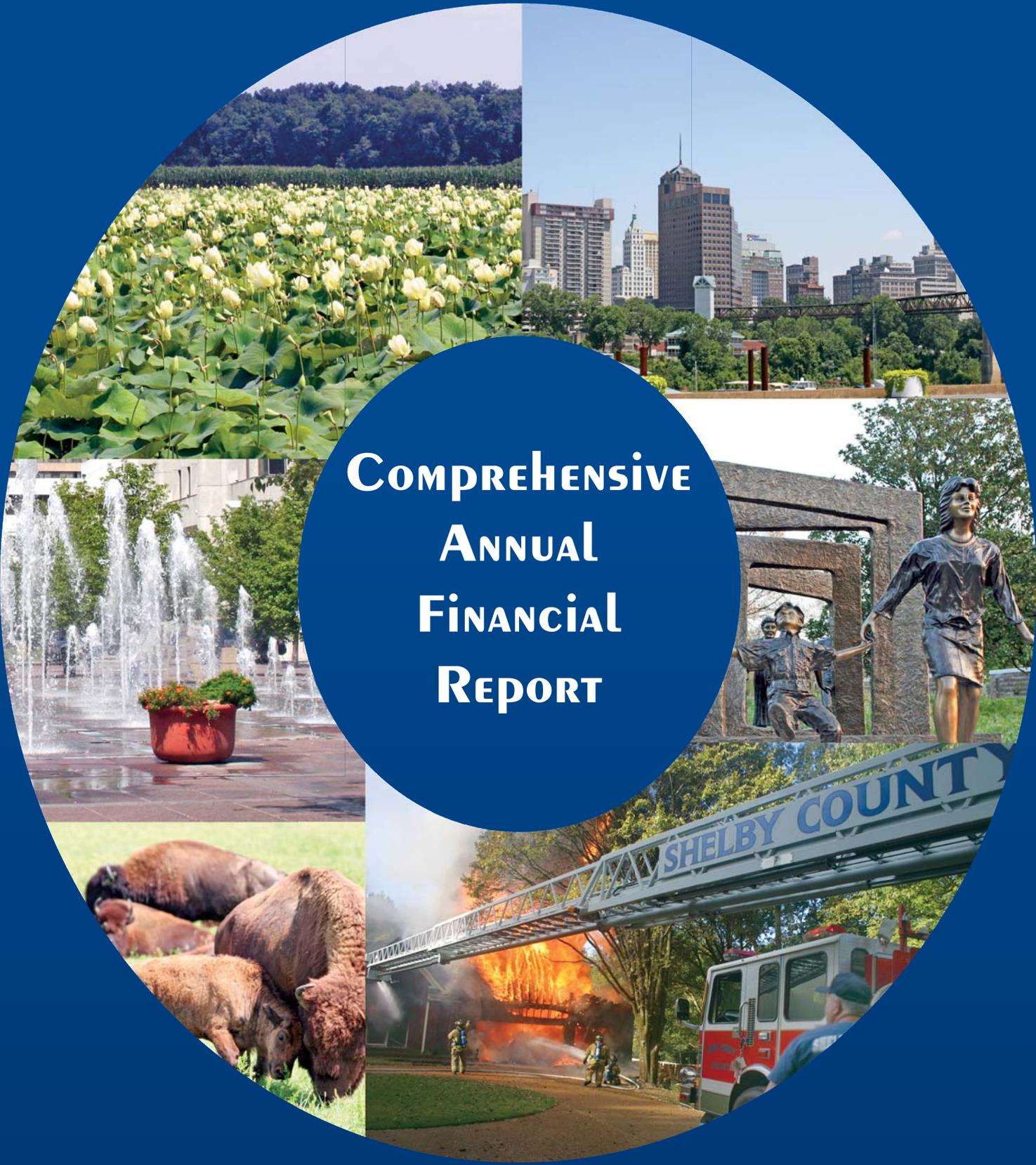


SHELBY COUNTY, TENNESSEE



**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE YEAR ENDED JUNE 30, 2012

**Comprehensive
Annual Financial Report
Of
Shelby County, Tennessee
For The Year Ended
June 30, 2012**

Prepared by the Department of Finance

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Shelby County Mayor Mark Luttrell



Shelby County Government

MARK H. LUTTRELL, JR.
MAYOR

November 16, 2012

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, 2012 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, 2012. 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 935,088. 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 slight improvement 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, 2012 was 8.5%, as compared to the state's rate of 8.3% and the national rate of 7.8%.

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 increase 28%. For this period, local taxes have increased as a percent of total revenue from 76.1% to 77.0% 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 68.7% of total revenue. While Shelby County did incur a small decline in property taxes in 2012 compared to 2011, this decline was only 1.3% 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 14.4% to 14.8% as a percent of total revenue over the past ten years. Fines, fees and permits have increased from 6.6% of total revenue to 6.7% and all other revenues have decreased from 2.3% to 0.6%. 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 2012.

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 83.1% to 80.8%. An increase in grants such as Head Start has caused Community service expenditures to increase from 4.6% to 6.9% of total expenditures. In total governmental expenditures have increased 12%, which is less than the increase in revenue primarily because capital projects in 2003 of \$130 million were funded with debt.

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 nine consecutive years and is 25.3% as of June 30, 2012. In 2009, as a result of increasing fund balances 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 \$1.46 billion as of June 30, 2012. 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 peaked in 2011 and have started 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 are scheduled to start production in fiscal 2013 and 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 provided support to and the Mayor was a member of the Shelby County Schools Transition Planning Commission that developed a consolidation plan to be recommended to the Shelby County Board of Education and the State of Tennessee Department of Education. This plan has been approved. 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 budget of this Administration is focused on shrinking County Government as much as practical while maintaining those services that are important to our citizens. All programs and services have been 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 2013 budget was prepared based on assumptions we believe to be conservative.
- 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, 2011. This was the twenty-seventh consecutive year that Shelby County has received this prestigious award. In order to be awarded the Certificate of Achievement, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The County also received GFOA's Distinguished Budget Presentation Award for the fiscal year ended June 30, 2011 which is the second consecutive year receiving this award.

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, 2012**

Shelby County Board of Commissioners

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

**Walter L. Bailey, Jr.
Henri E. Brooks
Melvin Burgess, Jr.
Justin J. Ford**

**James M. Harvey
Steve Mulroy
Mike Ritz
Terry Roland**

**Heidi Shafer
Brent Taylor
Chris Thomas**

Publicly Elected Officials

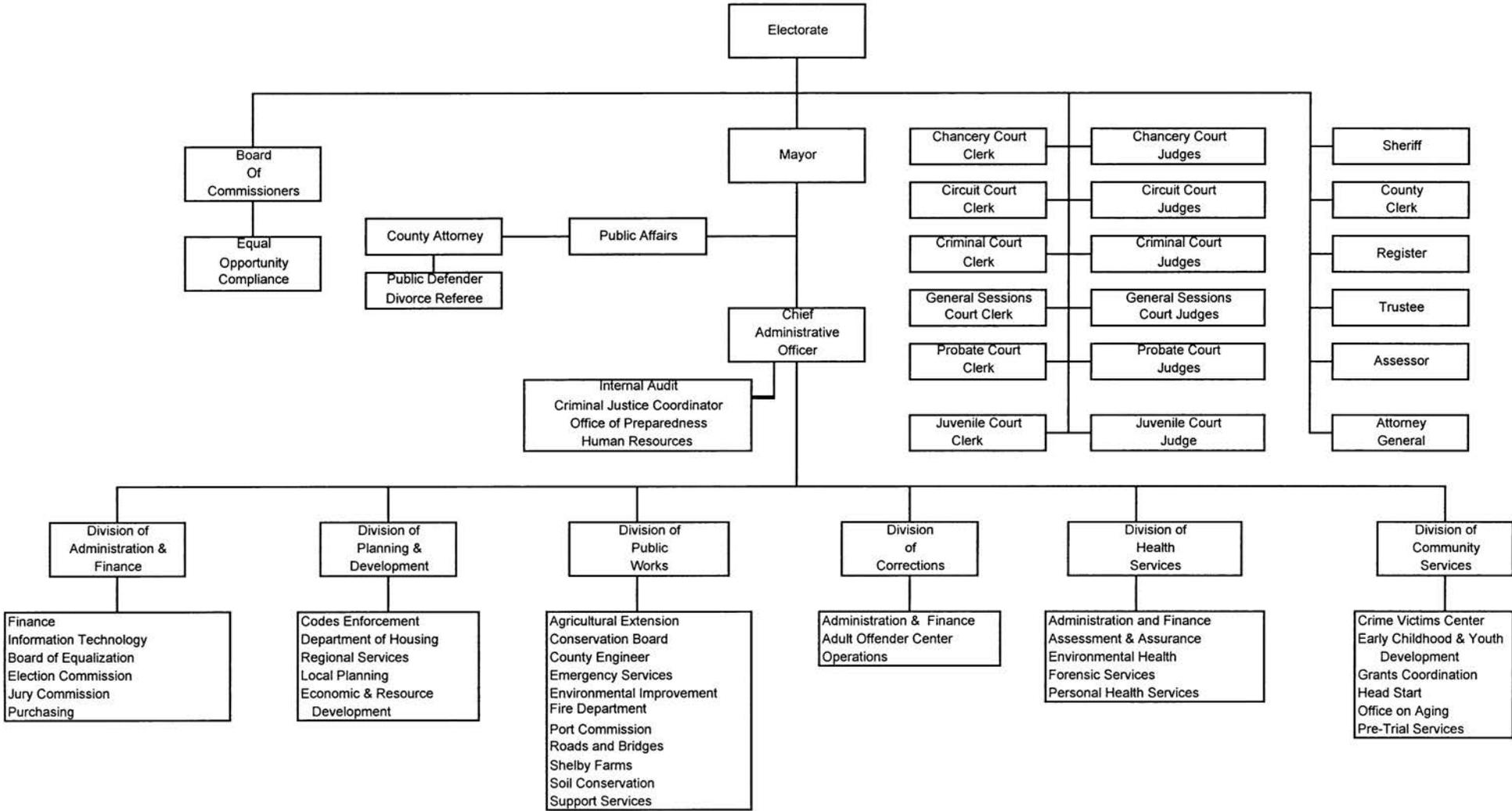
**Assessor of Property – Cheyenne Johnson
Attorney General – Amy P. Weirich
County Clerk – Wayne Mashburn
Mayor – Mark H. Luttrell, Jr.
County Register – Tom Leatherwood
County Trustee – David Lenoir
Juvenile Court Clerk – Joy Touliatos
Chancery Court Clerk and Master – Donna Russell (Appointed)
Circuit Court Clerk – Jimmy Moore
Criminal Court Clerk – Kevin Key
General Sessions Court Clerk – Edward L. Stanton, 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**

Shelby County Government Organizational Chart

As of June 30, 2012



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, 2011

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.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director



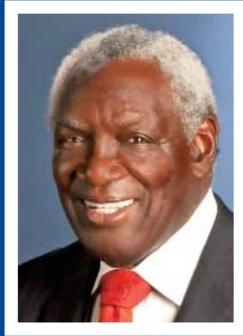
Mike Ritz



Heidi Shafer



Brent Taylor



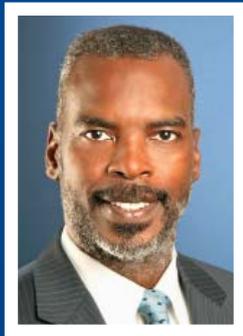
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James Harvey



Sidney Chism



Justin Ford



Chris Thomas



Wyatt Bunker

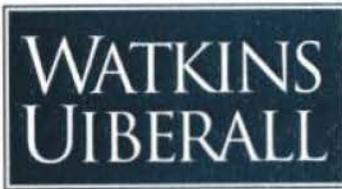


Terry Roland



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, 2012, 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 \$314,452,758, \$269,503,823, and \$376,761,997 respectively, of the assets, net assets, and revenues of the component units, and Shelby County Retirement System, which represents \$925,027,892, \$915,990,681, and (\$2,486,301) of the assets, total plan net assets, and net deductions 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.

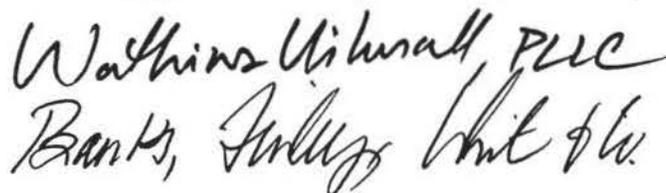
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2012, 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-18 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, other budgetary comparison 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 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 them.



Watkins Uihlwall, PLLC
Banks, Jolley, Whit & Co.

Memphis, Tennessee
November 16, 2012

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, 2012. 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 \$91.6 million, or 25.3% of total General Fund revenue. This compares to the unassigned fund balance at the end of the previous year of \$85.6 million, or 23.3% of General Fund revenue.
- Fund balance for the Debt Service Fund decreased \$16.7 million to \$91.1 million, which is 55.0% 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 decreased \$42.3 million to a balance of \$97.9 million. This was primarily the result of disbursements from prior proceeds of loans 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, 2012 by \$646.8 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 include the school systems of Shelby County and the City of Memphis and other entities. Outstanding debt for these entities as of June 30, 2012 was \$1,225,352,800.
- Total government-wide net assets increased \$67.7 million as a result of activity for the fiscal year, with an increase of \$66.4 million from governmental activities and an increase of \$1.3 million from business-type activities.
- Total long-term liabilities of governmental activities decreased \$126.1 million to \$1,610.7 million. Of the decrease, \$122.0 million was related to bonds and loans payable.

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 thirteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Debt Service Fund, Capital Projects Fund, Education Fund, and Grants Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the nonmajor governmental funds combining statements elsewhere in this report.

Proprietary funds. Shelby County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Shelby County uses enterprise funds to account for Consolidated Codes Enforcement, Correction Center and Fire Services. *Internal service funds* are an accounting

device used to accumulate and allocate costs internally among Shelby County's various functions. Shelby County uses internal service funds to account for its Central Services, Group 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 and county charter 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, 2012). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2012 and as of June 30, 2011.

Property taxes receivable is by far the largest portion of Shelby County's assets (41.9% at June 30, 2012 and 40.9% at June 30, 2011). The June 30, 2012 property taxes receivable includes \$736.6 million, offset by an equal unearned revenue amount in other liabilities, which became a property lien on January 1, 2012 but are levied for next fiscal year's operations. The similar amount at June 30, 2011 was \$741.4 million. Total assets decreased by \$47.8 million. This included decreases in cash and cash equivalents and investments combined of \$21.2 million, capital assets of \$13.1 million and receivables from other governmental entities of \$18.7 million and an increase in deferred derivative outflows of \$16.5 million.

Liabilities decreased by \$115.6 million during the year. Significant changes included an increase of \$11.5 million for the derivative instruments fair value and a decrease of \$127.6 in long-term liabilities. A significant factor in the large decreases in both total assets and total liabilities was the reduction in long-term debt as discussed in more detail on page B-13 relative to the debt service fund.

Table 1
Condensed Statement of Net Assets
As of June 30, 2012 and June 30, 2011

	June 30, 2012	June 30, 2011	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 797,531,969	\$ 798,066,867	\$ (534,898)
Current and other assets	527,440,045	560,130,762	(32,690,717)
Capital assets	532,802,716	545,965,961	(13,163,245)
Total assets	1,857,774,730	1,904,163,590	(46,388,860)
Long-term liabilities	1,610,655,812	1,736,783,513	(126,127,701)
Other liabilities	931,800,850	918,496,577	13,304,273
Total liabilities	2,542,456,662	2,655,280,090	(112,823,428)
Invested in capital, net of related debt	293,284,276	328,687,913	(35,403,637)
Restricted	75,271,215	148,784,078	(73,512,863)
Unrestricted	(1,053,237,423)	(1,228,588,491)	175,351,068
Total net assets	(684,681,932)	(751,116,500)	66,434,568
<u>Business-Type Activities</u>			
Current and other assets	22,599,087	24,116,897	(1,517,810)
Capital assets	24,878,603	24,792,359	86,244
Total assets	47,477,690	48,909,256	(1,431,566)
Long-term liabilities	8,354,569	9,876,233	(1,521,664)
Other liabilities	1,264,589	2,482,231	(1,217,642)
Total liabilities	9,619,158	12,358,464	(2,739,306)
Invested in capital, net of related debt	24,482,158	24,274,150	208,008
Unrestricted	13,376,374	12,276,642	1,099,732
Total net assets	37,858,532	36,550,792	1,307,740
<u>Total Primary Government</u>			
Property taxes receivable	797,531,969	798,066,867	(534,898)
Current and other assets	550,039,132	584,247,659	(34,208,527)
Capital assets	557,681,319	570,758,320	(13,077,001)
Total assets	1,905,252,420	1,953,072,846	(47,820,426)
Long-term liabilities	1,619,010,381	1,746,659,746	(127,649,365)
Other liabilities	933,065,439	920,978,808	12,086,631
Total liabilities	2,552,075,820	2,667,638,554	(115,562,734)
Invested in capital, net of related debt	317,766,434	352,962,063	(35,195,629)
Restricted	75,271,215	148,784,078	(73,512,863)
Unrestricted	(1,039,861,049)	(1,216,311,849)	176,450,800
Total net assets	\$ (646,823,400)	\$ (714,565,708)	67,742,308

“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. 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. If the related capital assets were reported by the County or the debt were reported by the benefiting entities, the County would have significant, positive 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, 2012	June 30, 2011
Shelby County and City of Memphis Schools	\$ 1,115,661,785	\$ 1,192,498,927
Shelby County Health Care Corp. (component unit)	59,467,849	67,348,508
Convention Center (previously a joint venture)	-0-	53,964,791
Memphis and Shelby County Port Commission	20,115,000	-0-
Other	30,108,166	33,287,861
Total	\$ 1,225,352,800	\$ 1,347,100,087

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 for governmental activities increased by \$66.4 million. The decrease in restricted net assets is primarily reflected in the increase in unrestricted assets as long-term debt was paid down without a matching increase in borrowing. 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, 2012, with comparative amounts for the fiscal year ending June 30, 2011.

For governmental activities, program revenues are those 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 activities of the County; property taxes are the primary source of general revenue. Program revenues decreased by 10.7% or \$26.6 million, primarily due to a decrease in grant revenues due to the expiration of federal stimulus grants. General revenues increased \$60.0 million; the increase was the result of a \$71,490,000 special revenue item from the sale of the County’s equity in the Convention Center to the City of Memphis. The proceeds

were used for defeasance of the County's outstanding bonds issued for Convention Center projects. The special revenue was offset by an \$11.8 million decrease in revenues from local sales taxes as a result of adjustments due to municipal annexations and related adjustments. Property taxes had a small decrease of \$1.8 million.

Table 2
Shelby County Change in Net Assets
Fiscal Years Ended June 30, 2012 and 2011

	FY 2012	FY 2011	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 121,823,303	\$115,155,763	\$ 6,667,540
Operating grants and contributions	95,184,769	116,897,799	(21,713,030)
Capital grants and contributions	4,353,916	15,901,708	(11,547,792)
Total program revenues	<u>221,361,988</u>	<u>247,955,270</u>	<u>(26,593,282)</u>
General revenues:			
Property taxes	754,061,310	755,877,920	(1,816,610)
Other taxes	81,991,977	94,978,411	(12,986,434)
Other	78,429,244	3,620,803	74,808,441
Total general revenues	<u>914,482,531</u>	<u>854,477,134</u>	<u>60,005,397</u>
Total revenues-governmental activities	<u>1,135,844,519</u>	<u>1,102,432,404</u>	<u>33,412,115</u>
<u>Expenses:</u>			
General government	61,220,094	68,219,812	(6,999,718)
Hospital	26,816,000	36,816,000	(10,000,000)
Planning and development	6,392,108	6,061,205	330,903
Public works	46,978,772	48,985,516	(2,006,744)
Corrections	1,435,580	1,608,821	(173,241)
Health services	52,442,394	53,249,533	(807,139)
Community services	69,605,001	83,537,889	(13,932,888)
Law enforcement	156,465,979	152,448,879	4,017,100
Judicial	68,815,715	67,809,546	1,006,169
Other elected officials	25,379,684	26,302,063	(922,379)
Education	420,187,895	387,692,028	32,495,867
Debt Interest & swap termination cost	123,861,814	71,559,500	52,302,314
Total expenses-governmental activities	<u>1,059,601,036</u>	<u>1,004,290,792</u>	<u>55,310,244</u>
Increase (decrease) in net assets before transfers	76,243,483	98,141,612	(21,898,129)
<u>Transfers</u>	<u>(9,808,915)</u>	<u>(10,557,785)</u>	<u>748,870</u>
Increase (decrease) in net assets	66,434,568	87,583,827	(21,149,259)
Net assets - beginning of year	<u>(751,116,500)</u>	<u>(838,700,327)</u>	<u>87,583,827</u>
Net assets - end of year	<u><u>\$(684,681,932)</u></u>	<u><u>\$(751,116,500)</u></u>	<u><u>\$ 66,434,568</u></u>

Total expenses for the year in governmental activities increased \$55.3 million (5.5%). An increase of \$52.3 million occurred related to long-term debt, including swap termination fees of \$33.2 million and advanced interest payments of \$10.7 million were incurred due to refunding

bond issues and the defeasance of bonds related to the Convention Center. The increase of \$32.5 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 decrease of \$13.9 million in community services and smaller amounts in other functions resulted from expiration of federal stimulus (ARRA) grants. The decrease of \$10 million in the hospital was due to one-time additional funding provided in the previous year.

Business-type activities:	<u>FY 2012</u>	<u>FY 2011</u>	<u>Change</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 74,661,349	\$ 74,759,319	\$ (97,970)
Grants and contributions	1,206,618	1,736,920	(530,302)
Total operating revenues	<u>75,867,967</u>	<u>76,496,239</u>	<u>(628,272)</u>
Non-operating revenues	34,027	22,979	11,048
Total revenues	<u>75,901,994</u>	<u>76,519,218</u>	<u>(617,224)</u>
Expenses:			
Operating expenses	84,403,169	86,659,348	(2,256,179)
Non-operating expenses and losses	-	206,016	(206,016)
Total expenses	<u>84,403,169</u>	<u>86,865,364</u>	<u>(2,462,195)</u>
Increase (decrease) in net assets before transfers	(8,501,175)	(10,346,146)	1,844,971
Transfers	9,808,915	10,557,785	(748,870)
Increase (decrease) in net assets	1,307,740	211,639	1,096,101
Net assets - beginning of year	36,550,792	36,339,153	211,639
Net assets - end of year	<u>37,858,532</u>	<u>36,550,792</u>	<u>1,307,740</u>
Total primary government:			
Increase (decrease) in net assets	67,742,308	87,795,466	(20,053,158)
Net assets - beginning of year	(714,565,708)	(802,361,174)	87,795,466
Net assets - end of year	<u>\$(646,823,400)</u>	<u>\$(714,565,708)</u>	<u>\$67,742,308</u>

In business-type activities, operating revenues decreased by a very small amount, just under 1%. There was an increase of \$703,164 in Codes Enforcement and an offsetting decrease of \$848,849 in the Corrections Center; Codes Enforcement had increased permit fees and the Corrections Center had fewer State prisoners. The decrease in operating grants was almost all (\$515,066) in the Consolidated Codes Enforcement operating subsidy from the City of Memphis to fund one-half of their operating deficit; since permit fees increased less subsidy was needed. Operating expenses decreased \$2.3 million, or 2.6%, primarily in the Corrections Center and 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 \$67.7 million. The County's governmental activities operated with an increase in net assets of \$66.4 million. The business-type activities had a net increase of \$1.3 million. This resulted in the County's overall net asset balance improving from a deficit balance of \$714.5 million to a deficit balance of \$646.8 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. Governmental accounting standards prescribe 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 nonspendable, 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 Balance."

As of the end of the current fiscal year, Shelby County's governmental funds reported a combined ending fund balance of \$297,102,684. The components of the balances are:

	June 30, 2012	June 30, 2011
General Fund	\$ 92,899,991	\$ 86,867,384
Debt Service Fund	91,071,403	107,814,958
Special Revenue Funds	15,195,874	527,941
Total, except Capital Projects Fund	199,167,268	195,210,283
Capital Projects Fund	97,935,416	140,204,317
Total all governmental funds	<u>\$ 297,102,684</u>	<u>\$ 335,414,600</u>

There was a \$4.0 million net increase in fund balance excluding capital projects. There was an increase of \$6.0 million in the General Fund, a decrease of \$16.7 million in the Debt Service Fund and an increase of \$14.7 million in all special revenue funds. There was also a decrease of \$42.3 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 \$6.0 million, compared to an increase of \$8.7 million in the previous year. The General Fund had a decrease in revenue of \$5.8 million, with an increase of \$2.9 million in property taxes, a decrease of \$8.2 million in other taxes (primarily local sales taxes) and other smaller changes. General Fund expenditures and other financing sources/uses (mostly transfers out) decreased \$3.1 million. Although total expenditures were virtually unchanged, there were

increases of \$6.8 million in law enforcement and \$1.96 million in Judicial, a decrease of \$10.0 million in Hospital and other smaller changes. The General Fund unassigned fund balance increased \$6.0 million to \$91.6 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 25.3% 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 \$91.1 million, all restricted or committed for the payment of debt service. The decrease in fund balance during the current year was \$16.7 million. Revenue decreased \$21.8 million, with property taxes decreasing \$9.3 million due to a change in the portion of the tax rate designated for debt service decreasing from \$0.79 to \$0.75. Wheel taxes also decreased by \$14.7 million due to a larger amount of the wheel tax being allocated to the Education Fund in FY 12. This fund had Special revenue of \$71,490,000; the City of Memphis paid this amount to transfer to the City full control of the Convention Center, a former joint venture. The payment was approximately equal to the amount required for the County to complete the defeasance of outstanding debt issued for Convention Center capital purposes, recorded in the "other uses" category. The County also refunded several debt issues during the year as explained in Note IV(H). The Debt Service fund balance is 53.6% of the current year expenditures.

The fund balance of the Capital Projects Fund fluctuates significantly as funds are borrowed or transferred in for capital project purposes and are then expended for the projects. This fund balance decreased \$42.3 million during the year, from \$140.2 million to \$97.9 million. Expenditures of \$55.1 million were paid to the Shelby County and Memphis City school systems as they expend funds for capital projects, using resources added to the fund in prior years from loans from the State of Tennessee under the Qualified School Construction Bond Program. During the year the County agreed to provide funds, on a yearly basis as required, to repay bonds in the principal amount of \$20.4 million issued by the Memphis & Shelby County Port Authority to assist in the construction of facilities for a new industrial facility; this was an incentive for the manufacturer to locate in the County. Both expenditures and other financing sources include this \$20.4 million. Expenditures of \$4.3 million were made for a number of other projects. All fund balances of the Capital Projects Fund are restricted, committed or assigned.

The Education Fund is used to provide local funding to the two public school systems in the County – the Shelby County Board of Education and the City of Memphis Board of Education – distributed pro rata based on student attendance. A portion of the County property tax is specifically assessed for the schools. To the extent the property tax revenues are less than the expenditure amount appropriated, wheel tax revenues are allocated to the education fund to provide the total funding appropriated. There is usually no net change in fund balance and no fund balance in the Education Fund.

The Grants Fund usually has a negative fund balance caused by receivables not being paid by sponsors/grantors – primarily the State of Tennessee – in time to be considered "available" in the

current year. The Grants Fund had a positive net change in fund balance of \$6.6 million in the current fiscal year, helping to reduce the negative fund balance from \$16.2 million at June 30, 2011 to \$9.6 million at June 30, 2012. Total expenditures decreased \$18.4 million during the year, primarily due to the phasing out of federal stimulus grants.

All the Nonmajor Governmental Funds are special revenue funds. All these 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. These funds had a net increase in fund balances during the year of \$8.1 million. A new "Economic Development Fund" was added during the year and had a net change in fund balance of \$8.9 million. Other significant fund balances at year-end include \$2.0 million in the Health Services Restricted Fees Fund, \$6.7 million in the Roads and Bridges Fund and \$6.3 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. *Construction Codes Enforcement Fund.* Economic conditions have resulted in a reduction in construction activities resulting in lower codes enforcement fees, requiring shared support from the County's general fund and the City of Memphis. During this fiscal year, \$1.2 million was transferred from the General Fund and \$1.2 million was contributed by the City: this was a reduction from the \$1.7 million each government provided to the fund in the prior year. Operating revenue increased \$0.7 million and the change in net assets increased from \$33,610 in FY 11 to \$387,940 in FY 12. Net assets at June 30, 2012 are \$2.6 million, of which \$1.1 million is unrestricted.

Fire Services Fund. This fund operates entirely on user fees collected from residents and businesses in the unincorporated areas of the County served by the department. The operating results were basically unchanged from the previous year. The change in net assets improved from a deficit of \$277,025 in FY 11 to a smaller deficit of \$78,636 in FY 12. Total net assets at June 30, 2012 are \$5.3 million; unrestricted net assets decreased from \$2.7 million at June 30, 2011 to \$1.4 million at June 30, 2012 due to increased investment in capital assets during the year.

Corrections Center Fund. 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. Revenues decreased from \$48.3 million to \$47.5 million as the result of slightly fewer State prisoners. Operating expenses decreased from \$56.6 million to \$55.3 million and net transfers in decreased from \$8.9 million to \$8.7 million. The overall change in net assets increased from \$608,499 to \$944,129.

Total business-type activities. Total net assets at June 30, 2012 are \$40.1 million, of which \$15.6 million is unrestricted. Overall the net assets increased by \$1.3 million during the year. Unrestricted net assets increased 7.2% or \$1.0 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, 2012, these funds combined had net assets of \$19.4 million, an increase of \$1.0 million. The Group Health Insurance Fund had an increase of \$1.6 million in net assets to total net assets of \$8.9 million. The Employer Insurance Fund had an increase of \$228,009 to total net assets of \$5.2 million. The Tort Liability Fund had a decrease of \$1.3 million in net assets to \$2.5 million. The Central Services Fund had an increase of \$403,348 to total net assets of \$2.8 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 actuarial value of accumulated funds in the Retirement System at June 30, 2012 were 87.8% 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, 2012 the Retirement System had net assets held in trust of \$916 million, a decrease of \$66.5 million due to negative investment results.

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, 2012 the Trust had net assets held in trust of \$105.5 million an increase of \$17.2 million. The ratio of current funding to the actuarial liability improved from 19.1% to 27.5% during the past year.

The County also maintains agency funds for a number of the County's elected constitutional and county charter officers. 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:

- Changes in the revenue budget from original to amended were insignificant. The difference between the original and final amended budgets for expenditures was also insignificant in total (less than 1%). The expenditure variations primarily reflect the decision to provide employees with a stipend payment of \$650 each in lieu of a general salary increase for Fiscal 2012. The budget increases in each division are offset by a corresponding change to Planned Use of Fund Balance.
- Actual revenues exceeded the final budget by \$3.3 million, almost 1.0% higher than the budgeted level. Stronger property tax collections than projected contributed \$3.6 million to that amount – about 1.5% higher than budget. The favorable variance in the Other Local Taxes category (\$1.4 million or 5% above budget) primarily reflects increased Business Tax collections. An additional \$3.0 million was collected in fines, fees and permits (5% above budget) by the various Courts and the Trustee. Unfavorable variances reflect lower receipts of taxes and reimbursements from the State of Tennessee (\$2.7 million) and reassignment of revenue previously generated from the Port Commission to the economic development function (\$1 million).

- Actual expenditures were \$4.6 million (about 1.3%) below the amended budget. Personnel savings of about \$1.6 million reflect ongoing oversight by the Hiring Review Committee to control savings from attrition. Additional savings of \$2 million were realized from cost containment efforts in most operating account categories and \$1 million related to the Port Commission restructure mentioned above for revenue.

Capital Asset and Debt Administration

Capital Assets. Shelby County Government's investment in capital assets for its governmental and business type activities as of June 30, 2012 amounts to \$557.7 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 \$15.7 million and depreciation was \$28.0 million. Construction in progress as of the end of the current fiscal year was \$15.5 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:

- Expenditures totaling \$20.4 for the Electrolux initiative to attract a manufacturing and assembly facility, warehouse and distribution facility, and a regional headquarters facility to the area. (Note: Although capital improvement funds were used, this is not a County capital asset.)
- Roadway improvements and drainage improvements continued within the County with expenditures of approximately \$0.9 million.
- Expenditures for obtaining and implementing an electronic filing system for the Courts and a collections system for the Trustee were \$0.5 million.
- Renovation work continued on the Shelby County Office Building and at 157 Poplar Avenue; an additional \$20.1 million was appropriated during the year and expenditures on these renovations for the fiscal year were approximately \$2.4 million.

Long-term debt. At June 30, 2012 Shelby County's general obligation bonded debt (bonds payable) and other long term debt outstanding totaled \$1,494.0 million, which represented approximately 7.9% of assessed value of taxable property. The County's bonds, loans and notes payable decreased by approximately \$171.7 million (10.3%) 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. The County also accumulates "pay-as-you-go" funds that are sometimes used rather than using the notes payable program. 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 2012 no short-term notes were issued or outstanding.

During FY 2012 the County entered into an agreement with, the Memphis and Shelby County Port Commission (the Port Commission) whereby the Port Commission issued \$20,397,500 in Tax Exempt Revenue Bonds. The County has agreed to provide the Port Commission the funds, as they become due, to make principal and interest payments over the next twenty-four (24) years. 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

Economic Factors. The September 2012 unemployment rate for Shelby County was 8.5%, which compares to the rate of 8.3% for the State of Tennessee and 7.8% for the nation. (All rates are seasonally adjusted.) General economic conditions in the County have been similar to or slightly worse than those across the nation.

Next Year’s Budgets and Rates.

- The total property tax rate for the FY 2013 budget was maintained at the same level as FY 2012, with no changes to the fund allocations within that rate. Property taxes were budgeted for FY 2013 at about 1% less than actual collections for FY 2012.
- Total General Fund revenue for FY 2013 was projected at 1.3% over the FY 2012 budget, but just slightly higher than the actual receipts for FY 2012. The increase in

Other Local Taxes reflects the expectation that increased payments will be received from the City of Memphis for In Lieu of Taxes.

- General Fund budgeted expenditures have been reduced in total by slightly less than 1% for FY 2013 compared to prior year budget. An overall increase to personnel expense reflects a 1% raise for all employees along with rising healthcare and pension costs. However, those increases are offset by reductions to operating expenses and savings related to the sale of the Convention Center and the shift of economic development funding to EDGE.
- Factors that may impact the County budget in the future include the results of the reappraisal conducted during 2012, the consolidation of City and County school systems effective in the fall of 2013, and escalating health care costs. However, the County Mayor and Commission remain committed to holding General Fund expenditures to the same level as projected General Fund revenue growth.

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 200, Memphis, Tennessee 38103.

	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Cash and cash equivalents	\$ 232,602,584	\$ 11,239,983	\$ 243,842,567	\$ 39,307,021
Investments	130,391,527	---	130,391,527	184,526,204
Accrued interest receivable	631,508	---	631,508	60,327
Property taxes receivable, net of allowance for uncollectibles	797,531,969	---	797,531,969	---
Accounts receivable and accrued revenues	15,609,351	1,610,187	17,219,538	56,537,159
Due from primary government	---	---	---	13,871,861
Due from other governmental entities	22,479,594	7,793,952	30,273,546	18,864,763
Due from component units	27,440	12,805	40,245	---
Internal balances	2,199,103	(2,199,103)	---	---
Inventories	94,135	---	94,135	8,821,296
Prepaid and deferred charges	147,753	18,817	166,570	1,486,929
Deposits held by others	519,699	---	519,699	---
Notes receivable	6,953,148	---	6,953,148	---
Other assets	---	---	---	45,195
Restricted and other investments	---	---	---	3,323,723
Deferred derivative outflows	91,107,226	---	91,107,226	---
Net pension asset	24,676,977	4,122,446	28,799,423	---
Land	25,690,720	---	25,690,720	23,434,329
Construction in progress	15,475,183	---	15,475,183	30,853,885
Depreciable capital assets, net	491,636,813	24,878,603	516,515,416	415,999,101
Total assets	<u>\$ 1,857,774,730</u>	<u>\$ 47,477,690</u>	<u>\$ 1,905,252,420</u>	<u>\$ 797,131,793</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 25,743,189	\$ 638,888	\$ 26,382,077	\$ 67,500,126
Accrued interest payable	12,736,716	13,586	12,750,302	---
Due to primary government	---	---	---	40,245
Due to other governmental entities	37,168,143	88,911	37,257,054	---
Due to component units	13,871,861	---	13,871,861	---
Deposits held for others	4,953,013	431,638	5,384,651	42,005
Unearned revenue	744,650,148	91,566	744,741,714	643,235
Claims payable	6,595,408	---	6,595,408	---
Derivative instruments fair value	86,082,372	---	86,082,372	---
Long-term liabilities				
Due within one year	113,190,308	3,070,458	116,260,766	2,395,724
Net post-employment benefit obligations	10,560,616	3,390,077	13,950,693	210,356,702
Other due in more than one year	1,486,904,888	1,894,034	1,488,798,922	6,153,169
Total liabilities	<u>2,542,456,662</u>	<u>9,619,158</u>	<u>2,552,075,820</u>	<u>287,131,206</u>
Net assets:				
Invested in capital assets, net of related debt	293,284,276	24,482,158	317,766,434	470,106,422
Restricted for:				
Education	---	---	---	20,849,225
Debt service	1,697,206	---	1,697,206	---
Capital improvement projects	37,879,122	---	37,879,122	3,283,267
Roads and bridges	6,671,231	---	6,671,231	---
Law enforcement	6,348,360	---	6,348,360	---
Other purposes	22,675,296	---	22,675,296	4,727,275
Unrestricted	(1,053,237,423)	13,376,374	(1,039,861,049)	11,034,398
Total net assets	<u>(684,681,932)</u>	<u>37,858,532</u>	<u>(646,823,400)</u>	<u>510,000,587</u>
Total liabilities and net assets	<u>\$ 1,857,774,730</u>	<u>\$ 47,477,690</u>	<u>\$ 1,905,252,420</u>	<u>\$ 797,131,793</u>

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General Government	\$ 61,220,094	\$ 26,774,373	\$ 3,916,232	\$ 422,460
Hospital	26,816,000	---	---	---
Planning and Development	6,392,108	116,197	5,170,009	---
Public Works	46,978,772	7,840,734	1,363,695	3,020,607
Corrections	1,435,580	---	742,243	---
Health Services	52,442,394	10,736,876	21,155,665	12,105
Community Services	69,605,001	848,631	58,228,017	186,399
Law Enforcement	156,465,979	8,716,908	260,896	712,345
Judicial	68,815,715	27,918,355	4,324,761	---
Other Elected Officials	25,379,684	35,610,464	23,251	---
Education	420,187,895	3,260,765	---	---
Interest on Debt	90,654,296	---	---	---
Total governmental activities	<u>1,026,393,518</u>	<u>121,823,303</u>	<u>95,184,769</u>	<u>4,353,916</u>
Business-type activities:				
Code Enforcement	9,687,934	7,954,287	1,184,462	---
Fire Services	19,565,511	19,259,093	556	2,000
Corrections	55,149,724	47,447,969	19,600	---
Total business-type activities	<u>84,403,169</u>	<u>74,661,349</u>	<u>1,204,618</u>	<u>2,000</u>
Total primary government	<u>\$ 1,110,796,687</u>	<u>\$ 196,484,652</u>	<u>\$ 96,389,387</u>	<u>\$ 4,355,916</u>
Component units:				
Board of Education	\$ 478,451,554	\$ 65,586,719	\$ 199,161,460	\$ ---
Shelby County Health Care Corporation	313,270,434	254,769,418	80,997,000	---
Agricenter International	3,309,764	3,489,534	30,971	---
Emergency Communications District	6,094,552	7,571,435	1,357,647	---
Total component units	<u>\$ 801,126,304</u>	<u>\$ 331,417,106</u>	<u>\$ 281,547,078</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) - swap termination
- Unrestricted investment earnings
- Special item - sale of interest in joint venture
- Transfers, net
- Total general revenues and transfers
- Changes in net assets
- Net assets - June 30, 2011
- Net assets - June 30, 2012

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	
\$ (30,107,029)	\$ ---	\$ (30,107,029)	\$ ---
(26,816,000)	---	(26,816,000)	---
(1,105,902)	---	(1,105,902)	---
(34,753,736)	---	(34,753,736)	---
(693,337)	---	(693,337)	---
(20,537,748)	---	(20,537,748)	---
(10,341,954)	---	(10,341,954)	---
(146,775,830)	---	(146,775,830)	---
(36,572,599)	---	(36,572,599)	---
10,254,031	---	10,254,031	---
(416,927,130)	---	(416,927,130)	---
(90,654,296)	---	(90,654,296)	---
<u>(805,031,530)</u>	<u>---</u>	<u>(805,031,530)</u>	<u>---</u>
---	(549,185)	(549,185)	---
---	(303,862)	(303,862)	---
---	(7,682,155)	(7,682,155)	---
<u>---</u>	<u>(8,535,202)</u>	<u>(8,535,202)</u>	<u>---</u>
<u>(805,031,530)</u>	<u>(8,535,202)</u>	<u>(813,566,732)</u>	<u>---</u>
---	---	---	(213,703,375)
---	---	---	22,495,984
---	---	---	210,741
---	---	---	2,834,530
<u>---</u>	<u>---</u>	<u>---</u>	<u>(188,162,120)</u>
348,755,513	---	348,755,513	---
147,465,150	---	147,465,150	---
257,840,647	---	257,840,647	---
11,191,681	---	11,191,681	42,445,709
12,940,493	---	12,940,493	---
14,220,558	---	14,220,558	---
28,531,929	---	28,531,929	---
2,681,633	---	2,681,633	---
2,160,360	---	2,160,360	---
1,058,898	---	1,058,898	---
9,206,425	---	9,206,425	---
---	---	---	140,120,131
(33,207,518)	---	(33,207,518)	19,278,514
6,939,244	34,027	6,973,271	1,729,481
71,490,000	---	71,490,000	---
(9,808,915)	9,808,915	---	---
<u>871,466,098</u>	<u>9,842,942</u>	<u>881,309,040</u>	<u>203,573,835</u>
66,434,568	1,307,740	67,742,308	15,411,715
(751,116,500)	36,550,792	(714,565,708)	494,588,872
<u>\$ (684,681,932)</u>	<u>\$ 37,858,532</u>	<u>\$ (646,823,400)</u>	<u>\$ 510,000,587</u>

