	<u>\$ 4,432,987</u>	<u>\$ 8,959,842</u>	<u>\$ (9,723,172)</u>	<u>\$ 3,669,657</u>
General Sessions Court Clerk				
Assets:				
Cash and cash equivalents	\$ 6,921,449	\$ 19,369,554	\$ (18,558,169)	\$ 7,732,834
Investments	1,850,000	1,850,000	(1,850,000)	1,850,000
Total Assets	<u>\$ 8,771,449</u>	<u>\$ 21,219,554</u>	<u>\$ (20,408,169)</u>	<u>\$ 9,582,834</u>
Liabilities:				
Funds held for others	\$ 7,075,691	\$ 20,117,430	\$ (19,130,017)	\$ 8,063,104
Due to other governmental agencies	278,521	3,743,012	(3,753,277)	268,256
Due to other funds and departments	1,417,237	16,517,742	(16,683,505)	1,251,474
Total Liabilities	<u>\$ 8,771,449</u>	<u>\$ 40,378,184</u>	<u>\$ (39,566,799)</u>	<u>\$ 9,582,834</u>
Probate Court Clerk				
Assets:				
Cash and cash equivalents	\$ 18,462,510	\$ 89,584,615	\$ (87,036,672)	\$ 21,010,453
Total Assets	<u>\$ 18,462,510</u>	<u>\$ 89,584,615</u>	<u>\$ (87,036,672)</u>	<u>\$ 21,010,453</u>
Liabilities:				
Funds held for others	\$ 18,386,359	\$ 88,960,464	\$ (86,402,641)	\$ 20,944,182
Due to other governmental agencies	2,456	27,634	(27,500)	2,590
Due to other funds and departments	52,721	596,517	(604,114)	45,124
Accounts payable and accrued expenses	20,974	---	(2,417)	18,557
Total Liabilities	<u>\$ 18,462,510</u>	<u>\$ 89,584,615</u>	<u>\$ (87,036,672)</u>	<u>\$ 21,010,453</u>

(continued)

Shelby County, Tennessee

**Constitutional Officers - General and Agency Funds
Combined Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Juvenile Court Clerk				
Assets:				
Cash and cash equivalents	\$ 7,394,984	\$ 7,189,001	\$ (9,252,456)	\$ 5,331,529
Accounts receivable	212,164	139,047	(212,164)	139,047
Total Assets	<u>\$ 7,607,148</u>	<u>\$ 7,328,048</u>	<u>\$ (9,464,620)</u>	<u>\$ 5,470,576</u>
Liabilities:				
Funds held for others	\$ 7,275,925	\$ 2,038,941	\$ (4,103,900)	\$ 5,210,966
Due to other funds and departments	331,223	1,600,999	(1,672,612)	259,610
Total Liabilities	<u>\$ 7,607,148</u>	<u>\$ 3,639,940</u>	<u>\$ (5,776,512)</u>	<u>\$ 5,470,576</u>
County Clerk				
Assets:				
Cash and cash equivalents	\$ 6,061,142	\$ 103,144,645	\$ (102,240,881)	\$ 6,964,906
Investments	1,750,000	750,000	(1,750,000)	750,000
Accounts receivable	1,128,837	247,779	(451,993)	924,623
Total Assets	<u>\$ 8,939,979</u>	<u>\$ 104,142,424</u>	<u>\$ (104,442,874)</u>	<u>\$ 8,639,529</u>
Liabilities:				
Funds held for others	\$ 1,659	\$ 24,732	\$ (23,839)	\$ 2,552
Due to other governmental agencies	2,955,319	47,695,144	(47,639,689)	3,010,774
Due to other funds and departments	5,983,001	56,422,548	(56,779,346)	5,626,203
Total Liabilities	<u>\$ 8,939,979</u>	<u>\$ 104,142,424</u>	<u>\$ (104,442,874)</u>	<u>\$ 8,639,529</u>
Register				
Assets:				
Cash and cash equivalents	\$ 1,739,481	\$ 18,539,600	\$ (18,592,425)	\$ 1,686,656
Total Assets	<u>\$ 1,739,481</u>	<u>\$ 18,539,600</u>	<u>\$ (18,592,425)</u>	<u>\$ 1,686,656</u>
Liabilities:				
Due to other governmental agencies	\$ 1,441,223	\$ 14,970,846	\$ (14,981,924)	\$ 1,430,145
Due to other funds and departments	298,258	3,568,754	(3,610,501)	256,511
Total Liabilities	<u>\$ 1,739,481</u>	<u>\$ 18,539,600</u>	<u>\$ (18,592,425)</u>	<u>\$ 1,686,656</u>
Trustee				
Assets:				
Cash and cash equivalents	\$ 427,873,873	\$ 2,583,361,602	\$ (2,619,861,534)	\$ 391,373,941
Investments	20,050,000	20,550,000	(20,050,000)	20,550,000
Accounts receivable	156,308	234,313	(156,308)	234,313
Total Assets	<u>\$ 448,080,181</u>	<u>\$ 2,604,145,915</u>	<u>\$ (2,640,067,842)</u>	<u>\$ 412,158,254</u>
Liabilities:				
Funds held for others	\$ 10,240,779	\$ 19,226,246	\$ (15,539,777)	\$ 13,927,248
Due to other governmental agencies	12,100,060	625,904,483	(627,726,811)	10,277,732
Due to other funds and departments	338,367,860	1,511,517,622	(1,515,427,595)	334,457,887
Due to component units	87,371,482	447,497,564	(481,373,659)	53,495,387
Total Liabilities	<u>\$ 448,080,181</u>	<u>\$ 2,604,145,915</u>	<u>\$ (2,640,067,842)</u>	<u>\$ 412,158,254</u>
Elimination of Interdepartmental Activity				
Assets:				
Cash and cash equivalents	\$ (348,846,494)	\$ (1,606,700,636)	\$ 1,611,493,455	\$ (344,053,675)
Total Assets	<u>\$ (348,846,494)</u>	<u>\$ (1,606,700,636)</u>	<u>\$ 1,611,493,455</u>	<u>\$ (344,053,675)</u>
Liabilities:				
Due to other funds and departments	\$ (348,846,494)	\$ (1,606,700,636)	\$ 1,611,493,455	\$ (344,053,675)
Total Liabilities	<u>\$ (348,846,494)</u>	<u>\$ (1,606,700,636)</u>	<u>\$ 1,611,493,455</u>	<u>\$ (344,053,675)</u>

(continued)

Shelby County, Tennessee

**Constitutional Officers - General and Agency Funds
Combined Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Total				
Assets:				
Cash and cash equivalents	\$ 143,268,157	\$ 1,247,197,541	\$ (1,276,667,257)	\$ 113,798,441
Investments	26,650,000	26,150,000	(26,650,000)	26,150,000
Accounts receivable	2,449,416	1,601,312	(1,772,572)	2,278,156
Total Assets	<u>\$ 172,367,573</u>	<u>\$ 1,274,948,853</u>	<u>\$ (1,305,089,829)</u>	<u>\$ 142,226,597</u>
Liabilities:				
Funds held for others	\$ 67,392,481	\$ 148,402,333	\$ (142,183,341)	\$ 73,611,473
Due to other governmental agencies	17,582,636	694,634,631	(697,116,087)	15,101,180
Due to other funds and departments	---	---	---	---
Due to component units	87,371,482	447,497,564	(481,373,659)	53,495,387
Accounts payable and accrued expenses	20,974	---	(2,417)	18,557
Total Liabilities	<u>\$ 172,367,573</u>	<u>\$ 1,290,534,528</u>	<u>\$ (1,320,675,504)</u>	<u>\$ 142,226,597</u>

Shelby County, Tennessee

Schedule of General Obligation Bonds-Except for School Purposes June 30, 2011

	1996B General Obligation	1997B General Obligation	1999B General Obligation	2004A General Obligation	2004B General Obligation
Date of Issuance	11/01/1996 ^c 11/14/1996 ^s	11/01/1997	02/01/1999	03/31/2004	04/15/2004
Total Issue	\$ 43,640,742	\$ 34,019,243	\$ 34,913,216	\$ 18,881,170	\$ 60,754,734
Interest Rate %	5.00-6.00	4.50-5.75	3.55-5.25	3.00-5.00	(Variable)
Fiscal Year					
2012	\$ 5,568,495	\$ ---	\$ 3,786,359	\$ 2,461,987	\$ ---
2013	5,548,176	938,662	1,924,780	2,709,175	---
2014	928,841	888,604	---	2,980,092	---
2015	871,662	839,725	---	---	3,278,695
2016	817,210	---	---	---	3,606,960
2017	772,912	790,142	---	---	3,966,865
2018	---	---	---	---	4,362,365
2019	---	---	---	---	4,801,370
2020	---	---	---	---	5,279,925
2021	---	---	---	---	5,807,918
2022	---	---	---	---	6,389,303
2023	---	---	---	---	7,028,035
2024	---	---	---	---	7,730,048
2025	---	---	---	---	8,503,250
2026	---	---	---	---	---
2027	---	---	---	---	---
2028	---	---	---	---	---
2029	---	---	---	---	---
2030	---	---	---	---	---
2031	---	---	---	---	---
2032	---	---	---	---	---
2033	---	---	---	---	---
2034	---	---	---	---	---
TOTAL	<u>\$ 14,507,296</u>	<u>\$ 3,457,133</u>	<u>\$ 5,711,139</u>	<u>\$ 8,151,254</u>	<u>\$ 60,754,734</u>

(c) Capital Appreciation Bonds

(s) Serial Bonds

Shelby County, Tennessee

**Schedule of General Obligation Bonds-School Purposes
June 30, 2011**

	1996B General Obligation		1997B General Obligation		1999B General Obligation		2003A General Obligation
Date of Issuance	11/01/1996 11/14/1996	c s	11/1/1997		02/01/1999		06/10/2003
Total Issue	\$ 51,045,323		\$ 74,415,173		\$ 25,851,784		\$ 89,355,000
Interest Rate %	5.00-6.00		4.50-5.75		3.55-5.25		4.00-5.00
Fiscal Year							
2012	\$ 6,513,311		\$ ---		\$ 2,803,641		\$ ---
2013	6,489,541		2,053,270		1,425,220		---
2014	1,086,439		1,943,772		---		---
2015	1,019,558		1,836,850		---		---
2016	955,867		---		---		---
2017	904,052		1,728,391		---		---
2018	---		---		---		---
2019	---		---		---		---
2020	---		---		---		---
2021	---		---		---		---
2022	---		---		---		---
2023	---		---		---		---
2024	---		---		---		---
2025	---		---		---		---
2026	---		---		---		7,720,000
2027	---		---		---		8,490,000
2028	---		---		---		9,340,000
2029	---		---		---		---
2030	---		---		---		---
2031	---		---		---		---
2032	---		---		---		---
2033	---		---		---		---
2034	---		---		---		---
TOTAL	\$ 16,968,768		\$ 7,562,283		\$ 4,228,861		\$ 25,550,000

(continued)

Shelby County, Tennessee

Schedule of General Obligation Bonds-School Purposes (continued) June 30, 2011

	2006B General Obligation	2006C General Obligation	2009A General Obligation	2009B General Obligation	2009C General Obligation
Date of Issuance	02/22/2006	11/30/2006	04/02/2009	09/30/2009	09/30/2009
Total Issue	\$ 159,590,000	\$ 197,846,127	\$ 83,442,403	\$ 60,000,000	\$ 60,000,000
Interest Rate %	(Variable)	(Variable)	2.75-5.00	2.25-5.00	2.25-5.00
Fiscal Year					
2012	\$ ---	\$ 2,667,068	\$ ---	\$ 3,525,000	\$ ---
2013	---	2,772,164	---	3,665,000	---
2014	---	3,246,253	---	3,755,000	---
2015	---	3,375,177	---	3,905,000	---
2016	---	3,504,101	14,083,062	3,995,000	---
2017	7,425,000	3,646,249	10,174,756	4,095,000	---
2018	2,020,000	2,265,884	18,323,952	4,215,000	---
2019	---	3,364,202	20,464,532	4,425,000	---
2020	2,705,000	3,527,016	12,861,865	4,570,000	---
2021	8,505,000	6,464,976	7,534,236	4,755,000	---
2022	9,575,000	14,410,000	---	4,990,000	---
2023	7,130,000	26,290,000	---	5,240,000	---
2024	7,450,000	27,330,000	---	5,475,000	---
2025	23,900,000	6,530,000	---	---	4,995,000
2026	26,130,000	6,785,000	---	---	5,195,000
2027	20,110,000	7,050,000	---	---	5,400,000
2028	6,625,000	7,325,000	---	---	5,610,000
2029	12,680,000	7,610,000	---	---	5,830,000
2030	6,055,000	7,910,000	---	---	6,060,000
2031	19,280,000	8,220,000	---	---	6,315,000
2032	---	8,540,000	---	---	6,585,000
2033	---	---	---	---	6,860,000
2034	---	---	---	---	7,150,000
TOTAL	<u>\$ 159,590,000</u>	<u>\$ 162,833,090</u>	<u>\$ 83,442,403</u>	<u>\$ 56,610,000</u>	<u>\$ 60,000,000</u>

2009 QSCB	2010 QSCB	2011A General Obligation	School Total	G. O. Bonds Total
09/15/2009	10/15/2010	03/30/2011		
\$ 55,120,000	\$ 67,260,000	\$ 40,856,293		
1.515	1.515	4.00-5.00		
\$ 3,439,402	\$ 3,847,176	\$ ---	\$ 50,077,611	\$ 97,608,384
3,439,402	4,196,919	---	46,599,341	90,215,970
3,439,402	4,196,919	---	48,456,692	101,323,977
3,439,402	4,196,919	---	50,169,211	99,304,116
3,439,402	4,196,919	---	73,628,391	100,849,398
3,439,402	4,196,919	2,987,268	65,850,172	92,211,818
3,439,402	4,196,919	3,300,585	71,004,377	97,806,321
3,439,402	4,196,919	3,672,298	68,667,983	96,581,321
3,439,402	4,196,919	4,053,284	63,766,561	93,316,321
3,439,402	4,196,919	4,479,077	55,876,693	89,806,321
3,439,402	4,196,919	4,963,577	58,925,596	87,086,321
3,439,402	4,196,919	5,505,204	69,318,490	82,606,321
3,439,402	4,196,919	5,660,000	72,181,274	79,911,322
3,439,402	4,196,919	6,235,000	68,718,071	77,221,321
3,815,587	4,196,919	---	69,427,506	69,427,506
---	4,655,958	---	62,760,958	62,760,958
---	---	---	47,565,000	47,565,000
---	---	---	46,365,000	46,365,000
---	---	---	40,190,000	40,190,000
---	---	---	33,815,000	33,815,000
---	---	---	15,125,000	15,125,000
---	---	---	6,860,000	6,860,000
---	---	---	7,150,000	7,150,000
<u>\$ 51,967,215</u>	<u>\$ 67,260,000</u>	<u>\$ 40,856,293</u>	<u>\$ 1,192,498,927</u>	<u>\$ 1,615,107,696</u>

Other Budgetary Comparison Schedules

The **Debt Service Fund** accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The **General Fund** Schedules of Revenues and Expenditures-Budget and Actual-By Type and By Department

The **Grants Fund** Schedules of Revenues and Expenditures-Budget and Actual-By Type and By Department

Debt Service Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 144,711,000	\$ 144,711,000	\$ 147,047,410	\$ 2,336,410
Other local taxes	22,767,000	22,767,000	35,372,934	12,605,934
Federal and local revenue	1,909,753	6,304,753	3,538,587	(2,766,166)
Charges for services	204,000	204,000	136,000	(68,000)
Other revenue	832,500	832,500	812,339	(20,161)
Investment income	1,502,000	1,502,000	467,758	(1,034,242)
Total revenues	<u>171,926,253</u>	<u>176,321,253</u>	<u>187,375,028</u>	<u>11,053,775</u>
Expenditures:				
Services and other expenditures	316,050	316,050	310,500	5,550
Professional and contracted services	80,433	300,960	117,238	183,722
Debt service	181,897,823	186,542,296	183,123,753	3,418,543
Total expenditures	<u>182,294,306</u>	<u>187,159,306</u>	<u>183,551,491</u>	<u>3,607,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,368,053)</u>	<u>(10,838,053)</u>	<u>3,823,537</u>	<u>14,661,590</u>
Other financing sources (uses):				
Transfers in	9,439,545	9,122,582	7,460,264	(1,662,318)
Transfers out	(7,816,000)	(7,816,000)	(6,916,000)	900,000
Refunding bonds issued	---	73,795,000	73,795,000	---
Premium on bonds issued	---	6,892,922	6,892,922	---
Payment to refunding bond escrow agent	---	(80,370,959)	(79,770,000)	600,959
Planned change in fund balance	8,744,508	9,214,508	---	(9,214,508)
Total other financing sources (uses)	<u>10,368,053</u>	<u>10,838,053</u>	<u>1,462,186</u>	<u>(9,375,867)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 5,285,723</u>	<u>\$ 5,285,723</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 237,666,000	\$ 237,601,070	\$ 240,027,270	\$ 2,426,200
Other local taxes	35,662,000	35,662,000	36,481,924	819,924
State revenue	15,914,922	16,253,102	17,585,648	1,332,546
Federal and local revenue	3,436,508	3,636,508	4,508,066	871,558
Charges for services	4,587,544	4,721,847	3,720,574	(1,001,273)
Fines, fees and permits	61,065,380	61,025,251	64,386,433	3,361,182
Other revenue	2,281,000	1,741,000	1,067,862	(673,138)
Investment income	1,646,137	1,646,137	407,728	(1,238,409)
Total revenues	<u>362,259,491</u>	<u>362,286,915</u>	<u>368,185,505</u>	<u>5,898,590</u>
Expenditures:				
Salaries	192,988,659	190,580,284	177,341,504	13,238,780
Other compensation	11,910,314	12,259,005	11,917,660	341,345
Fringe benefits	64,327,390	62,968,825	57,080,839	5,887,986
Salary restriction	(16,191,971)	(12,856,968)	---	(12,856,968)
Supplies and materials	10,302,615	9,700,931	8,723,620	977,311
Services and other expenditures	6,118,246	6,824,636	6,092,334	732,302
Professional and contracted services	30,896,704	29,632,763	27,621,798	2,010,965
Rent, utilities and maintenance	15,935,176	15,259,203	14,461,614	797,589
Interfund services	(348,782)	233,330	(386,725)	620,055
Capital asset acquisitions	30,190	927,872	879,037	48,835
Debt service	50,000	50,000	---	50,000
Affiliated organizations	40,330,941	40,607,059	40,514,884	92,175
Grants	1,580,520	1,503,520	1,457,520	46,000
Contingencies and restrictions	(3,187,159)	(2,817,500)	---	(2,817,500)
Total expenditures	<u>354,742,843</u>	<u>354,872,960</u>	<u>345,704,085</u>	<u>9,168,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,516,648</u>	<u>7,413,955</u>	<u>22,481,420</u>	<u>15,067,465</u>
Other financing sources (uses):				
Transfers in	7,151,338	7,299,064	1,373,906	(5,925,158)
Transfers out	(15,212,093)	(15,483,917)	(14,517,504)	966,413
Sale of capital assets	492,907	492,907	243,250	(249,657)
Insurance recoveries	51,200	51,200	110,947	59,747
Planned change in fund balance	---	226,791	---	(226,791)
Total other financing sources (uses)	<u>(7,516,648)</u>	<u>(7,413,955)</u>	<u>(12,789,401)</u>	<u>(5,375,446)</u>
Extraordinary item:				
Employee dishonesty loss	---	---	(982,548)	(982,548)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses and extraordinary items	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 8,709,471</u>	<u>\$ 8,709,471</u>

General Fund
Budgetary Comparison Schedule-Summary by Department
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:			
General Government			
Chief Administrative Officer	\$ ---	\$ 240	\$ 240
County Attorney	111,000	182,269	71,269
Central Operations	282,449,500	286,492,144	4,042,644
Personnel	526,563	522,128	(4,435)
Purchasing	1,000	157	(843)
Information Technology	1,806,960	1,594,917	(212,043)
Election Commission	787,921	487,940	(299,981)
	<u>285,682,944</u>	<u>289,279,795</u>	<u>3,596,851</u>
Planning and Development			
Department of Housing	5,000	14,151	9,151
	<u>5,000</u>	<u>14,151</u>	<u>9,151</u>
Public Works			
County Engineer	223,500	193,495	(30,005)
Agricultural Extension Service	5,000	1,250	(3,750)
Conservation Board	733,432	608,899	(124,533)
Port Commission	1,042,182	816,963	(225,219)
Support Services	1,348,959	1,505,595	156,636
Land Bank	---	---	---
	<u>3,353,073</u>	<u>3,126,202</u>	<u>(226,871)</u>
Health Services			
Forensic Services	275,000	281,346	6,346
Administration and Finance - Health Services	139,687	150,953	11,266
Environmental Health Services	2,347,723	2,458,800	111,077
Personal Health Services	2,095,889	1,451,382	(644,507)
Assessment and Assurance	950,000	949,958	(42)
	<u>5,808,299</u>	<u>5,292,439</u>	<u>(515,860)</u>
Community Services			
Community Initiatives	63,000	57,250	(5,750)
Crime Victims Center	120,000	126,484	6,484
Sexual Assault Resource Center	540,000	389,857	(150,143)
Pretrial Services	300,000	255,420	(44,580)
	<u>1,023,000</u>	<u>829,011</u>	<u>(193,989)</u>
Law Enforcement			
Sheriff's Office	6,451,000	6,078,660	(372,340)
	<u>6,451,000</u>	<u>6,078,660</u>	<u>(372,340)</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
Judicial			
Chancery Court	\$ 2,950,000	\$ 4,248,086	\$ 1,298,086
Circuit Court	2,950,000	3,337,127	387,127
Criminal Court	4,742,000	5,308,749	566,749
General Sessions Court	10,252,253	10,242,268	(9,985)
Probate Court	625,000	539,022	(85,978)
Juvenile Court	1,257,100	1,759,240	502,140
Public Defender	3,120,700	3,035,211	(85,489)
Divorce Referee	325,000	283,501	(41,499)
Attorney General	75,041	106,160	31,119
	<u>26,297,094</u>	<u>28,859,364</u>	<u>2,562,270</u>
Other Elected Officials			
Legislative Operations	2,000	990	(1,010)
Assessor	28,250	28,669	419
County Clerk	9,305,555	9,377,520	71,965
Register	3,155,700	3,261,284	105,584
Trustee	21,175,000	22,037,420	862,420
	<u>33,666,505</u>	<u>34,705,883</u>	<u>1,039,378</u>
Total Revenues	<u>362,286,915</u>	<u>368,185,505</u>	<u>5,898,590</u>
Expenditures:			
General Government			
Mayor's Office	927,402	781,046	146,356
Public Affairs	515,857	390,901	124,956
Chief Administrative Officer	2,132,599	2,059,970	72,629
County Attorney	4,044,885	3,880,836	164,049
Director of Administration and Finance	543,610	621,904	(78,294)
Central Operations	34,337,652	33,967,797	369,855
County Grants	3,349,020	3,298,020	51,000
Personnel	4,308,269	3,881,792	426,477
Purchasing	744,560	606,633	137,927
Information Technology	8,922,428	8,542,971	379,457
Finance	2,257,300	2,182,522	74,778
Board of Equalization	532,334	510,435	21,899
Election Commission	4,643,718	4,359,384	284,334
	<u>67,259,634</u>	<u>65,084,211</u>	<u>2,175,423</u>
Planning and Development			
Department of Housing	437,872	363,064	74,808
	<u>437,872</u>	<u>363,064</u>	<u>74,808</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary by Department (continued)

For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
Public Works			
Director and Staff of Public Works	\$ 362,032	\$ 295,934	\$ 66,098
County Engineer	419,274	213,412	205,862
Soil Conservation	67,382	62,597	4,785
Shelby Farms	575,848	575,848	---
Agricultural Extension Service	293,610	258,784	34,826
Conservation Board	962,666	843,094	119,572
Port Commission	816,963	816,963	---
Support Services	16,509,165	16,208,700	300,465
	<u>20,006,940</u>	<u>19,275,332</u>	<u>731,608</u>
Health Services			
Director of Health Services	414,939	410,304	4,635
Forensic Services	3,221,875	3,215,552	6,323
Administration and Finance - Health Services	11,166,660	11,129,096	37,564
Environmental Health Services	2,841,720	2,791,387	50,333
Personal Health Services	5,595,788	5,472,200	123,588
Assessment and Assurance	1,783,441	1,689,614	93,827
	<u>25,024,423</u>	<u>24,708,153</u>	<u>316,270</u>
Community Services			
Director of Community Services	1,966,304	1,800,137	166,167
Community Initiatives	1,396,334	1,306,800	89,534
Crime Victims Center	615,122	540,762	74,360
Sexual Assault Resource Center	801,740	764,655	37,085
Office on Aging	86,839	79,346	7,493
Pretrial Services	3,820,382	3,592,243	228,139
	<u>8,686,721</u>	<u>8,083,943</u>	<u>602,778</u>
Law Enforcement			
Sheriff's Office	144,761,048	142,512,918	2,248,130
	<u>144,761,048</u>	<u>142,512,918</u>	<u>2,248,130</u>
Judicial			
Chancery Court	1,513,498	1,486,156	27,342
Circuit Court	2,881,453	2,718,520	162,933
Criminal Court	4,810,259	4,633,531	176,728
General Sessions Court	12,967,615	12,624,105	343,510
Probate Court	1,123,972	1,082,147	41,825
Juvenile Court	20,070,484	19,219,107	851,377
Public Defender	8,490,254	8,383,664	106,590
Divorce Referee	554,750	497,425	57,325
Jury Commission	859,327	831,005	28,322
Attorney General	9,349,477	9,162,722	186,755
	<u>62,621,089</u>	<u>60,638,382</u>	<u>1,982,707</u>

(continued)

General Fund
Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
Other Elected Officials			
Legislative Operations	\$ 1,850,474	\$ 1,760,555	\$ 89,919
Equal Opportunity Compliance	742,738	681,863	60,875
Assessor	10,016,760	9,629,866	386,894
County Clerk	4,919,419	4,651,552	267,867
Register	1,689,710	1,624,008	65,702
Trustee	6,856,132	6,690,238	165,894
	<u>26,075,233</u>	<u>25,038,082</u>	<u>1,037,151</u>
 Total Expenditures	 <u>354,872,960</u>	 <u>345,704,085</u>	 <u>9,168,875</u>
 Excess (deficiency) of revenues over expenditures	 <u>7,413,955</u>	 <u>22,481,420</u>	 <u>15,067,465</u>
Other Financing Sources and Uses:			
Transfers in			
Central Operations	5,000,000	---	(5,000,000)
Personnel	300,000	---	(300,000)
Director and Staff of Public Works	35,170	35,170	---
County Engineer	---	726	726
Administration and Finance - Health Services	1,069,411	879,000	(190,411)
Personal Health Services	719,691	340,551	(379,140)
Director of Community Services	65,000	47,237	(17,763)
Juvenile Court	109,792	71,222	(38,570)
Total transfers in	<u>7,299,064</u>	<u>1,373,906</u>	<u>(5,925,158)</u>
 Transfers out			
Chief Administrative Officer	(40,845)	(40,845)	---
Director of Administration and Finance	(88,625)	---	88,625
Central Operations	(11,535,063)	(11,534,589)	474
Department of Housing	(64,361)	(63,335)	1,026
Director and Staff of Public Works	(399,948)	(277,591)	122,357
Port Commission	(225,219)	---	225,219
Administration and Finance - Health Services	(281,953)	(143,396)	138,557
Environmental Health Services	(1,540,981)	(1,344,457)	196,524
Personal Health Services	(568,766)	(567,854)	912
Director of Community Services	(176,232)	(144,569)	31,663
Crime Victims Center	(88,366)	(72,816)	15,550
Sexual Assault Resource Center	(52,666)	(52,666)	---
Sheriff's Office	(80,878)	(80,875)	3
Juvenile Court	(327,311)	(181,808)	145,503
Attorney General	(12,703)	(12,703)	---
Total transfers out	<u>(15,483,917)</u>	<u>(14,517,504)</u>	<u>966,413</u>

(continued)

General Fund
Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Other financing sources (uses)			
Chief Administrative Officer	\$ ---	\$ 350	\$ 350
Central Operations	226,791	44,992	(181,799)
Support Services	492,907	247,127	(245,780)
Administration and Finance - Health Services	---	500	500
Sheriff's Office	51,200	61,228	10,028
Total other financing sources (uses)	<u>770,898</u>	<u>354,197</u>	<u>(416,701)</u>
 Total Other Financing Sources and Uses	 <u>(7,413,955)</u>	 <u>(12,789,401)</u>	 <u>(5,375,446)</u>
 Extraordinary items			
Central Operations	 <u>---</u>	 <u>(982,548)</u>	 <u>(982,548)</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses and extraordinary items	 <u>\$ ---</u>	 <u>\$ 8,709,471</u>	 <u>\$ 8,709,471</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Mayor's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 456,596	\$ 551,555	\$ 514,304	\$ 37,251
Other compensation	---	11,543	11,543	---
Fringe benefits	135,906	153,829	120,499	33,330
Supplies and materials	31,500	34,755	25,640	9,115
Services and other expenditures	23,700	70,545	44,201	26,344
Rent, utilities and maintenance	21,639	11,639	133	11,506
Interfund services	97,536	93,536	64,726	28,810
Total expenditures	766,877	927,402	781,046	146,356
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (766,877)	\$ (927,402)	\$ (781,046)	\$ 146,356

Public Affairs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 243,854	\$ 359,501	\$ 282,872	\$ 76,629
Fringe benefits	79,428	97,459	72,446	25,013
Supplies and materials	5,500	7,250	1,883	5,367
Services and other expenditures	5,050	28,242	11,122	17,120
Interfund services	8,833	23,405	22,578	827
Total expenditures	342,665	515,857	390,901	124,956
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (342,665)	\$ (515,857)	\$ (390,901)	\$ 124,956

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 240	\$ 240
Total revenues	---	---	240	240
Expenditures:				
Salaries	1,522,393	1,255,743	1,253,634	2,109
Other compensation	---	8,299	5,361	2,938
Fringe benefits	418,204	320,232	319,615	617
Supplies and materials	35,590	21,181	11,146	10,035
Services and other expenditures	37,065	30,688	26,018	4,670
Professional and contracted services	358,000	244,270	208,400	35,870
Rent, utilities and maintenance	2,500	3,244	3,244	---
Interfund services	70,886	65,364	55,527	9,837
Capital asset acquisitions	---	5,830	---	5,830
Affiliated organizations	303,593	252,748	177,025	75,723
Contingencies and restrictions	---	(75,000)	---	(75,000)
Total expenditures	2,748,231	2,132,599	2,059,970	72,629
Excess (deficiency) of revenues over (under) expenditures	(2,748,231)	(2,132,599)	(2,059,730)	72,869
Other financing sources (uses):				
Transfers out	---	(40,845)	(40,845)	---
Insurance recoveries	---	---	350	350
Total other financing sources (uses)	---	(40,845)	(40,495)	350
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,748,231)	\$ (2,173,444)	\$ (2,100,225)	\$ 73,219

County Attorney

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 111,000	\$ 111,000	\$ 115,200	\$ 4,200
Charges for services	---	---	202	202
Other revenue	---	---	66,867	66,867
Total revenues	111,000	111,000	182,269	71,269
Expenditures:				
Salaries	2,591,253	2,602,266	2,510,204	92,062
Other compensation	50,000	66,800	66,800	---
Fringe benefits	806,344	792,506	735,265	57,241
Supplies and materials	21,050	19,591	14,779	4,812
Services and other expenditures	131,600	194,675	194,675	---
Professional and contracted services	332,804	321,188	320,728	460
Rent, utilities and maintenance	5,485	5,485	89	5,396
Interfund services	42,374	42,374	38,296	4,078
Total expenditures	3,980,910	4,044,885	3,880,836	164,049
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,869,910)	\$ (3,933,885)	\$ (3,698,567)	\$ 235,318

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Director of Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 343,825	\$ 267,493	\$ 267,493	\$ ---
Other compensation	---	269	269	---
Fringe benefits	94,427	77,328	77,326	2
Salary restriction	(488,647)	---	---	---
Supplies and materials	9,222	28,690	28,690	---
Services and other expenditures	10,805	10,805	968	9,837
Professional and contracted services	475,000	215,962	74,406	141,556
Rent, utilities and maintenance	5,875	65,870	29,280	36,590
Interfund services	14,232	14,232	5,823	8,409
Capital asset acquisitions	---	137,961	137,649	312
Contingencies and restrictions	---	(275,000)	---	(275,000)
Total expenditures	464,739	543,610	621,904	(78,294)
Excess (deficiency) of revenues over (under) expenditures	(464,739)	(543,610)	(621,904)	(78,294)
Other financing sources (uses):				
Transfers out	---	(88,625)	---	88,625
Total other financing sources (uses)	---	(88,625)	---	88,625
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (464,739)	\$ (632,235)	\$ (621,904)	\$ 10,331

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Central Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 237,666,000	\$ 237,601,070	\$ 240,027,270	\$ 2,426,200
Other local taxes	35,152,000	35,152,000	36,017,445	865,445
State revenue	8,415,000	8,479,930	9,143,387	663,457
Charges for services	10,000	10,000	8,067	(1,933)
Fines, fees and permits	306,500	306,500	268,095	(38,405)
Other revenue	100,000	100,000	809,352	709,352
Investment income	800,000	800,000	218,528	(581,472)
Total revenues	282,449,500	282,449,500	286,492,144	4,042,644
Expenditures:				
Fringe benefits	---	---	(742,478)	742,478
Salary restriction	(4,790,424)	(537,589)	---	(537,589)
Services and other expenditures	632,124	632,124	609,941	22,183
Professional and contracted services	875,000	1,067,939	889,145	178,794
Interfund services	(3,885,822)	(3,885,822)	(3,893,359)	7,537
Debt service	50,000	50,000	---	50,000
Affiliated organizations	37,116,000	37,116,000	37,104,548	11,452
Contingencies and restrictions	(2,805,000)	(105,000)	---	(105,000)
Total expenditures	27,191,878	34,337,652	33,967,797	369,855
Excess (deficiency) of revenues over (under) expenditures	255,257,622	248,111,848	252,524,347	4,412,499
Other financing sources (uses):				
Transfers in	5,000,000	5,000,000	---	(5,000,000)
Transfers out	(11,500,000)	(11,535,063)	(11,534,589)	474
Insurance recoveries	---	---	44,992	44,992
Planned change in fund balance	---	226,791	---	(226,791)
Total other financing sources (uses)	(6,500,000)	(6,308,272)	(11,489,597)	(5,181,325)
Extraordinary item:				
Employee dishonesty loss	---	---	(982,548)	(982,548)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses and extraordinary items	\$ 248,757,622	\$ 241,803,576	\$ 240,052,202	\$ (1,751,374)

County Grants

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Affiliated organizations	\$ 1,835,500	\$ 1,845,500	\$ 1,840,500	\$ 5,000
Grants	1,580,520	1,503,520	1,457,520	46,000
Total expenditures	3,416,020	3,349,020	3,298,020	51,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,416,020)	\$ (3,349,020)	\$ (3,298,020)	\$ 51,000

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Personnel

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 526,563	\$ 526,563	\$ 521,269	\$ (5,294)
Charges for services	---	---	331	331
Other revenue	---	---	528	528
Total revenues	526,563	526,563	522,128	(4,435)
Expenditures:				
Salaries	2,976,947	3,084,958	2,834,816	250,142
Other compensation	---	15,293	15,293	---
Fringe benefits	933,363	950,099	849,715	100,384
Salary restriction	---	(82,371)	---	(82,371)
Supplies and materials	61,482	70,082	24,570	45,512
Services and other expenditures	40,240	68,090	20,088	48,002
Professional and contracted services	57,117	54,117	17,502	36,615
Rent, utilities and maintenance	43,644	43,644	31,691	11,953
Interfund services	99,957	104,357	88,117	16,240
Total expenditures	4,212,750	4,308,269	3,881,792	426,477
Excess (deficiency) of revenues over (under) expenditures	(3,686,187)	(3,781,706)	(3,359,664)	422,042
Other financing sources (uses):				
Transfers in	300,000	300,000	---	(300,000)
Total other financing sources (uses)	300,000	300,000	---	(300,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,386,187)	\$ (3,481,706)	\$ (3,359,664)	\$ 122,042

Purchasing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,000	\$ 1,000	\$ 131	\$ (869)
Other revenue	---	---	26	26
Total revenues	1,000	1,000	157	(843)
Expenditures:				
Salaries	474,638	474,638	417,783	56,855
Other compensation	---	211	211	---
Fringe benefits	158,839	158,628	134,195	24,433
Supplies and materials	18,100	17,400	7,613	9,787
Services and other expenditures	32,930	31,130	13,454	17,676
Professional and contracted services	5,333	2,333	---	2,333
Rent, utilities and maintenance	15,359	15,359	6,761	8,598
Interfund services	39,361	44,861	26,616	18,245
Total expenditures	744,560	744,560	606,633	137,927
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (743,560)	\$ (743,560)	\$ (606,476)	\$ 137,084

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Information Technology

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,200	\$ 1,200	\$ 1,800	\$ 600
Charges for services	5,760	5,760	40,562	34,802
Fines, fees and permits	1,800,000	1,800,000	1,552,555	(247,445)
Total revenues	1,806,960	1,806,960	1,594,917	(212,043)
Expenditures:				
Salaries	5,327,654	5,163,764	4,594,337	569,427
Other compensation	109,012	109,012	103,339	5,673
Fringe benefits	1,584,804	1,536,201	1,309,015	227,186
Salary restriction	---	(442,197)	---	(442,197)
Supplies and materials	537,063	473,595	369,959	103,636
Services and other expenditures	212,083	554,084	527,566	26,518
Professional and contracted services	1,071,761	1,006,949	365,425	641,524
Rent, utilities and maintenance	1,415,271	1,141,350	1,093,987	47,363
Interfund services	82,080	85,080	34,800	50,280
Capital asset acquisitions	---	144,590	144,543	47
Contingencies and restrictions	---	(850,000)	---	(850,000)
Total expenditures	10,339,728	8,922,428	8,542,971	379,457
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (8,532,768)	\$ (7,115,468)	\$ (6,948,054)	\$ 167,414

Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,696,975	\$ 1,696,975	\$ 1,602,682	\$ 94,293
Other compensation	10,000	10,000	2,066	7,934
Fringe benefits	496,966	461,127	451,114	10,013
Salary restriction	---	(50,000)	---	(50,000)
Supplies and materials	18,251	22,223	17,624	4,599
Services and other expenditures	27,875	28,377	25,808	2,569
Professional and contracted services	700	700	690	10
Rent, utilities and maintenance	700	1,525	329	1,196
Interfund services	79,672	86,373	82,209	4,164
Total expenditures	2,331,139	2,257,300	2,182,522	74,778
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,331,139)	\$ (2,257,300)	\$ (2,182,522)	\$ 74,778

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Board of Equalization

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 262,605	\$ 267,605	\$ 267,605	\$ ---
Other compensation	---	272	272	---
Fringe benefits	106,719	101,447	99,762	1,685
Supplies and materials	7,850	7,850	5,480	2,370
Services and other expenditures	3,750	6,250	5,176	1,074
Professional and contracted services	250,653	243,767	106,207	137,560
Rent, utilities and maintenance	7,000	7,000	3,172	3,828
Interfund services	18,757	23,143	22,761	382
Contingencies and restrictions	---	(125,000)	---	(125,000)
Total expenditures	657,334	532,334	510,435	21,899
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (657,334)	\$ (532,334)	\$ (510,435)	\$ 21,899

Election Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 621,558	\$ 621,558	\$ (131,996)	\$ (753,554)
Federal and local revenue	156,763	156,763	616,694	459,931
Charges for services	5,200	5,200	3,242	(1,958)
Other revenue	4,400	4,400	---	(4,400)
Total revenues	787,921	787,921	487,940	(299,981)
Expenditures:				
Salaries	2,830,005	2,804,249	2,163,738	640,511
Other compensation	239,018	239,018	174,468	64,550
Fringe benefits	421,048	415,751	362,539	53,212
Salary restriction	(50,000)	(500,000)	---	(500,000)
Supplies and materials	396,255	344,255	211,667	132,588
Services and other expenditures	699,728	644,728	428,267	216,461
Professional and contracted services	281,700	281,700	184,231	97,469
Rent, utilities and maintenance	435,045	429,045	347,846	81,199
Interfund services	614,889	669,889	486,628	183,261
Capital asset acquisitions	---	15,083	---	15,083
Contingencies and restrictions	---	(700,000)	---	(700,000)
Total expenditures	5,867,688	4,643,718	4,359,384	284,334
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (5,079,767)	\$ (3,855,797)	\$ (3,871,444)	\$ (15,647)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Department of Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 5,000	\$ 5,000	\$ 14,151	\$ 9,151
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>14,151</u>	<u>9,151</u>
Expenditures:				
Salaries	298,730	298,730	247,864	50,866
Other compensation	---	472	470	2
Fringe benefits	92,828	92,356	80,637	11,719
Supplies and materials	10,876	7,876	3,547	4,329
Services and other expenditures	6,724	4,324	2,298	2,026
Professional and contracted services	1,000	1,000	---	1,000
Rent, utilities and maintenance	4,451	4,451	2,111	2,340
Interfund services	23,263	28,663	26,137	2,526
Total expenditures	<u>437,872</u>	<u>437,872</u>	<u>363,064</u>	<u>74,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(432,872)</u>	<u>(432,872)</u>	<u>(348,913)</u>	<u>83,959</u>
Other financing sources (uses):				
Transfers out	(64,361)	(64,361)	(63,335)	1,026
Total other financing sources (uses)	<u>(64,361)</u>	<u>(64,361)</u>	<u>(63,335)</u>	<u>1,026</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (497,233)</u>	<u>\$ (497,233)</u>	<u>\$ (412,248)</u>	<u>\$ 84,985</u>

Director and Staff of Public Works

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 194,479	\$ 199,679	\$ 171,776	\$ 27,903
Fringe benefits	49,523	50,593	45,937	4,656
Salary restriction	(321,346)	---	---	---
Supplies and materials	1,413	6,763	6,527	236
Services and other expenditures	1,350	1,350	1,064	286
Professional and contracted services	130,945	22,545	16,735	5,810
Interfund services	121,452	66,207	39,000	27,207
Capital asset acquisitions	---	14,895	14,895	---
Total expenditures	<u>177,816</u>	<u>362,032</u>	<u>295,934</u>	<u>66,098</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(177,816)</u>	<u>(362,032)</u>	<u>(295,934)</u>	<u>66,098</u>
Other financing sources (uses):				
Transfers in	35,170	35,170	35,170	---
Transfers out	(327,698)	(399,948)	(277,591)	122,357
Total other financing sources (uses)	<u>(292,528)</u>	<u>(364,778)</u>	<u>(242,421)</u>	<u>122,357</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (470,344)</u>	<u>\$ (726,810)</u>	<u>\$ (538,355)</u>	<u>\$ 188,455</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

County Engineer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 2,500	\$ 2,500	\$ 700	\$ (1,800)
Fines, fees and permits	221,000	221,000	192,795	(28,205)
Total revenues	223,500	223,500	193,495	(30,005)
Expenditures:				
Salaries	588,375	588,512	460,074	128,438
Other compensation	---	5,000	4,699	301
Fringe benefits	163,608	158,471	128,940	29,531
Supplies and materials	16,445	13,413	7,017	6,396
Services and other expenditures	14,554	18,399	16,415	1,984
Professional and contracted services	73,700	47,100	41,343	5,757
Rent, utilities and maintenance	266,426	255,426	227,764	27,662
Interfund services	(679,154)	(675,047)	(679,840)	4,793
Capital asset acquisitions	---	8,000	7,000	1,000
Total expenditures	443,954	419,274	213,412	205,862
Excess (deficiency) of revenues over (under) expenditures	(220,454)	(195,774)	(19,917)	175,857
Other financing sources (uses):				
Transfers in	---	---	726	726
Total other financing sources (uses)	---	---	726	726
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (220,454)	\$ (195,774)	\$ (19,191)	\$ 176,583

Soil Conservation

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 40,982	\$ 40,982	\$ 40,982	\$ ---
Other compensation	---	500	136	364
Fringe benefits	17,950	17,450	17,069	381
Supplies and materials	1,000	1,000	867	133
Services and other expenditures	750	2,250	1,698	552
Professional and contracted services	1,500	---	---	---
Rent, utilities and maintenance	2,500	2,500	---	2,500
Interfund services	2,700	2,700	1,845	855
Total expenditures	67,382	67,382	62,597	4,785
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (67,382)	\$ (67,382)	\$ (62,597)	\$ 4,785

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Shelby Farms

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Affiliated organizations	\$ 575,848	\$ 575,848	\$ 575,848	\$ ---
Total expenditures	575,848	575,848	575,848	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (575,848)	\$ (575,848)	\$ (575,848)	\$ ---

Agricultural Extension Service

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ 5,000	\$ 5,000	\$ 1,250	\$ (3,750)
Total revenues	5,000	5,000	1,250	(3,750)
Expenditures:				
Salaries	177,393	172,193	155,523	16,670
Other compensation	---	500	272	228
Fringe benefits	40,391	38,821	23,842	14,979
Rent, utilities and maintenance	73,859	73,859	73,535	324
Interfund services	8,237	8,237	5,612	2,625
Total expenditures	299,880	293,610	258,784	34,826
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (294,880)	\$ (288,610)	\$ (257,534)	\$ 31,076

Conservation Board

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 587,432	\$ 587,432	\$ 470,081	\$ (117,351)
Fines, fees and permits	39,000	39,000	31,971	(7,029)
Other revenue	107,000	107,000	106,574	(426)
Investment income	---	---	273	273
Total revenues	733,432	733,432	608,899	(124,533)
Expenditures:				
Salaries	311,765	311,765	266,364	45,401
Fringe benefits	44,200	44,200	38,758	5,442
Supplies and materials	70,079	52,096	41,179	10,917
Services and other expenditures	52,250	54,750	48,604	6,146
Rent, utilities and maintenance	391,107	407,198	376,536	30,662
Interfund services	68,569	69,069	48,065	21,004
Capital asset acquisitions	30,190	23,588	23,588	---
Total expenditures	968,160	962,666	843,094	119,572
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (234,728)	\$ (229,234)	\$ (234,195)	\$ (4,961)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Port Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,042,182	\$ 1,042,182	\$ 816,963	\$ (225,219)
Total revenues	1,042,182	1,042,182	816,963	(225,219)
Expenditures:				
Affiliated organizations	500,000	816,963	816,963	---
Total expenditures	500,000	816,963	816,963	---
Excess (deficiency) of revenues over (under) expenditures	542,182	225,219	---	(225,219)
Other financing sources (uses):				
Transfers out	(542,182)	(225,219)	---	225,219
Total other financing sources (uses)	(542,182)	(225,219)	---	225,219
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,200,000	\$ 1,200,000	\$ 1,293,485	\$ 93,485
Charges for services	104,185	108,359	167,152	58,793
Fines, fees and permits	---	8,000	44,530	36,530
Other revenue	32,600	32,600	428	(32,172)
Total revenues	1,336,785	1,348,959	1,505,595	156,636
Expenditures:				
Salaries	5,130,918	6,368,912	5,997,805	371,107
Other compensation	38,521	107,525	105,993	1,532
Fringe benefits	1,682,457	2,043,641	1,909,843	133,798
Salary restriction	---	(321,346)	---	(321,346)
Supplies and materials	845,315	856,148	810,986	45,162
Services and other expenditures	27,793	56,145	45,276	10,869
Professional and contracted services	65,976	191,020	168,111	22,909
Rent, utilities and maintenance	5,705,773	5,879,521	5,844,267	35,254
Interfund services	992,654	1,282,108	1,280,932	1,176
Capital asset acquisitions	---	45,491	45,487	4
Total expenditures	14,489,407	16,509,165	16,208,700	300,465
Excess (deficiency) of revenues over (under) expenditures	(13,152,622)	(15,160,206)	(14,703,105)	457,101
Other financing sources (uses):				
Sale of capital assets	---	492,907	243,250	(249,657)
Insurance recoveries	---	---	3,877	3,877
Total other financing sources (uses)	---	492,907	247,127	(245,780)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (13,152,622)	\$ (14,667,299)	\$ (14,455,978)	\$ 211,321