	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 42,383,254	\$ 37,874,871	\$ 62,902,002
Investments	35,500,000	51,342,514	43,549,013
Property taxes receivable, net of allowance for uncollectibles	279,411,386	148,113,210	---
Accounts receivable and accrued revenues	2,214,078	471,096	---
Due from other governments	3,822,743	81,488	23,461
Accrued interest receivable	542,639	28,405	---
Due from other funds	23,042,501	846,756	---
Due from component units	---	27,440	---
Deposits held by others	21,200	---	---
Notes receivable	340,255	4,065,894	---
Total assets	\$ 387,278,056	\$ 242,851,674	\$ 106,474,476
Liabilities:			
Accounts payable and accrued liabilities	\$ 9,438,265	\$ 259,032	\$ 446,322
Accrued interest payable	---	47,564	---
Deferred revenue	279,882,697	151,473,675	84,157
Due to other governments	723,045	---	5,417,714
Due to other funds	3,849,521	---	---
Due to component units	62,563	---	---
Deposits held for others	343,513	---	2,590,867
Claims payable	78,461	---	---
Total liabilities	294,378,065	151,780,271	8,539,060
Fund balances:			
Restricted	933,228	1,589,794	37,879,122
Committed	328,309	89,481,609	24,762,356
Assigned	47,919	---	35,293,938
Unassigned	91,590,535	---	---
Total fund balance	92,899,991	91,071,403	97,935,416
Total liabilities and fund balances	\$ 387,278,056	\$ 242,851,674	\$ 106,474,476

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

<u>Education Fund</u>	<u>Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 14,811,416	\$ 10,348,062	\$ 27,759,055	\$ 196,078,660
---	---	---	130,391,527
370,007,373	---	---	797,531,969
---	11,130,309	1,734,501	15,549,984
---	14,764,836	1,687,937	20,380,465
---	---	---	571,044
1,566,617	---	1,436,250	26,892,124
---	---	---	27,440
---	4,966	443,533	469,699
---	2,546,999	---	6,953,148
<u>\$ 386,385,406</u>	<u>\$ 38,795,172</u>	<u>\$ 33,061,276</u>	<u>\$ 1,194,846,060</u>
\$ ---	\$ 6,870,742	\$ 7,719,214	\$ 24,733,575
---	---	---	47,564
368,197,870	16,836,219	38,724	816,513,342
12,592,968	55,510	20,121	18,809,358
---	23,042,501	102	26,892,124
5,594,568	58,808	---	5,715,939
---	1,575,100	443,533	4,953,013
---	---	---	78,461
<u>386,385,406</u>	<u>48,438,880</u>	<u>8,221,694</u>	<u>897,743,376</u>
---	6,400,154	15,577,420	62,379,718
---	---	10,242,902	124,815,176
---	---	---	35,341,857
---	(16,043,862)	(980,740)	74,565,933
---	(9,643,708)	24,839,582	297,102,684
<u>\$ 386,385,406</u>	<u>\$ 38,795,172</u>	<u>\$ 33,061,276</u>	<u>\$ 1,194,846,060</u>



**Reconciliation of Fund Balances of Governmental
Funds to the Statement of Net Assets
June 30, 2012**

Fund balance - total governmental funds (page C-5)	\$	297,102,684
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.		531,258,191
Receivables not available to pay for current expenditures are reported as deferred revenue in the funds.		75,764,044
Accrued interest receivables in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		60,464
Other receivables not available to pay for current expenditures are not recorded in the funds.		2,081,495
Amounts payable to schools from receivables not available to pay current expenditures are reported as deferred revenue in the funds.		(26,514,707)
Certain types of services paid for in advance and reported as prepaid are reported as expenditures in the funds under the purchases method.		7,578
Interest on long-term debt is not payable with current financial resources and, therefore, is not reported in the funds.		(12,689,152)
Deferred outflows (asset-like charges) for the accumulated decrease in fair value of hedging derivatives as used in governmental activities are not financial resources and therefore are not reported in the funds.		5,024,854
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)		(1,602,966,075)
Excess contributions to the pension trust fund are not reported in the funds.		24,583,195
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 \$2,199,103 related to "look-back" adjustments for internal service funds.		21,605,497
		21,605,497
Net assets of governmental activities (page C-1)	\$	(684,681,932)

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, 2012

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues:			
Property taxes	\$ 242,951,328	\$ 137,757,439	\$ ---
Other local taxes	28,298,234	25,076,111	---
State revenue	17,552,358	---	113,099
Federal and local revenue	3,962,131	1,304,602	5,935,607
Charges for services	3,689,455	233,000	---
Fines, fees and permits	65,071,272	---	---
Other revenue	347,711	744,636	---
Investment income	477,788	442,667	338,926
Total revenues	362,350,277	165,558,455	6,387,632
Expenditures:			
Current			
General Government	28,976,053	---	---
Hospital	26,816,000	---	---
Planning and Development	336,901	---	---
Public Works	19,373,602	---	109,546
Corrections	---	---	---
Health Services	24,438,584	---	---
Community Services	8,690,998	276,850	---
Law Enforcement	149,358,174	---	75,720
Judicial	62,599,182	---	---
Other Elected Officials	24,840,139	---	---
Education	---	---	---
Debt service and related cost	---	169,731,593	---
Capital outlay: capital projects	---	---	79,800,460
Total expenditures	345,429,633	170,008,443	79,985,726
Excess (deficiency) of revenues over (under) expenditures	<u>16,920,644</u>	<u>(4,449,988)</u>	<u>(73,598,094)</u>
Other financing sources (uses):			
Transfers in	1,316,666	264,716	11,196,409
Transfers out	(13,841,463)	(6,916,000)	(264,716)
Refunding bonds issued	---	274,400,000	---
Premium on bonds issued	---	58,055,757	---
Payment to refunding bond escrow agent	---	(409,588,040)	---
Long term debt issued other than bonds	---	---	20,397,500
Sale of capital assets	532,867	---	---
Insurance recoveries	1,103,893	---	---
Total other financing sources (uses)	(10,888,037)	(83,783,567)	31,329,193
Special item:			
Sale of interest in joint venture	---	71,490,000	---
Net change in fund balances	6,032,607	(16,743,555)	(42,268,901)
Fund balances June 30, 2011	<u>86,867,384</u>	<u>107,814,958</u>	<u>140,204,317</u>
Fund balances June 30, 2012	<u>\$ 92,899,991</u>	<u>\$ 91,071,403</u>	<u>\$ 97,935,416</u>

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 341,359,961	\$ ---	\$ ---	\$ 722,068,728
19,928,039	---	14,341,517	87,643,901
---	62,406,550	9,206,425	89,278,432
---	46,237,385	8,978,678	66,418,403
---	1,385,965	3,702,066	9,010,486
---	202,620	5,482,231	70,756,123
---	1,461,795	2,430,812	4,984,954
---	88,150	75,956	1,423,487
<u>361,288,000</u>	<u>111,782,465</u>	<u>44,217,685</u>	<u>1,051,584,514</u>
---	3,844,242	11,979,896	44,800,191
---	---	---	26,816,000
---	6,503,208	---	6,840,109
---	4,222,657	12,955,204	36,661,009
---	1,388,314	---	1,388,314
---	23,370,646	4,777,738	52,586,968
---	61,109,323	---	70,077,171
---	1,796,834	2,319,243	153,549,971
---	4,622,215	299,270	67,520,667
---	---	306,760	25,146,899
361,288,000	---	---	361,288,000
---	---	---	169,731,593
---	---	---	79,800,460
<u>361,288,000</u>	<u>106,857,439</u>	<u>32,638,111</u>	<u>1,096,207,352</u>
---	4,925,026	11,579,574	(44,622,838)
---	4,599,642	154,622	17,532,055
---	(3,024,071)	(3,659,136)	(27,705,386)
---	---	---	274,400,000
---	---	---	58,055,757
---	---	---	(409,588,040)
---	---	---	20,397,500
---	---	8,200	541,067
---	55,824	28,252	1,187,969
---	<u>1,631,395</u>	<u>(3,468,062)</u>	<u>(65,179,078)</u>
---	---	---	71,490,000
---	6,556,421	8,111,512	(38,311,916)
---	(16,200,129)	16,728,070	335,414,600
<u>\$ ---</u>	<u>\$ (9,643,708)</u>	<u>\$ 24,839,582</u>	<u>\$ 297,102,684</u>

**Reconciliation of Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2012**

Net change in fund balance - total governmental funds (page C-9) \$ (38,311,916)

Amounts reported for the governmental activities in the Statement of Activities (page C-3) are different because:

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 depreciation and net gains and losses on retirements exceeded capital outlays in the current period. (See Note II.B) (13,161,658)

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. (6,014,745)

Decrease in accrued interest receivable. (97,598)

Revenues in the Statement of Activities from other long-term receivables that do not provide current resources are not reported in the funds. (189,404)

Changes in amounts payable to schools from receivables not available in the funds. (3,845,547)

Expenditures recorded under the purchases method that apply to a future period are reported as prepaid expenses in the Statement of Net Assets. The net change in prepaid is an adjustment to expenses in the current period. (47,246)

Increase in interest payable on long-term debt. (2,248,796)

Change in fair value of derivatives 5,024,854

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) 122,028,057

Changes in other long-term liabilities other than internal service funds. (See Note II.B) 5,663,961

Unfunded contributions to the pension trust fund are reported as a reduction to the net pension asset in the Statement of Net Assets. (3,275,603)

Internal service funds are used by management to charge the costs of central services to individual funds. The net income of certain activities of internal service funds is reported with governmental activities. 910,209

Change in net assets of governmental activities (page C-3) \$ 66,434,568

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

Proprietary Funds
Statement of Net Assets
June 30, 2012

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
Assets:		
Current assets		
Cash and cash equivalents	\$ 11,239,983	\$ 36,523,924
Accounts receivable and accrued revenues	1,610,187	59,367
Due from other governments	7,793,952	17,634
Due from component units	12,805	---
Inventories	---	94,135
Prepays and deferred charges	18,817	140,175
Deposits held by others	---	50,000
Total current assets	<u>20,675,744</u>	<u>36,885,235</u>
Noncurrent assets		
Net pension asset	4,122,446	93,782
Depreciable capital assets, net	24,878,603	1,544,525
Total noncurrent assets	<u>29,001,049</u>	<u>1,638,307</u>
Total assets	<u>\$ 49,676,793</u>	<u>\$ 38,523,542</u>
Liabilities and net assets:		
Current liabilities		
Accounts payable and accrued liabilities	\$ 638,888	\$ 1,009,614
Accrued interest payable	13,586	---
Unearned revenue	91,566	3,900,850
Due to other governments	88,911	---
Deposits held for others	431,638	---
Claims payable, current	---	7,628,225
Compensated absences payable	2,909,231	53,572
Capital lease obligations, current portion	161,227	---
Total current liabilities	<u>4,335,047</u>	<u>12,592,261</u>
Noncurrent liabilities		
Claims payable, long-term	---	6,378,937
Accrued sick leave payable	1,589,878	43,414
Capital lease obligations	304,156	---
Net postemployment benefit obligation	3,390,077	102,536
Total noncurrent liabilities	<u>5,284,111</u>	<u>6,524,887</u>
Total liabilities	<u>9,619,158</u>	<u>19,117,148</u>
Net assets:		
Invested in capital assets, net of related debt	24,482,158	1,544,525
Unrestricted	15,575,477	17,861,869
Total net assets	<u>40,057,635</u>	<u>19,406,394</u>
Total liabilities and net assets	<u>\$ 49,676,793</u>	<u>\$ 38,523,542</u>
Total net assets	\$ 40,057,635	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(2,199,103)</u>	
Net assets of business-type activities on Statement of Net Assets (page C-1)	<u>\$ 37,858,532</u>	

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

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2012

	<u>Business-type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating revenues:		
Premium revenue	\$ ---	\$ 51,581,102
State revenue	46,090,770	159,903
Federal and local revenue	1,662,815	---
Charges for services	1,369,557	6,895,382
Fines, fees and permits	25,555,745	---
Other revenue	4,618	7,637
Total operating revenues	<u>74,683,505</u>	<u>58,644,024</u>
Operating expenses:		
Salaries	37,483,639	770,555
Other compensation	6,403,290	14,330
Fringe benefits	15,019,186	303,443
Supplies and materials	5,947,589	692,569
Services and other expenses	638,355	1,280,165
Professional and contracted services	10,126,110	3,262,428
Rent, utilities and maintenance	2,822,686	3,219,716
Interfund services	4,475,211	26,066
Depreciation	1,527,506	186,916
Claims incurred	5,263	48,362,193
Total operating expenses	<u>84,448,835</u>	<u>58,118,381</u>
Operating income (loss)	(9,765,330)	525,643
Nonoperating revenues (expenses):		
Intergovernmental	1,184,462	---
Interest income	34,027	72,731
Interest expense	(34,556)	---
Gain (loss) on asset disposal	(34,935)	---
Insurance recoveries	60,850	1,726
Net operating revenues	<u>1,209,848</u>	<u>74,457</u>
Income (loss) before transfers	<u>(8,555,482)</u>	<u>600,100</u>
Transfers:		
Transfers in	10,312,247	500,000
Transfers out	(503,332)	(135,584)
Net transfers	<u>9,808,915</u>	<u>364,416</u>
Change in net assets	<u>1,253,433</u>	<u>964,516</u>
Net assets:		
June 30, 2011	<u>38,804,202</u>	<u>18,441,878</u>
June 30, 2012	<u>\$ 40,057,635</u>	<u>\$ 19,406,394</u>
Change in net assets	\$ 1,253,433	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>54,307</u>	
Change in net assets of business-type activities on Statement of Activities (page C-3)	<u>\$ 1,307,740</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, 2012**

	<u>Business-type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
Cash flows from operating activities:		
Receipts from customers	\$ 86,556,342	\$ 234,417
Receipts for special programs	65,356	---
Receipts from interfund services provided	329,059	6,655,788
Premiums received	---	51,724,109
Refunds received from suppliers	1,527	58,198
Refunds paid to customers	(2,805,897)	---
Cash payments to suppliers	(20,289,768)	(8,061,812)
Cash payments to employees	(60,091,034)	(1,086,614)
Claims paid	(5,263)	(47,370,182)
Payments for interfund services used	(4,768,008)	(26,069)
Net cash provided by (used in) operating activities	<u>(1,007,686)</u>	<u>2,127,835</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	10,312,247	500,000
Transfers to other funds	(503,332)	(135,584)
Payments from City of Memphis	1,184,462	---
Repayment of advances from other funds	(832,437)	---
Interest on advance from other funds	(9,881)	---
Insurance recoveries	858	---
Net cash provided by (used in) noncapital financing activities	<u>10,151,917</u>	<u>364,416</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,751,770)	(202,743)
Proceeds from the sale of capital assets	10,550	---
Capital lease obligation payments	(153,857)	---
Interest paid	(29,528)	---
Insurance recoveries	59,992	1,726
Net cash provided by (used in) capital and related financing activities	<u>(1,864,613)</u>	<u>(201,017)</u>
Cash flows from investing activities:		
Interest and investment earnings	<u>34,027</u>	<u>72,731</u>
Net cash provided by (used in) investing activities	<u>34,027</u>	<u>72,731</u>
Net increase (decrease) in cash and cash equivalents	7,313,645	2,363,965
Cash and cash equivalents, June 30, 2011	<u>3,926,338</u>	<u>34,159,959</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 11,239,983</u>	<u>\$ 36,523,924</u>

(continued)

Proprietary Funds
Statement of Cash Flows (continued)
For the Year Ended June 30, 2012

	<u>Business-type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (9,765,330)	\$ 525,643
Adjustments:		
Depreciatoin	1,527,506	186,916
Changes in assets and liabilities:		
Accounts receivable and accrued revenues	25,680	14,034
Due from other governments	9,105,446	(10,751)
Due from component units	(12,805)	---
Inventories	---	(48,978)
Prepays and deferred charges	(2,442)	268,571
Deposits held by others	---	47,874
Net pension asset	602,323	11,994
Accounts payable and accrued liabilities	(1,201,948)	190,249
Due to other governments	58,226	---
Deposits held for others	21,614	---
Unearned revenue	1,851	(39,448)
Claims payable	---	992,010
Compensated absences payable	(596,036)	5,073
Net post employment benefit obligations	(771,771)	(15,352)
Total adjustments	<u>8,757,644</u>	<u>1,602,192</u>
Net cash provided by (used in) operating activities	<u>\$ (1,007,686)</u>	<u>\$ 2,127,835</u>
Noncash investing, capital, and financing activities:		
Capital asset purchases accrued, not reflected in capital financing activities	\$ 88,573	\$ 31,606
Capital assets transferred to governmental activities	\$ 45,485	

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

Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2012

	Postemployment Benefit Trust Funds	Constitutional and County Charter Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 48,658,200	\$ 123,209,447
Investments		
Domestic equity	319,167,895	---
Fixed income	244,820,023	---
International equity	181,112,322	---
Hedge funds	109,116,317	---
Limited partnership interests	76,422,546	---
Private real estate and infrastructure	28,194,562	---
Certificates of deposit	---	11,400,000
Alternative investments	13,016,006	---
Short-term investments	361,227	---
Accounts receivable	54,968	2,864,979
Accrued interest and dividends receivable	8,154,305	---
Due from brokers - investment sales	3,122,387	---
	<u>\$ 1,032,200,758</u>	<u>\$ 137,474,426</u>
Liabilities:		
Accounts payable	\$ 2,753,393	\$ 21,115
Funds held for others	---	83,015,727
Due to brokers and others	7,984,926	---
Due to component units	---	39,233,495
Due to other governmental entities	---	15,204,089
	<u>10,738,319</u>	<u>\$ 137,474,426</u>
Net assets held in trust for pension and OPEB benefits	<u>1,021,462,439</u>	
Total plan net assets	<u>1,021,462,439</u>	
Total liabilities and plan net assets	<u>\$ 1,032,200,758</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, 2012

	<u>Postemployment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer contributions	\$ 55,315,642
Member contributions	16,273,152
Federal ERRP subsidy	<u>1,288,052</u>
Total contributions	<u>72,876,846</u>
Investment income:	
Net change in fair value of investments	(60,313,263)
Interest income	16,510,153
Dividend income	8,969,504
Other income	<u>735,911</u>
Total investment income (loss)	(34,097,695)
Less investment management expenses	<u>4,497,925</u>
Net investment income	(38,595,620)
Net additions	<u>34,281,226</u>
Deductions:	
Benefit payments	76,819,280
Administrative expenses	2,065,831
Refund of member contributions	<u>4,705,806</u>
Total deductions	<u>83,590,917</u>
Change in net assets	(49,309,691)
Net assets held in trust for benefits	
June 30, 2011	<u>1,070,772,130</u>
June 30, 2012	<u>\$ 1,021,462,439</u>

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

Component Units
Combining Statement of Net Assets
June 30, 2012

	Board of Education	Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total Component Units
Assets:					
Cash and cash equivalents	\$ 15,886,806	\$ 18,647,650	\$ 424,529	\$ 4,348,036	\$ 39,307,021
Investments	29,929,221	122,945,621	---	31,651,362	184,526,204
Accrued interest receivable	---	---	---	60,327	60,327
Accounts receivable and accrued revenues	2,382,699	53,570,900	296,819	286,741	56,537,159
Due from primary government	13,750,490	121,371	---	---	13,871,861
Due from other governmental entities	13,297,196	4,998,611	---	568,956	18,864,763
Inventories	5,468,778	3,320,733	31,785	---	8,821,296
Prepaid and deferred charges	---	986,011	30,577	470,341	1,486,929
Other assets	---	---	45,195	---	45,195
Restricted and other investments	---	3,323,723	---	---	3,323,723
Land	23,325,374	108,955	---	---	23,434,329
Construction in progress	23,212,757	7,641,128	---	---	30,853,885
Depreciable capital assets, net	355,425,714	55,361,539	1,529,340	3,682,508	415,999,101
Total assets	\$ 482,679,035	\$ 271,026,242	\$ 2,358,245	\$ 41,068,271	\$ 797,131,793
Liabilities:					
Accounts payable and accrued liabilities	\$ 32,427,930	\$ 34,421,429	\$ 386,847	\$ 263,920	\$ 67,500,126
Due to primary government	27,440	---	---	12,805	40,245
Deposits held for others	---	---	42,005	---	42,005
Unearned revenue	282,199	46,942	314,094	---	643,235
Long-term liabilities					
Due within one year	---	2,350,000	45,724	---	2,395,724
Net post employment benefit obligations	209,444,702	912,000	---	---	210,356,702
Other due in more than one year	---	6,018,000	135,169	---	6,153,169
Total liabilities	242,182,271	43,748,371	923,839	276,725	287,131,206
Net assets:					
Invested in capital assets, net of related debt	401,963,845	63,111,622	1,348,447	3,682,508	470,106,422
Restricted for:					
Building construction	710,469	2,572,798	---	---	3,283,267
Indigent care	---	750,925	---	---	750,925
Insurance claims	3,976,350	---	---	---	3,976,350
Education	20,849,225	---	---	---	20,849,225
Unrestricted	(187,003,125)	160,842,526	85,959	37,109,038	11,034,398
Total net assets	240,496,764	227,277,871	1,434,406	40,791,546	510,000,587
Total liabilities and net assets	\$ 482,679,035	\$ 271,026,242	\$ 2,358,245	\$ 41,068,271	\$ 797,131,793

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, 2012**

	Program Revenues			Board of Education
	Expenses	Charges for Services	Operating Grants and Contributions	
Board of Education	\$ 478,451,554	\$ 65,586,719	\$ 199,161,460	\$ (213,703,375)
Shelby County Health Care Corporation	313,270,434	254,769,418	80,997,000	---
Agricenter International	3,309,764	3,489,534	30,971	---
Emergency Communications District	6,094,552	7,571,435	1,357,647	---
Total Component Units	\$ 801,126,304	\$ 331,417,106	\$ 281,547,078	(213,703,375)
General revenues:				
				113,303,620
				42,445,709
				19,278,514

				<u>175,027,843</u>
				(38,675,532)
				<u>279,172,296</u>
				<u>\$ 240,496,764</u>

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	
\$ ---	\$ ---	\$ ---	\$ (213,703,375)	
22,495,984	---	---	22,495,984	
---	210,741	---	210,741	
---	---	2,834,530	2,834,530	
<u>22,495,984</u>	<u>210,741</u>	<u>2,834,530</u>	<u>(188,162,120)</u>	
26,816,511	---	---	140,120,131	
---	---	---	42,445,709	
---	---	---	19,278,514	
<u>1,423,480</u>	<u>3,160</u>	<u>302,841</u>	<u>1,729,481</u>	
<u>28,239,991</u>	<u>3,160</u>	<u>302,841</u>	<u>203,573,835</u>	
50,735,975	213,901	3,137,371	15,411,715	
176,541,896	1,220,505	37,654,175	494,588,872	
<u>\$ 227,277,871</u>	<u>\$ 1,434,406</u>	<u>\$ 40,791,546</u>	<u>\$ 510,000,587</u>	



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

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

Discretely Presented Component Units:

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 47,000 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) 545-7100.

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 five Agricenter Commission members are appointed by the County Mayor and confirmed by the County Board of Commissioners. There are also two ex-officio voting members. 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, 3150 Lenox Park #108, Memphis, Tennessee 38115, (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 non-fiduciary 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 considers property taxes associated with the current fiscal year to be available if they are collected within one month of the end of the current fiscal year. The government considers sales taxes, hotel taxes, car rental taxes, Hall income taxes and grants and reimbursements from other governments associated with the current fiscal year to be available if collected within two months of the end of the current fiscal year. Revenues from fines, fees, permits and other imposed non-exchange transactions are considered available when collected; revenues are either not measurable until collected 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.

- 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 FedExForum.
- 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.
- Economic Development Fund accounts for resources received that can be used only for economic development activities supported by the County.

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 identified as the source of the funding, that specific fund balance will be used.

(E) Assets, Liabilities and Net Assets/Fund Balance

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, 2012, 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 Balance

Entity-wide and proprietary fund 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 balance 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 \$(7,689,737) of long-term liabilities and are not part of this reconciling amount. The details of this \$(1,602,966,075) are as follows:

Bonds and loans payable	\$ (1,455,753,230)
Accreted value on bonds	(38,193,056)
Net premium and issuance cost on bonds issued	(77,580,312)
Compensated absences	(17,625,187)
Landfill postclosure	(3,024,382)
Claims and judgments	(331,828)
Net post employment benefit obligation	<u>(10,458,080)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ (1,602,966,075)</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 change in fund balance – total governmental funds* and *change 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 (\$13,161,658) difference are as follows:

Capital outlay	\$ 11,640,869
Developer contributions	2,212,000
Loss on asset disposals	(708,464)
Depreciation expense	<u>(26,306,063)</u>
Net adjustment to decrease <i>net change in fund balance – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ (13,161,658)</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 \$122,028,057 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (274,400,000)
Premium on debt issued of \$58,055,757, net of issuance costs of \$228,544 and amortization of (\$8,584,434)	(49,699,867)
Accretion of zero coupon bonds	12,347,733
Long-term debt issued other than bonds	(20,397,500)
Refunding debt payments	409,588,040
Principal repayments on debt	<u>44,589,651</u>
Net adjustment to increase <i>net change in fund balance – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 122,028,057</u>

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

The details of this \$5,663,961 difference are as follows:

Landfill post closure costs	\$ 126,016
Claims and judgements	12,310
Sick and annual leave	1,326,648
Net postemployment benefit obligations	<u>4,198,987</u>
Net adjustment to increase <i>net change in fund balance – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 5,663,961</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 \$9,643,708 results from deferring revenue for amounts billed to grantors for program expenditures and for which payment had not been received within two months of the statement date.

The deficit in the Hotel and TDZ Taxes Fund, a nonmajor governmental fund, of \$980,740 results from the difference in the amount of taxes collected and the amount owed to Memphis and Shelby County Sports Authority on debt for which the tax is levied.

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, 2012. Of the total investments per financial reports, \$130,391,527 is reported on the

Statement of Net Assets and \$11,400,000 is reported on the on the Combined Schedule of Changes in Assets and Liabilities for the county charter officers agency funds.

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

U.S. Government agency securities	\$ 19,070,527
Tennessee Local Government Pool (LGIP)	140,861,967
Total investments for disclosure purposes	<u>159,932,494</u>
Add certificates of deposit reported as investments	122,721,000
Less amounts reported as cash equivalents	<u>(140,861,967)</u>
Total investments per financial reports	<u>\$ 141,791,527</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 Board of Education's 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 Shelby County Board of Education.

Shelby County Retirement System (Fiduciary Fund):

At June 30, 2012 the Retirement System had deposits of \$39,873,186 in money-market mutual funds that were not insured and were uncollateralized. At June 30, 2012 the Retirement System reported the following investments with carrying amounts as shown:

Domestic equity	\$ 283,159,863
Fixed income	216,987,789
International equity	163,125,715
Hedge funds	109,116,317
Limited partnership interest	76,422,546
Private real estate	<u>23,731,154</u>
Total investments	<u>\$ 872,543,384</u>

The fair values of fixed income investments grouped by maturity at June 30, 2012 are as follows:

Current to one year	\$ 22,332,958
One to two years	8,327,816
Two to three years	11,498,717
Three to four years	16,519,472
Four to five years	9,418,649
Five years or more	148,890,177
Total	<u>\$ 216,987,789</u>

At June 30, 2012 the Retirement System had \$277,818,544 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, 2012. 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 300, 160 N. Main Street, Memphis, Tennessee 38103.

Shelby County OPEB Trust (Fiduciary Fund):

At June 30, 2012 the OPEB Trust had deposits of \$7,406,286 that were not insured and were uncollateralized. Most of this was held in the Tennessee LGIP short term investment fund. At June 30, 2012 the OPEB Trust reported the following investments with carrying amounts as shown:

Domestic equity	\$ 36,008,032
Fixed income	27,832,234
International equity	17,986,607
Private real estate	4,463,408
Alternative investments	13,016,006
Short-term investments	361,227
Total investments	<u>\$ 99,667,514</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 2012 tax bills were based was \$18,999,484,095. The estimated market value was \$64,287,973,984, making the overall assessed value 29.55% 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 93.02% of the original tax levy and 94.26% 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	\$ 1.36
Debt Service Funds	.75
Boards of Education	<u>1.91</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	\$ 299,025,806	\$ 158,692,081	\$ 396,598,975	\$ 854,316,862
Less allowance for uncollectibles	(19,614,420)	(10,578,871)	(26,591,602)	(56,784,893)
	<u>\$ 279,411,386</u>	<u>\$ 148,113,210</u>	<u>\$ 370,007,373</u>	<u>\$ 797,531,969</u>

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

(C) Notes Receivable

Notes receivable consist of the following:

	Amount	Collateral
<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 2020	<u>\$ 4,065,894</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5% interest through 2021	<u>\$ 2,546,999</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 rental income is recognized as revenue 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 five years; commencing on January 1, 2012 and ending December 31, 2016. This lease may be cancelled by the lessee at any time prior to the termination date. The rental income is recognized as revenue in the General Fund.

The County leases certain real property located at 4921 Hickory Hill Road to Yardworks, a privately owned business. The term of the lease commenced on September 22, 2011 for a annual rental amount of \$14,400. This is for a five year term ending September 21, 2016 with an option to renew for one additional five year term. The rental income is recognized as revenue in the Grants Fund.

The following is a schedule by years of future minimum rentals required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year as of June 30, 2012:

Fiscal Year	Maximum Rental
2013	\$ 208,400
2014	38,400
2015	20,400
2016	14,400
2017	2,400
Total	<u>\$ 284,000</u>

(E) Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2012 is detailed below.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 25,977,596	\$ 113,236	\$ (400,112)	\$ ---	\$ 25,690,720
Construction in progress	21,153,929	5,029,585	(317,887)	(10,390,444)	15,475,183
Total not being depreciated	<u>47,131,525</u>	<u>5,142,821</u>	<u>(717,999)</u>	<u>(10,390,444)</u>	<u>41,165,903</u>
Capital assets being depreciated:					
Land improvements	17,880,120	121,653	---	---	18,001,773
Buildings	243,801,635	217,286	(572,703)	6,519,779	249,965,997
Equipment	100,091,591	3,850,563	(2,038,188)	1,271,239	103,175,205
Infrastructure	511,212,235	4,705,876	---	3,055,560	518,973,671
Total being depreciated	<u>872,985,581</u>	<u>8,895,378</u>	<u>(2,610,891)</u>	<u>10,846,578</u>	<u>890,116,646</u>
Less accumulated depreciation:					
Land improvements	5,774,032	549,365	---	---	6,323,397
Buildings	116,469,989	7,088,630	(572,703)	49,440	123,035,356
Equipment	56,556,868	6,373,730	(2,002,238)	361,209	61,289,569
Infrastructure	195,350,256	12,481,255	---	---	207,831,511
Total accumulated depreciation	<u>374,151,145</u>	<u>26,492,980</u>	<u>(2,574,941)</u>	<u>410,649</u>	<u>398,479,833</u>
Total capital assets being depreciated, net	<u>498,834,436</u>	<u>(17,597,602)</u>	<u>(35,950)</u>	<u>10,435,929</u>	<u>491,636,813</u>
Governmental activities capital assets, net	<u>\$ 545,965,961</u>	<u>\$ (12,454,781)</u>	<u>\$ (753,949)</u>	<u>\$ 45,485</u>	<u>\$ 532,802,716</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Construction in progress	\$ 67,692	\$ 1,355,983	\$ ---	\$ (1,423,675)	\$ -
Total not being depreciated	67,692	1,355,983	---	(1,423,675)	---
Capital assets being depreciated:					
Land improvements	14,942	---	---	---	14,942
Buildings	47,697,834	11,065	---	1,328,751	49,037,650
Equipment	10,156,863	292,187	(194,487)	(361,210)	9,893,353
Total being depreciated	57,869,639	303,252	(194,487)	967,541	58,945,945
Less accumulated depreciation:					
Land improvements	747	747	---	---	1,494
Buildings	26,234,420	1,126,729	---	(49,440)	27,311,709
Equipment	6,909,805	400,030	(194,487)	(361,209)	6,754,139
Total accumulated depreciation	33,144,972	1,527,506	(194,487)	(410,649)	34,067,342
Total capital assets being depreciated, net	24,724,667	(1,224,254)	---	1,378,190	24,878,603
Business-type activities capital assets, net	\$ 24,792,359	\$ 131,729	\$ ---	\$ (45,485)	\$ 24,878,603

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	\$ 11,712,241	\$ 2,678,781
Planning and Development	6,136	27,185
Public Works	386,613,842	14,521,987
Corrections	1,372,241	83,285
Health Services	4,641,789	403,080
Community Services	4,809,177	333,588
Law Enforcement	62,604,288	5,602,407
Judicial	17,996,366	2,239,531
Other Elected Officials	1,880,733	603,136
Depreciable assets total	491,636,813	26,492,980
Non-depreciable assets:		
Land	25,690,720	---
Construction in progress	15,475,183	---
Non-depreciable assets total	41,165,903	---
Governmental activities total	\$ 532,802,716	\$ 26,492,980

(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, 2012 was \$3,340,843 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. One of the Emergency One C550 Typhoon Pumper trucks was destroyed by flood in a prior year and its net value is no longer included in the depreciable capital assets of the Fire Services Fund. However, the remaining lease payments for that truck are still payable. The net book value of the remaining three trucks is \$539,334. The amortization of these leased assets is included as part of depreciation expense. The total remaining balance on the capital leases is \$465,383.

The following is a schedule by years of future minimum rental payments required under operating leases and capital leases that have initial or remaining non-cancellable lease terms in excess of one year as of June 30, 2012:

Fiscal Year	Operating Leases	Capital Leases
2013	\$ 1,886,911	\$ 183,384
2014	1,056,348	183,384
2015	745,126	72,395
2016	218,288	72,395
2017	50,607	---
Total minimum lease payments	<u>3,957,280</u>	<u>511,558</u>
Less: amount representing interest	---	(46,175)
Present value of minimum lease payments	<u>\$ 3,957,280</u>	<u>\$ 465,383</u>

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 \$400,000.

(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	\$ 258,024,214	\$ 136,867,155	\$ ---	\$ 341,683,163	\$ ---	\$ ---	\$ 736,574,532
Grant revenue	---	---	---	---	4,090,609	---	4,090,609
Advance project contributions	---	---	84,157	---	---	---	84,157
Not Available:							
Property taxes receivable	20,095,632	10,501,626	---	26,514,707	---	---	57,111,965
Grant revenue	---	---	---	---	10,198,611	---	10,198,611
Notes receivable	340,255	4,065,894	---	---	2,546,999	---	6,953,148
Due from State	1,367,140	---	---	---	---	---	1,367,140
Other receivables	55,456	39,000	---	---	---	38,724	133,180
	<u>\$ 279,882,697</u>	<u>\$ 151,473,675</u>	<u>\$ 84,157</u>	<u>\$ 368,197,870</u>	<u>\$ 16,836,219</u>	<u>\$ 38,724</u>	<u>\$ 816,513,342</u>

Internal service funds have deferred revenue of \$3,900,850 for unearned premiums. The proprietary Consolidated Codes Enforcement Fund has deferred revenue of \$91,566 for building permits and licensing fees paid in advance.

(H) Debt and Long-term Liabilities*Debt issued during current year:*

In March 2012, \$259,340,000 in General Obligation Public Improvement and School Bonds, 2012 Series A were issued, together with other available funds from the County, to refund \$25,550,000 of the 2003 Series A, \$118,820,000 of the 2004 Series B and \$143,465,000 of the 2006 Series C general obligation bonds previously issued by the County and to pay the costs of termination fees payable with respect to the termination of certain interest rate swaps related to the portion of the County's general obligation bonds being refunded by the 2012 A Bonds.

In March 2012, \$15,060,000 in General Obligation Public Improvement and School Bonds, 2012 Series B were issued to provide funds, together with other available funds from the County, to refund \$23,930,000 of the County's outstanding Special General Obligation School Bonds, 2003 Series A.

Debt Retired during current year:

In September 2011, \$53,881,288 of certain bonds was defeased by the County from proceeds that were received from the sale of the Convention Center. In March 2012, \$311,765,000 of certain bonds was also defeased; of the amounts defeased, \$297,220,207 was paid during the year. The County placed proceeds in irrevocable trusts to provide for all future debt service requirements on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. Of the original principal, \$68,426,081 of outstanding bonds that were advance refunded prior to Fiscal Year 2012 are considered defeased at June 30, 2012. Specific defeased maturities are shown on the combining and other statements and schedules for General Obligation Bonds.

In September 2011 at the request of the County, the Memphis and Shelby County Port Commission (the Port Commission) issued \$20,397,500 in Tax Exempt Revenue Bonds as part of an effort to attract a manufacturing and assembly facility, warehouse and distribution facility, and a regional headquarters facility to the area. The County has agreed to provide the Port Commission the funds, as they become due, to make principal and interest payments over the next twenty-four (24) years.

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, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
Governmental activities:					
Bonds and loans payable	\$ 1,665,674,209	\$ 294,797,500	\$ (466,525,423)	\$ 1,493,946,286	\$ 88,600,728
Net premium and issuance cost of bonds issued	27,880,445	57,519,366	(7,819,499)	77,580,312	11,947,409
Claims and judgments	6,259,756	2,036,351	(474,064)	7,822,043	1,124,218
Landfill postclosure care costs	3,150,398	---	(126,016)	3,024,382	141,138
Sick and annual leave	19,043,751	4,571,794	(5,893,372)	17,722,173	11,376,815
Net postemployment benefit obligations	14,774,954	21,010,825	(25,225,163)	10,560,616	---
Total governmental activities	\$ 1,736,783,513	\$ 379,935,836	\$ (506,063,537)	\$ 1,610,655,812	\$ 113,190,308
Business-type activities:					
Capitalized lease obligations	\$ 619,240	\$ ---	\$ (153,857)	\$ 465,383	\$ 161,227
Sick and annual leave	5,095,145	2,255,634	(2,851,670)	4,499,109	2,909,231
Net postemployment benefit obligations	4,161,848	3,843,522	(4,615,293)	3,390,077	---
Total business-type activities	\$ 9,876,233	\$ 6,099,156	\$ (7,620,820)	\$ 8,354,569	\$ 3,070,458

Bonds and loans payable reductions include \$12,373,457 accretion of zero 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, \$96,986 of sick and annual leave payable, \$7,490,215 of claims and judgments payable, which includes the current portion in the Tort Liability Fund and \$142,100 of current claims payable in the Employer Insurance Fund, and \$102,536 of post-employment benefits 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, are backed by its full faith and credit and the unlimited taxing power of the County. QSCB debt was issued by the State of Tennessee and the Port Commission Bonds were issued by the Memphis and Shelby County Port Commission at the request of the County. In both cases the County has agreed to provide funds for the payment of principal and interest. The following bonds issued and loans payable were outstanding:

Description	Date Issued	Interest Rates	Principal Balance	Last Maturity Date
1996B Refunding Issue	11/01/1996	5.00 - 6.00	\$ 18,933,595	12/01/2016
1997B Refunding Issue	11/01/1997	4.50 - 5.75	10,928,997	08/01/2016
1999B Refunding Issue	02/01/1999	3.55 - 5.25	2,770,000	04/01/2013
2003A Special Rural Schools	12/02/2003	2.50 - 5.00	1,020,000	11/01/2012
2004A Public Imp/Schools	03/31/2004	3.00 - 5.00	14,385,000	04/01/2014
2004B Public Imp/Schools (a)	04/15/2004	Variable	118,885,000	04/01/2030
2005A Refunding Issue	03/10/2005	3.0 - 5.0	289,360,000	04/01/2025
2006A Public Imp/Schools	02/22/2006	5.00	25,625,000	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	69,605,000	12/01/2031
2009A Refunding Issue	04/02/2009	2.75 - 5.0	151,315,000	04/01/2022
2009B Public Imp/Schools	09/30/2009	2.25-5.0	53,085,000	04/01/2024
2009C Public Imp/Schools	9/30/2009	2.25-5.75	60,000,000	04/01/2034
2009 Qualified School Construction Loans	12/01/2009	1.515	48,527,813	09/01/2026
2010 Qualified School Construction Loans	10/01/2010	1.515	63,412,825	09/15/2027
2011A Refunding Bonds	03/30/2011	4.00-5.00	73,795,000	03/01/2025
2011 Port Commission Bonds	09/07/2011	2.00 - 5.00	20,115,000	04/01/2036
2012A Refunding Bonds	03/01/2012	3.00-5.00	259,340,000	03/01/2028
2012B GO Refunding (Rural Schools)	03/01/2012	2.00-4.00	15,060,000	03/01/2019
			1,455,753,230	
		Accreted Value of Bonds	38,193,056	
		Total General Obligation Bonds	\$ 1,493,946,286	

(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	\$ 340,091,445
Education	1,115,661,785
	1,455,753,230
Accreted value of bonds	38,193,056
	\$ 1,493,946,286

Interest expense in the Debt Service Fund during the fiscal year ended June 30, 2012 was \$77,696,994 (current financial resources measurement focus and modified accrual basis of accounting). Entity wide interest was \$90,654,296 (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 2.00% 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 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 \$69,605,000 for the 2006 Series C Variable Rate Demand Refunding Bonds are as follows:

Years Ended June 30	Principal	Interest	Total
2013	\$ 88,600,728	\$ 84,363,521	\$ 172,964,249
2014	97,961,437	67,361,681	165,323,118
2015	93,691,014	63,778,052	157,469,066
2016	95,314,440	56,630,314	151,944,754
2017-2021	438,211,862	221,888,334	660,100,196
2022-2026	379,426,605	124,585,883	504,012,488
2027-2031	227,317,144	38,868,417	266,185,561
2032-2037	35,230,000	3,466,579	38,696,579
	1,455,753,230	660,942,781	2,116,696,011
Accreted value of Bonds	38,193,056	(38,193,056)	---
Total long-term debt	\$ 1,493,946,286	\$ 622,749,725	\$ 2,116,696,011

Interest rate swap agreements:

As of June 30, 2012 Shelby County has four (4) interest rate swap agreements shown below. Interest rate swap agreements are accounted for at fair value in accordance with GASB Statement No. 53 *Accounting and Financial 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.	\$ 118,885,000	03/01/2008	03/01/2022	Pay 4.66%, receive SIFMA Swap Index	\$ (23,491,982)
2)	Pay-fixed interest rate swap	To take advantage of low interest rates, to refund high coupon debt, and to receive an upfront cash payment	\$ 69,605,000	11/30/2006	12/1/2031	Pays 3.83%, receives SIFMA Swap Index	\$ (15,525,896)
3)	Pay-fixed interest rate swap	To hedge variable rate exposure on the underlying debt	\$ 40,000,000	02/22/2006	03/01/2031	Pays 3.503% til 3/1/16; 4.43% thereafter; receives SIFMA Swap Index	\$ (11,796,338)
4)	Pay-fixed interest rate swap	To hedge variable rate exposure on the underlying debt	\$ 119,590,000	02/22/2006	03/01/2031	Pays 3.503% til 3/1/16; 4.43% thereafter; receives SIFMA Swap Index	\$ (35,268,156)

Swap One: 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 Products (LFP) on 6/23/2005 in connection with the 2008 Series A General Obligation Refunding Bonds (which refunded a portion of the 1998 issue). The Goldman Sachs Mitsui Marines swap in the amount of \$68,050,000 was terminated in March 2012.