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Land Bank

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 8,000	\$ ---	\$ ---	\$ ---
Total revenues	8,000	---	---	---
Expenditures:				
Salaries	581,915	---	---	---
Other compensation	1,682	---	---	---
Fringe benefits	177,223	---	---	---
Supplies and materials	46,791	---	---	---
Services and other expenditures	47,982	---	---	---
Professional and contracted services	241,100	---	---	---
Rent, utilities and maintenance	64,144	---	---	---
Interfund services	24,088	---	---	---
Total expenditures	1,184,925	---	---	---
Excess (deficiency) of revenues over (under) expenditures	(1,176,925)	---	---	---
Other financing sources (uses):				
Sale of capital assets	492,907	---	---	---
Total other financing sources (uses)	492,907	---	---	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (684,018)	\$ ---	\$ ---	\$ ---

Director of Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 318,564	\$ 318,564	\$ 315,351	\$ 3,213
Other compensation	---	12,000	11,437	563
Fringe benefits	84,375	84,375	83,516	859
Salary restriction	(359,172)	---	---	---
Total expenditures	43,767	414,939	410,304	4,635
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (43,767)	\$ (414,939)	\$ (410,304)	\$ 4,635

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Forensic Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 275,000	\$ 275,000	\$ 281,346	\$ 6,346
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>281,346</u>	<u>6,346</u>
Expenditures:				
Supplies and materials	20,000	8,500	7,172	1,328
Services and other expenditures	4,200	4,200	510	3,690
Professional and contracted services	3,100,000	3,117,200	3,117,125	75
Rent, utilities and maintenance	114,000	89,000	88,089	911
Interfund services	2,000	2,975	2,656	319
Total expenditures	<u>3,240,200</u>	<u>3,221,875</u>	<u>3,215,552</u>	<u>6,323</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,965,200)</u>	<u>\$ (2,946,875)</u>	<u>\$ (2,934,206)</u>	<u>\$ 12,669</u>

Administration and Finance - Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 138,687	\$ 138,687	\$ 139,138	\$ 451
Fines, fees and permits	---	---	2,465	2,465
Other revenue	1,000	1,000	9,350	8,350
Total revenues	<u>139,687</u>	<u>139,687</u>	<u>150,953</u>	<u>11,266</u>
Expenditures:				
Salaries	1,966,059	1,299,424	1,249,615	49,809
Other compensation	49,539	42,355	33,643	8,712
Fringe benefits	697,896	437,086	412,813	24,273
Salary restriction	(102,482)	(65,109)	---	(65,109)
Supplies and materials	126,490	69,544	63,169	6,375
Services and other expenditures	97,560	43,235	40,261	2,974
Professional and contracted services	9,858,983	9,939,583	9,939,376	207
Rent, utilities and maintenance	396,459	413,949	405,772	8,177
Interfund services	(841,633)	(1,013,407)	(1,015,553)	2,146
Contingencies and restrictions	(203,712)	---	---	---
Total expenditures	<u>12,045,159</u>	<u>11,166,660</u>	<u>11,129,096</u>	<u>37,564</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,905,472)</u>	<u>(11,026,973)</u>	<u>(10,978,143)</u>	<u>48,830</u>
Other financing sources (uses):				
Transfers in	810,411	1,069,411	879,000	(190,411)
Transfers out	---	(281,953)	(143,396)	138,557
Insurance recoveries	---	---	500	500
Total other financing sources (uses)	<u>810,411</u>	<u>787,458</u>	<u>736,104</u>	<u>(51,354)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (11,095,061)</u>	<u>\$ (10,239,515)</u>	<u>\$ (10,242,039)</u>	<u>\$ (2,524)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,368,923	\$ 1,368,923	\$ 1,566,397	\$ 197,474
Federal and local revenue	---	---	18,421	18,421
Charges for services	50,500	500	3,956	3,456
Fines, fees and permits	763,300	813,300	870,026	56,726
Other revenue	165,000	165,000	---	(165,000)
Total revenues	2,347,723	2,347,723	2,458,800	111,077
Expenditures:				
Salaries	2,279,272	2,096,221	1,987,166	109,055
Other compensation	17,468	22,330	21,698	632
Fringe benefits	778,892	716,886	645,066	71,820
Salary restriction	(340,174)	(153,583)	---	(153,583)
Supplies and materials	50,316	32,516	24,608	7,908
Services and other expenditures	81,328	73,625	67,317	6,308
Professional and contracted services	117,485	10,485	10,285	200
Rent, utilities and maintenance	31,866	22,200	15,228	6,972
Interfund services	(40,212)	21,040	20,019	1,021
Contingencies and restrictions	(35,088)	---	---	---
Total expenditures	2,941,153	2,841,720	2,791,387	50,333
Excess (deficiency) of revenues over (under) expenditures	(593,430)	(493,997)	(332,587)	161,410
Other financing sources (uses):				
Transfers out	(1,540,981)	(1,540,981)	(1,344,457)	196,524
Total other financing sources (uses)	(1,540,981)	(1,540,981)	(1,344,457)	196,524
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,134,411)	\$ (2,034,978)	\$ (1,677,044)	\$ 357,934

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Personal Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,773,680	\$ 1,953,809	\$ 1,302,707	\$ (651,102)
Fines, fees and permits	302,209	122,080	127,500	5,420
Other revenue	560,000	20,000	21,175	1,175
Total revenues	2,635,889	2,095,889	1,451,382	(644,507)
Expenditures:				
Salaries	3,721,277	3,019,636	2,835,522	184,114
Other compensation	20,856	61,256	57,690	3,566
Fringe benefits	1,172,744	974,462	898,156	76,306
Salary restriction	---	(199,456)	---	(199,456)
Supplies and materials	813,903	571,722	549,788	21,934
Services and other expenditures	236,355	112,254	82,216	30,038
Professional and contracted services	582,438	414,415	345,361	69,054
Rent, utilities and maintenance	631,755	476,520	441,823	34,697
Interfund services	203,090	227,479	226,659	820
Capital asset acquisitions	---	35,000	34,985	15
Contingencies and restrictions	(293,359)	(97,500)	---	(97,500)
Total expenditures	7,089,059	5,595,788	5,472,200	123,588
Excess (deficiency) of revenues over (under) expenditures	(4,453,170)	(3,499,899)	(4,020,818)	(520,919)
Other financing sources (uses):				
Transfers in	699,691	719,691	340,551	(379,140)
Transfers out	(621,432)	(568,766)	(567,854)	912
Total other financing sources (uses)	78,259	150,925	(227,303)	(378,228)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (4,374,911)	\$ (3,348,974)	\$ (4,248,121)	\$ (899,147)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Assessment and Assurance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ ---	\$ 10,520	\$ 10,520
Fines, fees and permits	950,000	950,000	939,438	(10,562)
Total revenues	950,000	950,000	949,958	(42)
Expenditures:				
Salaries	1,103,110	1,115,743	1,024,055	91,688
Other compensation	15,796	15,796	13,648	2,148
Fringe benefits	374,385	367,983	336,598	31,385
Salary restriction	---	(50,000)	---	(50,000)
Supplies and materials	60,334	49,634	40,190	9,444
Services and other expenditures	31,748	42,948	42,661	287
Professional and contracted services	163,893	163,393	161,556	1,837
Rent, utilities and maintenance	71,304	8,844	4,868	3,976
Interfund services	51,500	69,100	66,038	3,062
Total expenditures	1,872,070	1,783,441	1,689,614	93,827
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (922,070)	\$ (833,441)	\$ (739,656)	\$ 93,785

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 665,521	\$ 738,744	\$ 639,810	\$ 98,934
Other compensation	---	500	408	92
Fringe benefits	193,438	222,186	188,569	33,617
Salary restriction	(142,218)	---	---	---
Supplies and materials	34,188	35,714	31,385	4,329
Services and other expenditures	37,279	124,411	117,122	7,289
Professional and contracted services	888,816	643,671	624,261	19,410
Rent, utilities and maintenance	2,000	34,999	34,999	---
Interfund services	27,291	106,079	103,583	2,496
Capital asset acquisitions	---	60,000	60,000	---
Total expenditures	1,706,315	1,966,304	1,800,137	166,167
Excess (deficiency) of revenues over (under) expenditures	(1,706,315)	(1,966,304)	(1,800,137)	166,167
Other financing sources (uses):				
Transfers in	65,000	65,000	47,237	(17,763)
Transfers out	(191,532)	(176,232)	(144,569)	31,663
Total other financing sources (uses)	(126,532)	(111,232)	(97,332)	13,900
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,832,847)	\$ (2,077,536)	\$ (1,897,469)	\$ 180,067

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Community Initiatives

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 63,000	\$ 63,000	\$ 57,250	\$ (5,750)
Total revenues	<u>63,000</u>	<u>63,000</u>	<u>57,250</u>	<u>(5,750)</u>
Expenditures:				
Professional and contracted services	1,396,334	1,396,334	1,306,800	89,534
Total expenditures	<u>1,396,334</u>	<u>1,396,334</u>	<u>1,306,800</u>	<u>89,534</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,333,334)</u>	<u>\$ (1,333,334)</u>	<u>\$ (1,249,550)</u>	<u>\$ 83,784</u>

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 120,000	\$ 120,000	\$ 126,484	\$ 6,484
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>126,484</u>	<u>6,484</u>
Expenditures:				
Salaries	411,534	417,817	375,153	42,664
Other compensation	---	300	272	28
Fringe benefits	138,889	123,176	115,265	7,911
Supplies and materials	11,127	10,727	7,511	3,216
Services and other expenditures	13,060	14,168	13,461	707
Rent, utilities and maintenance	300	300	34	266
Interfund services	49,342	48,634	29,066	19,568
Total expenditures	<u>624,252</u>	<u>615,122</u>	<u>540,762</u>	<u>74,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(504,252)</u>	<u>(495,122)</u>	<u>(414,278)</u>	<u>80,844</u>
Other financing sources (uses):				
Transfers out	(88,366)	(88,366)	(72,816)	15,550
Total other financing sources (uses)	<u>(88,366)</u>	<u>(88,366)</u>	<u>(72,816)</u>	<u>15,550</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (592,618)</u>	<u>\$ (583,488)</u>	<u>\$ (487,094)</u>	<u>\$ 96,394</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Sexual Assault Resource Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 340,000	\$ 283,485	\$ (56,515)
Federal and local revenue	---	200,000	106,071	(93,929)
Other revenue	---	---	301	301
Total revenues	---	540,000	389,857	(150,143)
Expenditures:				
Salaries	---	450,031	419,058	30,973
Other compensation	---	33,000	32,659	341
Fringe benefits	---	97,356	96,373	983
Supplies and materials	---	36,108	35,836	272
Services and other expenditures	---	13,028	12,938	90
Professional and contracted services	---	49,867	49,160	707
Rent, utilities and maintenance	---	109,450	106,478	2,972
Interfund services	---	12,900	12,153	747
Total expenditures	---	801,740	764,655	37,085
Excess (deficiency) of revenues over (under) expenditures	---	(261,740)	(374,798)	(113,058)
Other financing sources (uses):				
Transfers out	---	(52,666)	(52,666)	---
Total other financing sources (uses)	---	(52,666)	(52,666)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ (314,406)	\$ (427,464)	\$ (113,058)

Office on Aging

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 24,529	\$ 24,529	\$ 24,529	\$ ---
Fringe benefits	9,709	9,709	9,259	450
Interfund services	52,601	52,601	45,558	7,043
Total expenditures	86,839	86,839	79,346	7,493
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (86,839)	\$ (86,839)	\$ (79,346)	\$ 7,493

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Pretrial Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 300,000	\$ 300,000	\$ 255,420	\$ (44,580)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>255,420</u>	<u>(44,580)</u>
Expenditures:				
Salaries	2,717,305	2,717,305	2,482,460	234,845
Other compensation	7,800	22,800	21,197	1,603
Fringe benefits	951,067	883,067	823,425	59,642
Salary restriction	---	(142,218)	---	(142,218)
Supplies and materials	78,178	74,178	59,387	14,791
Services and other expenditures	41,891	45,891	38,472	7,419
Professional and contracted services	110,750	110,750	92,000	18,750
Rent, utilities and maintenance	23,000	23,000	5,246	17,754
Interfund services	85,609	85,609	70,056	15,553
Total expenditures	<u>4,015,600</u>	<u>3,820,382</u>	<u>3,592,243</u>	<u>228,139</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,715,600)</u>	<u>\$ (3,520,382)</u>	<u>\$ (3,336,823)</u>	<u>\$ 183,559</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Sheriff's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,090,000	\$ 2,000,000	\$ 2,666,176	\$ 666,176
Federal and local revenue	290,000	290,000	719,389	429,389
Charges for services	1,555,000	1,555,000	1,284,921	(270,079)
Fines, fees and permits	1,511,000	1,601,000	1,399,668	(201,332)
Other revenue	1,005,000	1,005,000	8,506	(996,494)
Total revenues	6,451,000	6,451,000	6,078,660	(372,340)
Expenditures:				
Salaries	92,318,583	90,989,591	83,827,197	7,162,394
Other compensation	10,951,365	10,955,540	10,834,015	121,525
Fringe benefits	32,707,876	32,118,181	29,474,999	2,643,182
Salary restriction	(8,209,339)	(8,059,204)	---	(8,059,204)
Supplies and materials	5,191,850	5,334,186	5,177,040	157,146
Services and other expenditures	1,344,788	1,401,855	1,306,344	95,511
Professional and contracted services	7,858,255	7,454,822	7,390,736	64,086
Rent, utilities and maintenance	4,251,427	3,871,360	3,614,211	257,149
Interfund services	318,731	541,484	541,483	1
Capital asset acquisitions	---	368,233	346,893	21,340
Contingencies and restrictions	---	(215,000)	---	(215,000)
Total expenditures	146,733,536	144,761,048	142,512,918	2,248,130
Excess (deficiency) of revenues over (under) expenditures	(140,282,536)	(138,310,048)	(136,434,258)	1,875,790
Other financing sources (uses):				
Transfers out	---	(80,878)	(80,875)	3
Insurance recoveries	51,200	51,200	61,228	10,028
Total other financing sources (uses)	51,200	(29,678)	(19,647)	10,031
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (140,231,336)	\$ (138,339,726)	\$ (136,453,905)	\$ 1,885,821

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Chancery Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 2,800,000	\$ 2,800,000	\$ 4,247,684	\$ 1,447,684
Investment income	150,000	150,000	402	(149,598)
Total revenues	2,950,000	2,950,000	4,248,086	1,298,086
Expenditures:				
Salaries	1,034,151	1,034,151	996,611	37,540
Fringe benefits	336,264	336,264	328,704	7,560
Salary restriction	(26,720)	(26,720)	---	(26,720)
Supplies and materials	25,302	16,659	16,656	3
Services and other expenditures	19,541	98,576	93,885	4,691
Professional and contracted services	6,500	4,999	749	4,250
Rent, utilities and maintenance	78,960	5,281	5,281	---
Interfund services	39,500	44,288	44,270	18
Total expenditures	1,513,498	1,513,498	1,486,156	27,342
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,436,502	\$ 1,436,502	\$ 2,761,930	\$ 1,325,428

Circuit Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 2,800,000	\$ 2,800,000	\$ 3,317,525	\$ 517,525
Investment income	150,000	150,000	19,602	(130,398)
Total revenues	2,950,000	2,950,000	3,337,127	387,127
Expenditures:				
Salaries	2,056,125	2,056,125	1,919,245	136,880
Other compensation	5,771	16,080	16,080	---
Fringe benefits	619,969	609,660	554,996	54,664
Salary restriction	(24,516)	(74,516)	---	(74,516)
Supplies and materials	47,050	55,225	34,700	20,525
Services and other expenditures	30,600	102,600	93,887	8,713
Professional and contracted services	12,075	1,400	188	1,212
Rent, utilities and maintenance	85,279	14,779	9,350	5,429
Interfund services	99,100	100,100	90,074	10,026
Total expenditures	2,931,453	2,881,453	2,718,520	162,933
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 18,547	\$ 68,547	\$ 618,607	\$ 550,060

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Criminal Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 4,735,000	\$ 4,735,000	\$ 5,264,622	\$ 529,622
Other revenue	---	---	41,082	41,082
Investment income	7,000	7,000	3,045	(3,955)
Total revenues	4,742,000	4,742,000	5,308,749	566,749
Expenditures:				
Salaries	3,466,557	3,466,557	3,278,514	188,043
Other compensation	12,000	12,000	11,759	241
Fringe benefits	1,107,762	1,107,762	1,043,792	63,970
Salary restriction	(31,639)	(81,639)	---	(81,639)
Supplies and materials	96,774	83,455	80,256	3,199
Services and other expenditures	33,185	40,767	39,680	1,087
Professional and contracted services	1,800	---	---	---
Rent, utilities and maintenance	43,970	28,540	27,465	1,075
Interfund services	129,850	152,817	152,065	752
Total expenditures	4,860,259	4,810,259	4,633,531	176,728
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (118,259)	\$ (68,259)	\$ 675,218	\$ 743,477

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 510,000	\$ 510,000	\$ 464,479	\$ (45,521)
Fines, fees and permits	9,390,000	9,390,000	9,660,606	270,606
Other revenue	25,000	25,000	---	(25,000)
Investment income	327,253	327,253	117,183	(210,070)
Total revenues	10,252,253	10,252,253	10,242,268	(9,985)
Expenditures:				
Salaries	9,142,226	9,039,205	8,776,878	262,327
Other compensation	118,454	118,454	52,408	66,046
Fringe benefits	2,833,754	2,795,963	2,604,233	191,730
Salary restriction	(378,274)	(428,274)	---	(428,274)
Supplies and materials	139,878	93,682	74,485	19,197
Services and other expenditures	149,297	250,122	242,790	7,332
Professional and contracted services	780,067	626,286	434,205	192,081
Rent, utilities and maintenance	59,944	50,901	49,043	1,858
Interfund services	299,362	421,276	390,063	31,213
Total expenditures	13,144,708	12,967,615	12,624,105	343,510
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,892,455)	\$ (2,715,362)	\$ (2,381,837)	\$ 333,525

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Probate Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 625,000	\$ 625,000	\$ 539,022	\$ (85,978)
Total revenues	625,000	625,000	539,022	(85,978)
Expenditures:				
Salaries	799,274	799,274	777,338	21,936
Other compensation	---	5,772	5,772	---
Fringe benefits	262,953	257,181	237,197	19,984
Supplies and materials	8,145	6,750	6,846	(96)
Services and other expenditures	12,000	10,755	10,754	1
Professional and contracted services	1,900	---	---	---
Rent, utilities and maintenance	7,900	2,800	2,800	---
Interfund services	31,800	41,440	41,440	---
Total expenditures	1,123,972	1,123,972	1,082,147	41,825
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (498,972)	\$ (498,972)	\$ (543,125)	\$ (44,153)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Juvenile Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 362,500	\$ 362,500	\$ 994,224	\$ 631,724
Federal and local revenue	---	---	80,008	80,008
Charges for services	18,600	18,600	14,878	(3,722)
Fines, fees and permits	600,000	600,000	667,947	67,947
Other revenue	276,000	276,000	2,183	(273,817)
Total revenues	1,257,100	1,257,100	1,759,240	502,140
Expenditures:				
Salaries	13,497,325	13,151,150	12,600,873	550,277
Other compensation	107,042	109,142	108,059	1,083
Fringe benefits	4,728,043	4,581,698	4,162,730	418,968
Salary restriction	(288,845)	(304,571)	---	(304,571)
Supplies and materials	745,869	727,369	466,206	261,163
Services and other expenditures	259,996	254,896	177,176	77,720
Professional and contracted services	946,323	904,323	799,237	105,086
Rent, utilities and maintenance	890,862	961,278	887,347	73,931
Interfund services	156,473	48,199	10,484	37,715
Capital asset acquisitions	---	12,000	6,995	5,005
Contingencies and restrictions	---	(375,000)	---	(375,000)
Total expenditures	21,043,088	20,070,484	19,219,107	851,377
Excess (deficiency) of revenues over (under) expenditures	(19,785,988)	(18,813,384)	(17,459,867)	1,353,517
Other financing sources (uses):				
Transfers in	241,066	109,792	71,222	(38,570)
Transfers out	(316,838)	(327,311)	(181,808)	145,503
Total other financing sources (uses)	(75,772)	(217,519)	(110,586)	106,933
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (19,861,760)	\$ (19,030,903)	\$ (17,570,453)	\$ 1,460,450

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Public Defender

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 3,020,700	\$ 3,020,700	\$ 2,990,800	\$ (29,900)
Fines, fees and permits	100,000	100,000	44,411	(55,589)
Total revenues	3,120,700	3,120,700	3,035,211	(85,489)
Expenditures:				
Salaries	6,993,970	6,993,970	6,376,807	617,163
Other compensation	---	22,322	22,322	---
Fringe benefits	1,985,249	1,962,927	1,780,811	182,116
Salary restriction	(411,456)	(711,456)	---	(711,456)
Supplies and materials	52,600	30,300	25,088	5,212
Services and other expenditures	35,450	52,671	52,671	---
Professional and contracted services	37,000	15,000	14,697	303
Rent, utilities and maintenance	26,800	31,879	22,324	9,555
Interfund services	70,641	92,641	88,944	3,697
Total expenditures	8,790,254	8,490,254	8,383,664	106,590
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (5,669,554)	\$ (5,369,554)	\$ (5,348,453)	\$ 21,101

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Divorce Referee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 325,000	\$ 325,000	\$ 283,501	\$ (41,499)
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>283,501</u>	<u>(41,499)</u>
Expenditures:				
Salaries	402,712	402,712	366,605	36,107
Fringe benefits	146,459	146,459	126,277	20,182
Supplies and materials	700	700	340	360
Services and other expenditures	2,000	2,000	1,712	288
Interfund services	2,879	2,879	2,491	388
Total expenditures	<u>554,750</u>	<u>554,750</u>	<u>497,425</u>	<u>57,325</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (229,750)</u>	<u>\$ (229,750)</u>	<u>\$ (213,924)</u>	<u>\$ 15,826</u>

Jury Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 215,258	\$ 215,260	\$ 215,260	\$ ---
Fringe benefits	77,503	83,501	81,880	1,621
Supplies and materials	2,724	2,724	1,171	1,553
Services and other expenditures	504,300	489,300	470,194	19,106
Professional and contracted services	---	15,000	14,509	491
Interfund services	53,542	53,542	47,991	5,551
Total expenditures	<u>853,327</u>	<u>859,327</u>	<u>831,005</u>	<u>28,322</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (853,327)</u>	<u>\$ (859,327)</u>	<u>\$ (831,005)</u>	<u>\$ 28,322</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 35,041	\$ 35,041	\$ 37,605	\$ 2,564
Federal and local revenue	10,000	10,000	44,888	34,888
Charges for services	30,000	30,000	23,667	(6,333)
Total revenues	75,041	75,041	106,160	31,119
Expenditures:				
Salaries	7,127,836	7,161,294	6,941,863	219,431
Other compensation	5,545	24,729	24,729	---
Fringe benefits	2,052,645	2,051,770	1,927,684	124,086
Salary restriction	(60,000)	(160,000)	---	(160,000)
Supplies and materials	11,775	8,940	8,433	507
Services and other expenditures	20,000	20,763	20,426	337
Professional and contracted services	19,100	19,100	18,768	332
Rent, utilities and maintenance	26,920	20,955	20,836	119
Interfund services	187,889	201,926	199,983	1,943
Total expenditures	9,391,710	9,349,477	9,162,722	186,755
Excess (deficiency) of revenues over (under) expenditures	(9,316,669)	(9,274,436)	(9,056,562)	217,874
Other financing sources (uses):				
Transfers out	(18,703)	(12,703)	(12,703)	---
Total other financing sources (uses)	(18,703)	(12,703)	(12,703)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (9,335,372)	\$ (9,287,139)	\$ (9,069,265)	\$ 217,874

Commissioner's Contingency

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Contingencies and restrictions	\$ 150,000	\$ ---	\$ ---	\$ ---
Total expenditures	150,000	---	---	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (150,000)	\$ ---	\$ ---	\$ ---

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Legislative Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 2,000	\$ 2,000	\$ 990	\$ (1,010)
Total revenues	2,000	2,000	990	(1,010)
Expenditures:				
Salaries	1,025,140	1,024,935	971,382	53,553
Other compensation	18,405	18,405	16,466	1,939
Fringe benefits	319,813	320,018	310,119	9,899
Supplies and materials	88,949	24,949	22,704	2,245
Services and other expenditures	104,100	145,100	136,963	8,137
Professional and contracted services	42,173	204,673	203,157	1,516
Rent, utilities and maintenance	16,500	28,500	16,535	11,965
Interfund services	77,894	83,894	83,229	665
Total expenditures	1,692,974	1,850,474	1,760,555	89,919
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,690,974)	\$ (1,848,474)	\$ (1,759,565)	\$ 88,909

Equal Opportunity Compliance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 527,856	\$ 526,209	\$ 484,202	\$ 42,007
Other compensation	1,560	6,937	6,937	---
Fringe benefits	165,557	161,827	141,600	20,227
Salary restriction	(52,250)	(52,250)	---	(52,250)
Supplies and materials	6,500	6,500	3,536	2,964
Services and other expenditures	43,925	43,925	24,924	19,001
Professional and contracted services	42,723	22,723	---	22,723
Rent, utilities and maintenance	4,300	4,300	1,263	3,037
Interfund services	22,567	22,567	19,401	3,166
Total expenditures	762,738	742,738	681,863	60,875
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (762,738)	\$ (742,738)	\$ (681,863)	\$ 60,875

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Assessor

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 23,250	\$ 23,250	\$ ---
Charges for services	5,000	5,000	5,419	419
Total revenues	5,000	28,250	28,669	419
Expenditures:				
Salaries	6,628,885	6,586,370	6,420,610	165,760
Other compensation	42,581	65,831	33,056	32,775
Fringe benefits	2,216,880	2,202,572	2,063,121	139,451
Salary restriction	---	(150,000)	---	(150,000)
Supplies and materials	155,900	138,900	126,286	12,614
Services and other expenditures	239,945	260,945	247,181	13,764
Professional and contracted services	475,000	456,800	348,194	108,606
Rent, utilities and maintenance	259,342	259,342	228,111	31,231
Interfund services	171,000	156,000	123,384	32,616
Capital asset acquisitions	---	40,000	39,923	77
Total expenditures	10,189,533	10,016,760	9,629,866	386,894
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (10,184,533)	\$ (9,988,510)	\$ (9,601,197)	\$ 387,313

County Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 9,174,371	\$ 9,174,371	\$ 9,364,701	\$ 190,330
Investment income	131,184	131,184	12,819	(118,365)
Total revenues	9,305,555	9,305,555	9,377,520	71,965
Expenditures:				
Salaries	3,249,140	3,224,612	2,994,270	230,342
Other compensation	37,772	37,772	21,254	16,518
Fringe benefits	1,189,927	1,175,359	1,060,719	114,640
Salary restriction	(52,136)	(152,136)	---	(152,136)
Supplies and materials	46,601	57,601	53,375	4,226
Services and other expenditures	18,885	18,885	17,464	1,421
Professional and contracted services	1,500	1,500	---	1,500
Rent, utilities and maintenance	148,600	148,600	141,485	7,115
Interfund services	418,226	407,226	362,985	44,241
Total expenditures	5,058,515	4,919,419	4,651,552	267,867
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 4,247,040	\$ 4,386,136	\$ 4,725,968	\$ 339,832

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Register

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 3,150,000	\$ 3,150,000	\$ 3,258,339	\$ 108,339
Investment income	5,700	5,700	2,945	(2,755)
Total revenues	3,155,700	3,155,700	3,261,284	105,584
Expenditures:				
Salaries	1,221,401	1,177,588	1,135,275	42,313
Other compensation	10,000	11,543	11,543	---
Fringe benefits	395,874	385,319	358,498	26,821
Salary restriction	(10,000)	(10,000)	---	(10,000)
Supplies and materials	38,380	31,380	30,397	983
Services and other expenditures	5,960	6,760	5,742	1,018
Professional and contracted services	9,300	5,600	5,575	25
Rent, utilities and maintenance	19,508	23,508	21,116	2,392
Interfund services	52,112	45,812	43,783	2,029
Capital asset acquisitions	---	12,200	12,079	121
Total expenditures	1,742,535	1,689,710	1,624,008	65,702
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,413,165	\$ 1,465,990	\$ 1,637,276	\$ 171,286

Trustee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 100,000	\$ 100,000	\$ 175,678	\$ 75,678
Fines, fees and permits	21,000,000	21,000,000	21,828,811	828,811
Investment income	75,000	75,000	32,931	(42,069)
Total revenues	21,175,000	21,175,000	22,037,420	862,420
Expenditures:				
Salaries	4,023,747	4,023,747	3,855,999	167,748
Other compensation	40,127	69,427	69,416	11
Fringe benefits	1,275,239	1,245,939	1,180,400	65,539
Salary restriction	(52,333)	(102,333)	---	(102,333)
Supplies and materials	315,300	208,800	187,881	20,919
Services and other expenditures	742,500	714,000	712,944	1,056
Professional and contracted services	222,000	354,249	352,936	1,313
Rent, utilities and maintenance	283,402	281,802	271,165	10,637
Interfund services	85,500	55,500	54,497	1,003
Capital asset acquisitions	---	5,001	5,000	1
Total expenditures	6,935,482	6,856,132	6,690,238	165,894
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 14,239,518	\$ 14,318,868	\$ 15,347,182	\$ 1,028,314

Grants Fund

Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 84,526,965	\$ 119,081,005	\$ 66,295,893	\$ (52,785,112)
Federal and local revenue	63,492,099	72,817,827	52,063,266	(20,754,561)
Charges for services	1,626,167	1,626,167	1,990,956	364,789
Fines, fees and permits	309,487	334,487	297,364	(37,123)
Other revenue	3,149,259	3,564,366	1,026,447	(2,537,919)
Investment income	---	---	83,345	83,345
Total revenues	<u>153,103,977</u>	<u>197,423,852</u>	<u>121,757,271</u>	<u>(75,666,581)</u>
Expenditures:				
Salaries	39,844,244	43,069,575	36,831,924	6,237,651
Other compensation	1,085,604	2,475,407	1,270,620	1,204,787
Fringe benefits	13,488,027	14,556,937	12,171,273	2,385,664
Salary restriction	(542,644)	(648,127)	---	(648,127)
Supplies and materials	11,314,482	11,781,490	4,725,244	7,056,246
Services and other expenditures	33,963,812	53,224,892	29,894,574	23,330,318
Professional and contracted services	43,791,446	54,925,950	27,394,298	27,531,652
Rent, utilities and maintenance	2,690,339	3,513,038	2,706,678	806,360
Interfund services	2,452,014	3,509,824	2,724,453	785,371
Capital asset acquisitions	8,080,547	14,631,806	7,522,458	7,109,348
Total expenditures	<u>156,167,871</u>	<u>201,040,792</u>	<u>125,241,522</u>	<u>75,799,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,063,894)</u>	<u>(3,616,940)</u>	<u>(3,484,251)</u>	<u>132,689</u>
Other financing sources (uses):				
Transfers in	5,052,484	6,297,224	4,862,892	(1,434,332)
Transfers out	(2,468,590)	(3,160,284)	(2,063,861)	1,096,423
Sale of capital assets	380,000	380,000	1,200	(378,800)
Insurance recoveries	---	---	12,497	12,497
Planned change in fund balance	100,000	100,000	---	(100,000)
Total other financing sources (uses)	<u>3,063,894</u>	<u>3,616,940</u>	<u>2,812,728</u>	<u>(804,212)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (671,523)</u>	<u>\$ (671,523)</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Department
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:			
General Government			
Chief Administrative Officer	\$ 14,875,656	\$ 2,607,666	\$ (12,267,990)
	<u>14,875,656</u>	<u>2,607,666</u>	<u>(12,267,990)</u>
Planning and Development			
Local Planning	115,527	44,879	(70,648)
Economic and Resource Management	1,399,350	820,488	(578,862)
Department of Housing	11,969,277	4,241,339	(7,727,938)
Regional Services	2,302,929	1,027,136	(1,275,793)
	<u>15,787,083</u>	<u>6,133,842</u>	<u>(9,653,241)</u>
Public Works			
County Engineer	14,203,210	3,643,242	(10,559,968)
Environmental Improvement Commission	219,000	220,510	1,510
Chickasaw Basin Authority	81,576	394,665	313,089
Fire Services	130,264	99,167	(31,097)
Roads and Bridges	352,889	134,834	(218,055)
Support Services	476,381	608,763	132,382
	<u>15,463,320</u>	<u>5,101,181</u>	<u>(10,362,139)</u>
Corrections			
Corrections	1,616,607	1,471,432	(145,175)
	<u>1,616,607</u>	<u>1,471,432</u>	<u>(145,175)</u>
Health Services			
Administration and Finance - Health Services	777,800	1,093,052	315,252
Environmental Health Services	4,794,948	2,807,823	(1,987,125)
Personal Health Services	23,352,244	19,883,082	(3,469,162)
Assessment and Assurance	475,423	158,353	(317,070)
	<u>29,400,415</u>	<u>23,942,310</u>	<u>(5,458,105)</u>
Community Services			
Director of Community Services	1,098,472	784,522	(313,950)
Community Services Administration	48,494,845	27,239,677	(21,255,168)
Head Start	33,486,232	32,937,072	(549,160)
Community Initiatives	3,279,815	123,079	(3,156,736)
Ryan White	15,198,054	9,026,791	(6,171,263)
Crime Victims Center	517,967	350,068	(167,899)
Sexual Assault Resource Center	252,522	219,310	(33,212)
Pretrial Services	285,352	293,828	8,476
Delta Agency on Aging	9,084,623	6,665,073	(2,419,550)
	<u>111,697,882</u>	<u>77,639,420</u>	<u>(34,058,462)</u>
Law Enforcement			
Sheriff's Office	2,787,620	689,008	(2,098,612)
	<u>2,787,620</u>	<u>689,008</u>	<u>(2,098,612)</u>

(continued)

Grants Fund
Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
Judicial			
General Sessions Court	\$ 1,754,669	\$ 1,001,140	\$ (753,529)
Juvenile Court	2,848,695	2,308,634	(540,061)
Attorney General	1,141,905	812,638	(329,267)
	<u>5,745,269</u>	<u>4,122,412</u>	<u>(1,622,857)</u>
Other Elected Officials			
Register	50,000	50,000	---
	<u>50,000</u>	<u>50,000</u>	<u>---</u>
Total Revenues	<u>197,423,852</u>	<u>121,757,271</u>	<u>(75,666,581)</u>
Expenditures:			
General Government			
Chief Administrative Officer	14,716,501	4,362,993	10,353,508
	<u>14,716,501</u>	<u>4,362,993</u>	<u>10,353,508</u>
Planning and Development			
Local Planning	115,527	43,879	71,648
Economic and Resource Management	1,399,350	748,042	651,308
Department of Housing	12,413,638	4,321,498	8,092,140
Regional Services	2,681,682	1,221,619	1,460,063
	<u>16,610,197</u>	<u>6,335,038</u>	<u>10,275,159</u>
Public Works			
County Engineer	14,744,490	6,687,288	8,057,202
Environmental Improvement Commission	319,000	198,088	120,912
Chickasaw Basin Authority	96,406	16,949	79,457
Fire Services	160,744	160,189	555
Roads and Bridges	266,608	195,112	71,496
Support Services	476,381	517,518	(41,137)
	<u>16,063,629</u>	<u>7,775,144</u>	<u>8,288,485</u>
Corrections			
Corrections	1,837,510	1,458,284	379,226
	<u>1,837,510</u>	<u>1,458,284</u>	<u>379,226</u>
Health Services			
Environmental Health Services	6,559,744	3,825,051	2,734,693
Personal Health Services	23,853,454	20,315,491	3,537,963
Assessment and Assurance	496,720	156,814	339,906
	<u>30,909,918</u>	<u>24,297,356</u>	<u>6,612,562</u>

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Community Services			
Director of Community Services	\$ 1,034,172	\$ 860,543	\$ 173,629
Community Services Administration	48,494,683	28,757,181	19,737,502
Head Start	33,486,232	27,820,441	5,665,791
Community Initiatives	3,279,815	1,149,993	2,129,822
Ryan White	15,133,024	8,123,232	7,009,792
Crime Victims Center	606,333	473,360	132,973
Sexual Assault Resource Center	305,188	269,294	35,894
Pretrial Services	285,352	157,934	127,418
Delta Agency on Aging	9,276,155	7,223,401	2,052,754
	<u>111,900,954</u>	<u>74,835,379</u>	<u>37,065,575</u>
Law Enforcement			
Sheriff's Office	2,976,592	1,604,250	1,372,342
	<u>2,976,592</u>	<u>1,604,250</u>	<u>1,372,342</u>
Judicial			
General Sessions Court	1,754,669	1,046,584	708,085
Juvenile Court	3,066,214	2,517,472	548,742
Attorney General	1,154,608	959,022	195,586
	<u>5,975,491</u>	<u>4,523,078</u>	<u>1,452,413</u>
Other Elected Officials			
Register	50,000	50,000	---
	<u>50,000</u>	<u>50,000</u>	<u>---</u>
Total Expenditures	<u>201,040,792</u>	<u>125,241,522</u>	<u>75,799,270</u>
Excess (deficiency) of revenues over expenditures	<u>(3,616,940)</u>	<u>(3,484,251)</u>	<u>132,689</u>

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Other Financing Sources and Uses:			
Transfers in			
Chief Administrative Officer	\$ 40,845	\$ 40,845	\$ ---
Economic and Resource Management	414,838	252,231	(162,607)
Department of Housing	304,361	208,335	(96,026)
Regional Services	378,753	220,123	(158,630)
County Engineer	541,280	1,014,750	473,470
Environmental Improvement Commission	50,000	50,000	---
Fire Services	30,480	30,480	---
Roads and Bridges	14,313	14,313	---
Corrections	220,903	90,922	(129,981)
Administration and Finance - Health Services	101,200	---	(101,200)
Environmental Health Services	1,865,996	1,400,163	(465,833)
Personal Health Services	890,088	825,852	(64,236)
Assessment and Assurance	21,297	15,755	(5,542)
Director of Community Services	700	665	(35)
Community Services Administration	40,515	832	(39,683)
Crime Victims Center	88,366	72,816	(15,550)
Sexual Assault Resource Center	52,666	52,666	---
Delta Agency on Aging	711,637	244,343	(467,294)
Sheriff's Office	188,972	133,294	(55,678)
Juvenile Court	327,311	181,804	(145,507)
Attorney General	12,703	12,703	---
Total transfers in	<u>6,297,224</u>	<u>4,862,892</u>	<u>(1,434,332)</u>
Transfers out			
Chief Administrative Officer	(200,000)	(199,781)	219
Economic and Resource Management	(414,838)	(252,231)	162,607
Department of Housing	(240,000)	(145,000)	95,000
Chickasaw Basin Authority	(35,170)	(35,170)	---
Roads and Bridges	(100,594)	(100,594)	---
Administration and Finance - Health Services	(879,000)	(879,000)	---
Environmental Health Services	(101,200)	---	101,200
Personal Health Services	(388,878)	(173,329)	215,549
Director of Community Services	(65,000)	(47,238)	17,762
Community Services Administration	(40,677)	(832)	39,845
Ryan White	(65,030)	(59,029)	6,001
Delta Agency on Aging	(520,105)	(100,437)	419,668
Juvenile Court	(109,792)	(71,220)	38,572
Total transfers out	<u>(3,160,284)</u>	<u>(2,063,861)</u>	<u>1,096,423</u>

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Other financing sources (uses)			
Department of Housing	\$ 380,000	\$ ---	\$ (380,000)
Environmental Improvement Commission	50,000	---	(50,000)
Chickasaw Basin Authority	50,000	---	(50,000)
Head Start	---	10,011	10,011
Delta Agency on Aging	---	3,686	3,686
Total other financing sources (uses)	<u>480,000</u>	<u>13,697</u>	<u>(466,303)</u>
 Total Other Financing Sources and Uses	 <u>3,616,940</u>	 <u>2,812,728</u>	 <u>(804,212)</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ ---</u>	 <u>\$ (671,523)</u>	 <u>\$ (671,523)</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 9,650,045	\$ 13,684,215	\$ 2,577,535	\$ (11,106,680)
Federal and local revenue	71,931	1,191,441	30,131	(1,161,310)
Total revenues	9,721,976	14,875,656	2,607,666	(12,267,990)
Expenditures:				
Salaries	335,078	332,462	332,462	---
Other compensation	136,840	157,768	21,121	136,647
Fringe benefits	103,471	104,060	99,017	5,043
Supplies and materials	3,662,929	4,567,390	716,889	3,850,501
Services and other expenditures	101,334	201,895	99,437	102,458
Professional and contracted services	4,369,032	8,026,602	2,380,867	5,645,735
Rent, utilities and maintenance	13,292	488,430	476,474	11,956
Interfund services	---	10,060	8,057	2,003
Capital asset acquisitions	1,000,000	827,834	228,669	599,165
Total expenditures	9,721,976	14,716,501	4,362,993	10,353,508
Excess (deficiency) of revenues over (under) expenditures	---	159,155	(1,755,327)	(1,914,482)
Other financing sources (uses):				
Transfers in	---	40,845	40,845	---
Transfers out	---	(200,000)	(199,781)	219
Total other financing sources (uses)	---	(159,155)	(158,936)	219
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (1,914,263)	\$ (1,914,263)

Local Planning

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 114,527	\$ 43,879	\$ (70,648)
Other revenue	---	1,000	1,000	---
Total revenues	---	115,527	44,879	(70,648)
Expenditures:				
Salaries	---	19,410	19,410	---
Fringe benefits	---	5,590	4,850	740
Supplies and materials	---	6,000	---	6,000
Services and other expenditures	---	6,500	5,472	1,028
Professional and contracted services	---	77,027	14,147	62,880
Rent, utilities and maintenance	---	1,000	---	1,000
Total expenditures	---	115,527	43,879	71,648
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 1,000	\$ 1,000

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Economic and Resource Management

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 414,838	\$ 415,012	\$ 244,704	\$ (170,308)
Other revenue	981,838	984,338	575,784	(408,554)
Total revenues	1,396,676	1,399,350	820,488	(578,862)
Expenditures:				
Salaries	509,839	509,839	327,273	182,566
Other compensation	---	150	136	14
Fringe benefits	141,117	140,967	89,273	51,694
Supplies and materials	12,720	12,894	7,769	5,125
Services and other expenditures	32,000	38,500	15,142	23,358
Professional and contracted services	671,500	684,500	303,852	380,648
Rent, utilities and maintenance	23,500	6,500	4,432	2,068
Interfund services	6,000	6,000	165	5,835
Total expenditures	1,396,676	1,399,350	748,042	651,308
Excess (deficiency) of revenues over (under) expenditures	---	---	72,446	72,446
Other financing sources (uses):				
Transfers in	414,838	414,838	252,231	(162,607)
Transfers out	(414,838)	(414,838)	(252,231)	162,607
Total other financing sources (uses)	---	---	---	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 72,446	\$ 72,446

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Department of Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,900,000	\$ 2,875,000	\$ 397,629	\$ (2,477,371)
Federal and local revenue	8,694,568	8,258,571	3,446,723	(4,811,848)
Fines, fees and permits	192,824	217,824	116,853	(100,971)
Other revenue	625,000	617,882	196,789	(421,093)
Investment income	---	---	83,345	83,345
Total revenues	12,412,392	11,969,277	4,241,339	(7,727,938)
Expenditures:				
Salaries	701,593	701,593	584,314	117,279
Other compensation	---	300	300	---
Fringe benefits	228,016	227,716	195,041	32,675
Supplies and materials	151,203	149,814	9,434	140,380
Services and other expenditures	8,108,048	8,133,138	2,652,481	5,480,657
Professional and contracted services	3,625,758	3,158,932	879,425	2,279,507
Rent, utilities and maintenance	10,060	9,410	---	9,410
Interfund services	2,000	2,660	503	2,157
Capital asset acquisitions	30,075	30,075	---	30,075
Total expenditures	12,856,753	12,413,638	4,321,498	8,092,140
Excess (deficiency) of revenues over (under) expenditures	(444,361)	(444,361)	(80,159)	364,202
Other financing sources (uses):				
Transfers in	304,361	304,361	208,335	(96,026)
Transfers out	(240,000)	(240,000)	(145,000)	95,000
Sale of capital assets	380,000	380,000	---	(380,000)
Total other financing sources (uses)	444,361	444,361	63,335	(381,026)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (16,824)	\$ (16,824)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Regional Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,335,219	\$ 2,302,929	\$ 1,027,136	\$ (1,275,793)
Total revenues	2,335,219	2,302,929	1,027,136	(1,275,793)
Expenditures:				
Salaries	662,935	662,935	499,226	163,709
Other compensation	---	150	136	14
Fringe benefits	190,531	190,381	148,691	41,690
Supplies and materials	34,986	52,486	28,714	23,772
Services and other expenditures	125,414	131,914	64,252	67,662
Professional and contracted services	1,383,445	1,351,155	347,631	1,003,524
Rent, utilities and maintenance	19,000	15,000	8,175	6,825
Interfund services	(111,092)	267,661	124,794	142,867
Capital asset acquisitions	30,000	10,000	---	10,000
Total expenditures	2,335,219	2,681,682	1,221,619	1,460,063
Excess (deficiency) of revenues over (under) expenditures	---	(378,753)	(194,483)	184,270
Other financing sources (uses):				
Transfers in	---	378,753	220,123	(158,630)
Total other financing sources (uses)	---	378,753	220,123	(158,630)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 25,640	\$ 25,640

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

County Engineer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 8,214,197	\$ 13,494,707	\$ 3,643,242	\$ (9,851,465)
Federal and local revenue	364,153	23,334	---	(23,334)
Other revenue	275,000	685,169	---	(685,169)
Total revenues	8,853,350	14,203,210	3,643,242	(10,559,968)
Expenditures:				
Salaries	---	6,959	6,959	---
Fringe benefits	---	720	720	---
Services and other expenditures	388,150	4,600	---	4,600
Professional and contracted services	2,968,203	2,915,853	296,911	2,618,942
Capital asset acquisitions	5,966,027	11,816,358	6,382,698	5,433,660
Total expenditures	9,322,380	14,744,490	6,687,288	8,057,202
Excess (deficiency) of revenues over (under) expenditures	(469,030)	(541,280)	(3,044,046)	(2,502,766)
Other financing sources (uses):				
Transfers in	469,030	541,280	1,014,750	473,470
Total other financing sources (uses)	469,030	541,280	1,014,750	473,470
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (2,029,296)	\$ (2,029,296)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Environmental Improvement Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 85,000	\$ 85,000	\$ 99,157	\$ 14,157
Federal and local revenue	121,000	121,000	119,000	(2,000)
Other revenue	13,000	13,000	2,353	(10,647)
Total revenues	219,000	219,000	220,510	1,510
Expenditures:				
Salaries	49,627	49,627	47,241	2,386
Other compensation	---	65	65	---
Fringe benefits	11,731	11,666	9,389	2,277
Supplies and materials	9,326	9,326	---	9,326
Services and other expenditures	350	350	287	63
Professional and contracted services	236,525	236,525	136,856	99,669
Rent, utilities and maintenance	10,091	10,091	4,085	6,006
Interfund services	1,350	1,350	165	1,185
Total expenditures	319,000	319,000	198,088	120,912
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(100,000)	22,422	122,422
Other financing sources (uses):				
Transfers in	50,000	50,000	50,000	---
Planned change in fund balance	50,000	50,000	---	(50,000)
Total other financing sources (uses)	100,000	100,000	50,000	(50,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 72,422	\$ 72,422