Swap Objective: This swap was issued to (i) lower borrowing costs by entering into a swap in connection with its 1998 Series A General Obligation Variable Rate Demand Refunding Bonds and (ii) to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment for capital 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
6/23/2005	03/01/2008	03/01/2022	\$ 118,885,000	4.66%	SIFMA	\$ 8,571,000

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 swap as of 6/30/2012 has a net value of (\$21,692,679). The total mark-to-market was (\$23,491,982) and (\$1,799,303) is accrued interest from 5/28/2012 to the valuation date, 6/30/2012. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the 2004B General Obligation Bonds which have a principal balance at 6/30/2012 of \$118,885,000. The swap has a current notional amount of \$118,885,000 and has a more rapid maturity than the Bonds. The cash flows below assume that for the LFP swap SIFMA equals its current level, as of 6/30/2012 of 0.18%. Interest and net swap payments will fluctuate as SIFMA and LIBOR change.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2013	\$ ---	\$ 213,993	\$ 5,438,871	\$ 5,652,864
2014	---	213,993	4,998,957	5,212,950
2015	---	213,993	4,463,931	4,677,924
2016	---	213,993	3,892,547	4,106,540
2017	---	213,993	3,267,068	3,481,061
2018	---	213,993	2,644,783	2,858,776
2019	---	213,993	2,016,382	2,230,375
2020	---	213,993	1,356,002	1,569,995
2021	---	213,993	688,865	902,858
2022	---	213,993	175,100	389,093
2023	---	213,993	---	213,993
2024	13,295,000	213,993	---	13,508,993
2025	21,500,000	190,062	---	21,690,062
2026	13,775,000	151,362	---	13,926,362
2027	15,150,000	126,567	---	15,276,567
2028	16,665,000	99,297	---	16,764,297
2029	18,335,000	69,300	---	18,404,300
2030	20,165,000	36,297	---	20,201,297
Total	\$ 118,885,000	\$ 3,240,801	\$ 28,942,506	\$ 151,068,307

Credit Risk: The County has credit exposure to LFP equivalent to the fair value of the swaps. If Loop fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value. The current ratings of Goldman are Aa1/AAA by Moody's and Standard & Poor's, respectively. The current ratings of Loop are AA-/Aa1/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 rates the credit worthiness of LFP (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 Moody's treasuries or cash will be pledged.

Termination Risk: If the swap has an unanticipated termination or the County exercises its option to terminate, the County may owe a termination payment to Loop equal to the fair value of the swap at that time, if the fair value is negative to the County. As of 6/30/2012, LFP has a credit guarantee from Deutsche Bank AG, rated Aa1/AA by Moody's and Standard & Poor's, respectively.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity; the County will have interest rate risk associated with the outstanding variable rate bonds until 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 LFP of SIFMA. This basis differential could cause the expected savings to not be achieved.

Tax Risk: Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds will have no tax risk on the LFP swap.

Swap Two: Executed with Goldman Sachs Mitsui Marines Derivative Products on 11/2/2006 in connection with 2006 Series C General Obligation Variable Rate Demand Refunding Bonds:

Swap Objective: This swap was issued to take advantage of low interest rates and to refund high coupon debt.

Swap Terms:

Open Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
N/A	11/30/2006	12/1/2031	\$69,605,000	3.83%	SIFMA	None

The County also entered into this 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 original notional amount on the swap with Goldman was \$234,160,000. In March 2012, The County terminated \$143,465,000 of the Goldman swap leaving a notional amount of \$69,605,000. The remaining Swap has a termination date of 12/1/2031.

Fair Value of Swap and Option: The swap as of 6/30/2012 has a net value of (\$15,328,269). The total mark-to-market was (\$15,525,896) of which approximately (\$197,627) is accrued interest from 5/28/2012 to the valuation date, 6/30/2012. 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 2006 Series C General Obligation Variable Rate Demand Refunding Bonds. This analysis assumes the Goldman swap stays in place until maturity in 2031. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/2012 (assuming SIFMA equals its current level of 0.18% 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	
2013	\$ 4,725,000	\$ 977,688	\$ 2,490,372	\$ 8,193,060
2014	4,910,000	907,642	2,311,980	8,129,622
2015	---	871,947	2,220,806	3,092,753
2016	---	871,947	2,227,186	3,099,133
2017	---	871,947	2,220,806	3,092,753
2018	---	871,947	2,220,806	3,092,753
2019	---	871,947	2,220,806	3,092,753
2020	---	871,947	2,227,186	3,099,133
2021	---	871,947	2,220,806	3,092,753
2022	---	871,947	2,220,806	3,092,753
2023	---	871,947	2,220,806	3,092,753
2024	---	871,947	2,227,186	3,099,133
2025	6,530,000	824,475	2,100,244	9,454,719
2026	6,785,000	727,677	1,853,717	9,366,394
2027	7,050,000	627,098	1,597,563	9,274,661
2028	7,325,000	522,594	1,334,845	9,182,439
2029	7,610,000	414,019	1,054,889	9,078,908
2030	7,910,000	301,190	767,537	8,978,727
2031	8,220,000	183,928	468,891	8,872,819
2032	8,540,000	62,085	158,581	8,760,666
Total	\$ 69,605,000	\$ 14,267,866	\$ 36,365,819	\$ 120,238,685

Credit Risk: Because the swap has a negative value on 6/30/2012, 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 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 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.

Swap Three and Four: Executed with Goldman Sachs Mitsui Marines Derivative Products (GSMMDP) and Morgan Keegan Financial Products, Inc.(MKFP) on 2/14/06 in connection with 2006 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds:

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

Swap Terms:

<u>Executed Date</u>	<u>Swap Effective Date</u>	<u>Swap Maturity Date</u>	<u>Original Notional Amount</u>	<u>Fixed Payer Rate</u>	<u>Floating Rate Index</u>
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, 2012 the notional amounts of the 2006B GSMMDP swap and the 2006B MKFP swap are \$119,590,000 and \$40,000,000 respectively.

Fair Value of Swap: The swaps, as of 6/30/2012 have a net value of (\$45,252,000). The total mark-to-market was (\$47,064,494) of which approximately (\$1,812,494) is accrued interest from 5/28/2012 to the valuation date, 6/30/2012. 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 stay in place until maturity in 2031. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/2012 (assuming SIFMA equals its current level of 0.18% 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		
2013	\$ ---	\$ 427,600	\$ 5,303,176	\$ 5,730,776
2014	---	427,600	5,303,176	5,730,776
2015	---	427,600	5,303,176	5,730,776
2016	---	427,600	5,302,389	5,729,989
2017	7,425,000	427,600	6,782,575	14,635,175
2018	2,020,000	407,717	6,467,013	8,894,730
2019	---	402,308	6,381,163	6,783,471
2020	2,705,000	402,308	6,380,422	9,487,730
2021	8,505,000	395,024	6,266,200	15,166,224
2022	9,575,000	372,250	5,904,738	15,851,988
2023	7,130,000	346,610	5,497,800	12,974,410
2024	7,450,000	327,517	5,194,172	12,971,689
2025	23,900,000	307,457	4,878,150	29,085,607
2026	26,130,000	243,457	3,862,400	30,235,857
2027	20,110,000	173,486	2,751,875	23,035,361
2028	6,625,000	119,635	1,896,980	8,641,615
2029	12,680,000	101,797	1,615,638	14,397,435
2030	6,055,000	67,842	1,076,738	7,199,580
2031	19,280,000	51,628	819,400	20,151,028
Total	\$ 159,590,000	\$ 5,857,036	\$ 86,987,181	\$ 252,434,217

Credit Risk: Because the swap has a negative value on 6/30/2012, the County does not have credit risk. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present.

Termination Risk: Goldman and MKFP have the right to terminate the swap on 3/1/2016. 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 liabilities for claims and judgments of \$7,822,043 in accordance with its accounting policy explained in Note I(E). The liabilities are based on property damaged 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	Nonmajor Governmental Funds	Total
Fund balances:						
Restricted for:						
Grants and sponsored projects	\$ ---	\$ ---	\$ ---	\$ 6,400,154	\$ ---	\$ 6,400,154
Special revenue activities	933,228	---	---	---	24,839,582	25,772,810
Educational projects and funding	---	1,589,794	37,813,210	---	---	39,403,004
Conservation projects	---	---	65,912	---	---	65,912
Committed to:						
Approved carry forward appropriations	263,583	---	24,762,356	---	---	25,025,939
Public improvement and educational projects	64,726	89,481,609	---	---	---	89,546,335
Assigned to:						
Purchase order encumbrances	47,919	---	9,163,711	---	---	9,211,630
Infrastructure and administrative improvements	---	---	26,130,227	---	---	26,130,227
Unassigned	91,590,535	---	---	(16,043,862)	---	75,546,673
Total fund balances	<u>\$92,899,991</u>	<u>\$ 91,071,403</u>	<u>\$ 97,935,416</u>	<u>\$ (9,643,708)</u>	<u>\$ 24,839,582</u>	<u>\$ 297,102,684</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	Grants Fund	\$ 23,042,501
Debt Service Fund	General Fund	846,756
Education Fund	General Fund	1,566,617
Nonmajor Governmental Funds	General Fund	1,436,148
	Nonmajor Governmental Funds	102
Total		\$ 26,892,124

Due To/From Component Units

Receivable Entity	Payable Entity	Amount
Board of Education (component unit)	Education Fund	\$ 5,594,568
The Med (component unit)	General Fund	62,563
	Grants Fund	58,808
Enterprise Funds	Emergency Communications District (component unit)	12,805
Debt Service Fund	Board of Education (component unit)	27,440
Total		\$ 5,756,184

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 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 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 amounts payable to the Med (component unit) represent expenses accrued at year-end but not yet disbursed by Shelby County Government.

The total due to component units disclosed here, \$5,715,939, is less than the amount disclosed on the Statement of Net Assets due to \$8,155,922 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	\$ 9,325
	Grants Fund	2,432,176
	Capital Projects Fund	815,500
	Enterprise Funds	10,084,462
	Internal Service Funds	500,000
Debt Service Fund	Capital Projects Fund	6,916,000
Capital Projects Fund	Debt Service Fund	264,716
Grants Fund	General Fund	1,181,082
	Nonmajor Governmental Funds	145,297
	Grants Fund	1,469,907
	Enterprise Funds	227,785
Nonmajor Governmental Funds	Grants Fund	194,227
	Capital Projects Fund	<u>3,464,909</u>
	Total transfers out of governmental fund types	<u>27,705,386</u>
Enterprise Funds	Grants Fund	503,332
Internal Service Funds	General Fund	<u>135,584</u>
	Total transfers out of proprietary fund types	<u>638,916</u>
	Total all fund types	<u><u>\$ 28,344,302</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, 2012 is detailed below:

	General Fund	Debt Service Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Private donor grants	\$ 25,356	\$ ---	\$ 1,053,601	\$ ---	\$ 1,078,957
Miscellaneous income	188,975	15	77,014	2,811	268,815
Forfeitures and seizures	133,380	---	---	2,428,001	2,561,381
Housing principal & interest	---	744,621	331,180	---	1,075,801
Total other revenue	<u>\$ 347,711</u>	<u>\$ 744,636</u>	<u>\$ 1,461,795</u>	<u>\$ 2,430,812</u>	<u>\$ 4,984,954</u>

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. Claims liabilities for the Group Health Insurance Fund were estimated based on prior years' claims expense and the current year's actual claims incurred. The schedule below presents the changes in claims liabilities for the past two years for the Group Health Insurance Fund:

	2012	2011
Insurance claims liabilities at the beginning of the fiscal year	\$ 4,472,688	\$ 3,982,334
Incurred claims and claim adjustment expenses	43,723,169	51,445,398
Payment of claims and claim adjustment expenses	<u>(43,974,618)</u>	<u>(50,955,044)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 4,221,239</u>	<u>\$ 4,472,688</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:

	2012	2011
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 2,361,671	\$ 3,073,948
Incurred claims and claim adjustment expenses	2,316,465	(78,522)
Payment of claims and claim adjustment expenses	<u>(584,247)</u>	<u>(633,755)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 4,093,889</u>	<u>\$ 2,361,671</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:

	<u>2012</u>	<u>2011</u>
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 6,180,793	\$ 6,593,016
Incurred claims and claim adjustment expenses	2,322,559	2,580,497
Payment of claims and claim adjustments expense	<u>(2,811,318)</u>	<u>(2,992,720)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 5,692,034</u>	<u>\$ 6,180,793</u>

The total of claims liability disclosed here, \$14,007,162, 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 \$331,828 long term liability to be paid by the General Fund.

(M) Special Item

In September 2011, the County sold its interest in the Memphis and Shelby County Convention Center Commission (the Convention Center) to the City of Memphis for \$71,490,000. A portion of the proceeds from the sale was placed in escrow and used by the County to establish an in-substance defeasance of \$53,881,288 of outstanding "Convention Center Debt". See Note IV(H).

(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:

<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 914,974	\$ 64,166,844	\$ 12,184,471	\$ 733,022	\$ 77,999,311

The commitments specific to capital projects in the Capital Projects Fund were \$1,278,126 less than the encumbrances as of June 30, 2012. Once a CIP project has been budgeted, it is accounting policy to encumber 100% of the budgeted amount.

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 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 \$203,307,087, net of discounted bond issuance, owed as of December 31, 2011, plus \$2,684,785 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, 2012 the County transferred to the Sports Authority for debt service purposes the amount of \$1,645,200 from car rental taxes and \$4,639,190 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 \$157,014 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) and December 31, 2011 as shown below:

	Community Redevelopment Agency (June 30, 2009)	Sports Authority (December 31, 2011)
Assets	\$ 12,160,541	\$ 58,101,968
Liabilities	14,066,168	210,961,719
Net assets	(1,905,627)	(152,859,751)
Operating revenues	4,898,943	---
Operating expenses	597,507	13,470,017
Other revenues	62,246	19,290,468
Other expenses	280,363	---
Change in net assets	4,083,319	5,820,451

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.

Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (EDGE) was created in 2011 by the City of Memphis and Shelby County Government to have a single entity perform economic development activities on behalf of the governments. EDGE has its own nine-member Board of Directors and Certificate of Incorporation; board members are jointly appointed by the City and the County. EDGE replaced the Industrial Development Board of Memphis and Shelby County, the Depot Redevelopment Corporation of Memphis and Shelby County, Foreign Trade Zone 77, the Memphis and Shelby County Port Commission and the Office of Economic Development of Memphis and Shelby County; inasmuch as all these entities could not immediately be terminated for various reasons, all the entities now have a common governing board so they all essentially operate as one entity. Memphis and Shelby County have no ongoing financial responsibility for EDGE or the related entities now operated under the EDGE umbrella, but may

voluntarily agree to such. During FY 2012, at the request of Shelby County, EDGE agreed to issue through the Port Commission their bonds in the amount of \$20,397,500; these funds were loaned to the County to partially finance a new manufacturing facility for a newly recruited business. The County agreed to provide to EDGE/Port Commission the funds necessary to repay the debt. This obligation is reported as long-term debt in the County's Statement of Net Assets (see also Note IV(H)).

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 200, 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)	\$ 27,285,000
Interest on net OPEB Obligation	994,000
Adjustment to ARC	(1,351,000)
Annual OPEB Cost	<u>26,928,000</u>
Contributions made	<u>(31,914,109)</u>
Decrease in net OPEB Obligation	(4,986,109)
Net OPEB obligation beginning of year	<u>18,936,802</u>
Net OPEB obligation end of year	<u><u>\$ 13,950,693</u></u>

The OPEB Trust has been in existence for only five 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, 2012	\$ 26,928,000	\$ 31,914,109	118.5%	\$ 13,950,693
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, 2011, the most recent actuarial valuation date, the plan was 27.5% funded. The actuarial accrued liability for benefits was \$321 million, and the actuarial value of assets was \$88 million, resulting in an unfunded actuarial accrued liability; (UAAL) of \$232 million. The covered payroll (annual payroll of active employees covered by the plan) was \$253 million and the ratio of the UAAL to the covered payroll was 91.9%.

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, 2011
Actuarial cost method	Projected unit credit
Amortization method	Closed 30 year level dollar period
Remaining amortization period	26 years as July 1, 2011
Asset valuation method	Market value
Rate of inflation	0.00%
Projected salary increases	4.00%
Healthcare cost trend rate	8.0% to 8.75% graded to 5.0% over 6 to 9 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 301, 160 N. Main, Memphis, Tennessee 38103 or calling (901) 222-1950.

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 four plans (Plans A, B, C and D) 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 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. Plan D is a contributory defined benefit pension plan that includes all employees hired on or after July 1, 2011.

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 2012 were based on the actuarial report as of June 30, 2011.

In accordance with the actuarial valuation as of June 30, 2011 the employer contribution rate required was 9.68% of covered payroll of participants. Plan D and 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 6.5% of their earnings, while Plan A participants contribute 0.5%. This resulted in total contributions of \$34,303,004 (\$23,401,532 employer contributions and \$10,901,472 employee contributions). The actuarial required employer contribution of \$25,795,360 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)	\$ 25,795,360
Interest on net pension obligation	(2,696,871)
Adjustment to ARC	<u>4,192,962</u>
Annual pension cost	27,291,451
Contributions made (per actuarial report)	<u>(23,401,531)</u>
Increase in net pension obligation	3,889,920
Net pension obligation beginning of year	<u>(32,689,343)</u>
Net pension obligation end of year	<u><u>\$ (28,799,423)</u></u>

Fiscal Year Ended	Three-Year Trend Information		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
June 30, 2012	\$ 27,291,451	85.7%	\$ (28,799,423)
June 30, 2011	19,943,632	94.2%	(32,689,343)
June 30, 2010	17,817,663	108.8%	(33,848,165)

Funded Status and Funding Progress:

As of June 30, 2012 the most recent actuarial valuation date, the plan was 87.8% funded. The actuarial accrued liability for benefits was \$1,242 million, and the actuarial value of assets was \$1,090 million, resulting in an unfunded actuarial liability (UAAL) of \$152 million. The covered payroll (annual payroll of active employees covered by the plan) was \$259 million and the ratio of the UAAL to the covered payroll was 58.7%.

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, 2012
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar closed
Remaining amortization period	23 years on June 30, 2012
Asset valuation method	10-year smoothed market value
Rate of inflation	0.00%
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; CPI-U up to 2.00% for Plan D

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

At June 30, 2012, the County reported a claim payable of \$1,709,758 in the Tort Liability Fund (an internal service fund) and on the government-wide Statement of Net Assets. In settlement of a suit from 1991 the County agreed to provide lifetime nursing home care to an individual. The claim payable was based on the life expectancy of a person the age of the individual. The individual died in August 2012. As a result, in August 2012 the claim payable balance of \$1,699,858 was written off.

**Required Supplementary Information
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

	Budgeted Amounts		General Fund	
	Original	Final	Actual Amounts	Variance
	Revenues:			
Property taxes	\$ 239,419,000	\$ 239,361,000	\$ 242,951,328	\$ 3,590,328
Other local taxes	26,867,000	26,867,000	28,298,234	1,431,234
State revenue	20,184,492	20,242,492	17,552,358	(2,690,134)
Federal and local revenue	5,539,193	5,539,193	3,962,131	(1,577,062)
Charges for services	4,142,745	4,127,771	3,689,455	(438,316)
Fines, fees and permits	62,025,700	62,025,700	65,071,272	3,045,572
Other revenue	237,400	237,400	347,711	110,311
Investment income	627,022	627,022	477,788	(149,234)
Total revenues	<u>359,042,552</u>	<u>359,027,578</u>	<u>362,350,277</u>	<u>3,322,699</u>
Expenditures:				
General Government	25,056,613	25,140,485	28,976,053	(3,835,568)
Hospital	26,816,000	26,816,000	26,816,000	---
Planning and Development	371,148	374,399	336,901	37,498
Public Works	20,615,305	20,664,076	19,373,602	1,290,474
Health Services	25,290,755	25,528,699	24,438,584	1,090,115
Community Services	8,285,496	8,421,779	8,690,998	(269,219)
Law Enforcement	150,380,898	151,640,883	149,358,174	2,282,709
Judicial	64,341,760	64,873,950	62,599,182	2,274,768
Other Elected Officials	26,434,060	26,587,190	24,840,139	1,747,051
Total expenditures	<u>347,592,035</u>	<u>350,047,461</u>	<u>345,429,633</u>	<u>4,617,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,450,517</u>	<u>8,980,117</u>	<u>16,920,644</u>	<u>7,940,527</u>
Other financing sources (uses):				
Transfers in	2,024,197	2,170,936	1,316,666	(854,270)
Transfers out	(14,267,621)	(14,360,302)	(13,841,463)	518,839
Sale of capital assets	492,907	492,907	532,867	39,960
Insurance recoveries	50,000	82,583	1,103,893	1,021,310
Planned change in fund balance	250,000	2,633,759	---	(2,633,759)
Total other financing sources (uses)	<u>(11,450,517)</u>	<u>(8,980,117)</u>	<u>(10,888,037)</u>	<u>(1,907,920)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,032,607</u>	<u>\$ 6,032,607</u>

	Budgeted Amounts		Education Fund	
	Original	Final	Actual Amounts	Variance
	Revenues:			
Property taxes	\$ 336,103,000	\$ 336,103,000	\$ 341,359,961	\$ 5,256,961
Other local taxes	25,185,000	25,185,000	19,928,039	(5,256,961)
Total revenues	<u>361,288,000</u>	<u>361,288,000</u>	<u>361,288,000</u>	<u>---</u>
Expenditures:				
Memphis City Schools	247,843,000	250,135,286	250,135,286	---
Shelby County Schools	113,445,000	111,152,714	111,152,714	---
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>\$ ---</u>	<u>\$ ---</u>

The notes to the required supplementary information are an integral part of this statement.

**Required Supplementary Information
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Grants Fund
	Original	Final		Variance
Revenues:				
State revenue	\$ 95,246,031	\$ 106,165,776	\$ 62,406,550	\$ (43,759,226)
Federal and local revenue	67,421,126	75,639,618	46,237,385	(29,402,233)
Charges for services	1,899,608	1,899,608	1,385,965	(513,643)
Fines, fees and permits	320,150	320,150	202,620	(117,530)
Other revenue	2,856,607	2,872,235	1,461,795	(1,410,440)
Investment income	40,000	40,000	88,150	48,150
Total revenues	167,783,522	186,937,387	111,782,465	(75,154,922)
Expenditures:				
General Government	14,002,203	15,572,785	3,844,242	11,728,543
Planning and Development	16,029,095	17,628,442	6,503,208	11,125,234
Public Works	14,845,130	15,607,034	4,222,657	11,384,377
Corrections	934,925	2,397,353	1,388,314	1,009,039
Health Services	29,935,416	31,465,760	23,370,646	8,095,114
Community Services	86,593,178	96,977,500	61,109,323	35,868,177
Law Enforcement	2,559,347	4,277,878	1,796,834	2,481,044
Judicial	5,604,930	6,369,874	4,622,215	1,747,659
Total expenditures	170,504,224	190,296,626	106,857,439	83,439,187
Excess (deficiency) of revenues over (under) expenditures	(2,720,702)	(3,359,239)	4,925,026	8,284,265
Other financing sources (uses):				
Transfers in	5,490,940	6,868,526	4,599,642	(2,268,884)
Transfers out	(3,193,168)	(3,967,537)	(3,024,071)	943,466
Sale of capital assets	380,000	380,000	---	(380,000)
Insurance recoveries	---	35,320	55,824	20,504
Planned change in fund balance	42,930	42,930	---	(42,930)
Total other financing sources (uses)	2,720,702	3,359,239	1,631,395	(1,727,844)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 6,556,421	\$ 6,556,421

The notes to the required supplementary information are an integral part of this statement.

**Required Supplementary Information
Shelby County Retirement System
For the Year Ended June 30, 2012**

Schedule of Funding Progress

Actuarial Valuation Date of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability/(Surplus)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability/(Surplus) as a Percentage of Covered Payroll
2002	\$ 797,091,379	\$ 720,839,196	\$ (76,252,183)	110.6%	\$ 233,148,476	(32.7%)
2003	794,201,990	769,753,615	(24,448,375)	103.2%	237,197,193	(10.3%)
2004	841,335,004	737,329,388	(104,005,616)	114.1%	246,685,081	(42.2%)
2005	885,049,492	780,800,809	(104,248,683)	113.4%	253,031,826	(41.2%)
2006	933,730,481	860,178,582	(73,551,899)	108.6%	241,403,735	(30.5%)
2007	992,143,395	934,829,366	(57,314,029)	106.1%	251,059,875	(22.8%)
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	1,066,406,000	1,186,788,000	120,382,000	89.9%	265,137,000	45.4%
2012 (a)	1,090,210,000	1,241,966,000	151,756,000	87.8%	258,670,000	58.7%

(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, 2012**

Schedule of Funding Progress
(amounts rounded to thousands)

Actuarial Valuation Date of July 1	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability/(Surplus)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability/(Surplus) as a Percentage of Covered Payroll
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%
2011	88,232	320,558	232,326	27.5%	252,878	91.9%

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%
2012	27,285	117.0%

Note 1: The Trust was established as of July 1, 2007 and only five 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 five 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, Storm Water Fees, and Economic Development

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.

County Charter 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, 2012**

	Consolidated Codes		Corrections Center Fund	Total
	Enforcement Fund	Fire Services Fund		
Assets:				
Current assets				
Cash and cash equivalents	\$ 1,434,354	\$ 1,131,223	\$ 8,674,406	\$ 11,239,983
Accounts receivable and accrued revenues	33,502	1,504,642	72,043	1,610,187
Due from other governments	173,064	26,034	7,594,854	7,793,952
Due from component units	---	12,805	---	12,805
Prepays and deferred charges	1,019	511	17,287	18,817
Total current assets	<u>1,641,939</u>	<u>2,675,215</u>	<u>16,358,590</u>	<u>20,675,744</u>
Noncurrent assets				
Net pension asset	847,718	852,080	2,422,648	4,122,446
Depreciable capital assets, net	1,491,176	4,228,192	19,159,235	24,878,603
Total noncurrent assets	<u>2,338,894</u>	<u>5,080,272</u>	<u>21,581,883</u>	<u>29,001,049</u>
Total assets	<u>\$ 3,980,833</u>	<u>\$ 7,755,487</u>	<u>\$ 37,940,473</u>	<u>\$ 49,676,793</u>
Liabilities and net assets:				
Current liabilities				
Accounts payable and accrued liabilities	\$ 13,663	\$ 107,708	\$ 517,517	\$ 638,888
Accrued interest payable	---	13,586	---	13,586
Unearned revenue	91,566	---	---	91,566
Due to other governments	16,845	72,066	---	88,911
Deposits held for others	93,462	---	338,176	431,638
Compensated absences payable	393,405	748,279	1,767,547	2,909,231
Capital lease obligations, current portion	---	161,227	---	161,227
Total current liabilities	<u>608,941</u>	<u>1,102,866</u>	<u>2,623,240</u>	<u>4,335,047</u>
Noncurrent liabilities				
Accrued sick leave payable	195,637	401,103	993,138	1,589,878
Capital lease obligations	---	304,156	---	304,156
Net postemployment benefit obligation	584,356	691,451	2,114,270	3,390,077
Total noncurrent liabilities	<u>779,993</u>	<u>1,396,710</u>	<u>3,107,408</u>	<u>5,284,111</u>
Total liabilities	<u>1,388,934</u>	<u>2,499,576</u>	<u>5,730,648</u>	<u>9,619,158</u>
Net assets				
Invested in capital assets, net of related debt	1,491,176	3,831,747	19,159,235	24,482,158
Unrestricted	1,100,723	1,424,164	13,050,590	15,575,477
Total net assets	<u>2,591,899</u>	<u>5,255,911</u>	<u>32,209,825</u>	<u>40,057,635</u>
Total liabilities and net assets	<u>\$ 3,980,833</u>	<u>\$ 7,755,487</u>	<u>\$ 37,940,473</u>	<u>\$ 49,676,793</u>

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012

	Consolidated Codes		Corrections Center Fund	Total
	Enforcement Fund	Fire Services Fund		
Operating revenues:				
State revenue	\$ ---	\$ 64,800	\$ 46,025,970	\$ 46,090,770
Federal and local revenue	117,827	1,525,388	19,600	1,662,815
Charges for services	21,950	---	1,347,607	1,369,557
Fines, fees and permits	7,814,510	17,668,807	72,428	25,555,745
Other revenue	---	2,654	1,964	4,618
Total operating revenues	<u>7,954,287</u>	<u>19,261,649</u>	<u>47,467,569</u>	<u>74,683,505</u>
Operating expenses:				
Salaries	5,812,354	8,330,315	23,340,970	37,483,639
Other compensation	62,866	1,730,172	4,610,252	6,403,290
Fringe benefits	2,134,245	3,378,246	9,506,695	15,019,186
Supplies and materials	161,425	735,661	5,050,503	5,947,589
Services and other expenses	276,248	108,566	253,541	638,355
Professional and contracted services	140,404	3,833,624	6,152,082	10,126,110
Rent, utilities and maintenance	143,218	263,117	2,416,351	2,822,686
Interfund services	811,441	891,906	2,771,864	4,475,211
Depreciation	128,952	248,849	1,149,705	1,527,506
Claims incurred	---	---	5,263	5,263
Total operating expenses	<u>9,671,153</u>	<u>19,520,456</u>	<u>55,257,226</u>	<u>84,448,835</u>
Operating income (loss)	(1,716,866)	(258,807)	(7,789,657)	(9,765,330)
Nonoperating revenues (expenses):				
Intergovernmental	1,184,462	---	---	1,184,462
Interest income	5,388	9,467	19,172	34,027
Interest expense	---	(24,675)	(9,881)	(34,556)
Gain (loss) on asset disposal	---	(34,935)	---	(34,935)
Insurance recoveries	1,967	2,529	56,354	60,850
Net nonoperating revenues (expenses)	<u>1,191,817</u>	<u>(47,614)</u>	<u>65,645</u>	<u>1,209,848</u>
Income (loss) before transfers	<u>(525,049)</u>	<u>(306,421)</u>	<u>(7,724,012)</u>	<u>(8,555,482)</u>
Transfers:				
Transfers in	1,184,462	227,785	8,900,000	10,312,247
Transfers out	(271,473)	---	(231,859)	(503,332)
Net transfers	<u>912,989</u>	<u>227,785</u>	<u>8,668,141</u>	<u>9,808,915</u>
Change in net assets	387,940	(78,636)	944,129	1,253,433
Net assets:				
June 30 2011	<u>2,203,959</u>	<u>5,334,547</u>	<u>31,265,696</u>	<u>38,804,202</u>
June 30, 2012	<u>\$ 2,591,899</u>	<u>\$ 5,255,911</u>	<u>\$ 32,209,825</u>	<u>\$ 40,057,635</u>

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2012**

	Consolidated Codes			Total
	Enforcement Fund	Fire Services Fund	Corrections Center Fund	
Cash flows from operating activities:				
Receipts from customers	\$ 8,126,170	\$ 19,278,377	\$ 59,151,795	\$ 86,556,342
Receipts for special programs	---	65,356	---	65,356
Receipts from interfund services provided	317,259	---	11,800	329,059
Refunds received from suppliers	298	---	1,229	1,527
Refunds paid to customers	(52,925)	---	(2,752,972)	(2,805,897)
Cash payments to suppliers	(730,304)	(4,927,264)	(14,632,200)	(20,289,768)
Cash payments to employees	(8,126,298)	(13,751,162)	(38,213,574)	(60,091,034)
Claims paid	---	---	(5,263)	(5,263)
Payments for interfund services used	(1,104,239)	(891,905)	(2,771,864)	(4,768,008)
Net cash provided by (used in) operating activities	<u>(1,570,039)</u>	<u>(226,598)</u>	<u>788,951</u>	<u>(1,007,686)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	1,184,462	227,785	8,900,000	10,312,247
Transfers to other funds	(271,473)	---	(231,859)	(503,332)
Payments from City of Memphis	1,184,462	---	---	1,184,462
Repayment of advances from other funds	---	---	(832,437)	(832,437)
Interest on advance from other funds	---	---	(9,881)	(9,881)
Insurance recoveries	---	---	858	858
Net cash provided by (used in) noncapital financing activities	<u>2,097,451</u>	<u>227,785</u>	<u>7,826,681</u>	<u>10,151,917</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(89,650)	(1,330,365)	(331,755)	(1,751,770)
Proceeds from the sale of capital assets	---	10,550	---	10,550
Capital lease obligation payments	---	(153,857)	---	(153,857)
Interest paid	---	(29,528)	---	(29,528)
Insurance recoveries	1,967	2,529	55,496	59,992
Net cash provided by (used in) capital and related financing activities	<u>(87,683)</u>	<u>(1,500,671)</u>	<u>(276,259)</u>	<u>(1,864,613)</u>
Cash flows from investing activities:				
Interest and investment earnings	5,388	9,467	19,172	34,027
Net cash provided by (used in) investing activities	<u>5,388</u>	<u>9,467</u>	<u>19,172</u>	<u>34,027</u>
Net increase (decrease) in cash and cash equivalents	445,117	(1,490,017)	8,358,545	7,313,645
Cash and cash equivalents, June 30, 2011	989,237	2,621,240	315,861	3,926,338
Cash and cash equivalents, June 30, 2012	<u>\$ 1,434,354</u>	<u>\$ 1,131,223</u>	<u>\$ 8,674,406</u>	<u>\$ 11,239,983</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,716,866)	\$ (258,807)	\$ (7,789,657)	\$ (9,765,330)
Adjustments:				
Depreciatoin	128,952	248,849	1,149,705	1,527,506
Changes in assets and liabilities:				
Accounts receivable and accrued revenues	9,288	4,118	12,274	25,680
Due from other governments	106,107	92,773	8,906,566	9,105,446
Due from component units	---	(12,805)	---	(12,805)
Prepays and deferred charges	(917)	(74)	(1,451)	(2,442)
Net pension asset	91,133	139,499	371,691	602,323
Accounts payable and accrued liabilities	(2,535)	(106,975)	(1,092,438)	(1,201,948)
Due to other governments	(782)	59,008	---	58,226
Deposits held for others	(2,600)	---	24,214	21,614
Unearned revenue	1,851	---	---	1,851
Compensated absences payable	(66,975)	(213,731)	(315,330)	(596,036)
Net post employment benefit obligations	(116,695)	(178,453)	(476,623)	(771,771)
Total adjustments	<u>146,827</u>	<u>32,209</u>	<u>8,578,608</u>	<u>8,757,644</u>
Net cash provided by (used in) operating activities	<u>\$ (1,570,039)</u>	<u>\$ (226,598)</u>	<u>\$ 788,951</u>	<u>\$ (1,007,686)</u>
Noncash investing, capital, and financing activities:				
Capital asset purchases accrued, not reflected in capital financing activities	\$ ---	\$ 71,368	\$ 17,205	\$ 88,573
Capital assets transferred to governmental activities	---	\$ 45,485	---	\$ 45,485

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012**

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel and TDZ Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Assets:				
Cash and cash equivalents	\$ 5,838,781	\$ 2,588,588	\$ 6,402,891	\$ 1,095,256
Accounts receivable and accrued revenues	11,897	1,160,255	33,502	---
Due from other governments	1,687,937	---	---	---
Due from other funds	102	1,266,211	891	---
Deposits held by others	---	---	443,533	---
Total assets	<u>\$ 7,538,717</u>	<u>\$ 5,015,054</u>	<u>\$ 6,880,817</u>	<u>\$ 1,095,256</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 866,784	\$ 5,995,794	\$ 88,924	\$ 196,310
Deferred revenue	5,823	---	32,652	---
Due to other governments	702	---	---	---
Due to other funds	---	---	---	---
Deposits held for others	---	---	443,533	---
Total liabilities	<u>873,309</u>	<u>5,995,794</u>	<u>565,109</u>	<u>196,310</u>
Fund balances:				
Restricted	6,665,408	---	6,315,708	898,946
Committed	---	---	---	---
Unassigned	---	(980,740)	---	---
Total fund balances	<u>6,665,408</u>	<u>(980,740)</u>	<u>6,315,708</u>	<u>898,946</u>
Total liabilities and fund balances	<u>\$ 7,538,717</u>	<u>\$ 5,015,054</u>	<u>\$ 6,880,817</u>	<u>\$ 1,095,256</u>

Car Rental Tax Fund	Health Services Restricted Fees Fund	Storm Water Fees Fund	Economic Development Fund	Total
\$ 151,435	\$ 1,839,237	\$ 900,645	\$ 8,942,222	\$ 27,759,055
173,851	288,298	66,698	---	1,734,501
---	---	---	---	1,687,937
169,046	---	---	---	1,436,250
---	---	---	---	443,533
<u>\$ 494,332</u>	<u>\$ 2,127,535</u>	<u>\$ 967,343</u>	<u>\$ 8,942,222</u>	<u>\$ 33,061,276</u>
\$ 494,332	\$ 72,307	\$ 4,763	\$ ---	\$ 7,719,214
---	249	---	---	38,724
---	19,419	---	---	20,121
---	---	102	---	102
---	---	---	---	443,533
<u>494,332</u>	<u>91,975</u>	<u>4,865</u>	<u>---</u>	<u>8,221,694</u>
---	734,880	962,478	---	15,577,420
---	1,300,680	---	8,942,222	10,242,902
---	---	---	---	(980,740)
<u>---</u>	<u>2,035,560</u>	<u>962,478</u>	<u>8,942,222</u>	<u>24,839,582</u>
<u>\$ 494,332</u>	<u>\$ 2,127,535</u>	<u>\$ 967,343</u>	<u>\$ 8,942,222</u>	<u>\$ 33,061,276</u>

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel and TDZ Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Revenues:				
Other local taxes	\$ 120,959	\$ 12,401,508	\$ ---	\$ ---
State revenue	9,206,425	---	---	---
Federal and local revenue	26,083	---	---	---
Charges for services	3,569,839	---	86,303	44,595
Fines, fees and permits	30,996	---	81,981	500,413
Other revenue	196,700	---	2,234,112	---
Investment income	20,457	9,910	29,406	1,435
Total revenues	<u>13,171,459</u>	<u>12,411,418</u>	<u>2,431,802</u>	<u>546,443</u>
Expenditures:				
General Government	---	10,160,846	---	---
Public Works	12,257,021	---	---	---
Health Services	---	---	---	---
Law Enforcement	---	---	2,319,243	---
Judicial	---	---	---	299,270
Other Elected Officials	---	---	---	306,760
Total expenditures	<u>12,257,021</u>	<u>10,160,846</u>	<u>2,319,243</u>	<u>606,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>914,438</u>	<u>2,250,572</u>	<u>112,559</u>	<u>(59,587)</u>
Other financing sources (uses):				
Transfers in	154,622	---	---	---
Transfers out	(32,476)	(3,464,909)	(76,203)	---
Sale of capital assets	8,200	---	---	---
Insurance recoveries	6,758	---	18,759	---
Total other financing sources (uses)	<u>137,104</u>	<u>(3,464,909)</u>	<u>(57,444)</u>	<u>---</u>
Net change in fund balances	<u>1,051,542</u>	<u>(1,214,337)</u>	<u>55,115</u>	<u>(59,587)</u>
Fund balances:				
June 30, 2011	<u>5,613,866</u>	<u>233,597</u>	<u>6,260,593</u>	<u>958,533</u>
June 30, 2012	<u>\$ 6,665,408</u>	<u>\$ (980,740)</u>	<u>\$ 6,315,708</u>	<u>\$ 898,946</u>