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Chickasaw Basin Authority

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 81,576	\$ 81,576	\$ 394,665	\$ 313,089
Total revenues	81,576	81,576	394,665	313,089
Expenditures:				
Supplies and materials	5,019	5,019	1,009	4,010
Services and other expenditures	4,900	4,900	1,193	3,707
Professional and contracted services	62,717	62,717	14,747	47,970
Rent, utilities and maintenance	8,770	8,770	---	8,770
Interfund services	15,000	15,000	---	15,000
Total expenditures	96,406	96,406	16,949	79,457
Excess (deficiency) of revenues over (under) expenditures	(14,830)	(14,830)	377,716	392,546
Other financing sources (uses):				
Transfers out	(35,170)	(35,170)	(35,170)	---
Planned change in fund balance	50,000	50,000	---	(50,000)
Total other financing sources (uses)	14,830	14,830	(35,170)	(50,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 342,546	\$ 342,546

Fire Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 4,364	\$ ---	\$ (4,364)
Federal and local revenue	98,216	124,400	97,667	(26,733)
Other revenue	---	1,500	1,500	---
Total revenues	98,216	130,264	99,167	(31,097)
Expenditures:				
Other compensation	---	26,504	26,504	---
Fringe benefits	---	686	686	---
Supplies and materials	128,216	129,716	129,161	555
Interfund services	---	3,838	3,838	---
Total expenditures	128,216	160,744	160,189	555
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,480)	(61,022)	(30,542)
Other financing sources (uses):				
Transfers in	30,000	30,480	30,480	---
Total other financing sources (uses)	30,000	30,480	30,480	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (30,542)	\$ (30,542)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Roads and Bridges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 242,052	\$ 257,886	\$ 134,834	\$ (123,052)
Federal and local revenue	---	95,003	---	(95,003)
Total revenues	242,052	352,889	134,834	(218,055)
Expenditures:				
Salaries	143,251	144,222	112,344	31,878
Other compensation	---	7,789	7,789	---
Fringe benefits	58,205	60,096	41,053	19,043
Supplies and materials	38,896	52,801	33,907	18,894
Services and other expenditures	700	700	19	681
Interfund services	1,000	1,000	---	1,000
Total expenditures	242,052	266,608	195,112	71,496
Excess (deficiency) of revenues over (under) expenditures	---	86,281	(60,278)	(146,559)
Other financing sources (uses):				
Transfers in	---	14,313	14,313	---
Transfers out	---	(100,594)	(100,594)	---
Total other financing sources (uses)	---	(86,281)	(86,281)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (146,559)	\$ (146,559)

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 522,090	\$ 359,718	\$ 428,252	\$ 68,534
Fines, fees and permits	116,663	116,663	180,511	63,848
Total revenues	638,753	476,381	608,763	132,382
Expenditures:				
Salaries	33,944	33,944	34,872	(928)
Other compensation	---	150	136	14
Fringe benefits	11,645	11,495	11,335	160
Supplies and materials	4,663	3,613	---	3,613
Services and other expenditures	2,000	3,050	2,959	91
Professional and contracted services	584,601	422,229	468,192	(45,963)
Interfund services	1,900	1,900	24	1,876
Total expenditures	638,753	476,381	517,518	(41,137)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 91,245	\$ 91,245

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Corrections

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 107,636	\$ 107,636	\$ 173,483	\$ 65,847
Federal and local revenue	1,374,854	1,508,971	1,297,949	(211,022)
Total revenues	1,482,490	1,616,607	1,471,432	(145,175)
Expenditures:				
Salaries	898,534	975,425	908,873	66,552
Other compensation	56,552	4,260	69	4,191
Fringe benefits	260,881	287,524	278,642	8,882
Supplies and materials	184,617	234,414	85,659	148,755
Services and other expenditures	106,387	225,129	156,670	68,459
Professional and contracted services	95,085	97,701	22,400	75,301
Rent, utilities and maintenance	---	3,000	1,553	1,447
Interfund services	2,712	10,057	4,418	5,639
Total expenditures	1,604,768	1,837,510	1,458,284	379,226
Excess (deficiency) of revenues over (under) expenditures	(122,278)	(220,903)	13,148	234,051
Other financing sources (uses):				
Transfers in	122,278	220,903	90,922	(129,981)
Total other financing sources (uses)	122,278	220,903	90,922	(129,981)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 104,070	\$ 104,070

Administration and Finance - Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 777,800	\$ 777,800	\$ 1,093,052	\$ 315,252
Total revenues	777,800	777,800	1,093,052	315,252
Excess (deficiency) of revenues over (under) expenditures	777,800	777,800	1,093,052	315,252
Other financing sources (uses):				
Transfers in	---	101,200	---	(101,200)
Transfers out	(777,800)	(879,000)	(879,000)	---
Total other financing sources (uses)	(777,800)	(777,800)	(879,000)	(101,200)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 214,052	\$ 214,052

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 3,937,051	\$ 3,912,833	\$ 2,500,718	\$ (1,412,115)
Federal and local revenue	834,203	882,115	307,105	(575,010)
Total revenues	4,771,254	4,794,948	2,807,823	(1,987,125)
Expenditures:				
Salaries	2,241,147	2,241,147	1,950,408	290,739
Other compensation	72,390	80,840	16,274	64,566
Fringe benefits	692,805	684,355	574,849	109,506
Salary restriction	(54,354)	(2,126)	---	(2,126)
Supplies and materials	311,176	388,185	280,086	108,099
Services and other expenditures	402,970	183,051	116,380	66,671
Professional and contracted services	2,247,000	2,023,698	291,342	1,732,356
Rent, utilities and maintenance	107,500	145,439	57,396	88,043
Interfund services	541,116	537,171	395,764	141,407
Capital asset acquisitions	75,500	277,984	142,552	135,432
Total expenditures	6,637,250	6,559,744	3,825,051	2,734,693
Excess (deficiency) of revenues over (under) expenditures	(1,865,996)	(1,764,796)	(1,017,228)	747,568
Other financing sources (uses):				
Transfers in	1,865,996	1,865,996	1,400,163	(465,833)
Transfers out	---	(101,200)	---	101,200
Total other financing sources (uses)	1,865,996	1,764,796	1,400,163	(364,633)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 382,935	\$ 382,935

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Personal Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 13,474,403	\$ 16,969,495	\$ 14,475,943	\$ (2,493,552)
Federal and local revenue	6,115,578	4,533,760	3,781,692	(752,068)
Charges for services	1,541,473	1,541,473	1,593,173	51,700
Other revenue	310,527	307,516	32,274	(275,242)
Total revenues	21,441,981	23,352,244	19,883,082	(3,469,162)
Expenditures:				
Salaries	14,308,277	15,473,467	13,107,650	2,365,817
Other compensation	213,227	347,391	339,356	8,035
Fringe benefits	4,778,133	5,076,105	4,186,557	889,548
Salary restriction	(478,014)	(629,746)	---	(629,746)
Supplies and materials	1,063,496	1,057,198	620,022	437,176
Services and other expenditures	431,176	458,501	363,846	94,655
Professional and contracted services	392,422	272,552	150,246	122,306
Rent, utilities and maintenance	328,414	313,306	276,684	36,622
Interfund services	851,671	1,475,880	1,262,505	213,375
Capital asset acquisitions	---	8,800	8,625	175
Total expenditures	21,888,802	23,853,454	20,315,491	3,537,963
Excess (deficiency) of revenues over (under) expenditures	(446,821)	(501,210)	(432,409)	68,801
Other financing sources (uses):				
Transfers in	621,432	890,088	825,852	(64,236)
Transfers out	(174,611)	(388,878)	(173,329)	215,549
Total other financing sources (uses)	446,821	501,210	652,523	151,313
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 220,114	\$ 220,114

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Assessment and Assurance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 483,750	\$ 475,423	\$ 158,353	\$ (317,070)
Total revenues	483,750	475,423	158,353	(317,070)
Expenditures:				
Salaries	310,377	313,818	108,817	205,001
Other compensation	---	5,772	5,772	---
Fringe benefits	114,856	110,153	35,516	74,637
Salary restriction	(10,276)	(10,276)	---	(10,276)
Supplies and materials	18,745	26,173	1,536	24,637
Services and other expenditures	11,087	11,087	666	10,421
Professional and contracted services	867	867	---	867
Rent, utilities and maintenance	9,744	9,744	---	9,744
Interfund services	28,350	29,382	4,507	24,875
Total expenditures	483,750	496,720	156,814	339,906
Excess (deficiency) of revenues over (under) expenditures	---	(21,297)	1,539	22,836
Other financing sources (uses):				
Transfers in	---	21,297	15,755	(5,542)
Total other financing sources (uses)	---	21,297	15,755	(5,542)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 17,294	\$ 17,294

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 375,398	\$ 760,029	\$ 675,875	\$ (84,154)
Federal and local revenue	---	338,443	108,647	(229,796)
Total revenues	375,398	1,098,472	784,522	(313,950)
Expenditures:				
Salaries	121,781	142,536	119,228	23,308
Other compensation	---	13,046	---	13,046
Fringe benefits	53,612	43,900	31,574	12,326
Supplies and materials	75,372	79,084	67,541	11,543
Services and other expenditures	10,908	64,562	60,149	4,413
Professional and contracted services	31,000	650,541	555,082	95,459
Rent, utilities and maintenance	14,625	14,811	14,811	---
Interfund services	3,100	25,692	12,158	13,534
Total expenditures	310,398	1,034,172	860,543	173,629
Excess (deficiency) of revenues over (under) expenditures	65,000	64,300	(76,021)	(140,321)
Other financing sources (uses):				
Transfers in	---	700	665	(35)
Transfers out	(65,000)	(65,000)	(47,238)	17,762
Total other financing sources (uses)	(65,000)	(64,300)	(46,573)	17,727
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (122,594)	\$ (122,594)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Community Services Administration

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 27,252,118	\$ 47,410,323	\$ 27,021,461	\$ (20,388,862)
Federal and local revenue	894,436	1,049,522	213,216	(836,306)
Other revenue	25,000	35,000	5,000	(30,000)
Total revenues	28,171,554	48,494,845	27,239,677	(21,255,168)
Expenditures:				
Salaries	2,060,857	2,291,069	1,891,540	399,529
Other compensation	---	98,479	94,750	3,729
Fringe benefits	681,512	782,401	624,470	157,931
Supplies and materials	291,795	260,894	47,796	213,098
Services and other expenditures	22,802,220	42,049,684	25,436,149	16,613,535
Professional and contracted services	1,143,622	1,974,022	175,441	1,798,581
Rent, utilities and maintenance	643,041	679,361	296,988	382,373
Interfund services	488,507	298,573	129,907	168,666
Capital asset acquisitions	60,000	60,200	60,140	60
Total expenditures	28,171,554	48,494,683	28,757,181	19,737,502
Excess (deficiency) of revenues over (under) expenditures	---	162	(1,517,504)	(1,517,666)
Other financing sources (uses):				
Transfers in	---	40,515	832	(39,683)
Transfers out	---	(40,677)	(832)	39,845
Total other financing sources (uses)	---	(162)	---	162
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (1,517,504)	\$ (1,517,504)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Head Start

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,641,900	\$ 1,565,650	\$ 1,482,053	\$ (83,597)
Federal and local revenue	32,817,318	31,920,582	31,454,638	(465,944)
Other revenue	---	---	381	381
Total revenues	34,459,218	33,486,232	32,937,072	(549,160)
Expenditures:				
Salaries	12,388,169	13,108,410	11,401,973	1,706,437
Other compensation	1,750	132,736	15,874	116,862
Fringe benefits	4,499,978	4,860,178	4,173,829	686,349
Supplies and materials	4,673,377	3,942,338	2,268,911	1,673,427
Services and other expenditures	1,043,415	1,151,683	641,101	510,582
Professional and contracted services	10,033,516	8,245,973	7,249,038	996,935
Rent, utilities and maintenance	1,186,994	1,255,840	1,204,480	51,360
Interfund services	423,766	451,189	527,540	(76,351)
Capital asset acquisitions	208,253	337,885	337,695	190
Total expenditures	34,459,218	33,486,232	27,820,441	5,665,791
Excess (deficiency) of revenues over (under) expenditures	---	---	5,116,631	5,116,631
Other financing sources (uses):				
Sale of capital assets	---	---	1,200	1,200
Insurance recoveries	---	---	8,811	8,811
Total other financing sources (uses)	---	---	10,011	10,011
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 5,126,642	\$ 5,126,642

Community Initiatives

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 750,000	\$ ---	\$ (750,000)
Federal and local revenue	2,102,314	2,529,815	123,079	(2,406,736)
Total revenues	2,102,314	3,279,815	123,079	(3,156,736)
Expenditures:				
Services and other expenditures	13,917	13,917	---	13,917
Professional and contracted services	2,088,397	3,099,473	1,095,415	2,004,058
Rent, utilities and maintenance	---	166,425	54,578	111,847
Total expenditures	2,102,314	3,279,815	1,149,993	2,129,822
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (1,026,914)	\$ (1,026,914)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Ryan White

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 6,481,667	\$ 15,198,054	\$ 9,026,791	\$ (6,171,263)
Total revenues	6,481,667	15,198,054	9,026,791	(6,171,263)
Expenditures:				
Salaries	---	602,441	558,884	43,557
Other compensation	430,779	430,779	---	430,779
Fringe benefits	---	186,184	174,411	11,773
Supplies and materials	63,248	151,019	52,691	98,328
Services and other expenditures	71,672	159,584	57,617	101,967
Professional and contracted services	5,887,490	13,545,460	7,265,859	6,279,601
Rent, utilities and maintenance	8,331	17,716	3,127	14,589
Interfund services	20,147	39,841	10,643	29,198
Total expenditures	6,481,667	15,133,024	8,123,232	7,009,792
Excess (deficiency) of revenues over (under) expenditures	---	65,030	903,559	838,529
Other financing sources (uses):				
Transfers out	---	(65,030)	(59,029)	6,001
Total other financing sources (uses)	---	(65,030)	(59,029)	6,001
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 844,530	\$ 844,530

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 372,869	\$ 372,869	\$ 338,179	\$ (34,690)
Federal and local revenue	133,098	133,098	---	(133,098)
Other revenue	12,000	12,000	11,889	(111)
Total revenues	517,967	517,967	350,068	(167,899)
Expenditures:				
Salaries	344,126	344,126	334,741	9,385
Other compensation	---	150	136	14
Fringe benefits	97,583	97,433	97,145	288
Supplies and materials	8,151	7,951	2,769	5,182
Services and other expenditures	34,060	33,010	25,263	7,747
Professional and contracted services	26,280	26,280	11,889	14,391
Rent, utilities and maintenance	29,250	29,250	---	29,250
Interfund services	45,100	46,350	1,417	44,933
Capital asset acquisitions	21,783	21,783	---	21,783
Total expenditures	606,333	606,333	473,360	132,973
Excess (deficiency) of revenues over (under) expenditures	(88,366)	(88,366)	(123,292)	(34,926)
Other financing sources (uses):				
Transfers in	88,366	88,366	72,816	(15,550)
Total other financing sources (uses)	88,366	88,366	72,816	(15,550)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (50,476)	\$ (50,476)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Sexual Assault Resource Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 252,522	\$ 219,310	\$ (33,212)
Total revenues	---	252,522	219,310	(33,212)
Expenditures:				
Salaries	---	194,575	194,575	---
Other compensation	---	15,481	8,398	7,083
Fringe benefits	---	65,298	65,298	---
Salary restriction	---	(5,979)	---	(5,979)
Supplies and materials	---	7,882	---	7,882
Services and other expenditures	---	18,231	1,023	17,208
Interfund services	---	9,700	---	9,700
Total expenditures	---	305,188	269,294	35,894
Excess (deficiency) of revenues over (under) expenditures	---	(52,666)	(49,984)	2,682
Other financing sources (uses):				
Transfers in	---	52,666	52,666	---
Total other financing sources (uses)	---	52,666	52,666	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 2,682	\$ 2,682

Pretrial Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 139,989	\$ 285,352	\$ 293,828	\$ 8,476
Total revenues	139,989	285,352	293,828	8,476
Expenditures:				
Salaries	38,299	107,130	107,130	---
Fringe benefits	7,878	37,102	38,955	(1,853)
Supplies and materials	90,404	89,665	10,773	78,892
Services and other expenditures	3,408	5,200	299	4,901
Professional and contracted services	---	45,478	---	45,478
Rent, utilities and maintenance	---	777	777	---
Total expenditures	139,989	285,352	157,934	127,418
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 135,894	\$ 135,894

Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011

Delta Agency on Aging

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 8,223,309	\$ 8,095,239	\$ 6,383,192	\$ (1,712,047)
Federal and local revenue	292,774	292,774	265,798	(26,976)
Charges for services	3,118	3,118	3,118	---
Other revenue	693,492	693,492	12,965	(680,527)
Total revenues	9,212,693	9,084,623	6,665,073	(2,419,550)
Expenditures:				
Salaries	1,960,330	1,960,333	1,587,233	373,100
Other compensation	---	6,452	6,452	---
Fringe benefits	695,748	689,293	535,124	154,169
Supplies and materials	131,395	131,395	55,799	75,596
Services and other expenditures	116,514	124,514	84,395	40,119
Professional and contracted services	6,181,851	5,953,681	4,616,090	1,337,591
Rent, utilities and maintenance	245,727	237,727	208,239	29,488
Interfund services	72,660	72,660	58,139	14,521
Capital asset acquisitions	---	100,100	71,930	28,170
Total expenditures	9,404,225	9,276,155	7,223,401	2,052,754
Excess (deficiency) of revenues over (under) expenditures	(191,532)	(191,532)	(558,328)	(366,796)
Other financing sources (uses):				
Transfers in	711,637	711,637	244,343	(467,294)
Transfers out	(520,105)	(520,105)	(100,437)	419,668
Insurance recoveries	---	---	3,686	3,686
Total other financing sources (uses)	191,532	191,532	147,592	(43,940)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (410,736)	\$ (410,736)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Sheriff's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 328,746	\$ 862,598	\$ 354,709	\$ (507,889)
Federal and local revenue	835,118	1,925,022	334,299	(1,590,723)
Total revenues	1,163,864	2,787,620	689,008	(2,098,612)
Expenditures:				
Salaries	305,801	340,484	316,694	23,790
Other compensation	118,797	1,090,176	727,955	362,221
Fringe benefits	90,265	99,717	71,684	28,033
Supplies and materials	49,871	144,755	105,460	39,295
Services and other expenditures	22,348	66,989	40,076	26,913
Professional and contracted services	---	55,766	15,252	40,514
Rent, utilities and maintenance	---	58,906	58,903	3
Interfund services	910	3,897	2,962	935
Capital asset acquisitions	614,877	1,115,902	265,264	850,638
Total expenditures	1,202,869	2,976,592	1,604,250	1,372,342
Excess (deficiency) of revenues over (under) expenditures	(39,005)	(188,972)	(915,242)	(726,270)
Other financing sources (uses):				
Transfers in	39,005	188,972	133,294	(55,678)
Total other financing sources (uses)	39,005	188,972	133,294	(55,678)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (781,948)	\$ (781,948)

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 875,000	\$ 928,083	\$ 815,197	\$ (112,886)
Federal and local revenue	806,420	801,586	185,943	(615,643)
Other revenue	27,069	25,000	---	(25,000)
Total revenues	1,708,489	1,754,669	1,001,140	(753,529)
Expenditures:				
Salaries	148,193	119,510	116,519	2,991
Fringe benefits	44,475	32,940	32,612	328
Supplies and materials	18,003	32,983	21,581	11,402
Services and other expenditures	23,688	22,988	17,181	5,807
Professional and contracted services	1,397,598	1,540,848	854,213	686,635
Rent, utilities and maintenance	2,000	1,200	980	220
Interfund services	500	1,200	498	702
Capital asset acquisitions	74,032	3,000	3,000	---
Total expenditures	1,708,489	1,754,669	1,046,584	708,085
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (45,444)	\$ (45,444)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Juvenile Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,525,904	\$ 2,633,482	\$ 2,159,306	\$ (474,176)
Federal and local revenue	190,274	205,492	143,393	(62,099)
Other revenue	---	9,721	5,935	(3,786)
Total revenues	2,716,178	2,848,695	2,308,634	(540,061)
Expenditures:				
Salaries	1,691,746	1,729,646	1,505,452	224,194
Other compensation	55,269	55,269	715	54,554
Fringe benefits	555,265	565,426	471,066	94,360
Supplies and materials	172,964	195,785	142,500	53,285
Services and other expenditures	92,025	92,934	48,502	44,432
Professional and contracted services	161,364	193,152	142,587	50,565
Rent, utilities and maintenance	6,000	15,526	10,488	5,038
Interfund services	57,317	196,591	174,277	22,314
Capital asset acquisitions	---	21,885	21,885	---
Total expenditures	2,791,950	3,066,214	2,517,472	548,742
Excess (deficiency) of revenues over (under) expenditures	(75,772)	(217,519)	(208,838)	8,681
Other financing sources (uses):				
Transfers in	316,838	327,311	181,804	(145,507)
Transfers out	(241,066)	(109,792)	(71,220)	38,572
Total other financing sources (uses)	75,772	217,519	110,584	(106,935)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (98,254)	\$ (98,254)

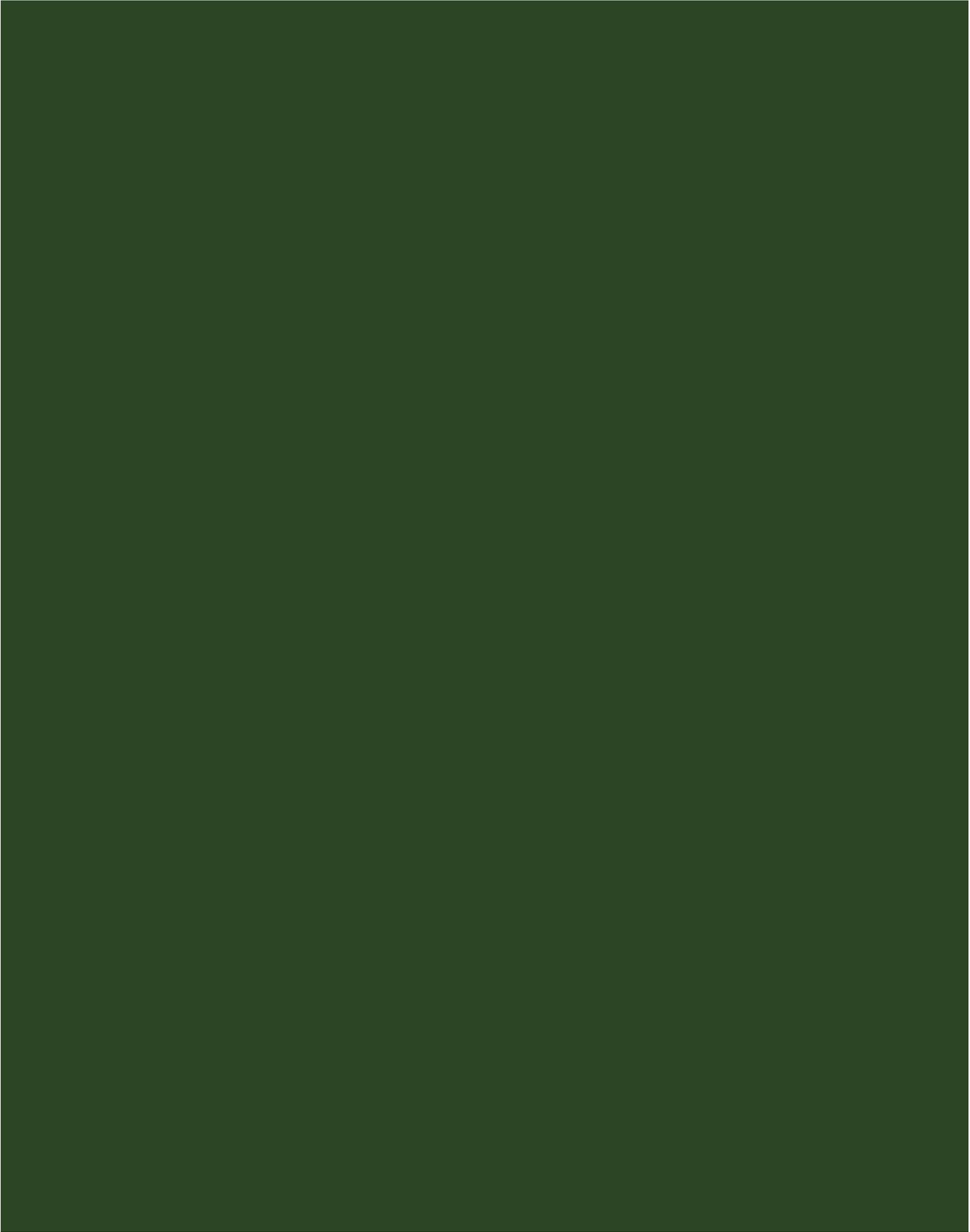
**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 202,478	\$ 143,204	\$ 137,277	\$ (5,927)
Federal and local revenue	709,350	819,953	494,784	(325,169)
Other revenue	186,333	178,748	180,577	1,829
Total revenues	<u>1,098,161</u>	<u>1,141,905</u>	<u>812,638</u>	<u>(329,267)</u>
Expenditures:				
Salaries	590,340	664,466	658,106	6,360
Other compensation	---	1,700	(1,318)	3,018
Fringe benefits	170,320	185,552	179,486	6,066
Supplies and materials	113,910	42,710	35,237	7,473
Services and other expenditures	15,121	18,281	4,015	14,266
Professional and contracted services	203,173	214,918	56,816	158,102
Rent, utilities and maintenance	24,000	24,809	24,508	301
Interfund services	---	2,172	2,172	---
Total expenditures	<u>1,116,864</u>	<u>1,154,608</u>	<u>959,022</u>	<u>195,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,703)</u>	<u>(12,703)</u>	<u>(146,384)</u>	<u>(133,681)</u>
Other financing sources (uses):				
Transfers in	<u>18,703</u>	<u>12,703</u>	<u>12,703</u>	<u>---</u>
Total other financing sources (uses)	<u>18,703</u>	<u>12,703</u>	<u>12,703</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (133,681)</u>	<u>\$ (133,681)</u>

Register

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 50,000	\$ 50,000	\$ ---
Total revenues	<u>---</u>	<u>50,000</u>	<u>50,000</u>	<u>---</u>
Expenditures:				
Professional and contracted services	<u>---</u>	<u>50,000</u>	<u>50,000</u>	<u>---</u>
Total expenditures	<u>---</u>	<u>50,000</u>	<u>50,000</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>



Shelby County, Tennessee

Statistical Section Index For the Year Ended June 30, 2011

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.

	<u>Page</u>
Financial Trends Information These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.....	H-2
Revenue Capacity Information These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.....	H-10
Debt Capacity Information These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt.....	H-14
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.....	H-16
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.....	H-18
Schedule of Salaries and Fidelity Bonds This schedule provides information on the salaries and fidelity bonds of selected County officials.....	H-22

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year.

Shelby County, Tennessee

Financial Trends Information
Net Assets by Component
Last Ten 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>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</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	\$ 180,537,007	\$ 204,190,463	\$ 240,569,297	\$ 328,687,913
Restricted	42,849,339	33,428,619	25,939,996	46,561,030	80,104,201	91,417,704	106,942,854	87,310,795	207,993,719	148,784,078
Unrestricted	<u>(1,082,043,535)</u>	<u>(1,181,961,431)</u>	<u>(1,214,254,660)</u>	<u>(1,281,070,298)</u>	<u>(1,259,839,639)</u>	<u>(1,247,320,422)</u>	<u>(1,270,705,173)</u>	<u>(1,253,600,239)</u>	<u>(1,287,263,343)</u>	<u>(1,228,588,491)</u>
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>	<u>\$ (983,225,312)</u>	<u>\$ (962,098,981)</u>	<u>\$ (838,700,327)</u>	<u>\$ (751,116,500)</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	\$ 26,328,481	\$ 25,324,668	\$ 24,388,818	\$ 24,274,150
Unrestricted	<u>9,560,888</u>	<u>5,101,901</u>	<u>5,352,161</u>	<u>3,447,095</u>	<u>5,422,857</u>	<u>7,996,464</u>	<u>8,667,114</u>	<u>13,288,503</u>	<u>11,950,335</u>	<u>12,276,642</u>
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>	<u>\$ 34,995,595</u>	<u>\$ 38,613,171</u>	<u>\$ 36,339,153</u>	<u>\$ 36,550,792</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	\$ 206,865,488	\$ 229,515,131	\$ 264,958,115	\$ 352,962,063
Restricted	42,849,339	33,428,619	25,939,996	46,561,030	80,104,201	91,417,704	106,942,854	87,310,795	207,993,719	148,784,078
Unrestricted	<u>(1,072,482,647)</u>	<u>(1,176,859,530)</u>	<u>(1,208,902,499)</u>	<u>(1,277,623,203)</u>	<u>(1,254,416,782)</u>	<u>(1,239,323,958)</u>	<u>(1,262,038,059)</u>	<u>(1,240,311,736)</u>	<u>(1,275,313,008)</u>	<u>(1,216,311,849)</u>
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>	<u>\$ (948,229,717)</u>	<u>\$ (923,485,810)</u>	<u>\$ (802,361,174)</u>	<u>\$ (714,565,708)</u>

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



Shelby County, Tennessee

Financial Trends Information
Changes in Net Assets
Last Ten 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>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses										
Governmental activities:										
General Government	\$ 72,828,902	\$ 57,820,442	\$ 44,799,873	\$ 40,309,162	\$ 43,043,581	\$ 54,973,839	\$ 54,298,799	\$ 53,354,405	\$ 63,105,682	\$ 68,219,812
Hospital	27,111,884	33,452,571	28,213,585	25,566,667	25,566,667	27,566,667	27,600,000	27,491,667	38,816,666	36,816,000
Planning and Development	3,615,987	5,274,947	5,274,622	6,084,407	6,558,085	6,133,345	5,593,676	6,060,521	5,151,177	6,061,205
Public Works	41,980,241	42,416,807	45,985,724	46,673,557	39,914,889	46,358,291	50,146,007	47,075,185	48,895,772	48,985,516
Corrections	948,137	937,223	825,555	371,598	505,384	928,659	1,461,598	1,318,182	1,481,007	1,608,821
Health Services	47,139,841	49,900,157	48,986,443	49,339,399	52,608,312	56,578,879	68,120,302	60,471,695	57,679,962	53,249,533
Community Services	39,095,750	39,614,303	40,005,900	41,325,211	44,053,420	43,627,279	45,804,646	59,988,698	73,390,258	83,537,889
Law Enforcement	128,316,505	142,686,117	128,056,729	128,391,275	130,666,941	138,231,040	146,041,090	149,586,517	149,248,036	152,448,879
Judicial	62,931,363	64,985,833	64,354,821	66,622,877	71,267,471	74,919,142	85,085,401	77,792,534	66,108,459	67,809,546
Other Elected Officials	22,482,483	23,358,560	23,223,119	24,553,977	24,573,915	25,988,417	27,522,711	27,230,582	25,700,703	26,302,063
Education	392,612,929	398,704,841	428,873,650	404,270,674	446,365,688	451,071,817	498,893,788	420,351,443	363,281,302	387,692,028
Interest on debt	66,824,357	71,847,109	65,885,498	75,944,617	83,880,247	87,802,538	71,866,481	86,882,448	70,146,945	71,559,500
Total governmental activities expenses	<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>	<u>1,082,434,499</u>	<u>1,017,603,877</u>	<u>963,005,969</u>	<u>1,004,290,792</u>
Business-type activities:										
Codes Enforcement	9,434,296	9,607,056	10,170,162	12,753,672	11,694,624	12,024,192	12,523,782	11,274,089	10,472,229	10,394,909
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	18,057,095	17,636,732	18,938,445	19,733,109
Corrections	44,072,389	43,873,787	44,288,051	42,568,864	43,953,488	46,259,142	49,992,924	50,891,358	53,963,382	56,737,346
Total business-type activities expenses	<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>	<u>80,573,801</u>	<u>79,802,179</u>	<u>83,374,056</u>	<u>86,865,364</u>
Total Shelby County Government expenses	<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>	<u>\$ 1,163,008,300</u>	<u>\$ 1,097,406,056</u>	<u>\$ 1,046,380,025</u>	<u>\$ 1,091,156,156</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 10,343,904	\$ 6,802,054	\$ 5,336,835	\$ 13,045,918	\$ 11,096,235	\$ 7,744,840	\$ 6,764,969	\$ 2,479,217	\$ 5,252,005	\$ 23,553,934
Health Services	12,321,614	10,759,483	12,032,190	12,152,158	13,581,260	13,074,571	9,978,487	8,988,169	18,243,100	12,350,842
Judicial	19,016,809	16,779,465	18,865,870	17,991,087	22,736,318	22,679,021	24,834,966	23,982,354	27,621,412	28,299,152
Other Elected Officials	29,014,084	31,385,899	33,130,555	33,568,741	38,011,061	36,255,228	34,595,178	35,602,836	34,806,901	35,612,955
Other governmental activities	11,084,741	13,515,341	10,892,817	10,321,666	10,607,937	11,523,681	12,150,451	11,137,162	22,310,365	15,338,880
Operating grants and contributions	108,115,963	110,997,403	121,711,056	119,186,843	138,189,459	121,125,431	136,552,118	136,145,188	114,570,324	116,897,799
Capital grants and contributions	6,092,830	7,703,724	7,818,000	277,257	12,460,564	3,440,619	1,914,603	1,126,464	710,000	15,901,708
Total governmental activities program revenues	<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>	<u>226,790,772</u>	<u>219,461,390</u>	<u>223,514,107</u>	<u>247,955,270</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	8,965,105	10,066,844	8,749,266	7,251,123
Fire Services	12,159,617	12,108,592	11,972,840	12,921,848	14,023,656	14,809,843	17,967,759	19,058,865	19,109,260	19,228,630
Corrections	39,052,540	38,132,559	33,137,935	33,394,199	38,624,196	40,610,450	42,981,224	47,205,050	44,894,303	48,279,566
Operating grants and contributions	78,620	47,175	60,960	56,960	43,050	49,050	75,000	81,000	75,600	1,736,920
Total business-type activities program revenues	<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>	<u>69,989,088</u>	<u>76,411,759</u>	<u>72,828,429</u>	<u>76,496,239</u>
Total Shelby County Government program revenues	<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>	<u>\$ 296,779,860</u>	<u>\$ 295,873,149</u>	<u>\$ 296,342,536</u>	<u>\$ 324,451,509</u>
Net (Expense)/Revenue										
Governmental activities	\$ (709,898,434)	\$ (733,055,541)	\$ (714,698,196)	\$ (702,909,751)	\$ (722,321,766)	\$ (798,336,522)	\$ (855,643,727)	\$ (798,142,487)	\$ (739,491,862)	\$ (756,335,522)
Business-type activities	(8,208,833)	(8,448,851)	(16,666,733)	(10,201,278)	(4,643,305)	(5,699,025)	(10,584,713)	(3,390,420)	(10,545,627)	(10,369,125)
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>	<u>\$ (866,228,440)</u>	<u>\$ (801,532,907)</u>	<u>\$ (750,037,489)</u>	<u>\$ (766,704,647)</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	\$ 703,098,494	\$ 724,765,511	\$ 773,832,412	\$ 755,877,920
Sales taxes	8,752,100	8,694,724	8,097,229	10,200,007	10,343,331	10,151,491	9,392,291	25,739,847	22,028,916	22,983,679
Business taxes	8,157,869	7,472,985	8,608,379	8,123,470	8,970,348	9,307,206	11,179,019	11,671,674	11,428,545	12,208,730
Hotel/Motel taxes	9,875,416	10,298,422	10,723,410	10,522,938	12,377,312	14,175,629	14,080,417	14,969,068	13,550,421	13,701,394
Wheel taxes	25,118,607	29,178,582	29,237,924	29,237,237	29,962,996	30,077,684	30,010,231	29,053,746	29,429,162	29,090,186
Other taxes	13,271,375	9,837,177	26,059,181	27,434,241	33,667,862	60,978,512	60,264,808	13,287,647	17,198,939	16,994,422
Investment earnings	8,677,491	8,549,134	2,782,079	5,660,042	14,068,619	24,575,622	27,571,070	6,307,051	2,950,625	3,703,351
Transfers	(7,099,871)	(6,343,437)	(12,105,144)	(7,146,688)	(5,276,913)	(7,270,833)	(6,818,986)	(6,806,798)	(7,683,295)	(10,557,785)
Other sources/(uses)	---	---	---	---	---	---	1,359,555	281,072	154,791	---
Extraordinary item	---	---	---	---	---	---	---	---	---	(82,548)
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>	<u>850,136,899</u>	<u>819,268,818</u>	<u>862,890,516</u>	<u>843,919,349</u>
Business-type activities:										
Investment earnings	(916,965)	388,156	486,261	283,040	374,704	525,358	285,964	207,994	48,728	22,979
Transfers	7,099,871	6,343,437	12,105,144	7,146,688	5,276,913	7,270,833	6,818,986	6,806,798	7,683,295	10,557,785
Other sources/(uses)	---	---	---	---	---	---	31,187	(6,796)	---	---
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>	<u>7,136,137</u>	<u>7,007,996</u>	<u>7,732,023</u>	<u>10,580,764</u>
Total Shelby County Government	<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>	<u>\$ 857,273,036</u>	<u>\$ 826,276,814</u>	<u>\$ 870,622,539</u>	<u>\$ 854,500,113</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	\$ (5,506,828)	\$ 21,126,331	\$ 123,398,654	\$ 87,583,827
Business-type activities	(2,025,927)	(1,717,258)	(4,075,328)	(2,771,550)	1,008,312	2,097,166	(3,448,576)	3,617,576	(2,813,604)	211,639
Total Shelby County Government	<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>	<u>\$ (8,955,404)</u>	<u>\$ 24,743,907</u>	<u>\$ 120,585,050</u>	<u>\$ 87,795,466</u>

Several organizational changes have occurred over the past nine 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, Tennessee

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010 (b)	2011
General Fund										
Assigned	\$ 7,472,886	\$ 5,736,619	\$ 4,085,059	\$ 4,158,337	\$ 4,150,637	\$ 4,119,786	\$ 2,940,960	\$ 772,147	\$ ---	\$ ---
Unrestricted (a)	34,782,084	18,770,288	30,663,278	37,539,543	41,147,243	47,178,094	62,563,181	74,392,811	---	---
Restricted	---	---	---	---	---	---	---	---	567,558	737,713
Committed	---	---	---	---	---	---	---	---	799,402	278,675
Assigned	---	---	---	---	---	---	---	---	1,096,493	215,871
Unassigned	---	---	---	---	---	---	---	---	75,694,460	85,635,125
Total general fund	\$ 42,254,970	\$ 24,506,907	\$ 34,748,337	\$ 41,697,880	\$ 45,297,880	\$ 51,297,880	\$ 65,504,141	\$ 75,164,958	\$ 78,157,913	\$ 86,867,384
All Other Governmental Funds										
Reserved	\$ 592,512	\$ 1,213,424	\$ 1,028,370	\$ 2,102,322	\$ 662,791	\$ 716,305	\$ 2,051,448	\$ 1,190,788	\$ ---	\$ ---
Unreserved, reported in:										
Debt Service Fund	19,777,038	10,702,422	9,457,475	29,241,588	55,924,980	63,401,912	73,709,130	74,646,920	---	---
Capital Projects Fund	(233,964,662)	(211,212,848)	(24,919,442)	(136,651,444)	28,418,919	97,730,872	(23,173,636)	(84,323,603)	---	---
Grants Fund	1,440,581	1,421,000	1,517,638	1,659,168	3,250,037	3,472,963	2,482,916	(10,138,135)	---	---
Nonmajor Governmental Funds	12,425,508	13,921,329	13,936,513	13,613,278	20,266,393	23,826,524	28,699,360	30,243,434	---	---
Restricted, reported in:										
Debt Service Fund	---	---	---	---	---	---	---	---	7,486,042	8,193,886
Capital Projects Fund	---	---	---	---	---	---	---	---	56,613,022	92,826,243
Education Fund	---	---	---	---	---	---	---	---	9,136,859	---
Grants Fund	---	---	---	---	---	---	---	---	14,313,849	5,438,738
Nonmajor Governmental Funds	---	---	---	---	---	---	---	---	17,549,023	16,728,070
Committed, reported in:										
Debt Service Fund	---	---	---	---	---	---	---	---	95,043,193	99,621,072
Capital Projects Fund	---	---	---	---	---	---	---	---	8,234,947	4,425,564
Assigned, reported in:										
Capital Projects Fund	---	---	---	---	---	---	---	---	36,491,640	42,952,510
Unassigned, reported in:										
Grants Fund	---	---	---	---	---	---	---	---	(29,842,455)	(21,638,867)
Total all other governmental funds	\$ (199,729,023)	\$ (183,954,673)	\$ 1,020,554	\$ (90,035,088)	\$ 108,523,120	\$ 189,148,576	\$ 83,769,218	\$ 11,619,404	\$ 215,026,120	\$ 248,547,216

(a) Fiscal years 2002 - 2004 have been adjusted for restatements in subsequent years

(b) For fiscal year 2010, Shelby County elected to implement GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions.

Restating prior year fund balances is not required.



Shelby County, Tennessee

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Property taxes	\$ 531,178,420	\$ 540,155,748	\$ 582,458,589	\$ 586,518,187	\$ 655,822,442	\$ 680,495,848	\$ 693,655,202	\$ 696,817,677	\$ 736,681,436	\$ 731,508,709
Other local taxes	79,555,333	86,886,317	85,231,292	88,021,603	94,491,764	98,287,134	98,253,306	96,908,922	93,671,585	93,391,143
State revenue	70,720,272	73,045,216	76,796,383	82,843,474	103,592,317	104,114,911	106,575,752	100,728,176	104,668,855	104,339,217
Federal & local revenue	43,354,440	45,128,566	47,573,564	54,629,843	51,596,881	51,548,235	60,872,661	56,759,545	61,664,406	61,914,188
Charges for services	4,857,066	5,072,186	5,787,113	5,706,520	5,665,021	5,654,583	5,548,653	5,657,780	8,906,272	8,907,877
Fines, fees & permits	55,554,559	54,323,719	60,171,699	59,430,802	68,177,969	69,456,673	70,303,476	67,243,639	67,642,736	71,275,465
Other revenue	15,982,698	15,521,333	11,111,951	10,981,843	8,650,084	9,271,704	21,847,041	6,542,242	16,036,573	5,101,809
Investment income	8,677,495	3,447,887	2,764,766	5,479,137	12,870,684	21,505,123	13,323,539	5,868,121	1,855,056	1,565,544
Total revenues	809,880,283	823,580,972	871,895,357	893,611,409	1,000,867,162	1,040,334,211	1,070,379,630	1,036,526,102	1,091,126,919	1,078,003,952
Expenditures (c)										
General Government	41,772,594	47,206,235	46,422,578	43,479,898	52,222,660	52,053,563	53,129,333	51,808,577	60,877,420	50,211,742
Hospital (a)	22,566,667	22,566,667	22,566,667	20,566,667	20,566,667	25,066,667	27,600,000	27,491,667	38,816,666	36,816,000
Planning and Development	3,583,784	5,046,331	4,914,861	6,110,142	6,562,951	6,228,606	5,526,687	6,019,995	6,994,026	6,698,102
Public Works	29,713,955	28,178,390	30,717,682	28,977,431	30,702,983	32,802,189	35,808,417	31,940,435	41,067,276	40,666,685
Corrections	948,137	937,223	790,715	371,598	432,171	824,652	1,312,609	1,261,813	1,384,904	1,458,284
Health Services	45,198,817	48,957,944	48,633,755	49,158,299	52,417,925	57,000,019	65,369,150	59,832,315	57,569,310	53,055,020
Community Services	38,975,855	39,484,001	40,078,192	41,229,338	44,060,485	44,360,555	46,772,688	60,217,711	73,258,904	83,229,822
Law Enforcement	125,391,302	139,714,965	127,948,541	127,315,702	130,234,277	137,012,750	141,560,285	145,718,901	145,326,022	148,217,763
Judicial	60,349,160	62,263,405	63,937,661	65,070,182	69,633,785	74,624,323	81,484,654	74,985,231	64,415,801	65,161,460
Other Elected Officials	22,153,989	23,001,551	23,154,077	23,721,774	25,146,009	26,173,457	26,465,295	26,077,724	25,370,576	25,503,944
Education (b)	301,622,626	320,530,670	321,953,079	325,859,655	360,019,604	360,019,604	361,288,000	361,288,000	361,288,000	361,288,000
Debt service:										
Interest	52,606,584	61,404,778	66,493,148	69,852,019	78,956,185	83,211,018	73,145,937	84,749,327	70,146,945	75,477,158
Principal	44,760,484	50,148,192	54,173,503	67,734,747	68,555,308	79,663,851	94,335,932	95,310,990	102,104,384	107,763,833
Capital outlay; capital projects	154,104,764	130,256,656	135,066,176	116,166,362	105,741,913	107,970,051	142,770,872	68,988,598	7,848,475	37,035,762
Total expenditures	943,748,718	979,697,008	986,850,635	985,613,814	1,045,252,923	1,087,011,305	1,156,569,859	1,095,691,284	1,056,468,709	1,092,583,575
Excess (deficiency) of revenues over (under) expenditures	(133,868,435)	(156,116,036)	(114,955,278)	(92,002,405)	(44,385,761)	(46,677,094)	(86,190,229)	(59,165,182)	34,658,210	(14,579,623)

Other financing sources (uses)										
Transfers in	37,917,304	42,026,892	22,362,765	36,262,244	43,788,657	40,798,067	42,175,234	31,276,257	31,145,888	22,849,510
Transfers out	(46,563,922)	(44,798,620)	(36,252,522)	(42,179,231)	(49,583,407)	(48,547,371)	(49,710,631)	(38,802,576)	(39,197,809)	(33,668,744)
General obligation bonds issued	160,707,801	153,308,115	323,026,282	---	251,027,782	140,358,887	---	---	120,000,000	---
Refunding bonds issued	21,065,848	---	---	443,740,125	---	146,416,113	231,935,000	214,695,000	---	73,795,000
Premiums on bonds issued	---	---	---	---	---	---	---	---	4,162,154	6,892,922
Payment to refunding bond escrow agent	(20,817,729)	---	---	(433,055,801)	---	(146,067,482)	(231,271,726)	(231,005,000)	---	(79,770,000)
Long term debt proceeds other than bonds	---	---	---	---	---	---	---	---	55,120,000	67,260,000
Short term debt proceeds	---	---	---	---	---	---	816,473	19,821,655	---	---
Other sources (uses)	570,177	932,363	1,768,868	1,130,030	1,310,937	344,336	1,072,782	690,849	511,228	434,050
Total other financing sources (uses)	152,879,479	151,468,750	310,905,393	5,897,367	246,543,969	133,302,550	(4,982,868)	(3,323,815)	171,741,461	57,792,738
Extraordinary item	---	---	---	---	---	---	---	---	---	(982,548)
Net change in fund balances	\$ 19,011,044	\$ (4,647,286)	\$ 195,950,115	\$ (86,105,038)	\$ 202,158,208	\$ 86,625,456	\$ (91,173,097)	\$ (62,488,997)	\$ 206,399,671	\$ 42,230,567

Debt service as a percentage of non capital expenditures	10.62%	11.69%	12.49%	14.42%	14.44%	15.22%	14.71%	16.67%	16.62%	17.08%
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

(a) 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.

(b) 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.

(d) Several organizational changes have occurred over the past ten years. Expenditures and other financing sources (uses) of prior years have been adjusted to be consistent 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>
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%
2008	2007	10,018,623,775	5,439,860,370	1,286,578,685	975,529,145	17,720,591,975	4.04	59,900,899,755	29.58%
2009	2008	10,259,997,845	5,530,133,410	1,402,492,320	896,680,554	18,089,304,129	4.04	61,383,315,080	29.47%
2010	2009	10,954,449,590	6,285,548,950	1,468,617,700	948,762,385	19,657,378,625	4.02	66,374,654,928	29.62%
2011	2010	10,794,438,245	6,116,755,995	1,388,887,495	1,012,006,455	19,312,088,190	4.02	65,216,500,736	29.61%

- (a) Assessed value is the most current tax year value prepared by the County Assessor of Property 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 2002, 2006, and 2010.