Car Rental Tax Fund	Health Services Restricted Fees Fund	Storm Water Fees Fund	Economic Development Fund	Total
\$ 1,819,050	\$ ---	\$ ---	\$ ---	\$ 14,341,517
---	---	---	---	9,206,425
---	---	10,373	8,942,222	8,978,678
---	1,329	---	---	3,702,066
---	4,091,764	777,077	---	5,482,231
---	---	---	---	2,430,812
---	10,546	4,202	---	75,956
<u>1,819,050</u>	<u>4,103,639</u>	<u>791,652</u>	<u>8,942,222</u>	<u>44,217,685</u>
1,819,050	---	---	---	11,979,896
---	---	698,183	---	12,955,204
---	4,777,738	---	---	4,777,738
---	---	---	---	2,319,243
---	---	---	---	299,270
---	---	---	---	306,760
<u>1,819,050</u>	<u>4,777,738</u>	<u>698,183</u>	<u>---</u>	<u>32,638,111</u>
---	(674,099)	93,469	8,942,222	11,579,574
---	---	---	---	154,622
---	(85,548)	---	---	(3,659,136)
---	---	---	---	8,200
---	723	2,012	---	28,252
---	(84,825)	2,012	---	(3,468,062)
---	(758,924)	95,481	8,942,222	8,111,512
---	2,794,484	866,997	---	16,728,070
<u>\$ ---</u>	<u>\$ 2,035,560</u>	<u>\$ 962,478</u>	<u>\$ 8,942,222</u>	<u>\$ 24,839,582</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

Roads and Bridges Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 273,000	\$ 273,000	\$ 120,959	\$ (152,041)
State revenue	10,120,000	10,120,000	9,206,425	(913,575)
Federal and local revenue	125,000	125,000	26,083	(98,917)
Charges for services	2,963,922	3,670,485	3,569,839	(100,646)
Fines, fees and permits	53,520	53,520	30,996	(22,524)
Other revenue	---	141,300	196,700	55,400
Investment income	150,000	150,000	20,457	(129,543)
Total revenues	<u>13,685,442</u>	<u>14,533,305</u>	<u>13,171,459</u>	<u>(1,361,846)</u>
Expenditures:				
Salaries	5,037,446	5,004,474	4,555,363	449,111
Other compensation	88,032	141,706	140,696	1,010
Fringe benefits	1,942,466	1,927,817	1,688,564	239,253
Salary restriction	(192,735)	(192,735)	---	(192,735)
Supplies and materials	3,931,400	4,779,062	4,001,882	777,180
Services and other expenditures	187,299	149,699	135,261	14,438
Professional and contracted services	208,963	193,741	29,254	164,487
Rent, utilities and maintenance	263,518	507,678	168,377	339,301
Interfund services	412,151	445,491	396,756	48,735
Capital asset acquisitions	2,144,834	2,333,770	1,140,868	1,192,902
Total expenditures	<u>14,023,374</u>	<u>15,290,703</u>	<u>12,257,021</u>	<u>3,033,682</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(337,932)</u>	<u>(757,398)</u>	<u>914,438</u>	<u>1,671,836</u>
Other financing sources (uses):				
Transfers in	---	209,325	154,622	(54,703)
Transfers out	---	(434,618)	(32,476)	402,142
Sale of capital assets	20,000	20,000	8,200	(11,800)
Insurance recoveries	---	---	6,758	6,758
Planned change in fund balance	317,932	962,691	---	(962,691)
Total other financing sources (uses)	<u>337,932</u>	<u>757,398</u>	<u>137,104</u>	<u>(620,294)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,051,542</u>	<u>\$ 1,051,542</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

Hotel and TDZ Taxes Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 12,500,000	\$ 12,500,000	\$ 12,401,508	\$ (98,492)
State revenue	11,500,000	11,500,000	---	(11,500,000)
Investment income	---	---	9,910	9,910
Total revenues	<u>24,000,000</u>	<u>24,000,000</u>	<u>12,411,418</u>	<u>(11,588,582)</u>
Expenditures:				
Affiliated organizations	10,740,346	10,740,346	10,160,846	579,500
Total expenditures	<u>10,740,346</u>	<u>10,740,346</u>	<u>10,160,846</u>	<u>579,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,259,654</u>	<u>13,259,654</u>	<u>2,250,572</u>	<u>(11,009,082)</u>
Other financing sources (uses):				
Transfers in	5,160,265	---	---	---
Transfers out	(18,051,096)	(12,890,831)	(3,464,909)	9,425,922
Planned change in fund balance	(368,823)	(368,823)	---	368,823
Total other financing sources (uses)	<u>(13,259,654)</u>	<u>(13,259,654)</u>	<u>(3,464,909)</u>	<u>9,794,745</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (1,214,337)</u>	<u>\$ (1,214,337)</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

Sheriff Forfeitures Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 86,303	\$ (113,697)
Fines, fees and permits	38,000	38,000	81,981	43,981
Other revenue	2,650,000	2,650,000	2,234,112	(415,888)
Investment income	43,000	43,000	29,406	(13,594)
Total revenues	<u>2,931,000</u>	<u>2,931,000</u>	<u>2,431,802</u>	<u>(499,198)</u>
Expenditures:				
Other compensation	470,000	470,000	931	469,069
Supplies and materials	516,000	520,725	326,700	194,025
Services and other expenditures	382,500	412,500	288,731	123,769
Professional and contracted services	381,566	349,066	173,333	175,733
Rent, utilities and maintenance	419,796	491,296	359,138	132,158
Interfund services	370,000	445,000	401,665	43,335
Capital asset acquisitions	2,358,000	1,833,628	768,745	1,064,883
Total expenditures	<u>4,897,862</u>	<u>4,522,215</u>	<u>2,319,243</u>	<u>2,202,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,966,862)</u>	<u>(1,591,215)</u>	<u>112,559</u>	<u>1,703,774</u>
Other financing sources (uses):				
Transfers out	(93,434)	(93,434)	(76,203)	17,231
Insurance recoveries	---	---	18,759	18,759
Planned change in fund balance	2,060,296	1,684,649	---	(1,684,649)
Total other financing sources (uses)	<u>1,966,862</u>	<u>1,591,215</u>	<u>(57,444)</u>	<u>(1,648,659)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 55,115</u>	<u>\$ 55,115</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

Data Processing Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 30,000	\$ ---	\$ (30,000)
Charges for services	39,183	39,183	44,595	5,412
Fines, fees and permits	524,000	524,000	500,413	(23,587)
Investment income	6,396	6,396	1,435	(4,961)
Total revenues	<u>569,579</u>	<u>599,579</u>	<u>546,443</u>	<u>(53,136)</u>
Expenditures:				
Salaries	68,303	39,844	39,844	---
Fringe benefits	22,251	10,090	10,087	3
Supplies and materials	59,350	54,467	23,682	30,785
Services and other expenditures	17,768	435,735	380,689	55,046
Professional and contracted services	149,000	70,330	57,186	13,144
Rent, utilities and maintenance	126,383	113,998	94,542	19,456
Capital asset acquisitions	157,340	61,500	---	61,500
Total expenditures	<u>600,395</u>	<u>785,964</u>	<u>606,030</u>	<u>179,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,816)</u>	<u>(186,385)</u>	<u>(59,587)</u>	<u>126,798</u>
Other financing sources (uses):				
Planned change in fund balance	30,816	186,385	---	(186,385)
Total other financing sources (uses)	<u>30,816</u>	<u>186,385</u>	<u>---</u>	<u>(186,385)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (59,587)</u>	<u>\$ (59,587)</u>

Car Rental Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 2,200,000	\$ 2,200,000	\$ 1,819,050	\$ (380,950)
Total revenues	<u>2,200,000</u>	<u>2,200,000</u>	<u>1,819,050</u>	<u>(380,950)</u>
Expenditures:				
Affiliated organizations	2,200,000	2,200,000	1,819,050	380,950
Total expenditures	<u>2,200,000</u>	<u>2,200,000</u>	<u>1,819,050</u>	<u>380,950</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

Health Services Restricted Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 750	\$ 750	\$ 1,329	\$ 579
Fines, fees and permits	4,449,699	4,449,699	4,091,764	(357,935)
Investment income	22,500	22,500	10,546	(11,954)
Total revenues	4,472,949	4,472,949	4,103,639	(369,310)
Expenditures:				
Salaries	2,933,459	2,933,674	2,533,908	399,766
Other compensation	104,500	126,147	119,084	7,063
Fringe benefits	1,015,428	993,816	845,283	148,533
Salary restriction	(64,529)	(231,929)	---	(231,929)
Supplies and materials	167,831	217,561	192,241	25,320
Services and other expenditures	47,650	47,800	41,592	6,208
Professional and contracted services	150,300	185,050	32,337	152,713
Rent, utilities and maintenance	41,280	41,925	30,600	11,325
Interfund services	323,300	414,800	383,547	31,253
Capital asset acquisitions	170,128	160,128	100,181	59,947
Affiliated organizations	---	500,000	498,965	1,035
Total expenditures	4,889,347	5,388,972	4,777,738	611,234
Excess (deficiency) of revenues over (under) expenditures	(416,398)	(916,023)	(674,099)	241,924
Other financing sources (uses):				
Transfers out	(334,963)	(335,338)	(85,548)	249,790
Insurance recoveries	---	---	723	723
Planned change in fund balance	751,361	1,251,361	---	(1,251,361)
Total other financing sources (uses)	416,398	916,023	(84,825)	(1,000,848)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (758,924)	\$ (758,924)

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

Storm Water Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 100,000	\$ 10,373	\$ (89,627)
Fines, fees and permits	730,000	730,000	777,077	47,077
Other revenue	---	205,000	---	(205,000)
Investment income	---	---	4,202	4,202
Total revenues	<u>730,000</u>	<u>1,035,000</u>	<u>791,652</u>	<u>(243,348)</u>
Expenditures:				
Salaries	132,038	132,038	130,579	1,459
Other compensation	---	1,324	1,324	---
Fringe benefits	43,243	41,919	40,677	1,242
Supplies and materials	4,600	9,200	8,943	257
Services and other expenditures	17,260	18,435	12,458	5,977
Professional and contracted services	200,000	522,973	162,196	360,777
Rent, utilities and maintenance	10,800	4,300	1,634	2,666
Interfund services	24,700	207,359	207,359	---
Capital asset acquisitions	546,180	276,608	133,013	143,595
Total expenditures	<u>978,821</u>	<u>1,214,156</u>	<u>698,183</u>	<u>515,973</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(248,821)</u>	<u>(179,156)</u>	<u>93,469</u>	<u>272,625</u>
Other financing sources (uses):				
Transfers out	---	(15,813)	---	15,813
Insurance recoveries	---	---	2,012	2,012
Planned change in fund balance	248,821	194,969	---	(194,969)
Total other financing sources (uses)	<u>248,821</u>	<u>179,156</u>	<u>2,012</u>	<u>(177,144)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 95,481</u>	<u>\$ 95,481</u>

Economic Development Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ ---	\$ 8,942,222	\$ 8,942,222
Total revenues	<u>---</u>	<u>---</u>	<u>8,942,222</u>	<u>8,942,222</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 8,942,222</u>	<u>\$ 8,942,222</u>

**Internal Service Funds
Combining Statement of Net Assets
June 30, 2012**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Assets:					
Current assets					
Cash and cash equivalents	\$ 1,989,931	\$ 17,056,059	\$ 6,552,132	\$ 10,925,802	\$ 36,523,924
Accounts receivable and accrued revenues	16,101	41,583	---	1,683	59,367
Due from other governments	17,634	---	---	---	17,634
Inventories	94,135	---	---	---	94,135
Prepays and deferred charges	140,175	---	---	---	140,175
Deposits held by others	---	---	---	50,000	50,000
Total current assets	<u>2,257,976</u>	<u>17,097,642</u>	<u>6,552,132</u>	<u>10,977,485</u>	<u>36,885,235</u>
Noncurrent assets					
Net pension asset	93,782	---	---	---	93,782
Depreciable capital assets, net	1,544,525	---	---	---	1,544,525
Total noncurrent assets	<u>1,638,307</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,638,307</u>
Total assets	<u>\$ 3,896,283</u>	<u>\$ 17,097,642</u>	<u>\$ 6,552,132</u>	<u>\$ 10,977,485</u>	<u>\$ 38,523,542</u>
Liabilities and net assets:					
Current liabilities					
Accounts payable and accrued liabilities	\$ 889,544	\$ 48,521	\$ ---	\$ 71,549	\$ 1,009,614
Unearned revenue	---	3,900,850	---	---	3,900,850
Claims payable, current	---	4,221,239	969,178	2,437,808	7,628,225
Compensated absences payable	53,572	---	---	---	53,572
Total current liabilities	<u>943,116</u>	<u>8,170,610</u>	<u>969,178</u>	<u>2,509,357</u>	<u>12,592,261</u>
Noncurrent liabilities					
Claims payable, long-term	---	---	3,124,711	3,254,226	6,378,937
Accrued sick leave payable	43,414	---	---	---	43,414
Net postemployment benefit obligation	102,536	---	---	---	102,536
Total noncurrent liabilities	<u>145,950</u>	<u>---</u>	<u>3,124,711</u>	<u>3,254,226</u>	<u>6,524,887</u>
Total liabilities	<u>1,089,066</u>	<u>8,170,610</u>	<u>4,093,889</u>	<u>5,763,583</u>	<u>19,117,148</u>
Net assets					
Invested in capital assets, net of related debt	1,544,525	---	---	---	1,544,525
Unrestricted	1,262,692	8,927,032	2,458,243	5,213,902	17,861,869
Total net assets	<u>2,807,217</u>	<u>8,927,032</u>	<u>2,458,243</u>	<u>5,213,902</u>	<u>19,406,394</u>
Total liabilities and net assets	<u>\$ 3,896,283</u>	<u>\$ 17,097,642</u>	<u>\$ 6,552,132</u>	<u>\$ 10,977,485</u>	<u>\$ 38,523,542</u>

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Operating revenues:					
Premium revenue	\$ ---	\$ 48,306,338	\$ 532,468	\$ 2,742,296	\$ 51,581,102
State revenue	---	---	---	159,903	159,903
Charges for services	6,895,382	---	---	---	6,895,382
Other revenue	---	---	---	7,637	7,637
Total operating revenues	<u>6,895,382</u>	<u>48,306,338</u>	<u>532,468</u>	<u>2,909,836</u>	<u>58,644,024</u>
Operating expenses:					
Salaries	770,555	---	---	---	770,555
Other compensation	14,330	---	---	---	14,330
Fringe benefits	303,443	---	---	---	303,443
Supplies and materials	692,569	---	---	---	692,569
Services and other expenses	1,280,165	---	---	---	1,280,165
Professional and contracted services	---	2,903,160	---	359,268	3,262,428
Rent, utilities and maintenance	3,219,716	---	---	---	3,219,716
Interfund services	26,066	---	---	---	26,066
Depreciation	186,916	---	---	---	186,916
Claims incurred	---	43,723,169	2,316,465	2,322,559	48,362,193
Total operating expenses	<u>6,493,760</u>	<u>46,626,329</u>	<u>2,316,465</u>	<u>2,681,827</u>	<u>58,118,381</u>
Operating income (loss)	401,622	1,680,009	(1,783,997)	228,009	525,643
Nonoperating revenues (expenses):					
Interest income	---	72,731	---	---	72,731
Insurance recoveries	1,726	---	---	---	1,726
Income (loss) before transfers	<u>403,348</u>	<u>1,752,740</u>	<u>(1,783,997)</u>	<u>228,009</u>	<u>600,100</u>
Transfers:					
Transfers in	---	---	500,000	---	500,000
Transfers out	---	(135,584)	---	---	(135,584)
Net transfers	<u>---</u>	<u>(135,584)</u>	<u>500,000</u>	<u>---</u>	<u>364,416</u>
Change in net assets	403,348	1,617,156	(1,283,997)	228,009	964,516
Net assets:					
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>
June 30, 2012	<u>\$ 2,807,217</u>	<u>\$ 8,927,032</u>	<u>\$ 2,458,243</u>	<u>\$ 5,213,902</u>	<u>\$ 19,406,394</u>

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2012

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Cash flows from operating activities:					
Receipts from customers	\$ 234,417	\$ ---	\$ ---	\$ ---	\$ 234,417
Receipts from interfund services provided	6,655,788	---	---	---	6,655,788
Premiums received	---	48,291,058	532,468	2,900,583	51,724,109
Refunds received from suppliers	3,890	23,705	---	30,603	58,198
Cash payments to suppliers	(4,613,928)	(3,110,421)	---	(337,463)	(8,061,812)
Cash payments to employees	(1,086,614)	---	---	---	(1,086,614)
Claims paid	---	(43,974,617)	(584,247)	(2,811,318)	(47,370,182)
Payments for interfund services used	(26,069)	---	---	---	(26,069)
Net cash provided by (used in) operating activities	<u>1,167,484</u>	<u>1,229,725</u>	<u>(51,779)</u>	<u>(217,595)</u>	<u>2,127,835</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	---	---	500,000	---	500,000
Transfers to other funds	---	(135,584)	---	---	(135,584)
Net cash provided by (used in) noncapital financing activities	<u>---</u>	<u>(135,584)</u>	<u>500,000</u>	<u>---</u>	<u>364,416</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(202,743)	---	---	---	(202,743)
Insurance recoveries	1,726	---	---	---	1,726
Net cash provided by (used in) capital and related financing activities	<u>(201,017)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(201,017)</u>
Cash flows from investing activities:					
Interest and investment earnings	---	72,731	---	---	72,731
Net cash provided by (used in) investing activities	<u>---</u>	<u>72,731</u>	<u>---</u>	<u>---</u>	<u>72,731</u>
Net increase (decrease) in cash and cash equivalents	966,467	1,166,872	448,221	(217,595)	2,363,965
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>
Cash and cash equivalents, June 30, 2012	<u>\$ 1,989,931</u>	<u>\$ 17,056,059</u>	<u>\$ 6,552,132</u>	<u>\$ 10,925,802</u>	<u>\$ 36,523,924</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ 401,622</u>	<u>\$ 1,680,009</u>	<u>\$ (1,783,997)</u>	<u>\$ 228,009</u>	<u>\$ 525,643</u>
Adjustments:					
Depreciatoin	186,916	---	---	---	186,916
Changes in assets and liabilities:					
Accounts receivable and accrued revenues	15,650	---	---	(1,616)	14,034
Due from other governments	(10,751)	---	---	---	(10,751)
Inventories	(48,978)	---	---	---	(48,978)
Prepays and deferred charges	268,571	---	---	---	268,571
Deposits held by others	---	47,874	---	---	47,874
Net pension asset	11,994	---	---	---	11,994
Accounts payable and accrued liabilities	352,739	(207,261)	---	44,771	190,249
Unearned revenue	---	(39,448)	---	---	(39,448)
Claims payable	---	(251,449)	1,732,218	(488,759)	992,010
Compensated absences payable	5,073	---	---	---	5,073
Net postemployment benefit obligation	(15,352)	---	---	---	(15,352)
Total adjustments	<u>765,862</u>	<u>(450,284)</u>	<u>1,732,218</u>	<u>(445,604)</u>	<u>1,602,192</u>
Net cash provided by (used in) operating activities	<u>\$ 1,167,484</u>	<u>\$ 1,229,725</u>	<u>\$ (51,779)</u>	<u>\$ (217,595)</u>	<u>\$ 2,127,835</u>
Noncash investing, capital, and financing activities:					
Capital asset purchases accrued, not reflected in capital financing activities	\$ 31,606	\$ ---	\$ ---	\$ ---	\$ 31,606

Fiduciary Funds
Postemployment Benefit Trust Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Assets:			
Cash and cash equivalents	\$ 7,406,286	\$ 41,251,914	\$ 48,658,200
Investments			
Domestic equity	36,008,032	283,159,863	319,167,895
Fixed income	27,832,234	216,987,789	244,820,023
International equity	17,986,607	163,125,715	181,112,322
Hedge funds	---	109,116,317	109,116,317
Limited partnership interests	---	76,422,546	76,422,546
Private real estate and infrastructure	4,463,408	23,731,154	28,194,562
Alternative investments	13,016,006	---	13,016,006
Short-term investments	361,227	---	361,227
Accounts receivable	54,968	---	54,968
Accrued interest and dividends receivable	44,098	8,110,207	8,154,305
Due from brokers - investment sales	---	3,122,387	3,122,387
Total assets	<u>\$ 107,172,866</u>	<u>\$ 925,027,892</u>	<u>\$ 1,032,200,758</u>
Liabilities:			
Accounts payable	\$ 1,701,108	\$ 1,052,285	\$ 2,753,393
Due to brokers and others	---	7,984,926	7,984,926
Total liabilities	<u>1,701,108</u>	<u>9,037,211</u>	<u>10,738,319</u>
Net assets held in trust for pension and OPEB benefits	<u>105,471,758</u>	<u>915,990,681</u>	<u>1,021,462,439</u>
Total plan net assets	<u>105,471,758</u>	<u>915,990,681</u>	<u>1,021,462,439</u>
Total liabilities and plan net assets	<u>\$ 107,172,866</u>	<u>\$ 925,027,892</u>	<u>\$ 1,032,200,758</u>

Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2012

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Additions:			
Contributions:			
Employer contributions	\$ 31,914,110	\$ 23,401,532	\$ 55,315,642
Member contributions	5,371,680	10,901,472	16,273,152
Federal ERRP subsidy	1,288,052	---	1,288,052
Total contributions	<u>38,573,842</u>	<u>34,303,004</u>	<u>72,876,846</u>
Investment income:			
Net change in fair value of investments	(3,365,277)	(56,947,986)	(60,313,263)
Interest income	17,592	16,492,561	16,510,153
Dividend income	1,656,042	7,313,462	8,969,504
Other income	---	735,911	735,911
Total investment income	<u>(1,691,643)</u>	<u>(32,406,052)</u>	<u>(34,097,695)</u>
Less investment management expenses	114,672	4,383,253	4,497,925
Net investment income (loss)	<u>(1,806,315)</u>	<u>(36,789,305)</u>	<u>(38,595,620)</u>
Net additions (deductions)	36,767,527	(2,486,301)	34,281,226
Deductions:			
Benefit payments	19,020,132	57,799,148	76,819,280
Administrative expenses	508,087	1,557,744	2,065,831
Refund of member contributions	---	4,705,806	4,705,806
Total deductions	<u>19,528,219</u>	<u>64,062,698</u>	<u>83,590,917</u>
Change in net assets	17,239,308	(66,548,999)	(49,309,691)
Net assets held in trust for benefits			
June 30, 2011	<u>88,232,450</u>	<u>982,539,680</u>	<u>1,070,772,130</u>
June 30, 2012	<u>\$ 105,471,758</u>	<u>\$ 915,990,681</u>	<u>\$ 1,021,462,439</u>

Shelby County, Tennessee

Constitutional and County Charter Officers - General and Agency Funds
 Combined Schedule of Changes in Assets and Liabilities
 For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Chancery Court</u>				
Assets:				
Cash and cash equivalents	\$ 6,081,662	\$ 12,326,145	\$ (12,033,949)	\$ 6,373,858
Investments	2,000,000	2,000,000	(2,000,000)	2,000,000
Accounts receivable	982,548	---	---	982,548
Total Assets	<u>\$ 9,064,210</u>	<u>\$ 14,326,145</u>	<u>\$ (14,033,949)</u>	<u>\$ 9,356,406</u>
Liabilities:				
Funds held for others	\$ 8,573,611	\$ 8,135,387	\$ (7,817,092)	\$ 8,891,906
Due to other funds and departments	490,599	5,675,249	(5,701,348)	464,500
Total liabilities	<u>\$ 9,064,210</u>	<u>\$ 13,810,636</u>	<u>\$ (13,518,440)</u>	<u>\$ 9,356,406</u>
<u>Circuit Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 13,998,103	\$ 11,773,308	\$ (10,175,205)	\$ 15,596,206
Investments	1,000,000	1,000,000	(1,000,000)	1,000,000
Total Assets	<u>\$ 14,998,103</u>	<u>\$ 12,773,308</u>	<u>\$ (11,175,205)</u>	<u>\$ 16,596,206</u>
Liabilities:				
Funds held for others	\$ 14,531,912	\$ 8,783,295	\$ (7,143,684)	\$ 16,171,523
Due to other governmental agencies	31,361	390,981	(394,445)	27,897
Due to other funds and departments	434,830	3,599,032	(3,637,076)	396,786
Total liabilities	<u>\$ 14,998,103</u>	<u>\$ 12,773,308</u>	<u>\$ (11,175,205)</u>	<u>\$ 16,596,206</u>
<u>Criminal Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 2,689,484	\$ 10,741,292	\$ (10,367,278)	\$ 3,063,498
Accounts receivable	980,173	837,325	(980,173)	837,325
Total Assets	<u>\$ 3,669,657</u>	<u>\$ 11,578,617</u>	<u>\$ (11,347,451)</u>	<u>\$ 3,900,823</u>
Liabilities:				
Funds held for others	\$ 2,357,898	\$ 455,941	\$ (240,876)	\$ 2,572,963
Due to other governmental agencies	80,322	3,918,421	(3,917,361)	81,382
Due to other funds and departments	1,231,437	7,031,043	(7,016,002)	1,246,478
Total liabilities	<u>\$ 3,669,657</u>	<u>\$ 11,405,405</u>	<u>\$ (11,174,239)</u>	<u>\$ 3,900,823</u>
<u>General Sessions Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 7,732,834	\$ 37,564,196	\$ (37,259,542)	\$ 8,037,488
Investments	1,850,000	1,850,000	(1,850,000)	1,850,000
Total Assets	<u>\$ 9,582,834</u>	<u>\$ 39,414,196</u>	<u>\$ (39,109,542)</u>	<u>\$ 9,887,488</u>
Liabilities:				
Funds held for others	\$ 8,063,104	\$ 18,211,134	\$ (17,940,669)	\$ 8,333,569
Due to other governmental agencies	268,256	3,744,530	(3,747,112)	265,674
Due to other funds and departments	1,251,474	17,458,532	(17,421,761)	1,288,245
Total liabilities	<u>\$ 9,582,834</u>	<u>\$ 39,414,196</u>	<u>\$ (39,109,542)</u>	<u>\$ 9,887,488</u>

Shelby County, Tennessee

Constitutional and County Charter Officers - General and Agency Funds

Combined Schedule of Changes in Assets and Liabilities (continued)

For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
Probate Court Clerk				
Assets:				
Cash and cash equivalents	\$ 21,010,453	\$ 31,979,085	\$ (28,157,095)	\$ 24,832,443
Total Assets	<u>\$ 21,010,453</u>	<u>\$ 31,979,085</u>	<u>\$ (28,157,095)</u>	<u>\$ 24,832,443</u>
Liabilities:				
Funds held for others	\$ 20,944,182	\$ 31,339,134	\$ (27,530,806)	\$ 24,752,510
Due to other governmental agencies	2,590	27,388	(27,837)	2,141
Due to other funds and departments	45,124	612,563	(601,010)	56,677
Accounts payable and accrued expenses	18,557	2,558	---	21,115
Total liabilities	<u>\$ 21,010,453</u>	<u>\$ 31,981,643</u>	<u>\$ (28,159,653)</u>	<u>\$ 24,832,443</u>
Juvenile Court Clerk				
Assets:				
Cash and cash equivalents	\$ 5,331,529	\$ 7,159,521	\$ (7,229,770)	\$ 5,261,280
Accounts receivable	139,047	145,379	(139,047)	145,379
Total Assets	<u>\$ 5,470,576</u>	<u>\$ 7,304,900</u>	<u>\$ (7,368,817)</u>	<u>\$ 5,406,659</u>
Liabilities:				
Funds held for others	\$ 5,210,966	\$ 1,769,366	\$ (1,839,534)	\$ 5,140,798
Due to other funds and departments	259,610	1,377,095	(1,370,844)	265,861
Total liabilities	<u>\$ 5,470,576</u>	<u>\$ 3,146,461</u>	<u>\$ (3,210,378)</u>	<u>\$ 5,406,659</u>
County Clerk				
Assets:				
Cash and cash equivalents	\$ 6,964,906	\$ 102,132,461	\$ (103,509,173)	\$ 5,588,194
Investments	750,000	1,250,000	(750,000)	1,250,000
Accounts receivable	924,623	215,054	(346,750)	792,927
Total Assets	<u>\$ 8,639,529</u>	<u>\$ 103,597,515</u>	<u>\$ (104,605,923)</u>	<u>\$ 7,631,121</u>
Liabilities:				
Funds held for others	\$ 2,552	\$ 32,422	\$ (31,316)	\$ 3,658
Due to other governmental agencies	3,010,774	47,143,694	(47,748,881)	2,405,587
Due to other funds and departments	5,626,203	56,421,399	(56,825,726)	5,221,876
Total liabilities	<u>\$ 8,639,529</u>	<u>\$ 103,597,515</u>	<u>\$ (104,605,923)</u>	<u>\$ 7,631,121</u>
Register				
Assets:				
Cash and cash equivalents	\$ 1,686,656	\$ 21,050,806	\$ (20,250,963)	\$ 2,486,499
Total Assets	<u>\$ 1,686,656</u>	<u>\$ 21,050,806</u>	<u>\$ (20,250,963)</u>	<u>\$ 2,486,499</u>
Liabilities:				
Due to other governmental agencies	\$ 1,430,145	\$ 17,289,353	\$ (16,454,917)	\$ 2,264,581
Due to other funds and departments	256,511	3,639,279	(3,673,872)	221,918
Total liabilities	<u>\$ 1,686,656</u>	<u>\$ 20,928,632</u>	<u>\$ (20,128,789)</u>	<u>\$ 2,486,499</u>

Shelby County, Tennessee

Constitutional and County Charter Officers - General and Agency Funds

Combined Schedule of Changes in Assets and Liabilities (continued)

For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
Trustee				
Assets:				
Cash and cash equivalents	\$ 391,373,941	\$ 3,070,654,191	\$ (3,025,468,405)	\$ 436,559,727
Investments	20,550,000	5,300,000	(20,550,000)	5,300,000
Accounts receivable	234,313	106,800	(234,313)	106,800
Total Assets	<u>\$ 412,158,254</u>	<u>\$ 3,076,060,991</u>	<u>\$ (3,046,252,718)</u>	<u>\$ 441,966,527</u>
Liabilities:				
Funds held for others	\$ 13,927,248	\$ 14,724,492	\$ (11,502,940)	\$ 17,148,800
Due to other governmental agencies	10,277,732	615,499,561	(615,620,466)	10,156,827
Due to other funds and departments	334,457,887	1,939,066,774	(1,898,097,256)	375,427,405
Due to component units	53,495,387	506,770,164	(521,032,056)	39,233,495
Total liabilities	<u>\$ 412,158,254</u>	<u>\$ 3,076,060,991</u>	<u>\$ (3,046,252,718)</u>	<u>\$ 441,966,527</u>
Elimination of Interdepartmental Activity				
Assets:				
Cash and cash equivalents	\$ (344,053,675)	\$ (2,034,880,966)	\$ 1,994,344,895	\$ (384,589,746)
Total Assets	<u>\$ (344,053,675)</u>	<u>\$ (2,034,880,966)</u>	<u>\$ 1,994,344,895</u>	<u>\$ (384,589,746)</u>
Liabilities:				
Due to other funds and departments	\$ (344,053,675)	\$ (2,034,880,966)	\$ 1,994,344,895	\$ (384,589,746)
Total liabilities	<u>\$ (344,053,675)</u>	<u>\$ (2,034,880,966)</u>	<u>\$ 1,994,344,895</u>	<u>\$ (384,589,746)</u>
Total				
Assets:				
Cash and cash equivalents	\$ 112,815,893	\$ 1,270,500,039	\$ (1,260,106,485)	\$ 123,209,447
Investments	26,150,000	11,400,000	(26,150,000)	11,400,000
Accounts receivable	3,260,704	1,304,558	(1,700,283)	2,864,979
Total Assets	<u>\$ 142,226,597</u>	<u>\$ 1,283,204,597</u>	<u>\$ (1,287,956,768)</u>	<u>\$ 137,474,426</u>
Liabilities:				
Funds held for others	\$ 73,611,473	\$ 83,451,171	\$ (74,046,917)	\$ 83,015,727
Due to other governmental agencies	15,101,180	688,013,928	(687,911,019)	15,204,089
Due to component units	53,495,387	506,770,164	(521,032,056)	39,233,495
Accounts payable and accrued expenses	18,557	2,558	---	21,115
Total liabilities	<u>\$ 142,226,597</u>	<u>\$ 1,278,237,821</u>	<u>\$ (1,282,989,992)</u>	<u>\$ 137,474,426</u>



Shelby County, Tennessee

Schedule of General Obligation Bonds-Except for School Purposes
June 30, 2012

	1996B General Obligation	1997B General Obligation	1999B General Obligation	2004A General Obligation	2004B General Obligation	2005A 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	03/10/2005
Total Issue	\$ 43,640,742	\$ 34,019,243	\$ 34,913,216	\$ 18,881,170	\$ 60,754,734	\$ 165,792,000
Interest Rate %	5.00-6.00	4.50-5.75	3.55-5.25	3.00-5.00	(Variable)	3.00-5.00
Fiscal Year						
2013	\$ 5,417,094	\$ 931,340	\$ 1,591,535	\$ 2,709,175	\$ ---	\$ 14,361,000
2014	906,556	881,016	---	2,980,092	---	21,843,000
2015	850,769	832,581	---	---	---	19,016,000
2016	797,641	---	---	---	---	11,959,000
2017	754,421	783,830	---	---	---	8,991,000
2018	---	---	---	---	---	9,317,000
2019	---	---	---	---	---	7,828,000
2020	---	---	---	---	---	8,058,000
2021	---	---	---	---	---	---
2022	---	---	---	---	---	---
2023	---	---	---	---	---	---
2024	---	---	---	---	5,258,172	---
2025	---	---	---	---	8,503,250	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
2031	---	---	---	---	---	---
2032	---	---	---	---	---	---
2033	---	---	---	---	---	---
2034	---	---	---	---	---	---
2035	---	---	---	---	---	---
2036	---	---	---	---	---	---
TOTAL	\$ 8,726,481	\$ 3,428,767	\$ 1,591,535	\$ 5,689,267	\$ 13,761,422	\$ 101,373,000

(c) Capital Appreciation Bonds

(s) Serial Bonds

Note: See Note IV (H) in the Notes to the Financial Statements for more information about these bonds.

2006C General Obligation	2009A General Obligation	2011A General Obligation	2011 Port Commission	2012A General Obligation	Non-School Total
11/30/2006	04/02/2009	03/30/2011	09/07/2011	03/01/2012	
\$ 88,928,873	\$ 131,252,597	\$ 32,938,707	\$ 20,397,500	\$ 80,978,085	
(Variable)	2.75-5.0	4.0-5.0	2.0-5.0	3.0-5.0	
\$ 1,952,836	\$ 12,780,000	\$ -	\$ 507,500	\$ ---	\$ 40,250,480
1,663,748	19,395,000	-	525,000	87,429	48,281,841
---	18,500,000	-	540,000	3,486,236	43,225,586
---	4,286,938	-	562,500	3,781,309	21,387,388
---	3,120,244	3,397,732	572,500	4,109,168	21,728,895
---	966,048	3,754,415	600,000	4,480,741	19,118,204
---	50,468	4,177,702	615,000	5,870,240	18,541,410
---	1,733,135	4,611,716	645,000	6,385,447	21,433,298
---	2,835,764	5,090,923	677,500	11,239,324	19,843,511
---	4,205,000	5,646,423	705,000	12,104,247	22,660,670
---	---	6,259,796	740,000	12,958,242	19,958,038
---	---	---	780,000	9,801,427	15,839,599
---	---	---	820,000	---	9,323,250
---	---	---	865,000	1,982,767	2,847,767
---	---	---	897,500	2,215,391	3,112,891
---	---	---	935,000	2,476,117	3,411,117
---	---	---	972,500	---	972,500
---	---	---	1,010,000	---	1,010,000
---	---	---	1,050,000	---	1,050,000
---	---	---	1,102,500	---	1,102,500
---	---	---	1,157,500	---	1,157,500
---	---	---	1,217,500	---	1,217,500
---	---	---	1,277,500	---	1,277,500
---	---	---	1,340,000	---	1,340,000
<u>\$ 3,616,584</u>	<u>\$ 67,872,597</u>	<u>\$ 32,938,707</u>	<u>\$ 20,115,000</u>	<u>\$ 80,978,085</u>	<u>\$ 340,091,445</u>

**Schedule of General Obligation Bonds-School Purposes
June 30, 2012**

	1996B General Obligation		1997B General Obligation		1999B General Obligation		2003A Rural General Obligation
Date of Issuance	11/01/1996 11/14/1996	c s	11/1/1997		02/01/1999		12/02/2003
Total Issue	\$ 51,045,323		\$ 74,415,173		\$ 25,851,784		\$ 32,110,000
Interest Rate %	5.00-6.00		4.50-5.75		3.55-5.25		2.50-5.00
Fiscal Year							
2013	\$ 6,336,219		\$ 2,037,254		\$ 1,178,465		\$ 1,020,000
2014	1,060,373		1,927,171		---		---
2015	995,120		1,821,223		---		---
2016	932,978		---		---		---
2017	882,424		1,714,582		---		---
2018	---		---		---		---
2019	---		---		---		---
2020	---		---		---		---
2021	---		---		---		---
2022	---		---		---		---
2023	---		---		---		---
2024	---		---		---		---
2025	---		---		---		---
2026	---		---		---		---
2027	---		---		---		---
2028	---		---		---		---
2029	---		---		---		---
2030	---		---		---		---
2031	---		---		---		---
2032	---		---		---		---
2033	---		---		---		---
2034	---		---		---		---
2035	---		---		---		---
2036	---		---		---		---
TOTAL	\$ 10,207,114		\$ 7,500,230		\$ 1,178,465		\$ 1,020,000

(continued)

Note: See Note IV (H) in the Notes to the Financial Statements for more information about these bonds.

Shelby County, Tennessee

Schedule of General Obligation Bonds-School Purposes (continued)
June 30, 2012

	2006C General Obligation	2009A General Obligation	2009B General Obligation	2009C General Obligation	2009 QSCB
Date of Issuance	11/30/2006	04/02/2009	09/30/2009	09/30/2009	12/01/2009
Total Issue	\$ 197,846,127	\$ 83,442,403	\$ 60,000,000	\$ 60,000,000	\$ 55,120,000
Interest Rate %	(Variable)	2.75-5.0	2.25-5.75	2.25-5.0	1.515
Fiscal Year					
2012	\$ 2,772,164	\$ ---	\$ 3,665,000	\$ ---	\$ 3,439,402
2013	3,246,252	---	3,755,000	---	3,439,402
2014	---	---	3,905,000	---	3,439,402
2015	---	14,083,062	3,995,000	---	3,439,402
2016	---	10,174,756	4,095,000	---	3,439,402
2017	---	18,323,952	4,215,000	---	3,439,402
2018	---	20,464,532	4,425,000	---	3,439,402
2019	---	12,861,865	4,570,000	---	3,439,402
2020	---	7,534,236	4,755,000	---	3,439,402
2021	---	---	4,990,000	---	3,439,402
2022	---	---	5,240,000	---	3,439,402
2023	---	---	5,475,000	---	3,439,402
2024	6,530,000	---	---	4,995,000	3,439,402
2025	6,785,000	---	---	5,195,000	3,439,402
2026	7,050,000	---	---	5,400,000	376,185
2027	7,325,000	---	---	5,610,000	---
2028	7,610,000	---	---	5,830,000	---
2029	7,910,000	---	---	6,060,000	---
2030	8,220,000	---	---	6,315,000	---
2031	8,540,000	---	---	6,585,000	---
2032	---	---	---	6,860,000	---
2033	---	---	---	7,150,000	---
2034	---	---	---	---	---
TOTAL	\$ 65,988,416	\$ 83,442,403	\$ 53,085,000	\$ 60,000,000	\$ 48,527,813

Note: See Note IV (H) in the Notes to the Financial Statements for more information about these bonds.

2010 QSCB	2011A General Obligation	2012A General Obligation	2012B GO Refunding (Rural Schools)	School Total	G. O. Bonds Total
10/01/2010	03/30/2011	03/01/2012	03/01/2012		
\$ 67,260,000	\$ 40,856,293	\$ 178,361,915	15,060,000		
1.515	4.0-5.0	3.0-5.0	2.0-4.0		
\$ 4,196,919	\$ ---	\$ ---	\$ 2,260,000	48,350,248	\$ 88,600,728
4,196,919	---	192,571	2,310,000	49,679,596	97,961,437
4,196,919	---	7,678,764	2,380,000	50,465,428	93,691,014
4,196,919	---	8,328,691	2,475,000	73,927,052	95,314,440
4,196,919	2,987,268	9,050,832	2,570,000	66,300,183	88,029,078
4,196,919	3,300,585	9,869,259	2,675,000	73,073,117	92,191,321
4,196,919	3,672,298	12,929,760	390,000	69,739,911	88,281,321
4,196,919	4,053,284	14,064,553	---	64,653,023	86,086,321
4,196,919	4,479,077	24,755,676	---	63,780,310	83,623,821
4,196,919	4,963,577	26,660,753	---	57,835,651	80,496,321
4,196,919	5,505,204	28,541,758	---	59,193,283	79,151,321
4,196,919	5,660,000	21,588,573	---	60,946,722	76,786,321
4,196,919	6,235,000	---	---	66,933,071	76,256,321
4,196,919	---	4,367,233	---	63,888,554	66,736,321
4,196,919	---	4,879,609	---	57,162,713	60,275,604
459,040	---	5,453,883	---	42,137,923	45,549,040
---	---	---	---	44,455,000	45,427,500
---	---	---	---	40,190,000	41,200,000
---	---	---	---	33,815,000	34,865,000
---	---	---	---	15,125,000	16,227,500
---	---	---	---	6,860,000	8,017,500
---	---	---	---	7,150,000	8,367,500
---	---	---	---	---	1,277,500
---	---	---	---	---	1,340,000
<u>\$ 63,412,825</u>	<u>\$ 40,856,293</u>	<u>\$ 178,361,915</u>	<u>\$ 15,060,000</u>	<u>\$ 1,115,661,785</u>	<u>\$ 1,455,753,230</u>

Defeased Bonds: **

<u>Bond Series</u>	<u>Maturity Dates</u>	<u>Total Defeased Principal</u>
2012B Refunding Bonds	11/1/2012	\$ 23,930,000
2009A Refunding Bonds	10/2012-04/2019	37,660,000
2005A Refunding Bonds	10/2012-04/2016	5,705,000
1999B Refunding Bonds	10/2012-04/2013	580,000
1997B Refunding Bonds	11/1997-08/2016	90,417
1996B Refunding Bonds	11/1996-12/2016	460,664
Total		<u>\$ 68,426,081</u>

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

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, 2012

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 135,278,000	\$ 135,278,000	\$ 137,757,439	\$ 2,479,439
Other local taxes	20,140,000	20,140,000	25,076,111	4,936,111
Federal and local revenue	4,456,439	4,456,439	1,304,602	(3,151,837)
Charges for services	204,000	204,000	233,000	29,000
Other revenue	729,666	729,666	744,636	14,970
Investment income	1,000,000	1,000,000	442,667	(557,333)
Total revenues	<u>161,808,105</u>	<u>161,808,105</u>	<u>165,558,455</u>	<u>3,750,350</u>
Expenditures:				
Services and other expenditures	400,000	400,000	276,850	123,150
Professional and contracted services	140,295	140,295	126,484	13,811
Debt service	185,770,085	187,883,403	169,605,109	18,278,294
Total expenditures	<u>186,310,380</u>	<u>188,423,698</u>	<u>170,008,443</u>	<u>18,415,255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,502,275)</u>	<u>(26,615,593)</u>	<u>(4,449,988)</u>	<u>22,165,605</u>
Other financing sources (uses):				
Transfers in	7,449,902	7,449,902	264,716	(7,185,186)
Transfers out	(6,916,000)	(6,916,000)	(6,916,000)	---
Refunding bonds issued	---	274,400,000	274,400,000	---
Premium on bonds issued	---	58,055,759	58,055,757	(2)
Payment to refunding bond escrow agent	---	(409,588,040)	(409,588,040)	---
Planned change in fund balance	23,968,373	31,723,972	---	(31,723,972)
Total other financing sources (uses)	<u>24,502,275</u>	<u>(44,874,407)</u>	<u>(83,783,567)</u>	<u>(38,909,160)</u>
Special item:				
Sale of interest in joint venture	---	71,490,000	71,490,000	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses and special items	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (16,743,555)</u>	<u>\$ (16,743,555)</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 239,419,000	\$ 239,361,000	\$ 242,951,328	\$ 3,590,328
Other local taxes	26,867,000	26,867,000	28,298,234	1,431,234
State revenue	20,184,492	20,242,492	17,552,358	(2,690,134)
Federal and local revenue	5,539,193	5,539,193	3,962,131	(1,577,062)
Charges for services	4,142,745	4,127,771	3,689,455	(438,316)
Fines, fees and permits	62,025,700	62,025,700	65,071,272	3,045,572
Other revenue	237,400	237,400	347,711	110,311
Investment income	627,022	627,022	477,788	(149,234)
Total revenues	<u>359,042,552</u>	<u>359,027,578</u>	<u>362,350,277</u>	<u>3,322,699</u>
Expenditures:				
Salaries	188,544,288	188,462,955	174,124,892	14,338,063
Other compensation	11,951,161	16,375,769	15,620,563	755,206
Fringe benefits	71,558,841	69,810,961	64,758,144	5,052,817
Salary restriction	(18,231,150)	(18,559,662)	---	(18,559,662)
Supplies and materials	9,867,204	10,434,233	9,126,452	1,307,781
Services and other expenditures	7,083,404	7,797,037	6,879,477	917,560
Professional and contracted services	30,182,755	28,444,979	27,509,910	935,069
Rent, utilities and maintenance	14,726,126	14,393,805	13,549,417	844,388
Interfund services	1,254,471	2,183,750	1,656,568	527,182
Capital asset acquisitions	821,494	1,333,598	1,258,537	75,061
Debt service	50,000	50,000	---	50,000
Affiliated organizations	30,571,441	30,267,848	29,253,673	1,014,175
Grants	1,692,000	1,692,000	1,692,000	---
Contingencies and restrictions	(2,480,000)	(2,639,812)	---	(2,639,812)
Total expenditures	<u>347,592,035</u>	<u>350,047,461</u>	<u>345,429,633</u>	<u>4,617,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,450,517</u>	<u>8,980,117</u>	<u>16,920,644</u>	<u>7,940,527</u>
Other financing sources (uses):				
Transfers in	2,024,197	2,170,936	1,316,666	(854,270)
Transfers out	(14,267,621)	(14,360,302)	(13,841,463)	518,839
Sale of capital assets	492,907	492,907	532,867	39,960
Insurance recoveries	50,000	82,583	1,103,893	1,021,310
Planned change in fund balance	250,000	2,633,759	---	(2,633,759)
Total other financing sources (uses)	<u>(11,450,517)</u>	<u>(8,980,117)</u>	<u>(10,888,037)</u>	<u>(1,907,920)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,032,607</u>	<u>\$ 6,032,607</u>

General Fund
Budgetary Comparison Schedule-Summary by Department
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:			
General Government			
County Attorney	\$ 111,000	\$ 102,487	\$ (8,513)
Central Operations	276,604,500	281,483,716	4,879,216
Personnel	583,302	523,519	(59,783)
Purchasing	1,000	458	(542)
Information Technology Services	1,933,200	1,592,537	(340,663)
Finance	---	16	16
Election Commission	3,327,075	1,600,646	(1,726,429)
	<u>282,560,077</u>	<u>285,303,379</u>	<u>2,743,302</u>
Planning and Development			
Department of Housing	5,000	3,950	(1,050)
	<u>5,000</u>	<u>3,950</u>	<u>(1,050)</u>
Public Works			
Sewer Maintenance	219,650	277,696	58,046
Agricultural Extension	5,000	2,500	(2,500)
DUI Offender Program	116,863	38,896	(77,967)
Parks and Grounds Maintenance	747,000	601,405	(145,595)
Port Commission	1,000,000	---	(1,000,000)
Support Services	1,383,461	1,644,817	261,356
	<u>3,471,974</u>	<u>2,565,314</u>	<u>(906,660)</u>
Health Services			
Forensic Services	275,000	338,202	63,202
Administration and Finance - Health Services	138,687	157,372	18,685
Environmental Health Services	2,188,800	1,343,283	(845,517)
Personal Health Services	1,619,480	1,566,218	(53,262)
Assessment and Assurance	950,000	956,943	6,943
	<u>5,171,967</u>	<u>4,362,018</u>	<u>(809,949)</u>
Community Services			
Director of Community Services	---	6,694	6,694
Community Initiatives	63,000	56,988	(6,012)
Crime Victims Center	120,000	128,915	8,915
Shelby County Rape Crisis Center	540,000	337,680	(202,320)
Pretrial Services	300,000	302,398	2,398
	<u>1,023,000</u>	<u>832,675</u>	<u>(190,325)</u>
Law Enforcement			
Sheriff's Office	6,013,625	6,320,061	306,436
	<u>6,013,625</u>	<u>6,320,061</u>	<u>306,436</u>

(continued)

General Fund
Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Judicial			
Chancery Court	\$ 3,414,380	\$ 4,001,353	\$ 586,973
Circuit Court	3,139,591	3,286,776	147,185
Criminal Court	5,060,200	5,036,220	(23,980)
General Sessions Court	9,990,602	10,453,660	463,058
Probate Court	550,000	557,592	7,592
Juvenile Court	1,334,600	1,531,161	196,561
Public Defender	3,054,700	3,073,623	18,923
Divorce Referee	275,000	281,513	6,513
Attorney General	75,041	96,096	21,055
	<u>26,894,114</u>	<u>28,317,994</u>	<u>1,423,880</u>
Other Elected Officials			
Legislative Operations	1,000	395	(605)
Assessor	28,250	39,902	11,652
County Clerk	9,194,371	9,265,120	70,749
Register	3,479,200	3,369,742	(109,458)
Trustee	21,185,000	21,969,727	784,727
	<u>33,887,821</u>	<u>34,644,886</u>	<u>757,065</u>
Total Revenues	<u>359,027,578</u>	<u>362,350,277</u>	<u>3,322,699</u>
Expenditures:			
General Government			
Mayor's Office	479,723	420,060	59,663
Public Affairs	512,180	476,994	35,186
Chief Administrative Officer	3,217,833	2,875,819	342,014
County Attorney	4,000,167	3,827,081	173,086
Director of Administration and Finance	513,352	276,842	236,510
Central Operations	18,494,825	26,486,848	(7,992,023)
County Grants	1,692,000	1,692,000	---
Personnel	4,489,002	3,981,575	507,427
Purchasing	663,281	603,635	59,646
Information Technology Services	9,576,895	9,046,849	530,046
Chief Information Officer	162,546	80,410	82,136
Finance	2,545,005	2,243,214	301,791
Board of Equalization	667,137	489,118	178,019
Election Commission	4,942,539	3,291,608	1,650,931
	<u>51,956,485</u>	<u>55,792,053</u>	<u>(3,835,568)</u>
Planning and Development			
Department of Housing	374,399	336,901	37,498
	<u>374,399</u>	<u>336,901</u>	<u>37,498</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Public Works			
Director and Staff of Public Works	\$ 766,150	\$ 715,951	\$ 50,199
Sewer Maintenance	301,483	300,208	1,275
Landfill and Cemetery	102,393	96,615	5,778
Soil Conservation	70,156	61,871	8,285
Shelby Farms	575,848	575,848	---
Agricultural Extension	296,307	240,486	55,821
DUI Offender Program	130,863	90,185	40,678
Parks and Grounds Maintenance	1,523,244	1,398,767	124,477
Port Commission	1,000,000	---	1,000,000
Support Services	15,897,632	15,893,671	3,961
	<u>20,664,076</u>	<u>19,373,602</u>	<u>1,290,474</u>
Health Services			
Director of Health Services	427,595	393,005	34,590
Forensic Services	3,368,795	3,360,422	8,373
Administration and Finance - Health Services	10,898,854	10,815,221	83,633
Environmental Health Services	2,962,562	2,867,511	95,051
Personal Health Services	5,854,517	5,199,654	654,863
Assessment and Assurance	2,016,376	1,802,771	213,605
	<u>25,528,699</u>	<u>24,438,584</u>	<u>1,090,115</u>
Community Services			
Director of Community Services	1,744,655	1,523,713	220,942
Community Initiatives	1,396,334	1,950,033	(553,699)
Crime Victims Center	614,732	586,808	27,924
Shelby County Rape Crisis Center	768,793	745,446	23,347
Office on Aging	38,420	38,349	71
Pretrial Services	3,858,845	3,846,649	12,196
	<u>8,421,779</u>	<u>8,690,998</u>	<u>(269,219)</u>
Law Enforcement			
Sheriff's Office	151,640,883	149,358,174	2,282,709
	<u>151,640,883</u>	<u>149,358,174</u>	<u>2,282,709</u>
Judicial			
Chancery Court	1,524,357	1,416,175	108,182
Circuit Court	2,909,700	2,742,069	167,631
Criminal Court	4,884,865	4,696,940	187,925
General Sessions Court	13,584,314	13,085,277	499,037
Probate Court	1,181,972	1,134,461	47,511
Juvenile Court	20,666,923	19,809,163	857,760
Public Defender	8,946,495	8,827,643	118,852
Divorce Referee	580,606	532,110	48,496
Jury Commission	877,248	811,424	65,824
Attorney General	9,717,470	9,543,920	173,550
	<u>64,873,950</u>	<u>62,599,182</u>	<u>2,274,768</u>

(continued)

General Fund
Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Other Elected Officials			
Commissioner's Contingency	\$ 42,344	\$ ---	\$ 42,344
Legislative Operations	1,914,540	1,704,859	209,681
Equal Opportunity Compliance	738,204	597,471	140,733
Assessor	10,172,565	9,690,599	481,966
County Clerk	4,947,650	4,729,563	218,087
Register	1,764,931	1,626,716	138,215
Trustee	7,006,956	6,490,931	516,025
	<u>26,587,190</u>	<u>24,840,139</u>	<u>1,747,051</u>
Total Expenditures	<u>350,047,461</u>	<u>345,429,633</u>	<u>4,617,828</u>
Excess (deficiency) of revenues over expenditures	<u>8,980,117</u>	<u>16,920,644</u>	<u>7,940,527</u>
Other Financing Sources and Uses:			
Transfers in			
Personnel	300,000	---	(300,000)
Director and Staff of Public Works	35,170	35,170	---
Administration and Finance - Health Services	1,207,295	931,424	(275,871)
Personal Health Services	527,000	277,584	(249,416)
Sheriff's Office	1,739	1,738	(1)
Juvenile Court	99,732	70,750	(28,982)
Total transfers in	<u>2,170,936</u>	<u>1,316,666</u>	<u>(854,270)</u>
Transfers out			
Chief Administrative Officer	(40,922)	(2,298)	38,624
Central Operations	(11,400,000)	(11,399,962)	38
Department of Housing	(64,361)	(51,168)	13,193
Director and Staff of Public Works	(131,625)	(95,475)	36,150
Sewer Maintenance	(679)	(679)	---
Administration and Finance - Health Services	(30,847)	(40,947)	(10,100)
Environmental Health Services	(1,461,881)	(1,278,379)	183,502
Personal Health Services	(563,850)	(466,802)	97,048
Assessment and Assurance	(4,300)	(3,527)	773
Director of Community Services	(146,106)	(143,988)	2,118
Crime Victims Center	(81,224)	(60,080)	21,144
Shelby County Rape Crisis Center	(55,879)	(68,801)	(12,922)
Sheriff's Office	(47,358)	(14,530)	32,828
Juvenile Court	(331,270)	(214,827)	116,443
Total transfers out	<u>(14,360,302)</u>	<u>(13,841,463)</u>	<u>518,839</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Other financing sources (uses)			
Chief Administrative Officer	\$ ---	\$ 150	\$ 150
Central Operations	2,633,759	1,067,542	(1,566,217)
Information Technology Services	32,583	32,583	---
Parks and Grounds Maintenance	---	269,351	269,351
Support Services	492,907	263,616	(229,291)
Administration and Finance - Health Services	---	450	450
Sheriff's Office	50,000	2,668	(47,332)
Public Defender	---	400	400
Total other financing sources (uses)	<u>3,209,249</u>	<u>1,636,760</u>	<u>(1,572,489)</u>
Total Other Financing Sources and Uses	<u>(8,980,117)</u>	<u>(10,888,037)</u>	<u>(1,907,920)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ 6,032,607</u>	<u>\$ 6,032,607</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Mayor's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 550,305	\$ 370,656	\$ 328,702	\$ 41,954
Other compensation	---	2,600	1,436	1,164
Fringe benefits	164,119	105,467	89,426	16,041
Supplies and materials	24,000	---	---	---
Services and other expenditures	43,390	1,000	496	504
Professional and contracted services	40,000	---	---	---
Interfund services	67,085	---	---	---
Total expenditures	<u>888,899</u>	<u>479,723</u>	<u>420,060</u>	<u>59,663</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (888,899)</u>	<u>\$ (479,723)</u>	<u>\$ (420,060)</u>	<u>\$ 59,663</u>

Public Affairs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 342,910	\$ 347,910	\$ 343,753	\$ 4,157
Other compensation	---	4,819	4,819	---
Fringe benefits	102,916	110,204	109,381	823
Supplies and materials	4,250	6,750	1,412	5,338
Services and other expenditures	17,592	13,592	1,856	11,736
Interfund services	27,405	28,905	15,773	13,132
Total expenditures	<u>495,073</u>	<u>512,180</u>	<u>476,994</u>	<u>35,186</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (495,073)</u>	<u>\$ (512,180)</u>	<u>\$ (476,994)</u>	<u>\$ 35,186</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,236,129	\$ 1,632,120	\$ 1,477,960	\$ 154,160
Other compensation	10,000	20,700	20,650	50
Fringe benefits	398,470	483,260	446,224	37,036
Salary restriction	---	(50,841)	---	(50,841)
Supplies and materials	25,340	223,073	174,848	48,225
Services and other expenditures	21,873	111,963	89,124	22,839
Professional and contracted services	358,000	412,367	365,151	47,216
Rent, utilities and maintenance	2,500	137,008	100,278	36,730
Interfund services	55,160	172,433	170,259	2,174
Capital asset acquisitions	---	75,750	31,325	44,425
Affiliated organizations	303,593	---	---	---
Total expenditures	<u>2,411,065</u>	<u>3,217,833</u>	<u>2,875,819</u>	<u>342,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,411,065)</u>	<u>(3,217,833)</u>	<u>(2,875,819)</u>	<u>342,014</u>
Other financing sources (uses):				
Transfers out	---	(40,922)	(2,298)	38,624
Insurance recoveries	---	---	150	150
Total other financing sources (uses)	<u>---</u>	<u>(40,922)</u>	<u>(2,148)</u>	<u>38,774</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,411,065)</u>	<u>\$ (3,258,755)</u>	<u>\$ (2,877,967)</u>	<u>\$ 380,788</u>

County Attorney

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 111,000	\$ 111,000	\$ 92,642	\$ (18,358)
Charges for services	---	---	579	579
Other revenue	---	---	9,266	9,266
Total revenues	<u>111,000</u>	<u>111,000</u>	<u>102,487</u>	<u>(8,513)</u>
Expenditures:				
Salaries	2,463,374	2,463,374	2,408,538	54,836
Other compensation	50,000	77,500	29,844	47,656
Fringe benefits	871,480	871,480	807,879	63,601
Supplies and materials	21,050	20,982	20,600	382
Services and other expenditures	181,600	130,079	128,760	1,319
Professional and contracted services	312,804	393,304	392,861	443
Rent, utilities and maintenance	5,485	1,074	89	985
Interfund services	42,374	42,374	38,510	3,864
Total expenditures	<u>3,948,167</u>	<u>4,000,167</u>	<u>3,827,081</u>	<u>173,086</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,837,167)</u>	<u>\$ (3,889,167)</u>	<u>\$ (3,724,594)</u>	<u>\$ 164,573</u>

General Fund
 Budgetary Comparison Schedule-Summary by Type
 For the Year Ended June 30, 2012

Director of Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 236,832	\$ 171,761	\$ 171,761	\$ ---
Other compensation	---	2,150	1,433	717
Fringe benefits	84,688	60,911	60,727	184
Salary restriction	(834,020)	---	---	---
Supplies and materials	3,500	6,500	4,054	2,446
Services and other expenditures	6,500	10,000	5,808	4,192
Professional and contracted services	441,905	244,255	29,461	214,794
Rent, utilities and maintenance	5,875	5,875	---	5,875
Interfund services	11,900	11,900	3,598	8,302
Total expenditures	(42,820)	513,352	276,842	236,510
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 42,820	\$ (513,352)	\$ (276,842)	\$ 236,510

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Central Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 239,419,000	\$ 239,361,000	\$ 242,951,328	\$ 3,590,328
Other local taxes	26,357,000	26,357,000	27,840,575	1,483,575
State revenue	10,000,000	10,058,000	9,251,122	(806,878)
Charges for services	10,000	10,000	12,132	2,132
Fines, fees and permits	318,500	318,500	1,060,849	742,349
Other revenue	100,000	100,000	13,958	(86,042)
Investment income	400,000	400,000	353,752	(46,248)
Total revenues	<u>276,604,500</u>	<u>276,604,500</u>	<u>281,483,716</u>	<u>4,879,216</u>
Expenditures:				
Other compensation	---	375,260	---	375,260
Fringe benefits	(900,000)	(900,000)	---	(900,000)
Salary restriction	(4,422,545)	(4,960,121)	---	(4,960,121)
Services and other expenditures	592,130	592,131	559,857	32,274
Professional and contracted services	743,000	491,743	416,886	74,857
Interfund services	(3,164,032)	(3,164,032)	(3,167,720)	3,688
Debt service	50,000	50,000	---	50,000
Affiliated organizations	300,000	28,692,000	28,677,825	14,175
Contingencies and restrictions	(2,680,000)	(2,682,156)	---	(2,682,156)
Total expenditures	<u>(9,481,447)</u>	<u>18,494,825</u>	<u>26,486,848</u>	<u>(7,992,023)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>286,085,947</u>	<u>258,109,675</u>	<u>254,996,868</u>	<u>(3,112,807)</u>
Other financing sources (uses):				
Transfers out	(11,400,000)	(11,400,000)	(11,399,962)	38
Insurance recoveries	---	---	1,067,542	1,067,542
Planned change in fund balance	250,000	2,633,759	---	(2,633,759)
Total other financing sources (uses)	<u>(11,150,000)</u>	<u>(8,766,241)</u>	<u>(10,332,420)</u>	<u>(1,566,179)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 274,935,947</u>	<u>\$ 249,343,434</u>	<u>\$ 244,664,448</u>	<u>\$ (4,678,986)</u>

County Grants

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Affiliated organizations	\$ 28,392,000	\$ ---	\$ ---	\$ ---
Grants	1,692,000	1,692,000	1,692,000	---
Total expenditures	<u>30,084,000</u>	<u>1,692,000</u>	<u>1,692,000</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (30,084,000)</u>	<u>\$ (1,692,000)</u>	<u>\$ (1,692,000)</u>	<u>\$ ---</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Personnel

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 583,302	\$ 583,302	\$ 523,046	\$ (60,256)
Charges for services	---	---	473	473
Total revenues	583,302	583,302	523,519	(59,783)
Expenditures:				
Salaries	3,049,618	3,049,618	2,820,213	229,405
Other compensation	---	49,500	49,272	228
Fringe benefits	1,115,262	1,087,444	945,814	141,630
Supplies and materials	62,189	58,845	25,523	33,322
Services and other expenditures	45,560	47,479	18,918	28,561
Professional and contracted services	51,090	50,515	8,845	41,670
Rent, utilities and maintenance	43,644	44,294	35,321	8,973
Interfund services	99,957	101,307	77,669	23,638
Total expenditures	4,467,320	4,489,002	3,981,575	507,427
Excess (deficiency) of revenues over (under) expenditures	(3,884,018)	(3,905,700)	(3,458,056)	447,644
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	\$ (3,584,018)	\$ (3,605,700)	\$ (3,458,056)	\$ 147,644

Purchasing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,000	\$ 1,000	\$ 458	\$ (542)
Total revenues	1,000	1,000	458	(542)
Expenditures:				
Salaries	398,890	398,890	398,490	400
Other compensation	---	6,050	6,024	26
Fringe benefits	159,258	159,058	150,116	8,942
Supplies and materials	12,100	12,100	7,711	4,389
Services and other expenditures	28,830	28,830	11,861	16,969
Professional and contracted services	2,000	2,000	---	2,000
Rent, utilities and maintenance	14,000	14,000	7,179	6,821
Interfund services	42,353	42,353	22,254	20,099
Total expenditures	657,431	663,281	603,635	59,646
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (656,431)	\$ (662,281)	\$ (603,177)	\$ 59,104

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Information Technology Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,200	\$ 1,200	\$ 1,200	\$ ---
Charges for services	132,000	132,000	77,400	(54,600)
Fines, fees and permits	1,800,000	1,800,000	1,513,937	(286,063)
Total revenues	<u>1,933,200</u>	<u>1,933,200</u>	<u>1,592,537</u>	<u>(340,663)</u>
Expenditures:				
Salaries	5,125,806	5,000,806	4,351,195	649,611
Other compensation	107,496	148,446	106,070	42,376
Fringe benefits	1,793,686	1,756,137	1,472,480	283,657
Salary restriction	(267,013)	(567,013)	---	(567,013)
Supplies and materials	467,086	587,673	531,934	55,739
Services and other expenditures	1,011,116	1,538,774	1,531,935	6,839
Professional and contracted services	1,061,761	314,956	274,188	40,768
Rent, utilities and maintenance	293,452	387,116	371,672	15,444
Interfund services	97,500	223,500	220,912	2,588
Capital asset acquisitions	149,000	186,500	186,463	37
Total expenditures	<u>9,839,890</u>	<u>9,576,895</u>	<u>9,046,849</u>	<u>530,046</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,906,690)</u>	<u>(7,643,695)</u>	<u>(7,454,312)</u>	<u>189,383</u>
Other financing sources (uses):				
Insurance recoveries	---	32,583	32,583	---
Total other financing sources (uses)	<u>---</u>	<u>32,583</u>	<u>32,583</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (7,906,690)</u>	<u>\$ (7,611,112)</u>	<u>\$ (7,421,729)</u>	<u>\$ 189,383</u>

Chief Information Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ ---	\$ 125,000	\$ 62,500	\$ 62,500
Fringe benefits	---	37,546	17,910	19,636
Total expenditures	<u>---</u>	<u>162,546</u>	<u>80,410</u>	<u>82,136</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ (162,546)</u>	<u>\$ (80,410)</u>	<u>\$ 82,136</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ ---	\$ ---	\$ 16	\$ 16
Total revenues	<u>---</u>	<u>---</u>	<u>16</u>	<u>16</u>
Expenditures:				
Salaries	1,753,986	1,753,986	1,578,369	175,617
Other compensation	10,000	28,850	22,884	5,966
Fringe benefits	612,972	612,971	512,419	100,552
Supplies and materials	20,423	30,672	27,199	3,473
Services and other expenditures	27,375	29,407	29,407	---
Professional and contracted services	700	690	690	---
Rent, utilities and maintenance	700	1,800	754	1,046
Interfund services	93,000	86,629	71,492	15,137
Total expenditures	<u>2,519,156</u>	<u>2,545,005</u>	<u>2,243,214</u>	<u>301,791</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,519,156)</u>	<u>\$ (2,545,005)</u>	<u>\$ (2,243,198)</u>	<u>\$ 301,807</u>

Board of Equalization

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 262,605	\$ 262,605	\$ 255,426	\$ 7,179
Other compensation	---	5,400	5,336	64
Fringe benefits	120,322	120,122	108,239	11,883
Supplies and materials	7,600	7,600	2,443	5,157
Services and other expenditures	4,000	4,000	3,656	344
Professional and contracted services	238,653	238,653	94,490	144,163
Rent, utilities and maintenance	7,000	7,000	3,155	3,845
Interfund services	21,757	21,757	16,373	5,384
Total expenditures	<u>661,937</u>	<u>667,137</u>	<u>489,118</u>	<u>178,019</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (661,937)</u>	<u>\$ (667,137)</u>	<u>\$ (489,118)</u>	<u>\$ 178,019</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Election Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,121,584	\$ 2,121,584	\$ 742,395	\$ (1,379,189)
Federal and local revenue	1,195,891	1,195,891	853,362	(342,529)
Charges for services	5,200	5,200	4,889	(311)
Other revenue	4,400	4,400	---	(4,400)
Total revenues	3,327,075	3,327,075	1,600,646	(1,726,429)
Expenditures:				
Salaries	2,372,549	2,372,549	1,580,747	791,802
Other compensation	184,018	193,718	74,659	119,059
Fringe benefits	519,616	519,616	335,732	183,884
Salary restriction	(50,000)	(584,020)	---	(584,020)
Supplies and materials	312,239	248,239	133,448	114,791
Services and other expenditures	622,386	721,386	412,373	309,013
Professional and contracted services	206,700	156,700	72,018	84,682
Rent, utilities and maintenance	553,545	473,545	242,239	231,306
Interfund services	702,889	797,889	397,482	400,407
Capital asset acquisitions	---	42,917	42,910	7
Total expenditures	5,423,942	4,942,539	3,291,608	1,650,931
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,096,867)	\$ (1,615,464)	\$ (1,690,962)	\$ (75,498)

Department of Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 5,000	\$ 5,000	\$ 3,950	\$ (1,050)
Total revenues	5,000	5,000	3,950	(1,050)
Expenditures:				
Salaries	241,701	241,701	222,547	19,154
Other compensation	---	3,347	3,346	1
Fringe benefits	93,133	93,037	78,984	14,053
Salary restriction	(10,000)	(10,000)	---	(10,000)
Supplies and materials	10,876	10,847	3,601	7,246
Services and other expenditures	6,724	6,724	1,790	4,934
Professional and contracted services	1,000	1,000	---	1,000
Rent, utilities and maintenance	4,451	3,451	2,341	1,110
Interfund services	23,263	24,292	24,292	---
Total expenditures	371,148	374,399	336,901	37,498
Excess (deficiency) of revenues over (under) expenditures	(366,148)	(369,399)	(332,951)	36,448
Other financing sources (uses):				
Transfers out	(64,361)	(64,361)	(51,168)	13,193
Total other financing sources (uses)	(64,361)	(64,361)	(51,168)	13,193
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (430,509)	\$ (433,760)	\$ (384,119)	\$ 49,641

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Director and Staff of Public Works

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 198,277	\$ 198,277	\$ 196,500	\$ 1,777
Other compensation	---	1,300	1,300	---
Fringe benefits	65,935	66,635	66,578	57
Salary restriction	(209,346)	---	---	---
Supplies and materials	1,313	1,313	1,076	237
Services and other expenditures	1,200	5,200	4,747	453
Professional and contracted services	110,000	30,186	29,111	1,075
Rent, utilities and maintenance	---	7,622	7,052	570
Interfund services	411,447	340,447	297,740	42,707
Capital asset acquisitions	---	115,170	111,847	3,323
Total expenditures	578,826	766,150	715,951	50,199
Excess (deficiency) of revenues over (under) expenditures	(578,826)	(766,150)	(715,951)	50,199
Other financing sources (uses):				
Transfers in	35,170	35,170	35,170	---
Transfers out	(86,150)	(131,625)	(95,475)	36,150
Total other financing sources (uses)	(50,980)	(96,455)	(60,305)	36,150
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (629,806)	\$ (862,605)	\$ (776,256)	\$ 86,349

Sewer Maintenance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 219,650	\$ 219,650	\$ 277,696	\$ 58,046
Total revenues	219,650	219,650	277,696	58,046
Expenditures:				
Salaries	51,905	51,905	51,905	---
Other compensation	---	850	759	91
Fringe benefits	22,887	21,987	21,778	209
Supplies and materials	505	805	805	---
Services and other expenditures	1,274	1,899	1,887	12
Professional and contracted services	---	3,265	3,260	5
Rent, utilities and maintenance	204,641	215,005	214,048	957
Interfund services	---	5,767	5,766	1
Total expenditures	281,212	301,483	300,208	1,275
Excess (deficiency) of revenues over (under) expenditures	(61,562)	(81,833)	(22,512)	59,321
Other financing sources (uses):				
Transfers out	---	(679)	(679)	---
Total other financing sources (uses)	---	(679)	(679)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (61,562)	\$ (82,512)	\$ (23,191)	\$ 59,321

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Landfill and Cemetery

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 35,726	\$ 35,796	\$ 35,795	\$ 1
Other compensation	70	650	650	---
Fringe benefits	13,863	13,863	13,278	585
Supplies and materials	2,400	1,900	212	1,688
Services and other expenditures	725	2,225	2,015	210
Professional and contracted services	20,000	18,500	17,500	1,000
Rent, utilities and maintenance	2,500	9,000	8,984	16
Interfund services	20,459	20,459	18,181	2,278
Total expenditures	95,743	102,393	96,615	5,778
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (95,743)	\$ (102,393)	\$ (96,615)	\$ 5,778

Soil Conservation

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 40,982	\$ 40,982	\$ 40,982	\$ ---
Other compensation	---	650	650	---
Fringe benefits	20,074	20,074	15,840	4,234
Supplies and materials	1,000	1,000	746	254
Services and other expenditures	2,250	2,250	1,821	429
Rent, utilities and maintenance	2,500	2,500	---	2,500
Interfund services	2,700	2,700	1,832	868
Total expenditures	69,506	70,156	61,871	8,285
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (69,506)	\$ (70,156)	\$ (61,871)	\$ 8,285

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)	\$ ---

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Agricultural Extension

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 5,000	\$ 5,000	\$ 2,500	\$ (2,500)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,500</u>	<u>(2,500)</u>
Expenditures:				
Salaries	168,809	168,809	131,502	37,307
Other compensation	---	200	200	---
Fringe benefits	43,552	43,552	25,350	18,202
Rent, utilities and maintenance	73,859	75,326	75,200	126
Interfund services	8,237	8,420	8,234	186
Total expenditures	<u>294,457</u>	<u>296,307</u>	<u>240,486</u>	<u>55,821</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (289,457)</u>	<u>\$ (291,307)</u>	<u>\$ (237,986)</u>	<u>\$ 53,321</u>

DUI Offender Program

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 116,863	\$ 116,863	\$ 38,896	\$ (77,967)
Total revenues	<u>116,863</u>	<u>116,863</u>	<u>38,896</u>	<u>(77,967)</u>
Expenditures:				
Salaries	66,126	66,126	29,427	36,699
Fringe benefits	5,000	5,000	1,855	3,145
Supplies and materials	2,075	---	---	---
Rent, utilities and maintenance	43,662	402	---	402
Interfund services	---	59,335	58,903	432
Total expenditures	<u>116,863</u>	<u>130,863</u>	<u>90,185</u>	<u>40,678</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ (14,000)</u>	<u>\$ (51,289)</u>	<u>\$ (37,289)</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Parks and Grounds Maintenance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 601,000	\$ 601,000	\$ 457,394	\$ (143,606)
Fines, fees and permits	39,000	39,000	31,466	(7,534)
Other revenue	107,000	107,000	112,264	5,264
Investment income	---	---	281	281
Total revenues	<u>747,000</u>	<u>747,000</u>	<u>601,405</u>	<u>(145,595)</u>
Expenditures:				
Salaries	280,938	654,506	634,448	20,058
Other compensation	---	17,488	16,929	559
Fringe benefits	37,003	187,386	168,108	19,278
Supplies and materials	68,909	61,017	43,541	17,476
Services and other expenditures	60,000	54,300	44,862	9,438
Professional and contracted services	---	13,000	12,720	280
Rent, utilities and maintenance	305,705	385,649	357,788	27,861
Interfund services	69,069	91,108	70,505	20,603
Capital asset acquisitions	30,190	58,790	49,866	8,924
Total expenditures	<u>851,814</u>	<u>1,523,244</u>	<u>1,398,767</u>	<u>124,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,814)</u>	<u>(776,244)</u>	<u>(797,362)</u>	<u>(21,118)</u>
Other financing sources (uses):				
Sale of capital assets	---	---	269,351	269,351
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>269,351</u>	<u>269,351</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (104,814)</u>	<u>\$ (776,244)</u>	<u>\$ (528,011)</u>	<u>\$ 248,233</u>

Port Commission

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

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,200,000	\$ 1,200,000	\$ 1,398,521	\$ 198,521
Charges for services	190,435	175,461	129,161	(46,300)
Fines, fees and permits	8,000	8,000	116,638	108,638
Other revenue	---	---	497	497
Total revenues	1,398,435	1,383,461	1,644,817	261,356
Expenditures:				
Salaries	6,223,530	5,849,962	5,444,792	405,170
Other compensation	47,525	136,387	136,238	149
Fringe benefits	2,334,982	2,161,597	1,935,522	226,075
Salary restriction	(302,814)	(512,160)	---	(512,160)
Supplies and materials	1,089,966	891,587	809,614	81,973
Services and other expenditures	96,153	44,294	41,065	3,229
Professional and contracted services	325,576	111,089	92,981	18,108
Rent, utilities and maintenance	5,908,645	6,048,097	5,912,230	135,867
Interfund services	1,005,121	1,144,301	1,498,751	(354,450)
Capital asset acquisitions	22,352	22,478	22,478	---
Total expenditures	16,751,036	15,897,632	15,893,671	3,961
Excess (deficiency) of revenues over (under) expenditures	(15,352,601)	(14,514,171)	(14,248,854)	265,317
Other financing sources (uses):				
Sale of capital assets	492,907	492,907	263,516	(229,391)
Insurance recoveries	---	---	100	100
Total other financing sources (uses)	492,907	492,907	263,616	(229,291)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (14,859,694)	\$ (14,021,264)	\$ (13,985,238)	\$ 36,026

Director of Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 318,564	\$ 318,564	\$ 296,507	\$ 22,057
Other compensation	---	2,600	2,600	---
Fringe benefits	106,431	106,431	93,898	12,533
Salary restriction	(274,456)	---	---	---
Total expenditures	150,539	427,595	393,005	34,590
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (150,539)	\$ (427,595)	\$ (393,005)	\$ 34,590

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Forensic Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 275,000	\$ 275,000	\$ 338,202	\$ 63,202
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>338,202</u>	<u>63,202</u>
Expenditures:				
Supplies and materials	20,000	3,500	2,043	1,457
Services and other expenditures	4,200	20,700	20,596	104
Professional and contracted services	3,179,595	3,179,595	3,179,468	127
Rent, utilities and maintenance	79,000	118,000	117,722	278
Interfund services	2,000	47,000	40,593	6,407
Total expenditures	<u>3,284,795</u>	<u>3,368,795</u>	<u>3,360,422</u>	<u>8,373</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,009,795)</u>	<u>\$ (3,093,795)</u>	<u>\$ (3,022,220)</u>	<u>\$ 71,575</u>

Administration and Finance - Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 138,687	\$ 138,687	\$ 146,286	\$ 7,599
Fines, fees and permits	---	---	505	505
Other revenue	---	---	10,581	10,581
Total revenues	<u>138,687</u>	<u>138,687</u>	<u>157,372</u>	<u>18,685</u>
Expenditures:				
Salaries	1,027,137	1,032,138	981,276	50,862
Other compensation	2,355	15,002	13,529	1,473
Fringe benefits	390,619	391,482	368,253	23,229
Salary restriction	(102,482)	(62,482)	---	(62,482)
Supplies and materials	43,400	88,829	42,327	46,502
Services and other expenditures	74,800	63,800	58,752	5,048
Professional and contracted services	9,985,423	10,046,698	10,041,236	5,462
Rent, utilities and maintenance	366,806	308,186	294,673	13,513
Interfund services	(965,943)	(984,799)	(984,825)	26
Total expenditures	<u>10,822,115</u>	<u>10,898,854</u>	<u>10,815,221</u>	<u>83,633</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,683,428)</u>	<u>(10,760,167)</u>	<u>(10,657,849)</u>	<u>102,318</u>
Other financing sources (uses):				
Transfers in	1,082,295	1,207,295	931,424	(275,871)
Transfers out	---	(30,847)	(40,947)	(10,100)
Insurance recoveries	---	---	450	450
Total other financing sources (uses)	<u>1,082,295</u>	<u>1,176,448</u>	<u>890,927</u>	<u>(285,521)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (9,601,133)</u>	<u>\$ (9,583,719)</u>	<u>\$ (9,766,922)</u>	<u>\$ (183,203)</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,260,000	\$ 1,260,000	\$ 534,296	\$ (725,704)
Federal and local revenue	165,000	165,000	---	(165,000)
Charges for services	500	500	1,704	1,204
Fines, fees and permits	763,300	763,300	807,283	43,983
Total revenues	<u>2,188,800</u>	<u>2,188,800</u>	<u>1,343,283</u>	<u>(845,517)</u>
Expenditures:				
Salaries	2,096,218	2,078,218	1,926,058	152,160
Other compensation	17,330	85,930	84,194	1,736
Fringe benefits	821,396	776,762	710,945	65,817
Salary restriction	(160,754)	(160,754)	---	(160,754)
Supplies and materials	40,316	38,716	31,738	6,978
Services and other expenditures	78,540	75,540	65,589	9,951
Professional and contracted services	105,485	17,985	16,944	1,041
Rent, utilities and maintenance	30,600	18,600	3,327	15,273
Interfund services	(36,135)	24,565	22,051	2,514
Capital asset acquisitions	---	7,000	6,665	335
Total expenditures	<u>2,992,996</u>	<u>2,962,562</u>	<u>2,867,511</u>	<u>95,051</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(804,196)</u>	<u>(773,762)</u>	<u>(1,524,228)</u>	<u>(750,466)</u>
Other financing sources (uses):				
Transfers out	(1,540,981)	(1,461,881)	(1,278,379)	183,502
Total other financing sources (uses)	<u>(1,540,981)</u>	<u>(1,461,881)</u>	<u>(1,278,379)</u>	<u>183,502</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,345,177)</u>	<u>\$ (2,235,643)</u>	<u>\$ (2,802,607)</u>	<u>\$ (566,964)</u>

General Fund
 Budgetary Comparison Schedule-Summary by Type
 For the Year Ended June 30, 2012

Personal Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,463,271	\$ 1,463,271	\$ 1,383,741	\$ (79,530)
Fines, fees and permits	136,209	136,209	167,282	31,073
Other revenue	20,000	20,000	15,195	(4,805)
Total revenues	1,619,480	1,619,480	1,566,218	(53,262)
Expenditures:				
Salaries	2,983,422	2,968,192	2,469,018	499,174
Other compensation	20,856	169,643	169,415	228
Fringe benefits	1,150,181	1,030,899	908,650	122,249
Salary restriction	---	(314,456)	---	(314,456)
Supplies and materials	658,054	713,645	568,497	145,148
Services and other expenditures	189,954	126,164	79,181	46,983
Professional and contracted services	361,380	449,685	403,957	45,728
Rent, utilities and maintenance	529,850	459,620	412,536	47,084
Interfund services	199,440	241,125	188,400	52,725
Capital asset acquisitions	35,000	10,000	---	10,000
Total expenditures	6,128,137	5,854,517	5,199,654	654,863
Excess (deficiency) of revenues over (under) expenditures	(4,508,657)	(4,235,037)	(3,633,436)	601,601
Other financing sources (uses):				
Transfers in	507,000	527,000	277,584	(249,416)
Transfers out	(563,850)	(563,850)	(466,802)	97,048
Total other financing sources (uses)	(56,850)	(36,850)	(189,218)	(152,368)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (4,565,507)	\$ (4,271,887)	\$ (3,822,654)	\$ 449,233