Shelby County, Tennessee

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Direct Rates										
General Fund	\$ 1.25	\$ 1.25	\$ 1.43	\$ 1.43	\$ 1.31	\$ 1.22	\$ 1.22	\$ 1.22	\$ 1.23	\$ 1.33
Education (a)	2.03	2.03	2.03	2.03	2.03	2.02	2.02	2.02	1.98	1.90
Debt Service	0.51	0.51	0.58	0.58	0.70	0.80	0.80	0.80	0.81	0.79
Total Direct Rate	3.79	3.79	4.04	4.04	4.04	4.04	4.04	4.04	4.02	4.02
Rural School Bonds (b)			0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.04
City & Town Rates (d)										
Memphis (c)	3.23	3.23	3.23	3.23	3.43	3.43	3.43	3.25	3.20	3.20
Arlington	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Bartlett	1.23	1.23	1.38	1.38	1.31	1.31	1.54	1.54	1.49	1.49
Collierville	1.45	1.45	1.45	1.45	1.28	1.28	1.28	1.28	1.18	1.18
Germantown	1.30	1.30	1.70	1.70	1.54	1.54	1.54	1.54	1.43	1.43
Millington	1.23	1.23	1.23	1.23	1.23	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 is 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 calendar year 2003 an additional tax rate was established to fund Rural School Bonds and is applied only to taxpayers living outside the City of Memphis.
- (c) Over two-thirds (69.7%) 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, 2011**

Name of Taxpayer	Fiscal 2011 Assessments			Fiscal 2002 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	\$ 71,231,790	1	0.39%	\$ 477,861,241	1	3.14%
Galleria at Wolfchase, LLC	60,000,000	2	0.33%	55,177,160	5	0.36%
The Premcor Refining Group, Inc	43,545,510	3	0.24%			
AMISUB (SFH) Inc	35,512,000	4	0.19%	34,793,640	7	0.23%
Carriage Avenue, LLC	24,000,000	5	0.13%			
HRLP Crescent Center, LLC	20,500,360	6	0.11%			
Solae, LLC	20,429,880	7	0.11%			
Kellogg USA Inc	18,331,380	8	0.10%			
Archer Daniels Midland Co.	16,578,360	9	0.06%			
Smith & Nephew, Inc.	15,326,310	10	0.08%			
Bellsouth Telecommunications				189,280,263	2	1.24%
Belz Enterprises				128,221,540	3	0.84%
Baptist Memorial Hospital				57,642,684	4	0.38%
Mid-America Apartments				36,144,815	6	0.24%
Northwest				33,958,035	8	0.22%
Union Planters National Bank				26,279,515	9	0.17%
Memphis SMSA Limited Partnership				24,356,483	10	0.16%
Total Assessed Valuation of Top Ten Taxpayers	325,455,590		1.78%	1,063,715,376		6.98%
Balance of Assessed Valuation	17,974,626,145		98.22%	14,169,918,048		93.02%
Total Assessed Valuation	\$ 18,300,081,735		100.00%	\$ 15,233,633,424		100.00%

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
2002	2001	567,802,335	523,851,896	92.26%	23,481,957	548,434,352	547,333,853	99.80%	96.40%
2003	2002	579,110,446	526,168,220	90.86%	26,801,815	554,071,221	552,970,035	99.80%	95.49%
2004	2003	615,962,006	570,445,227	92.61%	22,939,832	594,728,978	593,385,059	99.77%	96.33%
2005	2004	615,006,455	577,008,988	93.82%	26,249,664	605,303,085	603,258,652	99.66%	98.09%
2006	2005	694,476,293	645,263,773	92.91%	30,664,164	679,062,959	675,927,937	99.54%	97.33%
2007	2006	711,047,486	666,613,568	93.75%	31,591,282	701,077,663	698,204,850	99.59%	98.19%
2008	2007	721,760,505	676,692,968	93.76%	32,163,275	714,483,814	708,856,243	99.21%	98.21%
2009	2008	736,461,361	684,698,542	92.97%	34,052,255	728,932,381	718,750,797	98.60%	97.60%
2010	2009	791,055,910	719,276,815	90.93%	24,905,123	763,260,495	744,181,938	97.50%	94.07%
2011	2010	776,865,051	713,667,892	91.87%	N/A	756,936,983	713,667,892	94.28%	91.87%

Source: Shelby County Assessor and Trustee Offices.

Note: Property reappraisals were implemented in FY 2002, 2006, and 2010.

Shelby County, Tennessee

**Debt Capacity Information
Schedule of Direct and Overlapping Debt
June 30, 2011**

	Net Debt Outstanding	Estimated Percentage Applicable (e)	Estimated Share of Overlapping Debt
Direct Debt (a)			
Special General Obligation School debt (b)	\$ 25,930,000	100.00%	\$ 25,930,000
Total all other bonded debt	1,639,744,209	100.00%	1,639,744,209
		Total direct bonded debt (c)	<u>1,665,674,209</u>
Overlapping Debt (d)			
City of Memphis	1,179,469,230	100.00%	1,179,469,230
City of Germantown	21,825,000	100.00%	21,825,000
City of Bartlett	27,012,000	100.00%	27,012,000
City of Collierville	33,606,702	100.00%	33,606,702
Town of Arlington	10,352,000	100.00%	10,352,000
Town of Millington	6,000,000	100.00%	6,000,000
		Total overlapping debt	<u>1,278,264,932</u>
		Total direct and overlapping debt	<u>\$ 2,943,939,141</u>

- (a) The County has the power and is obligated to levy ad valorem taxes without limitation as to rate or amount.
- (b) These bonds are limited tax obligation of the County. The Special General Obligation School debt corresponds to 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
- (c) The total bonded debt amount corresponds with all Shelby County assessed property.
- (d) The tax base within each city corresponds with that city's debt.
- (e) The percentage of overlapping debt applicable is estimated using assessed property value. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by each unit's total taxable assessed value.

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)	G.O. Bonded Debt Percent Of Actual Value	G.O. Bonded Debt Per Capita(b)	Total Government Debt Per Capita (b)	Total Government Debt Percent of Personal Income(b)
	General Obligation Bonds	Capital Leases					
2002	\$ 1,251,790,508	\$ 608,328	\$ 1,252,398,836	2.51%	\$ 1,392	\$ 1,392	4.20%
2003	1,354,259,107	510,915	1,354,770,022	2.69%	1,500	1,500	4.10%
2004	1,619,508,672	863,307	1,620,371,979	3.21%	1,787	1,787	5.14%
2005	1,569,111,426	794,188	1,569,905,614	3.09%	1,726	1,727	4.74%
2006	1,753,166,331	721,717	1,753,888,048	3.04%	1,921	1,922	5.14%
2007	1,820,107,968	1,170,996	1,821,278,965	3.09%	1,980	1,981	5.04%
2008	1,735,025,160	1,039,885	1,736,065,045	2.90%	1,885	1,887	4.61%
2009	1,627,860,459	906,177	1,628,766,636	2.65%	1,771	1,772	4.26%
2010	1,707,260,182	766,064	1,708,026,246	2.57%	1,855	1,856	4.58%
2011	1,665,674,209	619,240	1,666,293,449	2.60%	1,796	1,796 (c)	4.47%

(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 H-10 for Assessed and Estimated Property Values and page H-16 for Population Amounts and Personal Income Values.

(c) Personal Income Data not available for FY2011. Data for FY2010 was substituted for the calculation.

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>
2001	899,543	\$ 29,824,183	\$ 33,155	4.5%
2002	902,605	30,688,100	33,999	5.4%
2003	906,280	31,504,263	34,762	6.0%
2004	908,922	33,095,510	36,412	6.1%
2005	912,418	34,129,205	37,405	6.2%
2006	919,179	36,103,204	39,278	5.7%
2007	919,964	37,635,149	40,909	5.3%
2008	919,137	38,250,620	41,616	7.0%
2009	920,232	37,312,756	40,547	10.1%
2010	927,644	N/A	N/A	10.0%

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 calendar year average rates for the civilian workforce. BEA released the population and personal income data shown here on April 21, 2011. Some amounts presented here have been revised by the data providers and consequently differ from amounts presented in the fiscal year 2010 CAFR.

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
FedEx Corp	30,000	1	3.86%	30,000	1	3.95%
Memphis City Schools	15,991	2	2.06%	14,000	2	1.84%
United States Government	15,500	3	1.99%	14,000	2	1.84%
Tennessee State Government	9,000	4	1.16%			
Methodist Healthcare	8,700	5	1.12%	7,028	5	0.93%
City of Memphis	7,231	6	0.93%	6,588	6	0.87%
Baptist Memorial Health Care Corp.	6,845	7	0.88%	7,630	4	1.00%
Shelby County Government	6,336	8	0.82%	6,150	7	0.81%
Wal-Mart Stores Inc.	6,000	9	0.77%	4,450	10	0.59%
Shelby County Schools	5,200	10	0.67%	5,000	9	0.66%
Park Place Entertainment Corp.				5,055	8	0.67%
Totals	110,803		14.26%	99,901		13.16%

Sources:

Largest employer data for 2011 from Memphis Business Journal (MBJ) issue of March 3, 2011. Largest employer data for 2002 from the MBJ Book of Lists as reported by the Memphis Chamber of Commerce. The largest employer numbers are for the Memphis area as defined by the Memphis Business Journal and are as of the survey period, January and February of the year reported. Total employment from the U.S. of Commerce Bureau of Economic Analysis are for the Memphis Metropolitan Statistical Area. Total employment for 2009 is used as a surrogate for the 2011 figure, which is not expected to be available until 2012.*

* Total Employment:	2009	777,167
	2002	759,214

Shelby County, Tennessee

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

Function/Program:	Fiscal Years									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	574	532	294	297	317	297	319	294	284	281
Planning and Development	196	202	211	219	215	215	209	180	165	148
Public Works	362	383	473	496	474	480	476	453	441	434
Corrections	785	750	629	650	630	629	622	610	671	659
Health Services	764	647	674	677	674	653	643	619	624	550
Community Services (b)	178	204	560	590	572	545	562	544	569	533
Health Care Centers (c)	292	263	---	---	---	---	---	---	---	---
Law Enforcement	2,227	2,096	1,928	1,968	1,930	1,942	1,945	1,883	1,919	1,937
Judicial	809	809	1,049	1,049	1,067	1,045	1,102	1,057	891	877
Other Elected Officials	469	476	380	371	398	394	387	376	365	365
Total Full-time Equivalent Employees	6,656	6,362	6,198	6,317	6,277	6,200	6,265	6,016	5,929	5,784

- (a) This schedule shows filled positions as of January 1, within each fiscal year.
- (b) On November 1, 2003 the County added employees when it assumed direct operation of some Head Start centers.
- (c) In fiscal year 2004 the County sold its Health Services facility.

Shelby County, Tennessee

**Operating Information
Capital Assets Statistics - By Function
Last Ten Fiscal Years**

Function/Program: (a)	Fiscal Year (a)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government: Election Commission Polling Locations			283	279	279	279	274	275	236	236
Assessor Offices	2	2	2	2	2	2	2	2	2	2
Public Works Bridges (b)	257	235	217	201	199	184	184	189	192	192
Health Services Public Health Clinics			8	8	8	8	8	8	9	9
Law Enforcement Jail Capacity Male	2,825	2,825	2,825	3,025	3,025	2,825	2,825	2,825	2,825	2,818
Female	384	384	384	384	384	382	382	382	382	382
Judicial Courts	41	41	41	41	41	41	41	41	41	41
Enterprise Funds: Fire Services Stations (c)	8	8	8	8	7	7	7	7	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

**Operating Information
Operating Indicators - By Function
Last Ten Fiscal Years**

Function/Program:	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government:										
Pretrial Services										
Misdemeanor Interviews	30,089	29,398	29,421	28,538	26,973	28,691	25,646	27,470	25,170	27,869
Misdemeanor Arraignments	57,427	55,143	49,554	59,566	56,222	59,068	43,275	66,595	68,813	82,728
Felony Interviews	9,735	9,529	10,141	10,827	10,913	10,820	9,886	10,679	10,171	12,581
Felony Arraignments	10,048	9,477	10,456	11,012	11,061	11,332	10,667	11,549	11,316	11,791
Election Commission										
Number of Elections	1	2	4	5	4	6	6	3	4	5
Community Services										
Head Start										
Students	3,349	3,311	3,414	3,872	3,586	3,590	3,628	4,192	4,292	3,771
Housing										
Loans Outstanding (a)			85	93	106	121	200	333	612	778
Law Enforcement										
Inmate Days per Year	759,663	721,143	806,562	881,162	948,892	1,024,920	968,785	1,009,222	1,003,886	978,248
Judicial (b)										
Chancery Court										
Filings	2,385	2,631	2,669	2,575	2,717	2,524	2,493	2,638	2,498	2,318
Dispositions	2,235	2,402	1,854	2,502	3,268	2,717	2,620	2,581	2,849	2,469
Circuit Court										
Filings	8,065	7,890	8,129	7,735	6,770	6,671	6,159	6,087	6,220	6,060
Dispositions	7,892	7,086	7,917	7,710	7,361	6,730	7,461	7,035	6,968	6,297
Criminal Court (e)										
Filings (a)			25,735	24,869	29,928	26,977	27,030	23,626	28,092	26,218
Dispositions (a)			27,872	24,742	26,621	29,923	30,396	26,277	28,221	28,436
General Sessions Criminal Court										
Filings	148,559	145,589	152,346	153,087	159,157	171,091	163,254	203,143	215,020	211,398
Dispositions	145,882	147,093	145,162	150,547	157,091	160,761	163,866	187,607	205,944	205,398
General Sessions Civil Court										
Filings	66,351	58,741	72,562	63,154	64,459	75,214	72,778	73,154	75,637	70,628
Dispositions (h)		47,197	61,848	53,636	55,080	59,095	64,357	62,277	115,415	111,734
Juvenile Court (c)										
Disposed/Adjusted	24,934	20,729	20,490	22,817	21,211	19,195	16,877	18,436	17,522	17,276
Children Affected	15,684	14,573	14,760	15,987	15,561	14,205	12,897	13,721	13,206	12,903
Probate Court										
Filings	2,003	2,480	3,330	3,624	3,493	3,506	3,484	3,539	3,482	3,404
Dispositions	2,437	2,863	3,621	4,455	3,493	3,557	3,202	3,654	3,539	3,478

Other Elected Officials										
Register										
New Documents Filed	221,443	253,403	233,594	210,030	214,467	206,918	174,608	154,137	160,788	128,739
Assessor										
Parcels Assessed										
Real Property	325,493	328,565	331,881	335,896	340,264	349,963	353,006	351,727	351,605	351,595
Personal Property	38,235	38,105	37,989	38,168	38,846	39,773	39,495	38,311	36,654	37,253
Attorney General (c)										
Criminal Court Indictments (a)		9,620	8,586	8,667	9,271	9,765	9,247	9,388	8,196	9,267
New Juvenile Delinquency Cases (a)		2,828	2,753	2,947	3,090	3,168	3,185	6,500	4,610	4,282
Enterprise Funds:										
Fire Services (g)										
Fire Responses	9,326	6,488	6,051	6,433	7,087	8,926	9,621	7,889	7,911	8,448
Ambulance Calls	9,406	9,759	9,498	9,808	10,376	11,084	11,516	11,538	11,014	11,508
Codes Enforcement										
Building Inspections (a)			58,790	63,665	61,482	59,332	44,673	39,443	34,362	33,343
Building Permits (d)	3,157	9,189	12,917	11,789	10,860	9,889	7,010	5,686	6,875	6,154
Board of Education (Component Unit)										
Enrollment (f)										
Board of Education- County Shelby County	53,453	54,310	56,039	53,435	54,943	55,745	56,799	56,503	56,905	56,162
Board of Education- City of Memphis	137,013	135,236	135,183	138,043	137,932	135,268	129,872	127,073	124,691	125,369

- (a) Information not reported is not available for these periods.
- (b) Beginning with FY2011, data is reported by Court Operations staff. In prior years, data was reported by IT.
- (c) Headstart students represents total students served, including Early Headstart.
- (d) Data for the latest year, except for Juvenile Court, was provided by Shelby County. Juvenile Court data taken from reports of the Tennessee Administrative Office of the Courts.
- (e) Beginning with FY2010, data includes orders needing a Judge's signature being placed on the court's dockets.
- (f) Data is reported on a calendar year basis as of December 31 within each fiscal year.
- (g) Beginning with FY2010, data is reported on a fiscal year basis. Prior years' data is reported on a calendar year basis as of December 31 within each fiscal year.
- (h) Data prior to 2003 excludes hotels, motels, additions, alterations, conversions, hazardous storage facilities, churches, garages, carports, educational facilities and swimming pools.
- (i) The Board of Education enrollment is weighted full-time equivalency of average daily attendance.

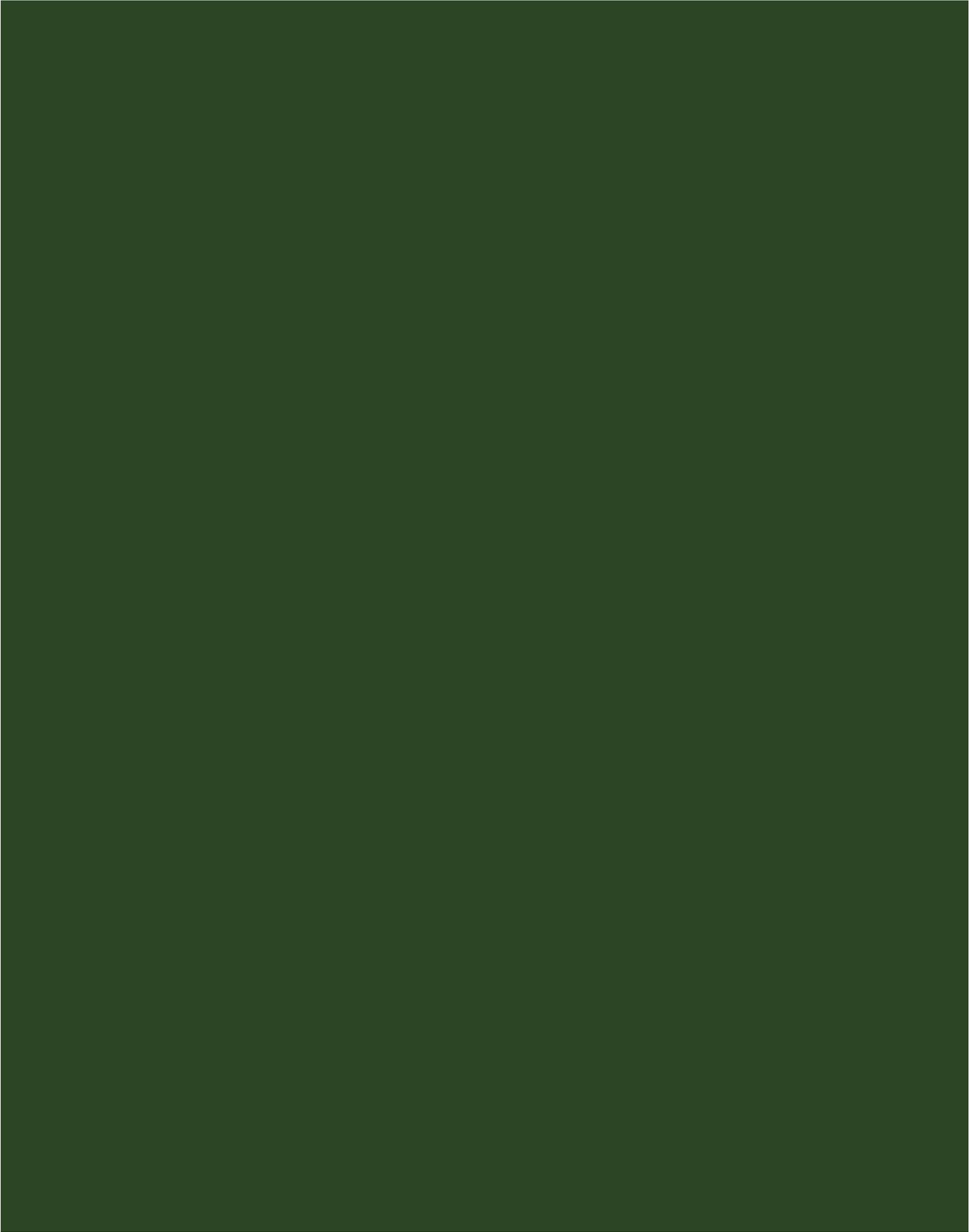
Shelby County, Tennessee

Schedule of Salaries and Fidelity Bonds

June 30, 2011

<u>Official</u>	<u>Designation</u>	<u>Salary Amounts</u>	<u>Bond Expiration Date</u>	<u>Bond Amount</u>
Mayor and Staff				
Mark H. Luttrell, Jr.	Interim Mayor	\$ 142,000	09/01/14	\$ 100,000
Harvey Kennedy	Chief Administrative Officer	135,000	09/01/14	100,000
Michael A. Swift	Director of Administration and Finance	130,000	09/01/14	100,000
Thomas E. Needham	Director of Public Works	125,000	09/01/14	100,000
Dorothy Day Jones	Director of Community Services	125,000	09/01/14	100,000
James E. Coleman	Director of Corrections	125,000	09/01/14	100,000
Court Clerks				
Dewun R. Settle	Chancery Court Clerk and Master	106,906	10/01/12	1,060,000
James L. Moore	Circuit Court Clerk	106,906	09/01/14	60,000
Kevin P. Key	Criminal Court Clerk	106,906	09/01/14	65,000
Otis Jackson, Jr.	General Sessions Court Clerk	106,906	09/01/12	60,000
Paul C. Boyd	Probate Court Clerk	106,906	09/01/14	60,000
Eftehia Joy Touliatos	Juvenile Court Clerk	106,906	09/01/14	60,000
Others				
William Ptrick Oldham	Sheriff	115,000	09/01/14	50,000
Richard Wayne Mashburn	County Clerk	106,906	09/01/14	95,000
Thomas F. Leatherwood	Register	106,906	09/01/14	25,000
David C. Lenoir	Trustee	106,906	09/01/14	52,653,390
Cheyenne Johnson	Assessor	106,906	09/01/12	10,000
Scott B. Peatross	Public Administrator	(a)	06/06/13	500,000
All Employees	Employee Theft Coverage		09/01/11	900,000 per loss

(a) Compensated from assigned cases.





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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 23, 2011. 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., Emergency Communications District of Shelby County, Tennessee, 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

Management of the County is responsible for establishing and maintaining effective 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2011-1, that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 or other matters that are required to be reported under *Government Auditing Standards*.

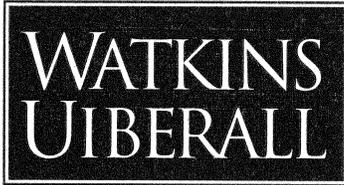
We noted certain other matters that we reported to management of the County in a separate letter dated November 23, 2011.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

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
November 23, 2011

Watkins Uiberall, PLLC
Bantz, Finley White & Co.



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



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

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

Compliance

We have audited Shelby County, Tennessee (the "County")'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. 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 programs 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 \$37,708,337 in federal awards which is not included in the schedule during the year ended June 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

This report is intended solely for the information and use of the 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.

Watkins Uiberall, PLLC

Banks, Finley, White & Co.