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Assessment and Assurance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ ---	\$ 12,700	\$ 12,700
Fines, fees and permits	950,000	950,000	944,243	(5,757)
Total revenues	<u>950,000</u>	<u>950,000</u>	<u>956,943</u>	<u>6,943</u>
Expenditures:				
Salaries	1,109,985	1,109,985	994,603	115,382
Other compensation	10,000	24,003	23,822	181
Fringe benefits	428,847	428,847	363,354	65,493
Supplies and materials	50,268	42,768	28,201	14,567
Services and other expenditures	28,494	47,494	46,727	767
Professional and contracted services	193,893	289,093	283,244	5,849
Rent, utilities and maintenance	41,740	16,740	5,906	10,834
Interfund services	48,946	57,446	56,914	532
Total expenditures	<u>1,912,173</u>	<u>2,016,376</u>	<u>1,802,771</u>	<u>213,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(962,173)</u>	<u>(1,066,376)</u>	<u>(845,828)</u>	<u>220,548</u>
Other financing sources (uses):				
Transfers out	---	(4,300)	(3,527)	773
Total other financing sources (uses)	<u>---</u>	<u>(4,300)</u>	<u>(3,527)</u>	<u>773</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (962,173)</u>	<u>\$ (1,070,676)</u>	<u>\$ (849,355)</u>	<u>\$ 221,321</u>

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ ---	\$ ---	\$ 6,650	\$ 6,650
Other revenue	---	---	44	44
Total revenues	<u>---</u>	<u>---</u>	<u>6,694</u>	<u>6,694</u>
Expenditures:				
Salaries	532,641	540,371	536,719	3,652
Other compensation	---	52,209	52,052	157
Fringe benefits	184,874	183,407	181,505	1,902
Salary restriction	(169,000)	---	---	---
Supplies and materials	44,008	59,718	30,936	28,782
Services and other expenditures	70,218	121,218	99,700	21,518
Professional and contracted services	785,816	675,096	515,659	159,437
Rent, utilities and maintenance	4,500	5,300	2,196	3,104
Interfund services	19,686	47,336	44,961	2,375
Capital asset acquisitions	60,000	60,000	59,985	15
Total expenditures	<u>1,532,743</u>	<u>1,744,655</u>	<u>1,523,713</u>	<u>220,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,532,743)</u>	<u>(1,744,655)</u>	<u>(1,517,019)</u>	<u>227,636</u>
Other financing sources (uses):				
Transfers out	(143,906)	(146,106)	(143,988)	2,118
Total other financing sources (uses)	<u>(143,906)</u>	<u>(146,106)</u>	<u>(143,988)</u>	<u>2,118</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,676,649)</u>	<u>\$ (1,890,761)</u>	<u>\$ (1,661,007)</u>	<u>\$ 229,754</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Community Initiatives

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 63,000	\$ 63,000	\$ 56,988	\$ (6,012)
Total revenues	<u>63,000</u>	<u>63,000</u>	<u>56,988</u>	<u>(6,012)</u>
Expenditures:				
Professional and contracted services	1,396,334	1,396,334	1,950,033	(553,699)
Total expenditures	<u>1,396,334</u>	<u>1,396,334</u>	<u>1,950,033</u>	<u>(553,699)</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>\$ (1,893,045)</u>	<u>\$ (559,711)</u>

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 120,000	\$ 120,000	\$ 128,915	\$ 8,915
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>128,915</u>	<u>8,915</u>
Expenditures:				
Salaries	428,326	428,326	394,639	33,687
Other compensation	---	6,550	6,322	228
Fringe benefits	154,002	153,502	135,248	18,254
Salary restriction	---	(47,000)	---	(47,000)
Supplies and materials	10,377	10,377	8,284	2,093
Services and other expenditures	13,335	13,335	12,219	1,116
Professional and contracted services	---	---	(2,561)	2,561
Rent, utilities and maintenance	300	300	226	74
Interfund services	49,342	49,342	32,431	16,911
Total expenditures	<u>655,682</u>	<u>614,732</u>	<u>586,808</u>	<u>27,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(535,682)</u>	<u>(494,732)</u>	<u>(457,893)</u>	<u>36,839</u>
Other financing sources (uses):				
Transfers out	(81,224)	(81,224)	(60,080)	21,144
Total other financing sources (uses)	<u>(81,224)</u>	<u>(81,224)</u>	<u>(60,080)</u>	<u>21,144</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (616,906)</u>	<u>\$ (575,956)</u>	<u>\$ (517,973)</u>	<u>\$ 57,983</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Shelby County Rape Crisis Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 400,000	\$ 400,000	\$ 243,585	\$ (156,415)
Federal and local revenue	140,000	140,000	89,595	(50,405)
Other revenue	---	---	4,500	4,500
Total revenues	<u>540,000</u>	<u>540,000</u>	<u>337,680</u>	<u>(202,320)</u>
Expenditures:				
Salaries	383,043	391,138	388,741	2,397
Other compensation	---	47,611	46,701	910
Fringe benefits	93,757	95,841	88,397	7,444
Supplies and materials	31,849	25,449	24,977	472
Services and other expenditures	7,101	9,751	9,023	728
Professional and contracted services	77,453	53,493	44,533	8,960
Rent, utilities and maintenance	94,540	129,960	127,575	2,385
Interfund services	9,900	15,550	15,499	51
Total expenditures	<u>697,643</u>	<u>768,793</u>	<u>745,446</u>	<u>23,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(157,643)</u>	<u>(228,793)</u>	<u>(407,766)</u>	<u>(178,973)</u>
Other financing sources (uses):				
Transfers out	(55,879)	(55,879)	(68,801)	(12,922)
Total other financing sources (uses)	<u>(55,879)</u>	<u>(55,879)</u>	<u>(68,801)</u>	<u>(12,922)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (213,522)</u>	<u>\$ (284,672)</u>	<u>\$ (476,567)</u>	<u>\$ (191,895)</u>

Office on Aging

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Interfund services	\$ 38,420	\$ 38,420	\$ 38,349	\$ 71
Total expenditures	<u>38,420</u>	<u>38,420</u>	<u>38,349</u>	<u>71</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (38,420)</u>	<u>\$ (38,420)</u>	<u>\$ (38,349)</u>	<u>\$ 71</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

		Budgeted Amounts		Actual	Variance
		Original	Final	Amounts	
Pretrial Services					
Revenues:					
Charges for services		\$ 300,000	\$ 300,000	\$ 302,398	\$ 2,398
Total revenues		300,000	300,000	302,398	2,398
Expenditures:					
Salaries		2,716,701	2,708,606	2,512,314	196,292
Other compensation		7,800	68,150	67,664	486
Fringe benefits		1,064,209	1,028,125	966,510	61,615
Salary restriction		(141,454)	(263,454)	---	(263,454)
Supplies and materials		73,178	80,178	77,994	2,184
Services and other expenditures		41,891	51,291	50,507	784
Professional and contracted services		100,750	96,450	93,624	2,826
Rent, utilities and maintenance		18,500	7,500	1,703	5,797
Interfund services		83,099	81,999	76,333	5,666
Total expenditures		3,964,674	3,858,845	3,846,649	12,196
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses					
		\$ (3,664,674)	\$ (3,558,845)	\$ (3,544,251)	\$ 14,594

		Budgeted Amounts		Actual	Variance
		Original	Final	Amounts	
Sheriff's Office					
Revenues:					
State revenue		\$ 2,542,717	\$ 2,542,717	\$ 2,949,741	\$ 407,024
Federal and local revenue		864,000	864,000	702,342	(161,658)
Charges for services		1,242,052	1,242,052	1,136,463	(105,589)
Fines, fees and permits		1,364,856	1,364,856	1,378,231	13,375
Other revenue		---	---	153,284	153,284
Total revenues		6,013,625	6,013,625	6,320,061	306,436
Expenditures:					
Salaries		91,292,413	91,163,579	83,572,727	7,590,852
Other compensation		11,052,102	13,597,161	13,578,892	18,269
Fringe benefits		36,995,941	35,610,968	33,253,070	2,357,898
Salary restriction		(8,450,243)	(8,391,602)	---	(8,391,602)
Supplies and materials		5,197,314	5,692,758	5,350,053	342,705
Services and other expenditures		1,186,950	1,387,597	1,286,928	100,669
Professional and contracted services		7,748,564	7,470,228	7,307,989	162,239
Rent, utilities and maintenance		4,362,375	3,764,317	3,670,673	93,644
Interfund services		470,530	709,208	708,777	431
Capital asset acquisitions		524,952	636,669	629,065	7,604
Total expenditures		150,380,898	151,640,883	149,358,174	2,282,709
Excess (deficiency) of revenues over (under) expenditures					
		(144,367,273)	(145,627,258)	(143,038,113)	2,589,145
Other financing sources (uses):					
Transfers in		---	1,739	1,738	(1)
Transfers out		---	(47,358)	(14,530)	32,828
Insurance recoveries		50,000	50,000	2,668	(47,332)
Total other financing sources (uses)		50,000	4,381	(10,124)	(14,505)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses					
		\$ (144,317,273)	\$ (145,622,877)	\$ (143,048,237)	\$ 2,574,640

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Chancery Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 3,364,380	\$ 3,364,380	\$ 3,972,203	\$ 607,823
Investment income	50,000	50,000	29,150	(20,850)
Total revenues	3,414,380	3,414,380	4,001,353	586,973
Expenditures:				
Salaries	1,004,378	1,007,088	908,796	98,292
Other compensation	---	15,758	15,758	---
Fringe benefits	394,995	388,428	332,779	55,649
Salary restriction	(56,720)	(56,720)	---	(56,720)
Supplies and materials	23,602	21,338	19,116	2,222
Services and other expenditures	96,241	100,668	93,310	7,358
Professional and contracted services	6,500	1,175	378	797
Rent, utilities and maintenance	3,960	5,045	4,462	583
Interfund services	39,500	41,577	41,576	1
Total expenditures	1,512,456	1,524,357	1,416,175	108,182
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,901,924	\$ 1,890,023	\$ 2,585,178	\$ 695,155

Circuit Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 3,100,000	\$ 3,100,000	\$ 3,276,998	\$ 176,998
Investment income	39,591	39,591	9,778	(29,813)
Total revenues	3,139,591	3,139,591	3,286,776	147,185
Expenditures:				
Salaries	1,998,098	1,998,098	1,854,750	143,348
Other compensation	5,771	38,012	38,012	---
Fringe benefits	688,547	682,656	613,285	69,371
Salary restriction	(83,170)	(83,170)	---	(83,170)
Supplies and materials	57,725	61,825	43,468	18,357
Services and other expenditures	103,600	101,600	98,662	2,938
Professional and contracted services	1,400	1,400	---	1,400
Rent, utilities and maintenance	12,279	12,279	7,574	4,705
Interfund services	99,100	87,100	76,438	10,662
Capital asset acquisitions	---	9,900	9,880	20
Total expenditures	2,883,350	2,909,700	2,742,069	167,631
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 256,241	\$ 229,891	\$ 544,707	\$ 314,816

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Criminal Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 5,056,000	\$ 5,056,000	\$ 5,019,331	\$ (36,669)
Other revenue	---	---	15,007	15,007
Investment income	4,200	4,200	1,882	(2,318)
Total revenues	5,060,200	5,060,200	5,036,220	(23,980)
Expenditures:				
Salaries	3,466,555	3,466,555	3,178,976	287,579
Other compensation	12,000	73,921	73,921	---
Fringe benefits	1,325,470	1,315,449	1,143,870	171,579
Salary restriction	(276,639)	(276,639)	---	(276,639)
Supplies and materials	95,474	83,686	83,161	525
Services and other expenditures	34,485	43,873	42,660	1,213
Professional and contracted services	1,800	---	---	---
Rent, utilities and maintenance	43,970	43,470	41,824	1,646
Interfund services	129,850	134,550	132,528	2,022
Total expenditures	4,832,965	4,884,865	4,696,940	187,925
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 227,235	\$ 175,335	\$ 339,280	\$ 163,945

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 510,000	\$ 510,000	\$ 457,659	\$ (52,341)
Fines, fees and permits	9,416,571	9,416,571	9,948,961	532,390
Investment income	64,031	64,031	47,040	(16,991)
Total revenues	9,990,602	9,990,602	10,453,660	463,058
Expenditures:				
Salaries	9,046,924	9,051,972	8,818,849	233,123
Other compensation	118,454	224,104	160,532	63,572
Fringe benefits	3,244,200	3,260,465	2,998,770	261,695
Salary restriction	(378,274)	(378,274)	---	(378,274)
Supplies and materials	158,226	148,049	96,841	51,208
Services and other expenditures	249,030	232,473	210,618	21,855
Professional and contracted services	672,509	595,061	367,729	227,332
Rent, utilities and maintenance	60,786	70,086	67,056	3,030
Interfund services	310,312	380,378	364,882	15,496
Total expenditures	13,482,167	13,584,314	13,085,277	499,037
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,491,565)	\$ (3,593,712)	\$ (2,631,617)	\$ 962,095

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Probate Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 550,000	\$ 550,000	\$ 557,592	\$ 7,592
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>557,592</u>	<u>7,592</u>
Expenditures:				
Salaries	804,217	804,217	794,582	9,635
Other compensation	---	6,500	6,500	---
Fringe benefits	299,510	299,510	274,632	24,878
Supplies and materials	8,145	14,540	13,624	916
Services and other expenditures	12,000	7,505	6,559	946
Professional and contracted services	1,900	---	---	---
Rent, utilities and maintenance	7,900	7,900	2,998	4,902
Interfund services	41,800	41,800	35,566	6,234
Total expenditures	<u>1,175,472</u>	<u>1,181,972</u>	<u>1,134,461</u>	<u>47,511</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (625,472)</u>	<u>\$ (631,972)</u>	<u>\$ (576,869)</u>	<u>\$ 55,103</u>

Juvenile Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 780,000	\$ 780,000	\$ 724,428	\$ (55,572)
Federal and local revenue	125,000	125,000	85,401	(39,599)
Charges for services	23,600	23,600	13,062	(10,538)
Fines, fees and permits	400,000	400,000	705,847	305,847
Other revenue	6,000	6,000	2,423	(3,577)
Total revenues	<u>1,334,600</u>	<u>1,334,600</u>	<u>1,531,161</u>	<u>196,561</u>
Expenditures:				
Salaries	13,152,651	13,044,966	12,706,113	338,853
Other compensation	109,142	294,497	281,795	12,702
Fringe benefits	5,230,689	5,178,697	4,741,127	437,570
Salary restriction	(500,826)	(337,168)	---	(337,168)
Supplies and materials	681,579	678,579	507,085	171,494
Services and other expenditures	248,996	237,796	173,604	64,192
Professional and contracted services	706,584	727,784	696,855	30,929
Rent, utilities and maintenance	792,136	797,492	717,937	79,555
Interfund services	44,280	44,280	(15,353)	59,633
Total expenditures	<u>20,465,231</u>	<u>20,666,923</u>	<u>19,809,163</u>	<u>857,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,130,631)</u>	<u>(19,332,323)</u>	<u>(18,278,002)</u>	<u>1,054,321</u>
Other financing sources (uses):				
Transfers in	99,732	99,732	70,750	(28,982)
Transfers out	(331,270)	(331,270)	(214,827)	116,443
Total other financing sources (uses)	<u>(231,538)</u>	<u>(231,538)</u>	<u>(144,077)</u>	<u>87,461</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (19,362,169)</u>	<u>\$ (19,563,861)</u>	<u>\$ (18,422,079)</u>	<u>\$ 1,141,782</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
Public Defender				
Revenues:				
State revenue	\$ 3,020,700	\$ 3,020,700	\$ 3,031,500	\$ 10,800
Fines, fees and permits	34,000	34,000	42,123	8,123
Total revenues	<u>3,054,700</u>	<u>3,054,700</u>	<u>3,073,623</u>	<u>18,923</u>
Expenditures:				
Salaries	6,993,973	6,993,973	6,463,722	530,251
Other compensation	---	65,514	65,514	---
Fringe benefits	2,335,237	2,327,973	2,096,673	231,300
Salary restriction	(663,456)	(663,456)	---	(663,456)
Supplies and materials	47,600	32,737	29,411	3,326
Services and other expenditures	52,450	67,413	67,413	---
Professional and contracted services	20,000	17,250	11,439	5,811
Rent, utilities and maintenance	31,800	22,800	11,201	11,599
Interfund services	70,641	82,291	82,270	21
Total expenditures	<u>8,888,245</u>	<u>8,946,495</u>	<u>8,827,643</u>	<u>118,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,833,545)</u>	<u>(5,891,795)</u>	<u>(5,754,020)</u>	<u>137,775</u>
Other financing sources (uses):				
Insurance recoveries	---	---	400	400
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>400</u>	<u>400</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (5,833,545)</u>	<u>\$ (5,891,795)</u>	<u>\$ (5,753,620)</u>	<u>\$ 138,175</u>

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
Divorce Referee				
Revenues:				
Fines, fees and permits	\$ 275,000	\$ 275,000	\$ 281,513	\$ 6,513
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>281,513</u>	<u>6,513</u>
Expenditures:				
Salaries	402,712	402,712	376,657	26,055
Other compensation	---	5,200	5,200	---
Fringe benefits	167,115	167,115	146,753	20,362
Supplies and materials	800	800	215	585
Services and other expenditures	1,900	1,900	857	1,043
Interfund services	2,879	2,879	2,428	451
Total expenditures	<u>575,406</u>	<u>580,606</u>	<u>532,110</u>	<u>48,496</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (300,406)</u>	<u>\$ (305,606)</u>	<u>\$ (250,597)</u>	<u>\$ 55,009</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Jury Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 215,258	\$ 215,259	\$ 215,259	\$ ---
Other compensation	---	3,250	3,250	---
Fringe benefits	98,174	98,173	92,042	6,131
Supplies and materials	2,724	2,724	929	1,795
Services and other expenditures	504,300	488,340	436,239	52,101
Professional and contracted services	---	15,960	15,960	---
Interfund services	53,542	53,542	47,745	5,797
Total expenditures	873,998	877,248	811,424	65,824
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (873,998)	\$ (877,248)	\$ (811,424)	\$ 65,824

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 35,041	\$ 35,041	\$ 38,140	\$ 3,099
Federal and local revenue	10,000	10,000	47,266	37,266
Charges for services	30,000	30,000	10,677	(19,323)
Other revenue	---	---	13	13
Total revenues	75,041	75,041	96,096	21,055
Expenditures:				
Salaries	7,238,250	7,241,108	6,958,429	282,679
Other compensation	10,900	103,917	103,916	1
Fringe benefits	2,433,336	2,402,461	2,216,481	185,980
Salary restriction	(295,700)	(295,700)	---	(295,700)
Supplies and materials	8,940	16,849	16,849	---
Services and other expenditures	21,600	34,480	34,480	---
Professional and contracted services	19,100	---	(362)	362
Rent, utilities and maintenance	28,155	19,827	19,826	1
Interfund services	187,889	194,528	194,301	227
Total expenditures	9,652,470	9,717,470	9,543,920	173,550
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (9,577,429)	\$ (9,642,429)	\$ (9,447,824)	\$ 194,605

Commissioner's Contingency

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Contingencies and restrictions	\$ 200,000	\$ 42,344	\$ ---	\$ 42,344
Total expenditures	200,000	42,344	---	42,344
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (200,000)	\$ (42,344)	\$ ---	\$ 42,344

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Legislative Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 1,000	\$ 1,000	\$ 395	\$ (605)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>395</u>	<u>(605)</u>
Expenditures:				
Salaries	1,016,942	1,030,570	957,256	73,314
Other compensation	18,405	31,291	31,291	---
Fringe benefits	386,071	365,407	338,118	27,289
Supplies and materials	72,949	45,524	20,046	25,478
Services and other expenditures	120,100	147,525	111,484	36,041
Professional and contracted services	42,173	195,829	158,635	37,194
Rent, utilities and maintenance	16,500	20,500	14,804	5,696
Interfund services	77,894	77,894	73,225	4,669
Total expenditures	<u>1,751,034</u>	<u>1,914,540</u>	<u>1,704,859</u>	<u>209,681</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,750,034)</u>	<u>\$ (1,913,540)</u>	<u>\$ (1,704,464)</u>	<u>\$ 209,076</u>

Equal Opportunity Compliance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 526,210	\$ 526,210	\$ 406,460	\$ 119,750
Other compensation	3,207	9,057	7,496	1,561
Fringe benefits	193,172	193,172	139,406	53,766
Salary restriction	(110,250)	(110,250)	---	(110,250)
Supplies and materials	9,500	9,500	4,188	5,312
Services and other expenditures	40,925	40,925	22,529	18,396
Professional and contracted services	42,723	42,723	---	42,723
Rent, utilities and maintenance	4,300	4,300	790	3,510
Interfund services	22,567	22,567	16,602	5,965
Total expenditures	<u>732,354</u>	<u>738,204</u>	<u>597,471</u>	<u>140,733</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (732,354)</u>	<u>\$ (738,204)</u>	<u>\$ (597,471)</u>	<u>\$ 140,733</u>

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Assessor

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 23,250	\$ 23,250	\$ 23,251	\$ 1
Charges for services	5,000	5,000	5,972	972
Other revenue	---	---	10,679	10,679
Total revenues	28,250	28,250	39,902	11,652
Expenditures:				
Salaries	6,475,619	6,449,422	6,285,075	164,347
Other compensation	65,831	153,281	122,429	30,852
Fringe benefits	2,521,766	2,510,357	2,322,082	188,275
Salary restriction	(150,708)	(113,102)	---	(113,102)
Supplies and materials	122,700	122,700	87,616	35,084
Services and other expenditures	251,227	251,227	189,879	61,348
Professional and contracted services	484,600	378,800	326,295	52,505
Rent, utilities and maintenance	289,976	280,880	234,641	46,239
Interfund services	131,500	131,500	115,210	16,290
Capital asset acquisitions	---	7,500	7,372	128
Total expenditures	10,192,511	10,172,565	9,690,599	481,966
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (10,164,261)	\$ (10,144,315)	\$ (9,650,697)	\$ 493,618

County Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 9,174,371	\$ 9,174,371	\$ 9,252,639	\$ 78,268
Investment income	20,000	20,000	12,481	(7,519)
Total revenues	9,194,371	9,194,371	9,265,120	70,749
Expenditures:				
Salaries	3,113,426	3,113,426	2,953,320	160,106
Other compensation	37,772	94,322	64,839	29,483
Fringe benefits	1,286,651	1,286,651	1,191,616	95,035
Salary restriction	(180,561)	(180,561)	---	(180,561)
Supplies and materials	40,451	55,527	53,138	2,389
Services and other expenditures	23,835	23,835	19,506	4,329
Professional and contracted services	1,500	1,500	---	1,500
Rent, utilities and maintenance	147,800	126,800	120,618	6,182
Interfund services	420,226	420,226	320,602	99,624
Capital asset acquisitions	---	5,924	5,924	---
Total expenditures	4,891,100	4,947,650	4,729,563	218,087
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 4,303,271	\$ 4,246,721	\$ 4,535,557	\$ 288,836

General Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
Register				
Revenues:				
Fines, fees and permits	\$ 3,475,000	\$ 3,475,000	\$ 3,368,056	\$ (106,944)
Investment income	4,200	4,200	1,686	(2,514)
Total revenues	3,479,200	3,479,200	3,369,742	(109,458)
Expenditures:				
Salaries	1,176,426	1,197,722	1,076,081	121,641
Other compensation	10,000	24,817	24,817	---
Fringe benefits	448,771	457,501	405,047	52,454
Salary restriction	(40,000)	(40,000)	---	(40,000)
Supplies and materials	38,030	49,840	49,246	594
Services and other expenditures	6,260	15,760	13,209	2,551
Professional and contracted services	9,300	100	75	25
Rent, utilities and maintenance	19,189	20,089	20,085	4
Interfund services	52,112	39,102	38,156	946
Total expenditures	1,720,088	1,764,931	1,626,716	138,215
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,759,112	\$ 1,714,269	\$ 1,743,026	\$ 28,757

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
Trustee				
Revenues:				
Federal and local revenue	\$ 140,000	\$ 140,000	\$ 167,456	\$ 27,456
Fines, fees and permits	21,000,000	21,000,000	21,780,533	780,533
Investment income	45,000	45,000	21,738	(23,262)
Total revenues	21,185,000	21,185,000	21,969,727	784,727
Expenditures:				
Salaries	3,923,201	3,923,201	3,532,413	390,788
Other compensation	40,127	87,604	87,603	1
Fringe benefits	1,435,662	1,433,335	1,251,993	181,342
Salary restriction	(100,719)	(100,719)	---	(100,719)
Supplies and materials	193,174	163,174	147,702	15,472
Services and other expenditures	850,294	739,294	737,008	2,286
Professional and contracted services	324,784	310,517	288,618	21,899
Rent, utilities and maintenance	267,000	315,050	310,734	4,316
Interfund services	13,450	40,500	40,103	397
Capital asset acquisitions	---	95,000	94,757	243
Total expenditures	6,946,973	7,006,956	6,490,931	516,025
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 14,238,027	\$ 14,178,044	\$ 15,478,796	\$ 1,300,752

**Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 95,246,031	\$ 106,165,776	\$ 62,406,550	\$ (43,759,226)
Federal and local revenue	67,421,126	75,639,618	46,237,385	(29,402,233)
Charges for services	1,899,608	1,899,608	1,385,965	(513,643)
Fines, fees and permits	320,150	320,150	202,620	(117,530)
Other revenue	2,856,607	2,872,235	1,461,795	(1,410,440)
Investment income	40,000	40,000	88,150	48,150
Total revenues	<u>167,783,522</u>	<u>186,937,387</u>	<u>111,782,465</u>	<u>(75,154,922)</u>
Expenditures:				
Salaries	40,918,640	41,986,582	34,774,399	7,212,183
Other compensation	1,959,950	3,187,583	1,332,912	1,854,671
Fringe benefits	15,913,043	16,183,180	13,028,291	3,154,889
Salary restriction	(331,987)	(952,467)	---	(952,467)
Supplies and materials	12,484,964	12,824,172	4,664,517	8,159,655
Services and other expenditures	34,808,344	40,566,009	16,061,055	24,504,954
Professional and contracted services	44,714,318	51,112,475	28,420,036	22,692,439
Rent, utilities and maintenance	3,217,596	3,919,299	2,203,726	1,715,573
Interfund services	3,204,377	4,050,624	2,656,550	1,394,074
Capital asset acquisitions	13,614,979	17,419,169	3,715,953	13,703,216
Total expenditures	<u>170,504,224</u>	<u>190,296,626</u>	<u>106,857,439</u>	<u>83,439,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,720,702)</u>	<u>(3,359,239)</u>	<u>4,925,026</u>	<u>8,284,265</u>
Other financing sources (uses):				
Transfers in	5,490,940	6,868,526	4,599,642	(2,268,884)
Transfers out	(3,193,168)	(3,967,537)	(3,024,071)	943,466
Sale of capital assets	380,000	380,000	---	(380,000)
Insurance recoveries	---	35,320	55,824	20,504
Planned change in fund balance	42,930	42,930	---	(42,930)
Total other financing sources (uses)	<u>2,720,702</u>	<u>3,359,239</u>	<u>1,631,395</u>	<u>(1,727,844)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,556,421</u>	<u>\$ 6,556,421</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Department
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:			
General Government			
Chief Administrative Officer	\$ 15,531,863	\$ 6,043,073	\$ (9,488,790)
	<u>15,531,863</u>	<u>6,043,073</u>	<u>(9,488,790)</u>
Planning and Development			
Local Planning	124,018	110,634	(13,384)
Economic and Resource Management	1,719,836	210,000	(1,509,836)
Department of Housing	13,131,013	4,643,756	(8,487,257)
Regional Services	2,200,821	1,039,932	(1,160,889)
	<u>17,175,688</u>	<u>6,004,322</u>	<u>(11,171,366)</u>
Public Works			
Director and Staff of Public Works	509,300	22,456	(486,844)
Sewer Maintenance	1,054,188	2,544,033	1,489,845
Environmental Improvement	219,000	96,298	(122,702)
Chickasaw Basin Authority	81,576	88,936	7,360
Fire Services	93,895	3,908	(89,987)
Roads and Bridges	11,794,551	707,858	(11,086,693)
Support Services	817,478	625,155	(192,323)
	<u>14,569,988</u>	<u>4,088,644</u>	<u>(10,481,344)</u>
Corrections			
Corrections	2,152,591	1,014,560	(1,138,031)
	<u>2,152,591</u>	<u>1,014,560</u>	<u>(1,138,031)</u>
Health Services			
Administration and Finance - Health Services	963,925	917,800	(46,125)
Environmental Health Services	4,869,820	2,613,467	(2,256,353)
Personal Health Services	24,143,772	20,198,484	(3,945,288)
Assessment and Assurance	558,288	186,918	(371,370)
	<u>30,535,805</u>	<u>23,916,669</u>	<u>(6,619,136)</u>
Community Services			
Director of Community Services	3,252,531	1,168,010	(2,084,521)
Community Services Administration	32,486,096	19,232,287	(13,253,809)
Head Start	36,576,964	24,431,802	(12,145,162)
Community Initiatives	4,901,128	2,540,630	(2,360,498)
Ryan White	8,556,896	7,818,619	(738,277)
Crime Victims Center	634,529	529,264	(105,265)
Shelby County Rape Crisis Center	226,805	200,354	(26,451)
Pretrial Services	285,352	226,264	(59,088)
Aging Commission of the Mid-South	9,773,990	7,939,734	(1,834,256)
	<u>96,694,291</u>	<u>64,086,964</u>	<u>(32,607,327)</u>
Law Enforcement			
Sheriff's Office	4,138,825	1,836,211	(2,302,614)
	<u>4,138,825</u>	<u>1,836,211</u>	<u>(2,302,614)</u>

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Judicial			
General Sessions Court	\$ 2,055,292	\$ 1,173,877	\$ (881,415)
Juvenile Court	2,801,051	2,535,637	(265,414)
Public Defender	22,000	---	(22,000)
Attorney General	1,259,993	1,082,508	(177,485)
	<u>6,138,336</u>	<u>4,792,022</u>	<u>(1,346,314)</u>
Total Revenues	<u>186,937,387</u>	<u>111,782,465</u>	<u>(75,154,922)</u>
Expenditures:			
General Government			
Chief Administrative Officer	15,572,785	3,844,242	11,728,543
	<u>15,572,785</u>	<u>3,844,242</u>	<u>11,728,543</u>
Planning and Development			
Local Planning	124,018	110,634	13,384
Economic and Resource Management	1,719,836	545,679	1,174,157
Department of Housing	13,245,216	4,395,678	8,849,538
Regional Services	2,539,372	1,451,217	1,088,155
	<u>17,628,442</u>	<u>6,503,208</u>	<u>11,125,234</u>
Public Works			
Director and Staff of Public Works	509,300	---	509,300
Sewer Maintenance	1,600,001	1,161,237	438,764
Environmental Improvement	319,000	161,590	157,410
Chickasaw Basin Authority	39,336	22,419	16,917
Fire Services	124,688	3,914	120,774
Roads and Bridges	12,197,231	2,296,531	9,900,700
Support Services	817,478	576,966	240,512
	<u>15,607,034</u>	<u>4,222,657</u>	<u>11,384,377</u>
Corrections			
Corrections	2,397,353	1,388,314	1,009,039
	<u>2,397,353</u>	<u>1,388,314</u>	<u>1,009,039</u>
Health Services			
Administration and Finance - Health Services	46,850	---	46,850
Environmental Health Services	6,656,039	3,587,274	3,068,765
Personal Health Services	24,200,283	19,609,047	4,591,236
Assessment and Assurance	562,588	174,325	388,263
	<u>31,465,760</u>	<u>23,370,646</u>	<u>8,095,114</u>

(continued)

Grants Fund
Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Community Services			
Director of Community Services	\$ 3,254,731	\$ 1,835,198	\$ 1,419,533
Community Services Administration	32,486,096	14,620,193	17,865,903
Head Start	36,576,964	27,068,845	9,508,119
Community Initiatives	4,901,128	2,167,535	2,733,593
Ryan White	8,556,896	6,757,477	1,799,419
Crime Victims Center	715,753	583,387	132,366
Shelby County Rape Crisis Center	282,684	269,155	13,529
Pretrial Services	285,352	193,839	91,513
Aging Commission of the Mid-South	9,917,896	7,613,694	2,304,202
	<u>96,977,500</u>	<u>61,109,323</u>	<u>35,868,177</u>
Law Enforcement			
Sheriff's Office	4,277,878	1,796,834	2,481,044
	<u>4,277,878</u>	<u>1,796,834</u>	<u>2,481,044</u>
Judicial			
General Sessions Court	2,055,292	1,100,672	954,620
Juvenile Court	3,032,589	2,553,946	478,643
Public Defender	22,000	---	22,000
Attorney General	1,259,993	967,597	292,396
	<u>6,369,874</u>	<u>4,622,215</u>	<u>1,747,659</u>
Total Expenditures	<u>190,296,626</u>	<u>106,857,439</u>	<u>83,439,187</u>
Excess (deficiency) of revenues over expenditures	<u>(3,359,239)</u>	<u>4,925,026</u>	<u>8,284,265</u>

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance
Other Financing Sources and Uses:			
Transfers in			
Chief Administrative Officer	\$ 40,922	\$ 2,298	\$ (38,624)
Economic and Resource Management	424,668	197,535	(227,133)
Department of Housing	264,361	236,168	(28,193)
Regional Services	338,551	251,973	(86,578)
Sewer Maintenance	545,813	103,052	(442,761)
Environmental Improvement	50,000	50,000	---
Fire Services	30,793	---	(30,793)
Roads and Bridges	567,360	88,126	(479,234)
Corrections	244,762	231,859	(12,903)
Administration and Finance - Health Services	725	---	(725)
Environmental Health Services	1,786,219	1,363,926	(422,293)
Personal Health Services	1,045,495	925,881	(119,614)
Assessment and Assurance	4,300	3,527	(773)
Director of Community Services	2,200	82	(2,118)
Community Services Administration	179,388	93,561	(85,827)
Crime Victims Center	81,224	60,080	(21,144)
Shelby County Rape Crisis Center	55,879	68,801	12,922
Aging Commission of the Mid-South	733,804	617,213	(116,591)
Sheriff's Office	140,792	90,733	(50,059)
Juvenile Court	331,270	214,827	(116,443)
Total transfers in	<u>6,868,526</u>	<u>4,599,642</u>	<u>(2,268,884)</u>
Transfers out			
Economic and Resource Management	(424,668)	(197,535)	227,133
Department of Housing	(530,158)	(515,158)	15,000
Chickasaw Basin Authority	(35,170)	(35,170)	---
Roads and Bridges	(200,000)	(145,297)	54,703
Administration and Finance - Health Services	(917,800)	(917,800)	---
Personal Health Services	(988,984)	(573,755)	415,229
Community Services Administration	(179,388)	(93,561)	85,827
Aging Commission of the Mid-South	(589,898)	(473,307)	116,591
Sheriff's Office	(1,739)	(1,738)	1
Juvenile Court	(99,732)	(70,750)	28,982
Total transfers out	<u>(3,967,537)</u>	<u>(3,024,071)</u>	<u>943,466</u>

(continued)

Grants Fund
Budgetary Comparison Schedule-Summary by Department (continued)
For the Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Other financing sources (uses)			
Department of Housing	\$ 380,000	\$ ---	\$ (380,000)
Environmental Improvement	50,000	---	(50,000)
Chickasaw Basin Authority	(7,070)	---	7,070
Roads and Bridges	35,320	---	(35,320)
Head Start	---	55,824	55,824
Total other financing sources (uses)	<u>458,250</u>	<u>55,824</u>	<u>(402,426)</u>
 Total Other Financing Sources and Uses	 <u>3,359,239</u>	 <u>1,631,395</u>	 <u>(1,727,844)</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ ---</u>	 <u>\$ 6,556,421</u>	 <u>\$ 6,556,421</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 13,072,031	\$ 14,283,533	\$ 4,946,799	\$ (9,336,734)
Federal and local revenue	930,172	1,248,330	496,274	(752,056)
Other revenue	---	---	600,000	600,000
Total revenues	14,002,203	15,531,863	6,043,073	(9,488,790)
Expenditures:				
Salaries	335,078	344,156	343,954	202
Other compensation	148,326	167,912	---	167,912
Fringe benefits	119,506	119,379	113,844	5,535
Supplies and materials	5,063,896	5,176,707	994,209	4,182,498
Services and other expenditures	241,834	169,299	7,593	161,706
Professional and contracted services	6,428,451	7,257,649	1,860,618	5,397,031
Rent, utilities and maintenance	163,292	534,320	47,822	486,498
Interfund services	1,820	16,891	16,011	880
Capital asset acquisitions	1,500,000	1,786,472	460,191	1,326,281
Total expenditures	14,002,203	15,572,785	3,844,242	11,728,543
Excess (deficiency) of revenues over (under) expenditures	---	(40,922)	2,198,831	2,239,753
Other financing sources (uses):				
Transfers in	---	40,922	2,298	(38,624)
Total other financing sources (uses)	---	40,922	2,298	(38,624)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 2,201,129	\$ 2,201,129

Local Planning

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 38,000	\$ 124,018	\$ 110,634	\$ (13,384)
Total revenues	38,000	124,018	110,634	(13,384)
Expenditures:				
Salaries	18,750	19,650	19,570	80
Fringe benefits	6,250	5,350	4,892	458
Supplies and materials	7,000	7,000	---	7,000
Services and other expenditures	6,000	6,000	154	5,846
Professional and contracted services	---	86,018	86,018	---
Total expenditures	38,000	124,018	110,634	13,384
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Economic and Resource Management

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 424,668	\$ 724,668	\$ 210,000	\$ (514,668)
Other revenue	991,668	995,168	---	(995,168)
Total revenues	<u>1,416,336</u>	<u>1,719,836</u>	<u>210,000</u>	<u>(1,509,836)</u>
Expenditures:				
Salaries	509,839	538,439	204,373	334,066
Other compensation	---	5,205	2,600	2,605
Fringe benefits	161,476	165,869	60,939	104,930
Supplies and materials	12,020	16,220	2,507	13,713
Services and other expenditures	17,900	24,335	11,148	13,187
Professional and contracted services	688,925	945,592	260,740	684,852
Rent, utilities and maintenance	22,176	20,176	3,372	16,804
Interfund services	4,000	4,000	---	4,000
Total expenditures	<u>1,416,336</u>	<u>1,719,836</u>	<u>545,679</u>	<u>1,174,157</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>---</u>	<u>(335,679)</u>	<u>(335,679)</u>
Other financing sources (uses):				
Transfers in	424,668	424,668	197,535	(227,133)
Transfers out	(424,668)	(424,668)	(197,535)	227,133
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (335,679)</u>	<u>\$ (335,679)</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Department of Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,400,000	\$ 2,400,000	\$ 260,209	\$ (2,139,791)
Federal and local revenue	8,354,829	9,854,371	3,747,375	(6,106,996)
Fines, fees and permits	203,487	203,487	121,162	(82,325)
Other revenue	625,000	633,155	427,021	(206,134)
Investment income	40,000	40,000	87,989	47,989
Total revenues	<u>11,623,316</u>	<u>13,131,013</u>	<u>4,643,756</u>	<u>(8,487,257)</u>
Expenditures:				
Salaries	684,515	684,515	650,119	34,396
Other compensation	69,105	69,105	8,625	60,480
Fringe benefits	273,913	273,911	244,169	29,742
Supplies and materials	84,410	81,562	17,016	64,546
Services and other expenditures	7,570,963	8,360,912	2,653,343	5,707,569
Professional and contracted services	3,079,947	3,397,222	815,621	2,581,601
Rent, utilities and maintenance	10,060	310,060	5,480	304,580
Interfund services	4,350	5,300	1,305	3,995
Capital asset acquisitions	290,414	62,629	---	62,629
Total expenditures	<u>12,067,677</u>	<u>13,245,216</u>	<u>4,395,678</u>	<u>8,849,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(444,361)</u>	<u>(114,203)</u>	<u>248,078</u>	<u>362,281</u>
Other financing sources (uses):				
Transfers in	264,361	264,361	236,168	(28,193)
Transfers out	(200,000)	(530,158)	(515,158)	15,000
Sale of capital assets	380,000	380,000	---	(380,000)
Total other financing sources (uses)	<u>444,361</u>	<u>114,203</u>	<u>(278,990)</u>	<u>(393,193)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (30,912)</u>	<u>\$ (30,912)</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Regional Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,168,531	\$ 2,200,821	\$ 1,039,773	\$ (1,161,048)
Other revenue	---	---	159	159
Total revenues	2,168,531	2,200,821	1,039,932	(1,160,889)
Expenditures:				
Salaries	662,935	662,935	456,755	206,180
Other compensation	21,552	21,552	12,271	9,281
Fringe benefits	224,646	224,646	158,853	65,793
Supplies and materials	28,857	45,857	24,959	20,898
Services and other expenditures	119,359	118,259	52,824	65,435
Professional and contracted services	1,221,494	1,242,884	635,374	607,510
Rent, utilities and maintenance	17,837	17,837	5,585	12,252
Interfund services	200,402	200,402	104,596	95,806
Capital asset acquisitions	10,000	5,000	---	5,000
Total expenditures	2,507,082	2,539,372	1,451,217	1,088,155
Excess (deficiency) of revenues over (under) expenditures	(338,551)	(338,551)	(411,285)	(72,734)
Other financing sources (uses):				
Transfers in	338,551	338,551	251,973	(86,578)
Total other financing sources (uses)	338,551	338,551	251,973	(86,578)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (159,312)	\$ (159,312)

Director and Staff of Public Works

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 509,300	\$ ---	\$ (509,300)
Federal and local revenue	---	---	22,456	22,456
Total revenues	---	509,300	22,456	(486,844)
Expenditures:				
Professional and contracted services	---	509,300	---	509,300
Total expenditures	---	509,300	---	509,300
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 22,456	\$ 22,456

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Sewer Maintenance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 703,719	\$ 2,542,263	\$ 1,838,544
Federal and local revenue	---	350,469	1,770	(348,699)
Total revenues	---	1,054,188	2,544,033	1,489,845
Expenditures:				
Services and other expenditures	---	2,999	171	2,828
Professional and contracted services	---	389,949	313,314	76,635
Rent, utilities and maintenance	---	5,433	5,433	---
Capital asset acquisitions	---	1,201,620	842,319	359,301
Total expenditures	---	1,600,001	1,161,237	438,764
Excess (deficiency) of revenues over (under) expenditures	---	(545,813)	1,382,796	1,928,609
Other financing sources (uses):				
Transfers in	---	545,813	103,052	(442,761)
Total other financing sources (uses)	---	545,813	103,052	(442,761)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 1,485,848	\$ 1,485,848

Environmental Improvement

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 85,000	\$ 85,000	\$ (20,951)	\$ (105,951)
Federal and local revenue	121,000	121,000	115,000	(6,000)
Other revenue	13,000	13,000	2,249	(10,751)
Total revenues	219,000	219,000	96,298	(122,702)
Expenditures:				
Salaries	49,627	50,741	50,740	1
Other compensation	965	965	506	459
Fringe benefits	13,007	11,893	10,564	1,329
Supplies and materials	9,326	9,326	44	9,282
Services and other expenditures	350	1,150	887	263
Professional and contracted services	234,284	233,484	90,931	142,553
Rent, utilities and maintenance	10,091	10,091	7,893	2,198
Interfund services	1,350	1,350	25	1,325
Total expenditures	319,000	319,000	161,590	157,410
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(100,000)	(65,292)	34,708
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	\$ ---	\$ ---	\$ (15,292)	\$ (15,292)

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Chickasaw Basin Authority

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 81,576	\$ 81,576	\$ 88,936	\$ 7,360
Total revenues	<u>81,576</u>	<u>81,576</u>	<u>88,936</u>	<u>7,360</u>
Expenditures:				
Supplies and materials	3,219	3,219	17	3,202
Services and other expenditures	4,900	4,900	1,180	3,720
Professional and contracted services	16,217	26,217	21,222	4,995
Interfund services	15,000	5,000	---	5,000
Total expenditures	<u>39,336</u>	<u>39,336</u>	<u>22,419</u>	<u>16,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,240</u>	<u>42,240</u>	<u>66,517</u>	<u>24,277</u>
Other financing sources (uses):				
Transfers out	(35,170)	(35,170)	(35,170)	---
Planned change in fund balance	(7,070)	(7,070)	---	7,070
Total other financing sources (uses)	<u>(42,240)</u>	<u>(42,240)</u>	<u>(35,170)</u>	<u>7,070</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 31,347</u>	<u>\$ 31,347</u>

Fire Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 98,216	\$ 89,981	\$ ---	\$ (89,981)
Other revenue	---	3,914	3,908	(6)
Total revenues	<u>98,216</u>	<u>93,895</u>	<u>3,908</u>	<u>(89,987)</u>
Expenditures:				
Supplies and materials	128,216	3,914	3,914	---
Capital asset acquisitions	---	120,774	---	120,774
Total expenditures	<u>128,216</u>	<u>124,688</u>	<u>3,914</u>	<u>120,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,000)</u>	<u>(30,793)</u>	<u>(6)</u>	<u>30,787</u>
Other financing sources (uses):				
Transfers in	30,000	30,793	---	(30,793)
Total other financing sources (uses)	<u>30,000</u>	<u>30,793</u>	<u>---</u>	<u>(30,793)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (6)</u>	<u>\$ (6)</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Roads and Bridges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 12,790,627	\$ 12,267,295	\$ 744,008	\$ (11,523,287)
Federal and local revenue	466,526	(882,913)	(36,150)	846,763
Other revenue	410,169	410,169	---	(410,169)
Total revenues	<u>13,667,322</u>	<u>11,794,551</u>	<u>707,858</u>	<u>(11,086,693)</u>
Expenditures:				
Salaries	143,251	176,223	165,876	10,347
Other compensation	---	6,639	6,346	293
Fringe benefits	65,626	68,375	49,810	18,565
Supplies and materials	102,199	139,844	68,938	70,906
Services and other expenditures	491,223	500,223	5,949	494,274
Professional and contracted services	3,033,803	(402,566)	478,402	(880,968)
Rent, utilities and maintenance	---	18,616	18,616	---
Interfund services	500	500	---	500
Capital asset acquisitions	9,866,870	11,689,377	1,502,594	10,186,783
Total expenditures	<u>13,703,472</u>	<u>12,197,231</u>	<u>2,296,531</u>	<u>9,900,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,150)</u>	<u>(402,680)</u>	<u>(1,588,673)</u>	<u>(1,185,993)</u>
Other financing sources (uses):				
Transfers in	36,150	567,360	88,126	(479,234)
Transfers out	---	(200,000)	(145,297)	54,703
Insurance recoveries	---	35,320	---	(35,320)
Total other financing sources (uses)	<u>36,150</u>	<u>402,680</u>	<u>(57,171)</u>	<u>(459,851)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (1,645,844)</u>	<u>\$ (1,645,844)</u>

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 538,443	\$ 700,815	\$ 543,697	\$ (157,118)
Fines, fees and permits	116,663	116,663	81,458	(35,205)
Total revenues	<u>655,106</u>	<u>817,478</u>	<u>625,155</u>	<u>(192,323)</u>
Expenditures:				
Salaries	44,328	44,328	44,325	3
Other compensation	1,536	1,536	650	886
Fringe benefits	16,078	16,078	15,425	653
Supplies and materials	4,663	4,663	---	4,663
Services and other expenditures	2,000	2,000	1,963	37
Professional and contracted services	584,601	746,973	514,562	232,411
Interfund services	1,900	1,900	41	1,859
Total expenditures	<u>655,106</u>	<u>817,478</u>	<u>576,966</u>	<u>240,512</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 48,189</u>	<u>\$ 48,189</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Corrections

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 115,186	\$ 232,883	\$ 170,898	\$ (61,985)
Federal and local revenue	787,339	1,919,708	843,662	(1,076,046)
Total revenues	902,525	2,152,591	1,014,560	(1,138,031)
Expenditures:				
Salaries	543,345	982,997	823,683	159,314
Other compensation	15,459	185,253	44,696	140,557
Fringe benefits	162,123	325,917	229,855	96,062
Salary restriction	---	(4,450)	---	(4,450)
Supplies and materials	81,939	185,039	130,934	54,105
Services and other expenditures	61,500	332,886	115,212	217,674
Professional and contracted services	65,559	70,559	40,269	30,290
Rent, utilities and maintenance	---	17,700	3,327	14,373
Interfund services	5,000	275,452	338	275,114
Capital asset acquisitions	---	26,000	---	26,000
Total expenditures	934,925	2,397,353	1,388,314	1,009,039
Excess (deficiency) of revenues over (under) expenditures	(32,400)	(244,762)	(373,754)	(128,992)
Other financing sources (uses):				
Transfers in	32,400	244,762	231,859	(12,903)
Total other financing sources (uses)	32,400	244,762	231,859	(12,903)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (141,895)	\$ (141,895)

Administration and Finance - Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 777,800	\$ 963,925	\$ 917,800	\$ (46,125)
Total revenues	777,800	963,925	917,800	(46,125)
Expenditures:				
Other compensation	---	41,057	---	41,057
Services and other expenditures	---	5,793	---	5,793
Total expenditures	---	46,850	---	46,850
Excess (deficiency) of revenues over (under) expenditures	777,800	917,075	917,800	725
Other financing sources (uses):				
Transfers in	---	725	---	(725)
Transfers out	(777,800)	(917,800)	(917,800)	---
Total other financing sources (uses)	(777,800)	(917,075)	(917,800)	(725)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 3,575,480	\$ 3,709,450	\$ 1,760,108	\$ (1,949,342)
Federal and local revenue	1,237,303	1,160,370	853,359	(307,011)
Total revenues	<u>4,812,783</u>	<u>4,869,820</u>	<u>2,613,467</u>	<u>(2,256,353)</u>
Expenditures:				
Salaries	2,125,525	2,125,309	1,729,191	396,118
Other compensation	3,620	32,231	32,229	2
Fringe benefits	768,614	741,973	618,154	123,819
Supplies and materials	307,505	236,315	190,248	46,067
Services and other expenditures	398,478	626,745	162,947	463,798
Professional and contracted services	2,381,949	2,182,549	371,124	1,811,425
Rent, utilities and maintenance	135,802	128,011	67,150	60,861
Interfund services	492,234	497,905	404,126	93,779
Capital asset acquisitions	75,000	85,001	12,105	72,896
Total expenditures	<u>6,688,727</u>	<u>6,656,039</u>	<u>3,587,274</u>	<u>3,068,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,875,944)</u>	<u>(1,786,219)</u>	<u>(973,807)</u>	<u>812,412</u>
Other financing sources (uses):				
Transfers in	1,875,944	1,786,219	1,363,926	(422,293)
Total other financing sources (uses)	<u>1,875,944</u>	<u>1,786,219</u>	<u>1,363,926</u>	<u>(422,293)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 390,119</u>	<u>\$ 390,119</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Personal Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 14,964,251	\$ 16,481,564	\$ 15,600,630	\$ (880,934)
Federal and local revenue	5,843,383	5,782,161	3,216,359	(2,565,802)
Charges for services	1,814,914	1,814,914	1,293,911	(521,003)
Other revenue	75,198	65,133	87,584	22,451
Total revenues	<u>22,697,746</u>	<u>24,143,772</u>	<u>20,198,484</u>	<u>(3,945,288)</u>
Expenditures:				
Salaries	14,046,796	14,223,600	11,549,689	2,673,911
Other compensation	240,168	385,020	344,025	40,995
Fringe benefits	5,380,331	5,391,018	4,242,969	1,148,049
Salary restriction	(313,658)	(882,097)	---	(882,097)
Supplies and materials	1,015,013	1,428,480	966,600	461,880
Services and other expenditures	475,924	638,181	386,537	251,644
Professional and contracted services	204,519	1,081,097	622,451	458,646
Rent, utilities and maintenance	528,658	473,294	297,568	175,726
Interfund services	1,197,350	1,461,690	1,199,208	262,482
Total expenditures	<u>22,775,101</u>	<u>24,200,283</u>	<u>19,609,047</u>	<u>4,591,236</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,355)</u>	<u>(56,511)</u>	<u>589,437</u>	<u>645,948</u>
Other financing sources (uses):				
Transfers in	983,773	1,045,495	925,881	(119,614)
Transfers out	(906,418)	(988,984)	(573,755)	415,229
Total other financing sources (uses)	<u>77,355</u>	<u>56,511</u>	<u>352,126</u>	<u>295,615</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 941,563</u>	<u>\$ 941,563</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Assessment and Assurance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 471,588	\$ 558,288	\$ 186,918	\$ (371,370)
Total revenues	<u>471,588</u>	<u>558,288</u>	<u>186,918</u>	<u>(371,370)</u>
Expenditures:				
Salaries	312,734	319,467	81,843	237,624
Other compensation	---	130	129	1
Fringe benefits	127,501	129,916	29,082	100,834
Salary restriction	(9,223)	(52,279)	---	(52,279)
Supplies and materials	14,427	40,551	7,969	32,582
Services and other expenditures	8,465	89,653	49,149	40,504
Professional and contracted services	(1,698)	---	---	---
Rent, utilities and maintenance	8,744	11,744	---	11,744
Interfund services	10,638	23,406	6,153	17,253
Total expenditures	<u>471,588</u>	<u>562,588</u>	<u>174,325</u>	<u>388,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>(4,300)</u>	<u>12,593</u>	<u>16,893</u>
Other financing sources (uses):				
Transfers in	---	4,300	3,527	(773)
Total other financing sources (uses)	<u>---</u>	<u>4,300</u>	<u>3,527</u>	<u>(773)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 16,120</u>	<u>\$ 16,120</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 968,892	\$ 2,259,401	\$ 1,117,892	\$ (1,141,509)
Federal and local revenue	85,925	993,130	49,957	(943,173)
Investment income	---	---	161	161
Total revenues	<u>1,054,817</u>	<u>3,252,531</u>	<u>1,168,010</u>	<u>(2,084,521)</u>
Expenditures:				
Salaries	237,967	315,351	127,172	188,179
Other compensation	---	987	986	1
Fringe benefits	99,862	120,487	39,402	81,085
Salary restriction	---	57	---	57
Supplies and materials	36,510	293,460	80,222	213,238
Services and other expenditures	29,558	76,061	43,117	32,944
Professional and contracted services	629,988	2,398,163	1,526,467	871,696
Rent, utilities and maintenance	15,022	25,222	1,514	23,708
Interfund services	5,910	24,943	16,318	8,625
Total expenditures	<u>1,054,817</u>	<u>3,254,731</u>	<u>1,835,198</u>	<u>1,419,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>(2,200)</u>	<u>(667,188)</u>	<u>(664,988)</u>
Other financing sources (uses):				
Transfers in	---	2,200	82	(2,118)
Total other financing sources (uses)	<u>---</u>	<u>2,200</u>	<u>82</u>	<u>(2,118)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (667,106)</u>	<u>\$ (667,106)</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Community Services Administration

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 27,412,374	\$ 31,079,769	\$ 18,697,804	\$ (12,381,965)
Federal and local revenue	1,351,190	1,371,327	524,108	(847,219)
Other revenue	30,000	35,000	10,375	(24,625)
Total revenues	28,793,564	32,486,096	19,232,287	(13,253,809)
Expenditures:				
Salaries	2,231,976	2,088,886	1,959,819	129,067
Other compensation	339,922	316,016	1,072	314,944
Fringe benefits	852,680	796,615	708,390	88,225
Supplies and materials	219,436	197,205	33,885	163,320
Services and other expenditures	23,822,320	27,841,004	11,561,212	16,279,792
Professional and contracted services	242,122	394,127	---	394,127
Rent, utilities and maintenance	643,795	536,200	239,731	296,469
Interfund services	441,313	316,043	116,084	199,959
Total expenditures	28,793,564	32,486,096	14,620,193	17,865,903
Excess (deficiency) of revenues over (under) expenditures	---	---	4,612,094	4,612,094
Other financing sources (uses):				
Transfers in	159,482	179,388	93,561	(85,827)
Transfers out	(159,482)	(179,388)	(93,561)	85,827
Total other financing sources (uses)	---	---	---	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 4,612,094	\$ 4,612,094

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Head Start

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,641,900	\$ 1,644,300	\$ 1,516,377	\$ (127,923)
Federal and local revenue	33,898,086	34,932,664	22,915,315	(12,017,349)
Other revenue	---	---	110	110
Total revenues	35,539,986	36,576,964	24,431,802	(12,145,162)
Expenditures:				
Salaries	13,216,568	13,186,784	11,232,500	1,954,284
Other compensation	487,758	529,416	280,278	249,138
Fringe benefits	5,451,202	5,480,979	4,621,308	859,671
Supplies and materials	4,844,382	4,456,274	2,017,646	2,438,628
Services and other expenditures	1,098,015	1,142,381	702,837	439,544
Professional and contracted services	8,515,789	9,230,082	6,298,300	2,931,782
Rent, utilities and maintenance	1,206,253	1,402,109	1,230,421	171,688
Interfund services	474,766	834,982	499,156	335,826
Capital asset acquisitions	245,253	313,957	186,399	127,558
Total expenditures	35,539,986	36,576,964	27,068,845	9,508,119
Excess (deficiency) of revenues over (under) expenditures	---	---	(2,637,043)	(2,637,043)
Other financing sources (uses):				
Insurance recoveries	---	---	55,824	55,824
Total other financing sources (uses)	---	---	55,824	55,824
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (2,581,219)	\$ (2,581,219)

Community Initiatives

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 600,000	\$ 951,391	\$ 128,157	\$ (823,234)
Federal and local revenue	2,793,536	3,949,737	2,412,473	(1,537,264)
Total revenues	3,393,536	4,901,128	2,540,630	(2,360,498)
Expenditures:				
Salaries	---	121,500	39,341	82,159
Fringe benefits	---	43,329	10,477	32,852
Supplies and materials	---	8,996	3,993	5,003
Services and other expenditures	13,917	104,231	26,358	77,873
Professional and contracted services	3,213,194	4,502,419	2,067,434	2,434,985
Rent, utilities and maintenance	166,425	93,282	19,333	73,949
Interfund services	---	5,750	599	5,151
Capital asset acquisitions	---	21,621	---	21,621
Total expenditures	3,393,536	4,901,128	2,167,535	2,733,593
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 373,095	\$ 373,095

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Ryan White

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 6,883,896	\$ 8,556,896	\$ 7,818,619	\$ (738,277)
Total revenues	<u>6,883,896</u>	<u>8,556,896</u>	<u>7,818,619</u>	<u>(738,277)</u>
Expenditures:				
Salaries	572,513	555,492	460,977	94,515
Other compensation	20,275	26,799	5,472	21,327
Fringe benefits	215,192	211,140	172,171	38,969
Supplies and materials	64,807	62,924	28,357	34,567
Services and other expenditures	90,727	89,250	27,280	61,970
Professional and contracted services	5,885,751	7,569,773	6,047,700	1,522,073
Rent, utilities and maintenance	16,536	16,623	2,392	14,231
Interfund services	18,095	24,895	13,128	11,767
Total expenditures	<u>6,883,896</u>	<u>8,556,896</u>	<u>6,757,477</u>	<u>1,799,419</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,061,142</u>	<u>\$ 1,061,142</u>

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 279,226	\$ 279,226	\$ 275,486	\$ (3,740)
Federal and local revenue	197,067	343,303	253,778	(89,525)
Other revenue	12,000	12,000	---	(12,000)
Total revenues	<u>488,293</u>	<u>634,529</u>	<u>529,264</u>	<u>(105,265)</u>
Expenditures:				
Salaries	299,013	267,885	262,457	5,428
Other compensation	8,273	7,070	---	7,070
Fringe benefits	118,329	104,952	97,916	7,036
Supplies and materials	1,541	4,942	3,646	1,296
Services and other expenditures	21,020	20,420	11,619	8,801
Professional and contracted services	12,000	183,247	124,486	58,761
Rent, utilities and maintenance	28,217	48,913	42,804	6,109
Interfund services	52,279	52,279	40,459	11,820
Capital asset acquisitions	28,845	26,045	---	26,045
Total expenditures	<u>569,517</u>	<u>715,753</u>	<u>583,387</u>	<u>132,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(81,224)</u>	<u>(81,224)</u>	<u>(54,123)</u>	<u>27,101</u>
Other financing sources (uses):				
Transfers in	81,224	81,224	60,080	(21,144)
Total other financing sources (uses)	<u>81,224</u>	<u>81,224</u>	<u>60,080</u>	<u>(21,144)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 5,957</u>	<u>\$ 5,957</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Shelby County Rape Crisis Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 226,805	\$ 226,805	\$ 200,354	\$ (26,451)
Total revenues	<u>226,805</u>	<u>226,805</u>	<u>200,354</u>	<u>(26,451)</u>
Expenditures:				
Salaries	179,494	192,494	192,218	276
Other compensation	6,283	6,283	3,656	2,627
Fringe benefits	72,898	73,200	73,093	107
Salary restriction	(5,979)	21	---	21
Supplies and materials	5,700	1,700	---	1,700
Services and other expenditures	20,788	5,486	188	5,298
Interfund services	3,500	3,500	---	3,500
Total expenditures	<u>282,684</u>	<u>282,684</u>	<u>269,155</u>	<u>13,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,879)</u>	<u>(55,879)</u>	<u>(68,801)</u>	<u>(12,922)</u>
Other financing sources (uses):				
Transfers in	55,879	55,879	68,801	12,922
Total other financing sources (uses)	<u>55,879</u>	<u>55,879</u>	<u>68,801</u>	<u>12,922</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Pretrial Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 285,352	\$ 285,352	\$ 226,264	\$ (59,088)
Total revenues	<u>285,352</u>	<u>285,352</u>	<u>226,264</u>	<u>(59,088)</u>
Expenditures:				
Salaries	110,473	110,473	97,803	12,670
Other compensation	---	650	650	---
Fringe benefits	47,488	46,838	37,278	9,560
Supplies and materials	77,233	76,494	7,658	68,836
Services and other expenditures	5,000	2,897	2,450	447
Professional and contracted services	45,158	48,000	48,000	---
Total expenditures	<u>285,352</u>	<u>285,352</u>	<u>193,839</u>	<u>91,513</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 32,425</u>	<u>\$ 32,425</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Aging Commission of the Mid-South

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 8,949,009	\$ 9,077,079	\$ 7,738,392	\$ (1,338,687)
Federal and local revenue	284,826	284,826	196,857	(87,969)
Charges for services	3,118	3,118	3,118	---
Other revenue	408,967	408,967	1,367	(407,600)
Total revenues	9,645,920	9,773,990	7,939,734	(1,834,256)
Expenditures:				
Salaries	2,036,538	2,036,538	1,583,567	452,971
Other compensation	70,811	70,811	28,306	42,505
Fringe benefits	802,579	802,581	612,926	189,655
Supplies and materials	138,982	126,555	36,338	90,217
Services and other expenditures	124,966	142,866	107,629	35,237
Professional and contracted services	6,319,300	6,438,895	4,984,390	1,454,505
Rent, utilities and maintenance	216,600	218,300	202,334	15,966
Interfund services	80,050	81,350	58,204	23,146
Total expenditures	9,789,826	9,917,896	7,613,694	2,304,202
Excess (deficiency) of revenues over (under) expenditures	(143,906)	(143,906)	326,040	469,946
Other financing sources (uses):				
Transfers in	733,804	733,804	617,213	(116,591)
Transfers out	(589,898)	(589,898)	(473,307)	116,591
Total other financing sources (uses)	143,906	143,906	143,906	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 469,946	\$ 469,946

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Sheriff's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 610,102	\$ 1,683,377	\$ 747,149	\$ (936,228)
Federal and local revenue	1,855,811	2,455,448	1,089,062	(1,366,386)
Total revenues	<u>2,465,913</u>	<u>4,138,825</u>	<u>1,836,211</u>	<u>(2,302,614)</u>
Expenditures:				
Salaries	238,213	399,587	339,097	60,490
Other compensation	460,558	1,268,687	542,133	726,554
Fringe benefits	69,948	89,566	67,766	21,800
Salary restriction	---	(1,920)	---	(1,920)
Supplies and materials	77,355	77,225	21,534	55,691
Services and other expenditures	46,677	152,142	65,569	86,573
Professional and contracted services	69,291	212,130	47,310	164,820
Rent, utilities and maintenance	---	1,080	1,080	---
Interfund services	910	910	---	910
Capital asset acquisitions	1,596,395	2,078,471	712,345	1,366,126
Total expenditures	<u>2,559,347</u>	<u>4,277,878</u>	<u>1,796,834</u>	<u>2,481,044</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(93,434)</u>	<u>(139,053)</u>	<u>39,377</u>	<u>178,430</u>
Other financing sources (uses):				
Transfers in	93,434	140,792	90,733	(50,059)
Transfers out	---	(1,739)	(1,738)	1
Total other financing sources (uses)	<u>93,434</u>	<u>139,053</u>	<u>88,995</u>	<u>(50,058)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 128,372</u>	<u>\$ 128,372</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,040,145	\$ 1,058,038	\$ 901,635	\$ (156,403)
Federal and local revenue	836,420	972,254	247,292	(724,962)
Other revenue	25,000	25,000	24,950	(50)
Total revenues	<u>1,901,565</u>	<u>2,055,292</u>	<u>1,173,877</u>	<u>(881,415)</u>
Expenditures:				
Salaries	115,795	115,795	118,811	(3,016)
Other compensation	1,651	1,651	650	1,001
Fringe benefits	39,337	39,337	38,714	623
Supplies and materials	30,993	41,938	10,621	31,317
Services and other expenditures	23,188	25,483	18,164	7,319
Professional and contracted services	1,685,199	1,825,926	912,552	913,374
Rent, utilities and maintenance	2,000	1,600	501	1,099
Interfund services	1,200	1,360	659	701
Capital asset acquisitions	2,202	2,202	---	2,202
Total expenditures	<u>1,901,565</u>	<u>2,055,292</u>	<u>1,100,672</u>	<u>954,620</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 73,205</u>	<u>\$ 73,205</u>

Juvenile Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,558,641	\$ 2,620,041	\$ 2,383,600	\$ (236,441)
Federal and local revenue	132,701	181,010	152,037	(28,973)
Total revenues	<u>2,691,342</u>	<u>2,801,051</u>	<u>2,535,637</u>	<u>(265,414)</u>
Expenditures:				
Salaries	1,700,453	1,754,188	1,588,542	165,646
Other compensation	48,266	20,076	8,643	11,433
Fringe benefits	649,750	672,181	571,936	100,245
Salary restriction	(3,127)	(11,799)	---	(11,799)
Supplies and materials	124,649	89,008	12,815	76,193
Services and other expenditures	102,634	64,564	38,553	26,011
Professional and contracted services	82,357	205,467	152,178	53,289
Rent, utilities and maintenance	26,088	28,088	1,139	26,949
Interfund services	191,810	210,816	180,140	30,676
Total expenditures	<u>2,922,880</u>	<u>3,032,589</u>	<u>2,553,946</u>	<u>478,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(231,538)</u>	<u>(231,538)</u>	<u>(18,309)</u>	<u>213,229</u>
Other financing sources (uses):				
Transfers in	331,270	331,270	214,827	(116,443)
Transfers out	(99,732)	(99,732)	(70,750)	28,982
Total other financing sources (uses)	<u>231,538</u>	<u>231,538</u>	<u>144,077</u>	<u>(87,461)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 125,768</u>	<u>\$ 125,768</u>

Grants Fund
Budgetary Comparison Schedule-Summary by Type
For the Year Ended June 30, 2012

Public Defender

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 22,000	\$ ---	\$ (22,000)
Total revenues	---	22,000	---	(22,000)
Expenditures:				
Professional and contracted services	---	22,000	---	22,000
Total expenditures	---	22,000	---	22,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 189,756	\$ 7,552	\$ (182,204)
Federal and local revenue	514,880	799,508	770,884	(28,624)
Other revenue	265,605	270,729	304,072	33,343
Total revenues	<u>780,485</u>	<u>1,259,993</u>	<u>1,082,508</u>	<u>(177,485)</u>
Expenditures:				
Salaries	502,914	669,249	651,977	17,272
Other compensation	15,422	22,532	8,989	13,543
Fringe benefits	174,707	227,650	198,358	29,292
Supplies and materials	686	8,754	447	8,307
Services and other expenditures	10,638	15,889	7,022	8,867
Professional and contracted services	76,118	315,319	100,573	214,746
Rent, utilities and maintenance	---	600	231	369
Total expenditures	<u>780,485</u>	<u>1,259,993</u>	<u>967,597</u>	<u>292,396</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 114,911</u>	<u>\$ 114,911</u>



Shelby County, Tennessee

**Statistical Section Index
For the Year Ended June 30, 2012**

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

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Sources:

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

Shelby County, Tennessee

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

	Fiscal Year									
	<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>	<u>2012</u>
Governmental activities (a):										
Invested in capital assets, net of related debt	\$ 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	\$ 293,284,276
Restricted	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	75,271,215
Unrestricted	(1,181,961,431)	(1,214,254,660)	(1,281,070,298)	(1,259,839,639)	(1,247,320,422)	(1,270,705,173)	(1,253,600,239)	(1,287,263,343)	(1,228,588,491)	(1,053,237,423)
Total governmental activities net assets	\$ (969,016,639)	\$ (1,027,600,267)	\$ (1,059,314,278)	\$ (1,022,970,551)	\$ (998,696,386)	\$ (983,225,312)	\$ (962,098,981)	\$ (838,700,327)	\$ (751,116,500)	\$ (684,681,932)
Business-type activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 24,482,158
Unrestricted	5,101,901	5,352,161	3,447,095	5,422,857	7,996,464	8,667,114	13,288,503	11,950,335	12,276,642	13,376,374
Total business-type activities net assets	\$ 38,474,875	\$ 34,399,547	\$ 31,627,997	\$ 32,636,309	\$ 34,733,475	\$ 34,995,595	\$ 38,613,171	\$ 36,339,153	\$ 36,550,792	\$ 37,858,532
Total Shelby County Government:										
Invested in capital assets, net of related debt	\$ 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	\$ 317,766,434
Restricted	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	75,271,215
Unrestricted	(1,176,859,530)	(1,208,902,499)	(1,277,623,203)	(1,254,416,782)	(1,239,323,958)	(1,262,038,059)	(1,240,311,736)	(1,275,313,008)	(1,216,311,849)	(1,039,861,049)
Total Shelby County Government net assets	\$ (930,541,764)	\$ (993,200,720)	\$ (1,027,686,281)	\$ (990,334,242)	\$ (963,962,911)	\$ (948,229,717)	\$ (923,485,810)	\$ (802,361,174)	\$ (714,565,708)	\$ (646,823,400)

(a) Net assets for 2003 - 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General Government	\$ 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	\$ 61,220,094
Hospital	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	26,816,000
Planning and Development	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	6,392,108
Public Works	42,416,807	45,985,724	46,673,557	39,914,889	46,358,291	51,509,893	47,075,185	48,895,772	48,985,516	46,978,772
Corrections	937,223	825,555	371,598	505,384	928,659	1,461,598	1,318,182	1,481,007	1,608,821	1,435,580
Health Services	49,900,157	48,986,443	49,339,399	52,601,986	56,032,510	66,148,856	59,829,828	57,044,306	52,624,044	52,442,394
Community Services	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	69,605,001
Law Enforcement	142,686,117	128,056,729	128,391,275	130,673,267	138,777,409	146,648,650	150,228,384	149,883,692	153,074,368	156,465,979
Judicial	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	68,815,715
Other Elected Officials	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	25,379,684
Education	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	420,187,895
Interest on debt	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	90,654,296
Total governmental activities expenses	930,998,910	924,485,519	909,453,421	969,004,600	1,014,179,913	1,082,434,499	1,017,603,877	963,005,969	1,004,290,792	1,026,393,518
Business-type activities:										
Codes Enforcement	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	9,687,934
Nursing homes (a)	15,372,131	15,783,099	---	---	---	---	---	---	---	---
Fire Services	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	19,565,511
Corrections	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	55,149,724
Total business-type activities expenses	79,580,924	81,650,303	66,540,589	67,212,125	71,125,715	80,573,801	79,802,179	83,374,056	86,865,364	84,403,169
Total Shelby County Government expenses	\$ 1,010,579,834	\$ 1,006,135,822	\$ 975,994,010	\$ 1,036,216,725	\$ 1,085,305,628	\$ 1,163,008,300	\$ 1,097,406,056	\$ 1,046,380,025	\$ 1,091,156,156	\$ 1,110,796,687
Program Revenues										
Governmental activities:										
Charges for services										
General Government	\$ 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	\$ 26,774,373
Health Services	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	10,736,876
Judicial	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	27,918,355
Other Elected Officials	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	35,610,464
Other governmental activities	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	20,783,235
Operating grants and contributions	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	95,184,769
Capital grants and contributions	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	4,353,916
Total governmental activities program revenues	197,943,369	209,787,323	206,543,670	246,682,834	215,843,391	226,790,772	219,461,390	223,514,107	247,955,270	221,361,988

Business-type activities:										
Charges for services										
Nursing homes (a)	11,281,438	10,140,279	---	---	---	---	---	---	---	---
Codes Enforcement	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	7,954,287
Fire Services	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	19,259,093
Corrections	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	47,447,969
Operating grants and contributions	47,175	60,960	56,960	43,050	49,050	75,000	81,000	75,600	1,736,920	1,204,618
Capital grants and contributions	---	---	---	---	---	---	---	---	---	2,000
Total business-type activities program revenues	71,132,073	64,983,570	56,339,311	62,568,820	65,426,690	69,989,088	76,411,759	72,828,429	76,496,239	75,867,967
Total Shelby County Government program revenues	\$ 269,075,442	\$ 274,770,893	\$ 262,882,981	\$ 309,251,654	\$ 281,270,081	\$ 296,779,860	\$ 295,873,149	\$ 296,342,536	\$ 324,451,509	\$ 297,229,955
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (805,031,530)
Business-type activities	(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)	(8,535,202)
Total Shelby County Government net expense	\$ (741,504,392)	\$ (731,364,929)	\$ (713,111,029)	\$ (726,965,071)	\$ (804,035,547)	\$ (866,228,440)	\$ (801,532,907)	\$ (750,037,489)	\$ (766,704,647)	\$ (813,566,732)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 754,061,310
Sales taxes	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	11,191,681
Business taxes	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	12,940,493
Hotel/Motel taxes	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	14,220,558
Wheel taxes	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	28,531,929
Other taxes	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	15,107,316
Investment earnings	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	6,939,244
Transfers	(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)	(9,808,915)
Other sources/(uses)	---	---	---	---	---	1,359,555	281,072	154,791	---	(33,207,518)
Special item	---	---	---	---	---	---	---	---	---	71,490,000
Extraordinary item	---	---	---	---	---	---	---	---	(82,548)	---
Total governmental activities	627,071,954	656,114,568	671,195,740	758,665,493	822,610,687	850,136,899	819,268,818	862,890,516	843,919,349	871,466,098
Business-type activities:										
Investment earnings	388,156	486,261	283,040	374,704	525,358	285,964	207,994	48,728	22,979	34,027
Transfers	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	9,808,915
Other sources/(uses)	---	---	---	---	---	31,187	(6,796)	---	---	---
Total business-type activities	6,731,593	12,591,405	7,429,728	5,651,617	7,796,191	7,136,137	7,007,996	7,732,023	10,580,764	9,842,942
Total Shelby County Government	\$ 633,803,547	\$ 668,705,973	\$ 678,625,468	\$ 764,317,110	\$ 830,406,878	\$ 857,273,036	\$ 826,276,814	\$ 870,622,539	\$ 854,500,113	\$ 881,309,040
Change in Net Assets										
Governmental activities	\$ (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	\$ 66,434,568
Business-type activities	(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	1,307,740
Total Shelby County Government	\$ (107,700,845)	\$ (62,658,956)	\$ (34,485,561)	\$ 37,352,039	\$ 26,371,331	\$ (8,955,404)	\$ 24,743,907	\$ 120,585,050	\$ 87,795,466	\$ 67,742,308

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									
	2003	2004	2005	2006	2007	2008	2009	2010 (c)	2011	2012
General Fund										
Assigned (a)	\$ 5,736,619	\$ 4,085,059	\$ 4,158,337	\$ 4,150,637	\$ 4,119,786	\$ 2,940,960	\$ 772,147	\$ ---	\$ ---	\$ ---
Unrestricted (b)	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	933,228
Committed	---	---	---	---	---	---	---	799,402	278,675	328,309
Assigned	---	---	---	---	---	---	---	1,096,493	215,871	47,919
Unassigned	---	---	---	---	---	---	---	75,694,460	85,635,125	91,590,535
Total General Fund	\$ 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	\$ 92,899,991
All other governmental funds										
Reserved	\$ 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	10,702,422	9,457,475	29,241,588	55,924,980	63,401,912	73,709,130	74,646,920	---	---	---
Capital Projects Fund	(211,212,848)	(24,919,442)	(136,651,444)	28,418,919	97,730,872	(23,173,636)	(84,323,603)	---	---	---
Grants Fund	1,421,000	1,517,638	1,659,168	3,250,037	3,472,963	2,482,916	(10,138,135)	---	---	---
Nonmajor Governmental Fund	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	1,589,794
Capital Projects Fund	---	---	---	---	---	---	---	56,613,022	92,826,243	37,879,122
Education Fund	---	---	---	---	---	---	---	9,136,859	---	---
Grants Fund	---	---	---	---	---	---	---	14,313,849	5,438,738	6,400,154
Nonmajor Governmental Fund	---	---	---	---	---	---	---	17,549,023	15,153,766	15,577,420
Committed, reported in:										
Debt Service Fund	---	---	---	---	---	---	---	95,043,193	99,621,072	89,481,609
Capital Projects Fund	---	---	---	---	---	---	---	8,234,947	4,425,564	24,762,356
Nonmajor Governmental Fund	---	---	---	---	---	---	---	984,685	1,574,304	10,242,902
Assigned, reported in:										
Capital Projects Fund	---	---	---	---	---	---	---	36,491,640	42,952,510	35,293,938
Unassigned, reported in:										
Grants Fund	---	---	---	---	---	---	---	(29,842,455)	(21,638,867)	(16,043,862)
Nonmajor Governmental Fund	---	---	---	---	---	---	---	---	---	(980,740)
Total all other governmental funds	\$ (183,954,673)	\$ 1,020,554	\$ (90,035,088)	\$ 108,523,120	\$ 189,148,576	\$ 83,769,218	\$ 11,619,404	\$ 216,010,805	\$ 248,547,216	\$ 204,202,693

(a) For fiscal years 2003 - 2009 Assigned Fund Balance refers to amounts that were reserved or unavailable for spending. Beginning in fiscal year 2010, Assigned Fund Balance refers to amounts that are intended to be used for a specific purpose as defined by GASB Statement No. 54.

(b) Fiscal years 2003 - 2004 have been adjusted for restatements in subsequent years.

(c) 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property taxes	\$ 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	\$ 722,068,728
Other local taxes	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	87,643,901
State revenue	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	89,278,432
Federal and local revenue	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	66,418,403
Charges for services	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	9,010,486
Fines, fees and permits	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	70,756,123
Other revenue	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	4,984,954
Investment income	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	1,423,487
Total revenues	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	1,051,584,514
Expenditures (a)										
General Government	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	44,800,191
Hospital (b)	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	26,816,000
Planning and Development	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	6,840,109
Public Works	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	36,661,009
Corrections	937,223	790,715	371,598	432,171	824,652	1,312,609	1,261,813	1,384,904	1,458,284	1,388,314
Health Services	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	52,586,968
Community Services	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	70,077,171
Law Enforcement	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	153,549,971
Judicial	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	67,520,667
Other Elected Officials	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	25,146,899
Education (c)	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	361,288,000
Debt service:										
Interest	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	88,258,323
Principal	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	81,473,270
Capital outlay: capital projects	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	79,800,460
Total expenditures	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	1,096,207,352
Excess (deficiency) of revenues over (under) expenditures	(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)	(44,622,838)

Other financing sources (uses)										
Transfers in	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	17,532,055
Transfers out	(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)	(27,705,386)
General obligation bonds issued	153,308,115	323,026,282	---	251,027,782	140,358,887	---	---	120,000,000	---	---
Refunding bonds issued	---	---	443,740,125	---	146,416,113	231,935,000	214,695,000	---	73,795,000	274,400,000
Premium on bonds issued	---	---	---	---	---	---	---	4,162,154	6,892,922	58,055,757
Payment to refunding bond escrow agent	---	---	(433,055,801)	---	(146,067,482)	(231,271,726)	(231,005,000)	---	(79,770,000)	(409,588,040)
Long term debt proceeds other than bonds	---	---	---	---	---	---	---	55,120,000	67,260,000	20,397,500
Short term debt proceeds	---	---	---	---	---	816,473	19,821,655	---	---	---
Other sources (uses)	932,363	1,768,868	1,130,030	1,310,937	344,336	1,072,782	690,849	511,228	434,050	1,729,036
Total other financing sources (uses)	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	(65,179,078)
Special item	---	---	---	---	---	---	---	---	---	71,490,000
Extraordinary item	---	---	---	---	---	---	---	---	(982,548)	---
Net change in fund balances	\$ (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	\$ (38,311,916)

Debt service as a percentage of non capital expenditures	11.69%	12.49%	14.42%	14.44%	15.22%	14.71%	16.67%	16.62%	17.08%	15.65%
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

(a) 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.

(b) Hospital expenditures are those made to the Shelby County Health Care Corporation (the Med). Shelby County Health Care Corporation operations are reported as a discrete component unit.

(c) Education expenditures are those made to the City of Memphis Board of Education and the Shelby County Board of Education. The Shelby County Board of Education operations are reported as a discrete component unit.

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 (a)</u>	<u>Total Taxable Assessed Value (b)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value (c)</u>
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 (d)	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 (d)	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%
2012	2011	10,721,303,794	5,828,574,575	1,380,179,795	1,069,425,931	18,999,484,095	4.02	64,287,973,983	29.55%

- (a) Public Utilities information is based on information received from the State of Tennessee Comptroller of the Treasury assessments.
- (b) Assessed value is the most current tax year value prepared by the County Assessor of Property as of year-end.
- (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
- (d) The effect of property reappraisals are reflected in FY 2006 and 2010 amounts.