Memphis Tennessee
November 23, 2011

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2011

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
10.557	GG-10310750	WIC PROGRAM	TN DEPT OF HUMAN SERVICES	1,177,857
10.557	GG-1133744	WIC PROGRAM	TN DEPT OF HUMAN SERVICES	<u>3,158,187</u>
				4,336,044
10.565	34353-02710 / HL00008160 / 71301000	CSFP	TN DEPT OF HUMAN SERVICES	122,993
10.565	34353-02710 / HL00008160 / 71301000	CSFP	TN DEPT OF HUMAN SERVICES	<u>289,423</u>
				412,416
10.568	DG-10-29782-00	COMMODITIES DISTRIBUTION	DEPT OF AGRICULTURE	137,129
10.568	DG-11-34278	COMMODITIES DISTRIBUTION	DEPT OF AGRICULTURE	<u>110,844</u>
				247,973
14.218	B-04-UC-47-002	CDBG	DEPT OF HOUSING AND URBAN DEVELOPMENT	58,410
14.218	B-05-UC-47-0002	CDBG	DEPT OF HOUSING AND URBAN DEVELOPMENT	653,734
14.218	B-02-UC-47-0002	COMMUNITY DEVELOPMENT BLOCK	DEPT OF HOUSING AND URBAN DEVELOPMENT	199,926
14.218	B-03-UC-47-002	COMMUNITY DEVELOPMENT BLOCK	DEPT OF HOUSING AND URBAN DEVELOPMENT	339,926
14.218	B-08-UN-47-0001	AFFORDABLE HOUSING	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>799,907</u>
				2,051,903
14.235	TN0126B4J010900	2009 SUPPORTIVE HOUSING PROGRAM	US DEPT OF HOUSING AND URBAN DEVELOPMENT	9,235
14.235	TN37B601001	SUPPORTIVE HOUSING PROGRAM	DEPT OF HOUSING AND URBAN DEVELOPMENT	2
14.235	TN0112B4J010901	SUPPORTIVE HOUSING PROGRAM	DEPT OF HOUSING AND URBAN DEVELOPMENT	146,839
14.235	TN0112B4J011002	SUPPORTIVE HOUSING PROGRAM	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>70,548</u>
				226,624
14.239	M-09-UC470205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	85,116
14.239		HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	342,103
14.239	MO6UC470205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	55,672
14.239	MO8UC470205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>51,492</u>
				534,383
14.240	H3-92-TN-0004-I-A	HOPE 3	DEPT OF HOUSING AND URBAN DEVELOPMENT	121,315
14.900	TNLHB0442-09	LEAD HAZARD CONTROL	DEPT OF HOUSING AND URBAN DEVELOPMENT	1,087,231
14.900	CD90050/CA071794	CITY OF MEMPHIS - HOUSING/COMMUNITY DEVELOPMENT	CITY OF MEMPHIS - HOUSING & COMMUN DEVELOPMENT	127,240
14.900	TNLHB0342-06	LEAD BASE PAINT REDUCTION	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>30,788</u>
				1,245,259
15.808	G10AC00258	RESOLUTION IMAGERY PROGRAM	US DEPT OF THE INTERIOR	50,000
16.202	2007-RE-CX-0023	SCDOC RE-ENTRY PROGRAM	TDOC	20,551
16.523	GG-09-26155-00	CHILD & FAMILY INTERVENTION	TN DEPT OF CHILDREN'S SERVICES	67,625
16.523	12130	PROSECUTING VIOLENT JUVENILE OFFENDERS	TN COMMISSION ON CHILDREN & YOUTH	112,680
16.523	GG1133945	JUVENILE JUSTICE SYSTEM	TN COMMISSION ON CHILDREN & YOUTH	<u>143,266</u>
				323,571
16.540	DG-09-24074-00 / Z09-213583-00	TRUANCY MENTORING	TN COMMISSION ON CHILDREN & YOUTH	9,426
16.540	DG-09-24074-00	JUVENILE JUSTICE FEDERAL FORMULA	TCCY	<u>8,560</u>
				17,986
16.556	2008-DD-BX-0282	OPERATION SAFE COMMUNITY	US DOJ OJP	16,514

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, 2011

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
16.588	3793	STOP VIOLENCE AGAINST WOMEN	OFFICE OF CRIMINAL JUSTICE PROGRAMS	46,463
16.590	2008-WE-AX-0037	ARREST POLICIES	USDOJ-OVAW	224,093
16.607		BULLETPROOF VEST PROGRAM	US DEPT OF JUSTICE	9,428
16.609	2007-GP-CX-0071	PROJECT SAFE NEIGHBORHOODS (PSN)	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	30,492
16.609	2008-GP-CX-0056	PROJECT SAFE NEIGHBORHOOD	UNITED STATE DEPT OF JUSTICE	<u>1,314</u>
				31,806
16.730	2010-MU-MU-K005	AG CHILDREN EXPOSED TO VIOLENCE DEMONSTRATION	US OFFICE OF JUVENILE JUSTICE	108,648
16.738	2008-DJ-BX-0465	EDWARD BYRNE JAG	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	68,216
16.738	2009-DJ-BX-0421	EDWARD BYRNE JAG	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	67,823
16.738	2010-DJ-BX-1563	EDWARD BYRNE JAG	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	199,985
16.738	4034	EDWARD BRYNE MEMORIAL JAG	TN OFFICE OF CRIMINAL JUSTICE PROGRAMS	<u>395,259</u>
				731,283
16.744	2007-PG-BX-0036	SHELBY COUNTY ANTI-GANG INITIATIVE	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	66,125
16.801	1290 / 79000 / 952-85	ARRA - ADJUNCT VICTIMS SERVICES	OFFICE OF CRIMINAL JUSTICE PROGRAM	42,663
16.801	704 / 79000 / 952-85	SENIOR VICTIM ADVOCATE	OFFICE OF CRIMINAL JUSTICE PROGRAM	43,619
16.801	704 / 79000 / 952-85	DOMESTIC VIOLENCE COURT ADVOCATE	OFFICE OF CRIMINAL JUSTICE PROGRAM	<u>56,262</u>
				142,544
16.803	GG1028271 / GR1028045	CRIMINAL JUSTICE/MENTAL HEALTH LIAISON	TN DMHDD	58,146
16.803	4222	WEST TN INTERDICTION ENHANCEMENT	TN OFFICE OF CRIMINAL JUSTICE PROGRAMS	119,291
16.803	3840-GG-08-10-09	COLLABORATIVE RE-ENTRY INITIATIVE	US DEPT OF JUSTICE PROGRAMS	<u>142,866</u>
				320,303
16.804	2009-SB-B9-2466	JAG - ARRA	US DOJ - OJP	1,233,010
16.812	2009-CZ-BX-0044	SECOND CHANGE GRANT	US DEPT OF JUSTICE THRU CITY OF MEMPHIS	66,982
17.258		DISPATCHERS ON THE JOB TRAINING	CITY OF MEMPHIS	0
17.274	09-A200-LBDU-4123-5YB00-000 / YB-18929-0-YOUTHBUILD		US DEPT OF LABOR	111,379
20.205	Z-07-036299-00	TRANSPORTATION PLANNING	DEPARTMENT OF TRANSPORTATION	863,653
20.205	Z-07-036299-00	TRANSPORTATION PLANNING	DEPARTMENT OF TRANSPORTATION	220,824
20.205	76008-0700410/105365/101000	MDOT PL GRANT	MDOT	58,346
20.205	17233	MDOT PL GRANT	MDOT	46,802
20.205	080030/CA092843/111533.00	RIDESHARE PROGRAM	TN DEPT OF TRANSPORTATION	539,457
20.205	CM-NHE-7900-28 / 110106	CMAQ INTERSECTION IMPVTS GRANT	TN DEPT OF TRANSPORTATION	1,199,096
20.205	GG-07-26824-00	TRANSIT PLANNING	TN DEPT OF TRANSPORTATION	<u>32,383</u>
				2,960,561
20.600	Z-10-220082-00	GHSO NETWORK COORDINATOR	TDOT GOVERNOR'S HIGHWAY SAFETY OFFICE	5,940
20.600	PT-11-23	GHSO NETWORK COORDINATOR	TDOT GOVERNOR'S HIGHWAY SAFETY OFFICE	7,437
20.600	Z-10-220083-00	TRAFFIC DIVISION SOFTWARE	TDOT GOVERNOR'S HIGHWAY SAFETY OFFICE	38,059
20.600	Z11GHS293	TRAFFIC DIVISION EQUIPMENT	TDOT GOVERNOR'S HIGHWAY SAFETY OFFICE	<u>104,043</u>
				155,479
20.703	GG-11-03-09	HAZARDOUS EMERGENCY MATERIAL PROGRAM (HEMP)	LEPC	4,438

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, 2011

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
66.001	A-00408210-0	AIR POLLUTION	DEPT OF HEALTH & HUMAN SERVICES	421,233
66.001	A-00408210-0	AIR POLLUTION	DEPT OF HEALTH & HUMAN SERVICES	1,239,718
				<u>1,660,951</u>
66.034	PM-96497508-4	SPECIAL AIR POLLUTION	ENVIRONMENTAL PROTECTION AGENCY	249,363
66.818	BF-95463110-0	WOLF RIVER BROWNFIELDS ASSESSMENT PROJECT	EPA	43,879
81.042	Z-10-000413	WEATHERIZATION	DEPARTMENT OF HUMAN SERVICES	207
81.128	DE-SC0002241	ENERGY EFFICIENCY CONSERVATION	OFFICE OF SUSTAINABILITY	42,381
93.008	MRC-080150	MEDICAL RESERVE CORPS	NACCHO	8,328
93.069	34360-52310	H1N1 (SWINE FLU EMERGENCY REPSONSE	DEPARTMENT OF HEALTH	14,957
93.086	90FR0067/02	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	141,301
93.086	90FR0095/03	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	331,483
93.086	90FR0067/02	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	106,024
93.086	90FR0067-03	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	394,043
				<u>972,851</u>
93.116	GG-09-26379-00	T.B OUTREACH	TN DEPARTMENT OF HEALTH	1,408,300
93.136	GG-08-16-10 / GG-10-27376.01	MSARC - RAPE PREVENTION EDUCATION	TN DEPT OF HUMAN SERVICES	13,710
93.243	1H79T1021892-01	EAIT PROGRAM	SAMSHA	234,036
93.268	GG1032454	WIC IMMUNIZATIONS	TN DEPT OF HEALTH	66,338
93.268	GG1032454	WIC IMMUNIZATIONS	TN DEPT OF HEALTH	40,131
93.268	GG1032454	IMMUNIZATIONS	TN DEPT OF HUMAN SERVICES	246,488
93.268	2 H49MC00036-09-00	HEALTHY START INITIATIVE	DHHS SUBSTANCE ABUSE & MENTAL HEALTH SRVS	16,825
93.268	2H49MC00036-10-00	HEALTHY START INITIATIVE	DHHS SUBSTANCE ABUSE & MENTAL HEALTH SRVS	664,989
93.268	2H49MC00036-10-00	HEALTHY START INITIATIVE	DHHS SUBSTANCE ABUSE & MENTAL HEALTH SRVS	47,831
				<u>1,082,602</u>
93.283	GG-08-21986-00	CENTRAL LAB/BIO TERRORISM	TN DEPT OF HUMAN SERVICES	98,386
93.283	GG-09-26536-00	TOBACCO RISK	TN DEPT OF HUMAN SERVICES	44,431
93.283	GG-1134553	CITY READINESS INITIATIVE	TN DEPT OF HEALTH	1,169,151
93.283	343.60-316-10	ENVIRONMENTAL HLTH SVCS	DEPARTMENT OF HEALTH	182,837
				<u>1,494,805</u>
93.563	GG-09-22206-00/GG11.03.09	TITLE IV-CHILD SUPPORT	DEPT OF HUMAN SERVICES	534,731
93.568	Z-11-000214	LOW INCOME HOME ENERGY ASSISSTANCE	DEPARTMENT OF HUMAN SERVICES	14,299,287
93.569	Z-10-000115	COMMUNITY SCVS BLOCK GRANT	TN DEPT OF HUMAN SERVICES	2,566,926
93.600	04CH3447/43	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	11,991,919
93.600	04CH3447	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	10,987,320
93.600	04CH3447-40	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	52,583
93.709	04SA3447/01	HEADSTART -ARRA	HHS/ACF	556,370
93.709	04SA3447/01	HEADSTART -ARRA	HHS/ACF	1,033,769
				<u>24,621,961</u>
93.667	CA075023	CSA-SPECIAL FUNDING	TN DEPARTMENT OF HUMAN SERVICES	25,000
93.778	GG-11-32226	INFANT MORTALITY COORDINATOR	BUREAU of TENNCARE	366,767

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, 2011

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
93.914	5 H3MHA08475-03-00	MINORITY AIDS INITIATIVE PART A	HRSA	132,535
93.914	6 H89HA11464-02-05	MINORITY AIDS INITIATIVE PART A	HRSA	5,463,534
93.914	6 H89HA11464-02-05	MINORITY AIDS INITIATIVE PART A	HRSA	138,486
93.914	PENDING	MINORITY AIDS INITIATIVE PART A	HRSA	426,697
93.914	1 H89HA11464-01-00/6 H89HA11464-01-04	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	171,650
93.914	2 H89HA11464-03-00	MINORITY AIDS INITIATIVE	DHHS-HRSA	1,768,573
93.914	6 H3MHA08475-03-02	MINORITY AIDS INITIATIVE	DHHS-HRSA	108,644
93.914	6 H3MHA08475-02-03	MINORITY AIDS INITIATIVE	DHHS-HRSA	290,434
93.914	6 H89HA07940-01-01	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	18,151
93.914	6 H89HA07940-02-01	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	62,286
				8,580,990
93.940	GG-6-10-9	HIV RAPID TESTING	TN DEPT OF HUMAN SERVICES	96,783
93.946	1H75DP002728-01	SCG INFANT MORTALITY REDUCTION INITIATIVE	CENTERS FOR DISEASE CONTROL & PREVENTION	122,231
93.994	GG1030127	CHILDHOOD LEAD POISONING	HEALTH & HUMAN SERVICES	202,627
93.994	GG-09-25430-00	TOLL FREE BABIES HOTLINE	TN DEPARTMENT OF HEALTH	20,100
				222,727
94.002		RETIRED/SENIOR VOLUNTEER PROGRAM	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	61,231
95.001	G10GC0005A	HIGH INTENSITY DRUG TRAFFICKING AREAS	EXECUTIVE OFFIC OF THE PRESIDENT / OFFICE OF NATIONAL D	28,677
97.001	GG-011609/34101-00009	INTEROPERABLE EMERGENCY	TN EMERGENCY MANAGEMENT AGENCY	72,867
97.001	09-IP-T9-0052	INTEROPERABLE EMERGENCY	US DEPT OF HOMELAND SECURITY	53,543
				126,410
97.042	2009-EP-E9-0052	EMERGENCY MANAGEMENT PERFORMANCE	TEMA	148,577
97.056	2007GB	PORT SECURITY TACTICAL BOAT	FEMA	40,000
97.067	2007-GE-T7-0051 / GG-08-24733-00	CITIZEN CORPS PROGRAM	TEMA	2,900
97.067	341-01-06310 / 2009-SS-T9-0086	2009 URBAN AREA STRATEGIC INITIATIVE	TEMA	394,149
97.067	2008-GE-T8-0048	URBAN AREA SECURITY INITIATIVE	TEMA	2,816,026
97.067		URBAN AREA SECURITY INITIATIVE	TEMA	8,074
				3,221,149
93.053	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	317,200
93.045	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	1,495,970
93.042	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	54,600
93.043	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	66,800
93.707	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	37,369
93.044	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	1,978,179
93.705	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	17,372
93.052	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	419,593
93.779	GG-11-32837-01	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	541,834
				4,928,917
97.044	EMW-2009-FO-05278	ASSISTANCE TO FIREFIGHTERS GRANT	US DEPT OF HOMELAND SECURITY-FEMA	127,667
PENDING	PENDING	MAY 2011 FLOODS	TEMA/FEMA	1,156,498
17.258		DISPATCHERS ON THE JOB TRAINING	CITY OF MEMPHIS	314,935
			Total Federal Awards	84,634,915

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, 2011

Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
CA-101078	STATE SUPPLEMENTAL GRANT	TN COMMISSION ON CHILDREN AND YOUTH	9,000
GG1030380 / 18322	TENDERCARE OUTREACH	TN DEPT OF HUMAN SERVICES	1,103,567
Verbal extention - TDFA / GG-07-12979	GOVERNOR'S INITIATIVE GRANT	STATE OF TENNESSEE OCJP	6,905
GG-09-27482-00/343.47-326-09	FETAL INFANT MORTALITY REVIEW	TN DEPT OF HEALTH HAS	289,089
GG-10-29343-00	HOME VISIT	TN DEPT OF HUMAN SERVICES	531,403
N/A	CITY COURTS CHILD SAFETY SEATS	CITY OF MEMPHIS CITY COURTS	82,719
N/A	GENERATOR	SHELBY COUNTY 911 DISTRICT	11,014
Z-10-000115	CSBG	STATE OF TN DEPT OF HUMAN SVC	470
PENDING	EPSDT	TN DEPT OF HUMAN SERVICES	1,446,605
PENDING	HIV CASE MGMNT	TN DEPT OF HUMAN SERVICES	158,067
34360-30511	HIV/AIDS MEDICAL CARE MANAGEMENT SVCS	TN DEPT OF HEALTH	14,599
GG-10-281130-00	TN CARE DENTAL PREVENTION	TN DEPT OF TRANSPORTATION	1,670,809
GG-10-31137-00	HIV SURVELLIANCE	TENNESSEE DEPARTMENT OF HEALTH	866,418
GG-1135007-00	HIV SURVELLIANCE	TENNESSEE DEPARTMENT OF HEALTH	824,906
G11-35004	IMMUNIZATIONS	TENNESSEE DEPARTMENT OF HEALTH	249,356
3920	HOMICIDE RESPONSE PROGRAM	OFFICE OF CRIMINAL JUSTICE PROGRAMS	177,766
2007-GS-H7-0037	FY2007 PSIC GRANT PROGRAM	TEMA	242,287
10395	FIRST STEP TO SAFETY	OFFICE OF CRIMINAL JUSTICE PROGRAMS	60,419
CHECK # 2047	FIRE DETECTORS	100 CLUB OF MEMPHIS	1,494
4032	LAW ENFORCEMENT DETECTIVES	TN OCJP	88,544
GG113451600	RAPID HIV	TN DEPT OF HEALTH	263,481
Z-09-217916 / RFS# 345.49-432-10	WAP-ARRA	STATE OF TN DEPT OF HUMAN SVC	9,752,193
GG-11-33663	WAP-ARRA	STATE OF TN DEPT OF HUMAN SVC	379,749
Z0000485502	VICTIMS OF CRIME ACT	TN DEPT OF HUMAN SERVICES	228,167
Z0000143201	STOP VIOLENCE AGAINST WOMEN	TN DEPT OF HUMAN SERVICES	27,416
OP-10-03	W. TENN CHILD PASSENGER SAFETY	TN GHSSO	64,170
K3-11-02 / Z11GHSSO71	W. TENN CHILD PASSENGER SAFETY	TDOT / TN GHSSO	157,530
Z-05-025540-00	MOTHER'S GRANT PROGRAM	TN OCJP	85,407
GG-10-29022	CHILD SUPPORT- IVD	TN DEPT OF HUMAN SERVICES	1,361,634
GG-10-29025	CHILD SUPPORT ADVOCACY TO NON-CUSTODIAL	TN DEPT OF HUMAN SERVICES	221,856
RFS# 345-13-211-09	CHILD SUPPORT-AUTOMATED WORK FLOW	TN DEPT OF HUMAN SERVICES	52,347
Z-09-214657-00	STOP STIMULUS	TN OCJP	55,692
17725	FAMILY PLANNING	TN DEPT OF HEALTH	1,096,796
Z-09-217918 / RFS # 345.49-136-09	CSBG ARRA	STATE OF TN DEPT OF HUMAN SVC	1,285,690
GG-10-29520-00	HEALTH RISK REDUCTION	TN DEPT OF HUMAN SERVICES	112,383
	HOME & COMMUNITY-BASED SERVICES	TENNESSEE COMMISSION ON AGING	2,285,911
Z0912356100	MPD TREATMENT FUND	CITY OF MEMPHIS POLICE DEPARTMENT	185,943
CA108808	SIDS EDUCATION/CRADLE OF LOVE	TN CHAPTER MARCH OF DIMES	10,082
79-500-4077-04 / TX00079681	LITTER GRANT PROGRAM	TDOT	170,554
GG-08-22581	METH LEBONHEUR RYAN/NAYAH	METH LEBONHEUR COMMUNITY OUTREACH	42,607
	CHILD SUPPORT MEDIATION	TN ADMIN OFFICE OF THE COURTS	10,655
FEMA1786-DR-LA	HURRICANE GUSTAV EVACUATION	TEMA	159,318
CN-NHE-7900-28	CSA SPECIAL FUNDING-WORLD OVERCOMERS	WORLD OVERCOMERS	5,000
GG-09-25635-01	CHILDREN SPECIAL SVCS	TN DEPT OF HUMAN SERVICES	436,121

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, 2011

Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
Z-08-020268-00 / Z-08-212966	TIRE RECYCLING	TN DEPARTMENT OF ENVIRONMENT & CONSERVATION	517,519
GG-07-12743-00	HOUSEHOLD HAZARD WASTE FACILITY	CITY OF MEMPHIS	198,088
GG-10-28913-10	BREAST & CERVICAL CANCER	TN DEPT OF HUMAN SERVICES	125,140
GG-07-12619-00	STATE GRANT-N-AID	TN DEPT OF HUMAN SERVICES	879,000
Ck # 1005	Utilities Assistance	Ibew-Jonnie Dawson Charitable Foundation	5,000
03-47-64531-00-0	CHILD & ADULT CARE FOOD PROGRAM	TN DHS	302,424
03-47-64531-00-0	CHILD & ADULT CARE FOOD PROGRAM	TN DHS	1,179,629
GG-10-28916-00	CARE COORDINATION	TN DEPT OF HUMAN SERVICES	399,627
GG-11-32837	AGING	TCAD	47,772
RFP-10-005-78	ASPHALT PAVING/RESURFACING	TDOT	2,574,994
090182-112857.00	SURFACE TRANSPORTATION PROGRAM	TN DEPT. OF TRANSPORTATION	2,007,925
090175-112845.00	CSX CORRIDOR	TN DEPT OF TRANSPORTATION	897,595
CA106211	COUNTY SCHOOLS NURSING	COUNTY BOARD OF EDUCATION	2,663,404
Z05025510-00	SHELBY COUNTY RESIDENTAL DRUG COURT PROJECT	TN OCJP	474,578
N/A	CHICHAWAW BASIN AUTHORITY OPERATIONS	STATE OF TENNESSEE	52,119
N/A	AT-RISK YOUTH	MEMPHIS CITY SCHOOLS	1,716,430
N/A	INDUSTRIAL DEVELOPMENT BOARD	INDUSTRIAL DEVELOPMENT BOARD	495,812
N/A	INDUSTRIAL DEVELOPMENT BOARD	INDUSTRIAL DEVELOPMENT BOARD	504,461
GG-08-23680-00 / CA086238	EMERGEMEMPHIS INCUBATOR RENOVATIONS	TN DEPT OF ECONOMIC AND COMMUNITY DEVELOPMENT	750,000
		Total State Awards	<u>42,077,656</u>
		Total Federal and State Awards	<u>\$ 126,712,573</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, 2011

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	\$ 126,712,573
Add: Expenditures not shown on this schedule	592,782
Less: Transfers out	<u>(2,063,861)</u>
Total grant fund expenditures	<u><u>\$ 125,241,494</u></u>

SHELBY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Shelby County, Tennessee.
2. One significant deficiency related to the financial statements of Shelby County, Tennessee was disclosed during the audit. The deficiency is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Shelby County, Tennessee were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported.
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. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
 - 16.738 – Justice Assistance Grant (Non ARRA)
 - 16.803 and 16.804 – Justice Assistance Grant (ARRA)
 - 93.568 – Low Income Home Energy Assistance Program
 - 93.569 – Community Services Block Grant
 - 93.600 and 93.709 – Head Start Cluster
 - 93.914 – HIV/Ryan White Program
8. The threshold for distinguishing between Type A and B programs was \$2,463,863.
9. Shelby County, Tennessee does not qualify as a low risk auditee.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2011

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

2011-1 Chancery Court Embezzlement

Condition: During the year ended June 30, 2011, the County discovered that a clerk had stolen funds primarily related to old property tax sales.

Criteria: Internal controls should be in place that requires segregation of duties and a review process that would help prevent, mitigate or detect fraud.

Cause: There is a lack of segregation of duties and lack of management oversight.

Effect: The Chancery Court sustained a loss of \$982,548 due to the theft of funds. The County submitted a claim to its insurance provider and received approximately \$900,000 subsequent to year end resulting in a net loss of \$82,548.

Recommendation: We recommend that management establish general internal control criteria and document what constitutes accomplishment of policy objectives.

Response: Management agrees with the finding and they are in the process of implementing new internal controls.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported

SHELBY COUNTY, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2011

None