Shelby County, Tennessee

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Direct Rates										
General Fund	\$ 1.25	\$ 1.43	\$ 1.43	\$ 1.31	\$ 1.22	\$ 1.22	\$ 1.22	\$ 1.23	\$ 1.33	\$ 1.36
Education (a)	2.03	2.03	2.03	2.03	2.02	2.02	2.02	1.98	1.90	1.91
Debt Service	0.51	0.58	0.58	0.70	0.80	0.80	0.80	0.81	0.79	0.75
Total Direct Rate	3.79	4.04	4.04	4.04	4.04	4.04	4.04	4.02	4.02	4.02
Rural School Bonds (b)		0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04
City & Town Rates (c)										
Memphis (d)	3.23	3.23	3.23	3.43	3.43	3.43	3.25	3.20	3.20	3.19
Arlington	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Bartlett	1.23	1.38	1.38	1.31	1.31	1.54	1.54	1.49	1.49	1.49
Collierville	1.45	1.45	1.45	1.28	1.28	1.28	1.28	1.18	1.18	1.43
Germantown	1.30	1.70	1.70	1.54	1.54	1.54	1.54	1.43	1.43	1.49
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) The City of Lakeland does not have a city property tax.
- (d) Over two-thirds (69.7%) of the County's population resides in the City of Memphis

Shelby County, Tennessee

Revenue Capacity Information
Principal Property Tax Payers - Current and Nine Years Ago
June 30, 2012

Name of Taxpayer	Fiscal 2012 Assessments			Fiscal 2003 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	\$ 68,310,630	1	0.38%	\$ 370,134,879	1	2.45%
Galleria at Wolfchase, LLC	55,860,600	2	0.31%	57,322,230	4	0.38%
The Premcor Refining Group, Inc	37,347,810	3	0.21%			
AMISUB (SFH) Inc	34,000,000	4	0.19%	34,790,160	8	0.23%
Jabil Circuit, Inc.	22,727,250	5	0.13%			
Archer Daniels Midland Co.	22,568,340	6	0.13%			
Comcast of AR/FL/AL/MN/MS/TN Inc.	22,429,920	7	0.13%			
Carriage Avenue, LLC	22,273,640	8	0.12%			
Solae, LLC	20,330,670	9	0.11%			
Kellogg USA Inc	19,256,280	10	0.11%			
Bellsouth Telecommunications				181,601,581	2	1.20%
Belz Enterprises				94,075,190	3	0.62%
Northwest				40,229,224	5	0.27%
Mid-America Apartments				38,333,825	6	0.25%
Union Planters National Bank				34,898,535	7	0.23%
Pinnacle Airlines				30,395,863	9	0.20%
Boyle Investment				23,308,500	10	0.15%
Total Assessed Valuation of Top Ten Taxpayers	325,105,140		1.81%	905,089,987		6.00%
Balance of Assessed Valuation	17,604,953,024		98.19%	14,185,695,474		94.00%
Total Assessed Valuation	<u>\$ 17,930,058,164</u>		<u>100.00%</u>	<u>\$ 15,090,785,461</u>		<u>100.00%</u>

Source: Shelby County Assessor

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
2003	2002	579,110,446	526,168,220	90.86%	26,821,173	554,071,221	552,989,393	99.80%	95.49%
2004	2003	615,962,006	570,445,227	92.61%	22,974,253	594,728,978	593,419,480	99.78%	96.34%
2005	2004	615,006,455	577,008,988	93.82%	26,299,153	605,303,085	603,308,141	99.67%	98.10%
2006	(a) 2005	694,476,293	645,263,773	92.91%	30,823,533	679,062,959	676,087,306	99.56%	97.35%
2007	2006	711,047,486	666,613,568	93.75%	32,043,907	701,077,663	698,657,475	99.65%	98.26%
2008	2007	721,760,505	676,692,968	93.76%	33,253,541	714,483,814	709,946,509	99.36%	98.36%
2009	2008	736,461,361	684,698,542	92.97%	37,006,459	728,932,381	721,705,001	99.01%	98.00%
2010	(a) 2009	791,055,910	719,276,815	90.93%	30,915,513	763,260,495	750,192,328	98.29%	94.83%
2011	2010	776,865,051	713,667,892	91.87%	22,550,143	756,936,983	736,218,035	97.26%	94.77%
2012	2011	764,302,988	710,934,070	93.02%	N/A	754,262,345	710,934,070	94.26%	93.02%

(a) The effect of property reappraisals are reflected in FY 2006 and 2010 amounts.

Source: Shelby County Assessor and Trustee Offices.

Shelby County, Tennessee

Debt Capacity Information
Schedule of Direct and Overlapping Debt
June 30, 2012

	Net Debt Outstanding	Estimated Percentage Applicable (e)	Estimated Share of Overlapping Debt
Direct Debt (a)			
Special General Obligation School debt (b)	\$ 15,060,000	100.00%	\$ 15,060,000
Total all other bonded debt	1,478,886,286	100.00%	1,478,886,286
		Total direct bonded debt (c)	<u>1,493,946,286</u>
Overlapping Debt (d)			
City of Memphis	1,250,175,000	100.00%	1,250,175,000
City of Germantown	25,650,000	100.00%	25,650,000
City of Bartlett	29,098,555	100.00%	29,098,555
City of Collierville	30,827,213	100.00%	30,827,213
Town of Arlington	10,352,000	100.00%	10,352,000
Town of Millington	6,719,570	100.00%	6,719,570
		Total overlapping debt	<u>1,352,822,338</u>
		Total direct and overlapping debt	<u>\$ 2,846,768,624</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	Tax 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(c)
		General Obligation Bonds	Commerical Paper Notes	Capital Leases					
2003	2002	\$ 1,354,259,107	\$ 220,300,000	\$ 510,915	\$ 1,575,070,022	3.13%	\$ 1,500	\$ 1,500	4.10%
2004	2003	1,619,508,672	39,500,000	863,307	1,659,871,979	3.29%	1,787	1,787	5.14%
2005	2004	1,569,111,426	141,000,000	794,188	1,710,905,614	3.36%	1,726	1,727	4.74%
2006	2005	1,753,166,331	10,000,000	721,717	1,763,888,048	3.05%	1,921	1,922	5.14%
2007	2006	1,820,107,968	---	1,170,996	1,821,278,964	3.09%	1,980	1,981	5.04%
2008	2007	1,735,025,160	37,300,000	1,039,885	1,773,365,045	2.96%	1,885	1,887	4.61%
2009	2008	1,627,860,459	120,000,000	906,177	1,748,766,636	2.85%	1,771	1,772	4.26%
2010	2009	1,707,260,182	---	766,064	1,708,026,246	2.57%	1,855	1,856	4.58%
2011	2010	1,665,674,209	---	619,240	1,666,293,449	2.55%	1,796	1,796	4.47%
2012	2011 (c)	1,493,946,286	---	465,383	1,494,411,669	2.32%	1,576	1,577	3.98%

(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 FY2012. Data for FY2011 was substituted for the calculation.

Shelby County, Tennessee

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2002	902,634	\$ 30,688,100	\$ 33,998	5.4%
2003	906,733	31,504,263	34,745	6.0%
2004	909,643	33,095,510	36,383	6.1%
2005	913,201	34,129,205	37,373	6.2%
2006	920,106	36,103,204	39,238	5.7%
2007	921,119	37,635,149	40,858	5.3%
2008	920,685	37,507,530	40,739	7.0%
2009	922,541	35,742,501	38,744	10.1%
2010	928,930	37,057,190	39,892	10.0%
2011	935,088	N/A	N/A	9.9%

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 25, 2012. Some amounts presented here have been revised by the data providers and consequently differ from amounts presented in the fiscal year 2011 CAFR.

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

Employer	2012			2003		
	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	16,119	2	2.07%	15,240	2	1.84%
United States Government	15,375	3	1.98%	14,800	3	1.84%
Methodist Healthcare	8,700	4	1.12%	7,258	4	0.93%
Tennessee State Government	8,600	5	1.11%	5,200	8	
City of Memphis	7,274	6	0.94%	6,698	7	0.87%
Baptist Memorial Health Care Corp.	6,661	7	0.86%	6,792	6	1.00%
Wal-Mart Stores Inc.	6,000	8	0.77%	5,030	9	0.59%
Shelby County Government	5,971	9	0.77%	6,976	5	0.81%
Daidson Hotel Company LLC	5,784	10	0.74%	N/A	N/A	N/A
Shelby County Schools				5,000	10	0.66%
Totals	110,484		14.22%	102,994		13.56%

Sources:

Largest employer data for 2012 comes from Memphis Chamber of Commerce. Largest employer data for 2003 comes from the MBI Book of Lists. 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. Department of Commerce Bureau of Economic Analysis are for the Memphis Metropolitan Statistical Area. Total employment for 2010 is used as a surrogate for the 2012 figure, which is not expected to be available until 2013.*

* Total Employment:	2010	776,884
	2003	759,322

Shelby County, Tennessee

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

Function/Program:	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	532	294	297	317	297	319	294	284	281	282
Planning and Development	202	211	219	215	215	209	180	165	148	140
Public Works	383	473	496	474	480	476	453	441	434	424
Corrections	750	629	650	630	629	622	610	671	659	643
Health Services	647	674	677	674	653	643	619	624	550	534
Community Services (b)	204	560	590	572	545	562	544	569	533	513
Health Care Centers (c)	263	---	---	---	---	---	---	---	---	---
Law Enforcement	2,096	1,928	1,968	1,930	1,942	1,945	1,883	1,919	1,937	1,929
Judicial	809	1,049	1,049	1,067	1,045	1,102	1,057	891	877	875
Other Elected Officials	476	380	371	398	394	387	376	365	365	355
Total Full-time Equivalent Employees	6,362	6,198	6,317	6,277	6,200	6,265	6,016	5,929	5,784	5,695

(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:	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government: Election Commission Polling Locations (a)	---	283	279	279	279	274	275	236	236	220
Assessor Offices	2	2	2	2	2	2	2	2	2	2
Public Works Bridges (b)	235	217	201	199	184	184	189	192	192	182
Health Services Public Health Clinics (a)	---	8	8	8	8	8	8	9	9	8
Law Enforcement Jail Capacity Male	2,825	2,825	3,025	3,025	2,825	2,825	2,825	2,825	2,818	2,813
Female	384	384	384	384	382	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	7	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 a transfer to a municipality.

Shelby County, Tennessee

Operating Information
Operating Indicators - By Function
Last Ten Fiscal Years

Function/Program:	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government:										
Pretrial Services										
Misdemeanor interviews	29,398	29,421	28,538	26,973	28,691	25,646	27,470	25,170	27,869	22,280
Misdemeanor arraignments (b)	55,143	49,554	59,566	56,222	59,068	43,275	66,595	68,813	82,728	79,221
Felony interviews	9,529	10,141	10,827	10,913	10,820	9,886	10,679	10,171	12,581	11,969
Felony arraignments	9,477	10,456	11,012	11,061	11,332	10,667	11,549	11,316	11,791	13,014
Election Commission										
Number of elections	2	4	5	4	6	6	3	4	5	4
Public Works										
Linear road miles (a)	---	---	---	772	775	775	775	776	778	780
Public buildings	7	7	7	7	7	7	7	7	7	7
Corrections:										
Inmate days (c)	965,809	955,594	955,641	988,262	1,000,357	1,135,098	1,160,027	1,100,798	971,882	911,778
Community Services:										
Head Start										
Students (d)	3,311	3,414	3,872	3,586	3,590	3,628	4,192	4,292	3,771	4,346
Housing										
Loans outstanding (a)	-	85	93	106	121	200	333	612	778	869
Law Enforcement:										
Inmate days	721,143	806,562	881,162	948,892	1,024,920	968,785	1,009,222	1,003,886	978,248	973,495
Judicial (e):										
Chancery Court										
Filings	2,631	2,669	2,575	2,717	2,524	2,493	2,638	2,498	2,318	2,237
Dispositions	2,402	1,854	2,502	3,268	2,717	2,620	2,581	2,849	2,469	2,562
Circuit Court										
Filings	7,890	8,129	7,735	6,770	6,671	6,159	6,087	6,220	6,060	5,988
Dispositions	7,086	7,917	7,710	7,361	6,730	7,461	7,035	6,968	6,297	6,016
Criminal Court (a)										
Filings	---	25,735	24,869	29,928	26,977	27,030	23,626	28,092	26,218	24,081
Dispositions	---	27,872	24,742	26,621	29,923	30,396	26,277	28,221	28,436	29,015
General Sessions Criminal Court										
Filings	145,589	152,346	153,087	159,157	171,091	163,254	203,143	215,020	211,899	206,510
Dispositions	147,093	145,162	150,547	157,091	160,761	163,866	187,607	205,944	205,398	195,610

General Sessions Civil Court										
Filings	58,741	72,562	63,154	64,459	75,214	72,778	73,154	75,637	70,628	65,164
Dispositions (f)	47,197	61,848	53,636	55,080	59,095	64,357	62,277	115,415	111,734	102,264
Juvenile Court (g)										
Disposed/Adjusted	20,729	20,490	22,817	21,211	19,195	16,877	18,436	17,522	17,276	16,764
Children affected	14,573	14,760	15,987	15,561	14,205	12,897	13,721	13,206	12,903	12,577
Probate Court										
Filings	2,480	3,330	3,624	3,493	3,506	3,484	3,539	3,482	3,404	3,377
Dispositions	2,863	3,621	4,455	3,493	3,557	3,202	3,654	3,539	3,478	3,432
Other Elected Officials:										
Register										
New documents filed	253,403	233,594	210,030	214,467	206,918	174,608	154,137	160,788	128,739	108,755
Assessor										
Parcels Assessed										
Real property	328,565	331,881	335,896	340,264	349,963	353,006	351,727	351,605	351,595	351,156
Personal property	38,105	37,989	38,168	38,846	39,773	39,495	38,311	36,654	37,253	36,445
Attorney General (g)										
Criminal Court indictments	9,620	8,586	8,667	9,271	9,765	9,247	9,388	8,196	9,267	9,272
New juvenile delinquency cases	2,828	2,753	2,947	3,090	3,168	3,185	6,500	4,610	4,282	4,243
Enterprise Funds:										
Fire Services (h)										
Fire responses	6,488	6,051	6,433	7,087	8,926	9,621	7,889	7,911	8,448	8,172
Ambulance calls	9,759	9,498	9,808	10,376	11,084	11,516	11,538	11,014	11,508	11,607
Codes Enforcement										
Building inspections (a)	---	58,790	63,665	61,482	59,332	44,673	39,443	34,362	33,343	32,730
Building permits	9,189	12,917	11,789	10,860	9,889	7,010	5,686	6,875	6,154	5,931
Boards of Education/Schools										
Enrollment (i)										
Shelby County Board of Education (component un	54,310	56,039	53,435	54,943	55,745	56,799	56,503	56,905	56,162	54,823
City of Memphis Board of Education	135,236	135,183	138,043	137,932	135,268	129,872	127,073	124,691	125,369	123,400
Total	<u>189,546</u>	<u>191,222</u>	<u>191,478</u>	<u>192,875</u>	<u>191,013</u>	<u>186,671</u>	<u>183,576</u>	<u>181,596</u>	<u>181,531</u>	<u>178,223</u>

- (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) FY2012 data is estimated. Inmate Days for June were not available.
- (d) Head Start students represents total students served, including Early Head Start.
- (e) 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.
- (f) Beginning with FY2010, data includes orders needing a Judge's signature being placed on the court's dockets.
- (g) Data is reported on a calendar year basis as of December 31 within each fiscal year.
- (h) 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.
- (i) The Board of Education enrollment is weighted full-time equivalency of average daily attendance.

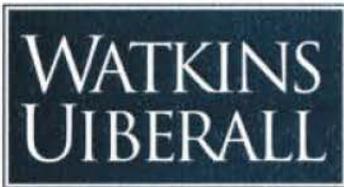
Shelby County, Tennessee

Schedule of Salaries and Fidelity Bonds

June 30, 2012

Official	Designation	Salary Amounts	Bond Expiration Date	Bond Amount
Mayor and Staff				
Mark H. Luttrell, Jr.	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	25,000
James E. Coleman	Director of Corrections	125,000	09/01/14	100,000
Court Clerks				
Donna L. Russell	Chancery Court Clerk and Master	106,906	01/03/18	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
Edward L. Stanton, 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 Patrick 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	47,165,177
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		11/01/12	1,000,000 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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 16, 2012. 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.

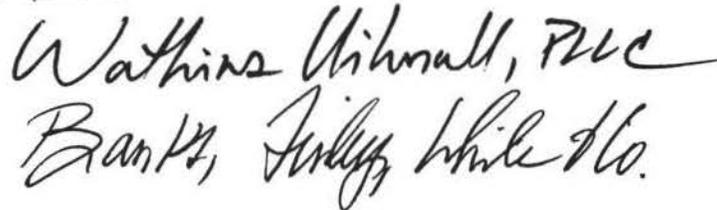
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

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*.

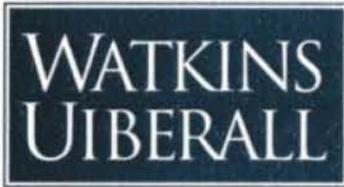
We noted certain matters that we reported to management of the County in a separate letter dated November 16, 2012.

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 Uihornall, PLLC
Banks, Jolly, White & Co.

Memphis, Tennessee
November 16, 2012



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, 2012. 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 \$40,829,206 in federal awards which is not included in the schedule during the year ended June 30, 2012. 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, 2012.

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.

Wathms Wilmsall, PWC
Banks, Jolly, White Co.

Memphis Tennessee
November 16, 2012

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2012

CFDA #	CONTRACT NUMBER	PROGRAM NAME	GRANTOR AGENCY	Total Expenditures Incurred
10.557	GG-10310750	WIC PROGRAM	TN DEPT OF HUMAN SERVICES	3,545,718
10.557	GG-1133744	WIC PROGRAM	TN DEPT OF HUMAN SERVICES	<u>1,237,096</u>
				4,782,814
10.565	34353-02710	CSFP	TN DEPT OF HUMAN SERVICES	331,958
10.565	34353-02710	CSFP	TN DEPT OF HUMAN SERVICES	<u>117,053</u>
				449,011
10.568	DG-11-34278	COMMODITIES DISTRIBUTION	DEPT OF AGRICULTURE	54,531
10.568	DG-12-36607	COMMODITIES DISTRIBUTION	DEPT OF AGRICULTURE	<u>99,786</u>
				154,317
14.218	B-04-UC-47-002	CDBG	DEPT OF HOUSING AND URBAN DEVELOPMENT	128,401
14.218	B-05-UC-47-0002	CDBG	DEPT OF HOUSING AND URBAN DEVELOPMENT	467,319
14.218	B-06-UC-47-0002	COMMUNITY DEVELOPMENT BLOCK	DEPT OF HOUSING AND URBAN DEVELOPMENT	608,313
14.218	B-02-UC-47-0002	COMMUNITY DEVELOPMENT BLOCK	DEPT OF HOUSING AND URBAN DEVELOPMENT	1,752
14.218	B-03-UC-47-002	COMMUNITY DEVELOPMENT BLOCK	DEPT OF HOUSING AND URBAN DEVELOPMENT	241,832
14.218	B-10-UF-47-0001	May 2010 DISASTER DECLARATION	US DEPT OF HOUSING AND URBAN DEVELOPMENT	231,593
14.218	B-08-UN-47-0001	AFFORDABLE HOUSING	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>302,346</u>
				1,981,556
14.235	TN0126B4J010900	2009 SUPPORTIVE HOUSING PROGRAM	US DEPT OF HOUSING AND URBAN DEVELOPMENT	166,833
14.235	TN0112B4J011002	SUPPORTIVE HOUSING PROGRAM	DEPT OF HOUSING AND URBAN DEVELOPMENT	149,260
14.235	TN0112B4J011103	SUPPORTIVE HOUSING PROGRAM	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>80,301</u>
				396,394
14.239	M-09-UC470205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	53,621
14.239	M10UC47002	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	127,701
14.239	MO6UC470205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>242,329</u>
				423,651
14.240	H3-92-TN-0004-I-A	HOPE 3	DEPT OF HOUSING AND URBAN DEVELOPMENT	95,841
14.703	TNRIP0069-11	SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT	HUD	5,262
14.900	TNLHB0442-09	LEAD HAZARD CONTROL	DEPT OF HOUSING AND URBAN DEVELOPMENT	1,324,118
14.900	23372/CA071794	CITY OF MEMPHIS - HOUSING & COMMUNITY DEVELOPMENT	CITY OF MEMPHIS - HOUSING & COMMUN DEVELOPMENT	57,714
14.900	CD90050/CA071794	CITY OF MEMPHIS - HOUSING & COMMUNITY DEVELOPMENT	CITY OF MEMPHIS - HOUSING & COMMUN DEVELOPMENT	105,854
14.900	28887	CITY OF MEMPHIS - HOUSING & COMMUNITY DEVELOPMENT	CITY OF MEMPHIS - HOUSING & COMMUN DEVELOPMENT	66,863
14.900	TNLHB0342-06	LEAD BASE PAINT REDUCTION	DEPT OF HOUSING AND URBAN DEVELOPMENT	<u>36,841</u>
				1,591,390
16.000	TN0790000	FEDERAL EQUITABLE SHARING AGREEMENT	DEPT OF JUSTICE/US TREASURY	484,194
16.523	GG-09-26155-00	CHILD & FAMILY INTERVENTION	TN DEPT OF CHILDREN'S SERVICES	67,625
16.523	GG1133945	Juvenile Justice System	TN COMMISSION ON CHILDREN & YOUTH	90,721
16.523	31601-01712 / 29026	JUVENILE ACCOUNTABILITY BLOCK GRANT	TN COMMISSION ON CHILDREN & YOUTH	<u>105,692</u>
				264,038
16.540	DG-09-24074-00	JUVENILE JUSTICE FEDERAL FORMULA	TCCY	2,853

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, 2012

CFDA #	CONTRACT NUMBER	PROGRAM NAME	GRANTOR AGENCY	Total Expenditures Incurred
16.556	2008-DD-BX-0282	OPERATION SAFE COMMUNITY	US DOJ OJP	2,927
16.575	2009-SB-B9-2466	JAG - ARRA	US DOJ - OJP	763,662
16.580	2010-DD-BX-0574	OPERATION SAFE COMMUNITY	UNIVERSITY OF MEMPHIS	296,139
16.585	2011-DC-BX-0030	Adjult Drug Court Enhancement	USDOJ OJP BJA	1,839
16.590	2011-WE-AX-K002.	BLUEPRINT DEMONSTRATION PROJECT	DEPT OF JUSTICE	75,841
16.590	2008-WE-AX-0037	ARREST POLICIES	USDOJ-OVAW	670,132
				<u>745,773</u>
16.609	2008-GP-CX-0056	PROJECT SAFE NEIGHBORHOOD	UNITED STATE DEPT OF JUSTICE	72,073
16.609	2009-GP-BX-0069	GUN-CRIME REDUCTION	U OF M VIA US DOJ BJA	16,988
				<u>89,061</u>
16.730	2010-MU-MU-K005	AG CHILDREN EXPOSED TO VIOLENCE	US OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION	49,957
16.738	2011-DJ-BX-3445	EDWARD BYRNE JUSTICE ASSISTANCE GRANT	USDOJ BUREAU OF JUSTICE ASSISTANCE	804,529
16.738	2009-DJ-BX-0421	EDWARD BYRNE JUSTICE ASSISTANCE GRANT	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	394,449
16.738	4034	EDWARD BRYNE MEMORIAL JUSTICE ASST. GRANT	TN OFFICE OF CRIMINAL JUSTICE PROGRAMS	478,072
				<u>1,677,050</u>
16.801	704 / 79000 / 952-85	SENIOR VICTIM ADVOCATE	OFFICE OF CRIMINAL JUSTICE PROGRAM	45,781
16.801	704 / 79000 / 952-85	DOMESTI C VIOLENCE COURT ADVOCATE	OFFICE OF CRIMINAL JUSTICE PROGRAM	40,437
				<u>86,218</u>
16.803	GG1028271 / GR1028045	CRIMINAL JUSTICE/MENTAL HEALTH LIAISON	TN DMHDD	106,065
16.803	2010-DJ-BX-1563	EDWARD BYRNE JUSTICE ASSISTANCE GRANT	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	872,599
16.803	PENDING	RE-ENTRY PROGRAMMING FOR FEMALE DEFENDANTS	TN OFFICE OF CRIMINAL JUSTICE PROGRAMS	137,396
				<u>1,116,062</u>
16.812	2009-CZ-BX-0044	SECOND CHANGE GRANT	US DEPT OF JUSTICE THRU CITY OF MEMPHIS	97,420
17.274	09-A200-LBDU-4123-5YB00-000	YOUTHBUILD	US DEPT OF LABOR/EMPLOYMENT AND TRAINING ADMINISTRATION	1,830
20.205	Z-07-036299-00	TRANSPORTATION PLANNING	DEPARTMENT OF TRANSPORTATION	207,787
20.205	GG1237135	TRANSPORTATION PLANNING	DEPARTMENT OF TRANSPORTATION	768,017
20.205	76008-0700410	MDOT PL GRANT	MDOT	159,322
20.205	17233	MDOT PL GRANT	MDOT	43,887
20.205	080030/CA092843	RIDESHARE PROGRAM	TN DEPT OF TRANSPORTATION	663,980
20.205	CM-NHE-7900-28 / 110106	CMAQ INTERSECTION IMPVTS GRANT	TN DEPT OF TRANSPORTATION	456,334
20.205	080064 / 110689.00	SAFE ROUTES TO SCHOOL	DEPARTMENT OF TRANSPORTATION	3,987
20.205	GG-07-26824-00	TRANSIT PLANNING	TN DEPT OF TRANSPORTATION	20,231
				<u>2,323,525</u>
20.800	PT-11-23	GHSO NETWORK COORDINATOR	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFETY OFFICE	7,486
20.800	Z11GHS293	TRAFFIC DIVISION EQUIPMENT	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFETY OFFICE	45,812
				<u>53,298</u>
20.703	GG-11-03-09	HAZARDOUS EMENRGENCY MATERTIAL PROGRAM (HEMP)	LEPC	4,912

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, 2012

CFDA #	CONTRACT NUMBER	PROGRAM NAME	GRANTOR AGENCY	Total Expenditures Incurred
66.001	A-00408210-0	AIR POLLUTION	DEPT OF HEALTH & HUMAN SERVICES	426,449
66.001	A-00408210-0	AIR POLLUTION	DEPT OF HEALTH & HUMAN SERVICES	<u>248,598</u>
				675,047
66.034	PM-96497508-4	SPECIAL AIR POLLUTION	ENVIRONMENTAL PROTECTION AGENCY	57,839
66.818	BF-95463110-0	WOLF RIVER BROWNFILEDS ASSESSMENT PROJECT	EPA	110,635
81.042	Z-10-000413	WEATHERIZATION	DEPARTMENT OF HUMAN SERVICES	815,006
81.128	DE-SC0002241	ENERGY EFFICIENCY CONSERVATION BLOCK GRANT	OFFICE OF SUSTAINABILITY	239,214
90.201	TN-3052	BRUNSWICK SEVER PROJECT	DELTA REGIONAL AUTHORITY	738,546
93.008	MRC-080150	MEDICAL RESERVE CORPS	NACCHO	4,017
93.041	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	55,029
93.042	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	67,797
93.043	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	2,337,763
93.043	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	<u>125,945</u>
				2,463,708
93.044	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	374,729
93.045	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	1,627,376
93.045	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	446,738
93.045	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	<u>21,613</u>
				2,095,727
93.053	GG-08-22690-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	291,267
93.086	90FR0095/03	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	182,768
93.086	90FR0067-03	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	134,092
93.086	90FK0037-01-00	MOST	DEPARTMENT OF HEALTH	<u>229,182</u>
				546,042
93.104	GG1238239/CA1214097	JUST CARE FAMILY NETWORK	TN DEPARTMENT OF MENTAL HEALTH	95,348
93.116	GG-12-36329	T.B OUTREACH	TN DEPARTMENT OF HEALTH	1,390,398
93.136	GG-08-16-10 / GG-10-27376.01	MSARC - RAPE PREVENTION EDUCATION	TN DEPT OF HUMAN SERVICES	10,889
93.243	1H79TI021892-01	EAIT PROGRAM	SAMSHA	236,882
93.243	1H79TI021892-01	EAIT PROGRAM	SAMSHA	<u>55,802</u>
				292,684
93.268	GG11-35004	WIC IMMUNIZATIONS	TN DEPT OF HEALTH	25,844
93.268	GG1032454	IMMUNIZATIONS	TN DEPT OF HUMAN SERVICES	257,214
93.268	2H49MC00036-10-00	HEALTHY START INITIATIVE	DHHS SUBSTANCE ABUSE & MENTAL HEALTH SERVICES	<u>669,877</u>
				952,735

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, 2012

CFDA #	CONTRACT NUMBER	PROGRAM NAME	GRANTOR AGENCY	Total Expenditures Incurred
93.283	GG-08-21986-00	CENTRAL LAB/BIO TERRORISM	TN DEPT OF HUMAN SERVICES	97,908
93.283	GG-09-26536-00	TOBACCO RISK	TN DEPT OF HUMAN SERVICES	47,189
93.283	343.80-316-10	ENVIRONMENTAL HLTH SVCS	DEPARTMENT OF HEALTH	932,578
93.283	GG-1134553	CITY READINESS INITIATIVE	TN DEPT OF HEALTH	122,248
93.283	GG-09-25432-00	BREAST & CERVICAL CANCER	DEPARTMENT OF HEALTH	1,780
				<u>1,201,703</u>
93.563	GG-09-22206-00/RFS # 34530-20811/GG TITLE IV-CHILD SUPPORT		DEPT OF HUMAN SERVICES	417,018
93.568	GG-12-36994	LIHEAP	DEPARTMENT OF HUMAN SERVICES	10,530,868
93.569	Z-10-000115	COMMUNITY SCVS BLOCK GRANT	TN DEPT OF HUMAN SERVICES	1,455
93.569	Z 12-115	COMMUNITY SCVS BLOCK GRANT	DEPARTMENT OF HUMAN SERVICES	2,316,183
93.569	34549-21412	COMMUNITY SCVS BLOCK GRANT	DEPARTMENT OF HUMAN SERVICES	342
				<u>2,317,980</u>
93.600	04CH3447/43	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	400
93.600	04CH3447/44	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	11,475,753
93.600	04CH3447-40	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	11,708,884
				<u>23,185,037</u>
93.667	Z-06-031284	OPERATION WARM HOUSES	TN DEPARTMENT OF HUMAN SERVICES	128,503
93.667	CA075023	CSA-SPECIAL FUNDING	TN DEPARTMENT OF HUMAN SERVICES	25,000
				<u>153,503</u>
93.709	04SA3447/01	EARLY HEAD START PROGRAM	HHS/ACF	2,891
93.709	04SA3447/01	EARLY HEAD START PROGRAM	HHS/ACF	515,767
				<u>518,658</u>
93.778	GG-11-32226	INFANT MORTALITY COORDINATOR - HHS Title XIX	BUREAU of TENNCARE	501,191
93.914	6 H89HA11464-02-05	MINORITY AIDS INITIATIVE PART A	HRSA	511,114
93.914	2H89HA11464-04-00	MINORITY AIDS INITIATIVE PART A	HRSA	205,435
93.914	6 H89HA07940-01-01	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	2,007,888
93.914	6 H89HA11464-03-04	MINORITY AIDS INITIATIVE	DHHS-HRSA	4,508,878
93.914	6 H89HA11464-02-05	RYAN WHITE	HRSA	43,993
93.914	CA1214355	RYAN WHITE	HRSA	28,505
93.914	6 H89HA07940-01-01	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	89,646
93.914	6 H89HA07940-02-01	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	238,694
				<u>7,633,953</u>
93.926	5H49MC00036-12-00	HEALTHY START INITIATIVE	US DHHS SUBSTANCE ABUSE & MENTAL HEALTH SERVICES	41,582
93.940	GG-6-10-9	HIV RAPID TESTING	TN DEPT OF HUMAN SERVICES	258,825
93.946	1H75DP002728-01	SCG INFANT MORTALITY REDUCTION INITIATIVE	CENTERS FOR DISEASE CONTROL & PREVENTION	57,287
93.994	GG1030127	CHILDHOOD LEAD POISONING	HEALTH & HUMAN SERVICES	203,128
93.994	GG-09-25430-00	TOLL FREE BABIES HOTLINE	TN DEPARTMENT OF HEALTH	20,100
				<u>223,228</u>
95.001	G10GC0005A	HIGH INTENSIVE DRUG TRAFFICKING AREAS	OFFICE OF NATIONAL DRUG CONTROL POLICY	62,333
95.001	G10GC0005A	HIGH INTENSITY DRUG TRAFFICKING AREAS	OFFICE OF NATIONAL DRUG CONTROL POLICY	56,323
95.001	G11GC0005A	HIDTA	GHSO	41,162
				<u>159,818</u>

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2012

CFDA #	CONTRACT NUMBER	PROGRAM NAME	GRANTOR AGENCY	Total Expenditures Incurred
97.001	09-IP-T9-0052	INTEROPERABLE EMERGENCY COMMUNICATIONS	US DEPT OF HOMELAND SECURITY	27,710
97.036	FEMA-1979-DR-TN	MAY 2011 FLOODS	TEMA/FEMA	323,683
97.047	LPDM-04-TN-2010-001	SEISMIC HAZARD MITIGATION PLANNING STUDIES	TEMA	314,714
97.055	2010-IP-T0-0021	INTEROPERABLE EMERGENCY COMMUNICATIONS		38,941
97.056	2007GB	PORT SECURITY TACTICAL BOAT	FEMA	156,747
97.067	2010-SS-T0-0027	URBAN AREA SECURITY INITIATIVE	US DEPT OF HOMELAND SECURITY	403,206
97.067	2010-SS-T0-0027	CITIZEN CORPS PROGRAM	US DEPT OF HOMELAND SECURITY	6,149
97.067	341-01-06310	2009 URBAN AREA STRATEGIC INITIATIVE	TEMA	2,962,306
97.067	2008-GE-T8-0048	URBAN AREA SECURITY INITIATIVE	TEMA	45,253
97.067	11076-GG0929298	URBAN AREA SECURITY INITIATIVE	TEMA	4,214
97.067	341-01-06310	CITIZEN CORPS PROGRAM	TEMA	12,959
97.067	341-01-06310	STATE HOMELAND SECURITY GRANT	TEMA	318,842
				<u>3,752,929</u>
97.078	34101-41111	BUFFER ZONE PROTECTION PLAN	TEMA	81,120
			Total Federal Awards	<u><u>81,113,946</u></u>

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2012

CONTRACT NUMBER	PROGRAM NAME	GRANTOR 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	1,097,324
GG-09-27482-00/343.47-326-09	FETAL INFANT MORTALITY REVIEW	TN DEPT OF HEALTH HAS	297,874
GG-10-29343-00	HOME VISIT	TN DEPT OF HUMAN SERVICES	539,113
N/A	CITY COURTS CHILD SAFETY SEATS	CITY OF MEMPHIS CITY COURTS	60,825
N/A	SCSO EMERGENCY CALL CENTER	SHELBY COUNTY 911 DISTRICT	266,384
PENDING	EPSDT	TN DEPT OF HUMAN SERVICES	1,286,875
34360-30511	HIV/AIDS MEDICAL CARE MANAGEMENT SVCS	TN DEPT OF HEALTH	52,285
GG-13-32870-00	HIV/AIDS MEDICAL CARE MANAGEMENT SVCS	TN DEPT OF HEALTH	20,718
GG-10-281130-00	TN CARE DENTAL PREVENTION	TN DEPT OF TRANSPORTATION	1,598,181
GG-10-31137-00	HIV SURVEILLIANCE	TENNESSEE DEPARTMENT OF HEALTH	867,139
GG-1135007-00	HIV SURVEILLIANCE	TENNESSEE DEPARTMENT OF HEALTH	1,027,189
G11-35004	IMMUNIZATIONS	TENNESSEE DEPARTMENT OF HEALTH	275,540
3920	HOMICIDE RESPONSE PROGRAM	OFFICE OF CRIMINAL JUSTICE PROGRAMS	167,977
10395	FIRST STEP TO SAFETY	OFFICE OF CRIMINAL JUSTICE PROGRAMS	62,630
2006-EW-AX-K010	COMPASS TRAINING GRANT	COMPASS COORDINATION INC	3,914
4032	LAW ENFORCEMENT DETECTIVES	TN OCJP	79,959
GG113451600	RAPID HIV	TN DEPT OF HEALTH	141,899
Z-09-217916 / RFS# 345.49-432-10	WAP-ARRA	STATE OF TN DEPT OF HUMAN SVC	321,209
Z0000485502	VICTIMS OF CRIME ACT	TN DEPT OF HUMAN SERVICES	241,045
Z0000143201	STOP VIOLENCE AGAINST WOMEN	TN DEPT OF HUMAN SERVICES	28,110
K3-11-02 / Z11GHSO71	W. TENN CHILD PASSENGER SAFETY	TDOT / TN GHSO	33,436
N/A	W. TENN CHILD PASSENGER SAFETY	TDOT / TN GHSO	83,317
Z-05-025540-00	MOTHER'S GRANT PROGRAM	TN OCJP	99,799
GG-10-29022	CHILD SUPPORT- IVD	TN DEPT OF HUMAN SERVICES	1,496,413
GG-10-29025	CHILD SUPPORT ADVOCACY TO NON-CUSTODIAL	TN DEPT OF HUMAN SERVICES	232,746
GU1030126	FAMILY PLANNING	TN DEPT OF HEALTH	1,354,054
GG-10-29520-00	HEALTH RISK REDUCTION	TN DEPT OF HUMAN SERVICES	81,473
GG-10-29077-00	HOME & COMMUNITY-BASED SERVICES	TENNESSEE COMMISSION ON AGING	2,561,448
GG-09-28604-00 / 34360-46613	TOBACCO USE PREVENTION	TN DEPT OF HUMAN SERVICES	8,910
GG-09-28604-00	TABACCO USE PREVENTION	TN DEPT OF HUMAN SERVICES	36,756
Z0912356100	MPD TREATMENT FUND	CITY OF MEMPHIS POLICE DEPARTMENT	223,827
CA108808	SIDS EDUCATION/CRADLE OF LOVE	TN CHAPTER MARCH OF DIMES	1,954
2010-GP-BX-0049	GUN-CRIME REDUCTION	CITY OF MEMPHIS	24,972
79-500-4077-04 / TX00079681	LITTER GRANT PROGRAM	TDOT	203,171
GG-08-22581	METH LEBONHEUR RYAN/NAYAH	METH LEBONHEUR COMMUNITY OUTREACH	10,617
N/A	CHILD SUPPORT MEDIATION	TN ADMIN OFFICE OF THE COURTS	10,786
N/A	RE-ENTRY INITIATIVE	TN BOARD OF PROBATION AND PAROLES	228,424
GG-09-25635-01	CHILDREN SPECIAL SVCS	TN DEPT OF HUMAN SERVICES	771,870
Z-08-020268-00 / Z-08-212966	TIRE RECYCLING	TN DEPARTMENT OF ENVIRONMENT & CONSERVATION	576,965
GG-07-12743-00	HOUSEHOLD HAZARD WASTE FACILITY	CITY OF MEMPHIS	111,590
GG-10-28913-10	BREAST & CERVICAL CANCER	TN DEPT OF HUMAN SERVICES	121,000
GG-07-12619-00	STATE GRANT-N-AID	TN DEPT OF HUMAN SERVICES	917,800
Ck # 1005	UTILITIES ASSISTANCE	IBEW-JONNIE DAWSON CHAIRITABLE FOUNDATION	10,000
2007-F5286-TN-AP	STATE CRIMINAL ALIENT ASSISTANCE	US DEPT OF JUSTICE	42,973
DTNH22-10-H-00328	COMET DEMONSTRATION PROJECT	TN DEPT OF TRANSPORTATION	10,000
154AL-12-104	COMET DEMONSTRATION PROJECT	TN DEPT OF TRANSPORTATION	10,558
PT-12-31	COMET DEMONSTRATION PROJECT	TN DEPT OF TRANSPORTATION	123,596
2009-PU-RI-0285	PORT SECURITY GRANT PROGRAM	CITY OF MEMPHIS via DHS/FEMA	1,338
03-47-64531-00-0	CHILD & ADULT CARE FOOD PROGRAM	TN DHS	1,211,159
03-47-64531-00-0	CHILD & ADULT CARE FOOD PROGRAM	TN DHS	305,218
140 / Proj 79095-8407-04	ASPHALT PAVING/RESURFACING	TDOT	1,476,356
GG1136105	TEEN PREGNANCY & PARENTING SUCCESS	SUCCESS	927,679
GG-11-32837	AGING	TCAD	33,392
2009-D1-BX-0178	OPERATION SAFE COMMUNITY	U OF M VIA US DOJ OJP	105,273
CA106211	COUNTY SCHOOLS NURSING	COUNTY BOARD OF EDUCATION	1,452,427
Z05025510-00	SHELBY COUNTY RESIDENTAL DRUG COURT PROJECT	TN OCJP	430,684
N/A	CHICHAWAW BASIN AUTHORITY OPERATIONS	STATE OF TENNESSEE	57,589
N/A	AT-RISK YOUTH	MEMPHIS CITY SCHOOLS	1,792,960
N/A	INDUSTRIAL DEVELOPMENT BOARD	INDUSTRIAL DEVELOPMENT BOARD	343,202
N/A	INDUSTRIAL DEVELOPMENT BOARD	INDUSTRIAL DEVELOPMENT BOARD	394,747
		Total State Awards	26,363,669
		Total Federal and State Awards	107,477,615

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, 2012

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	\$ 107,477,615
Add: Expenditures not shown on this schedule	593,268
Add: Insurance recoveries	55,824
Add: County matching	2,238,999
Less: Expenditures not shown in the general fund	(484,194)
Less: Transfers out	(3,024,073)
Total grant fund expenditures	<u>\$ 106,857,439</u>

SHELBY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Shelby County, Tennessee.
2. No significant deficiencies related to the financial statements Shelby County, Tennessee were disclosed during the audit.
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:
 - 20.205 – Highway Planning and Construction
 - 93.600 and 93.709 – Head Start Cluster
 - 97.067 – Homeland Security Grant Program
8. The threshold for distinguishing between Type A and B programs was \$2,433,418.
9. Shelby County, Tennessee does qualify as a low risk auditee.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2012

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

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

None reported

SHELBY COUNTY, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2012

A. 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.

Current Status: New personnel have been put in place and internal controls are being continually updated to mitigate the risk of loss due to theft.