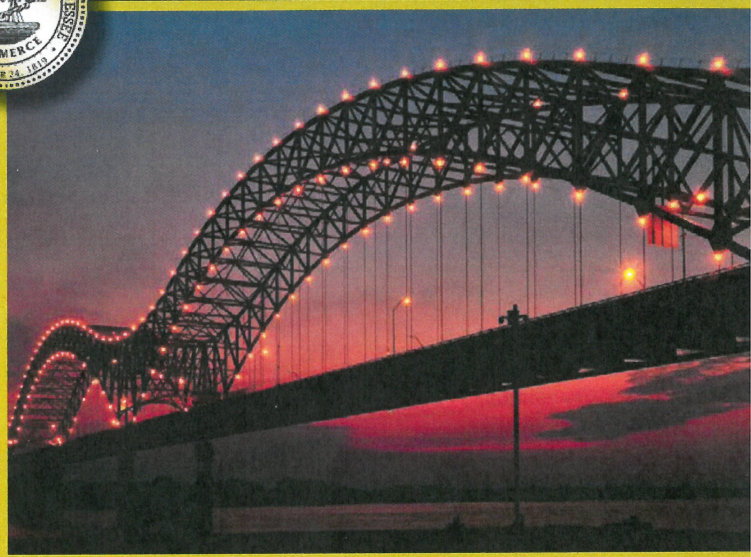


SHELBY COUNTY, TENNESSEE



COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED
JUNE 30, 2014

**Comprehensive
Annual Financial Report
Of
Shelby County, Tennessee
For The Year Ended
June 30, 2014**

Prepared by the Department of Finance

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Shelby County Government

MARK H. LUTTRELL, JR.
MAYOR

December 3, 2014

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, 2014 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, 2014. 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 the seven incorporated municipalities of Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The population of the County is 939,465. 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 seven 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 ended and we are seeing some increase in values. 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 August 31, 2014 was 8.9%, as compared to the state's rate of 7.4% and the national rate of 6.1%.

Long-term financial planning

Long-term planning includes both our operations and capital needs. We look at our historical data and project our future requirements. Close cooperation exists between the Administration and the Commission, including an open, thorough and timely budgeting process, which focuses on a clear understanding of debt funding, in addition to funding for operations.

During the past ten years, governmental total revenue has increased 20.9% with all revenue sources being fairly consistent. For this period, local taxes have increased as a percent of total revenue from 75.4% to 79.1% 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 69.3% of total revenue. Property taxes in 2014 increased 3.7% compared to 2013 due to a tax rate increase for schools. State, Federal and Other Local revenue decreased from 15.4% to 12.7% as a percent of total revenue over the past ten years, although the dollar amounts were essentially unchanged. Fines, fees and permits have decreased from 6.7% to 6.6% of total revenue. All other revenues decreased from 2.5% to 1.6% of total revenue, primarily due to a decrease in investment income. 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.

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 81.1% to 79.8%. An increase in grants has caused community service expenditures to increase from 4.7% to 6.6% of total expenditures. In total governmental expenditures have increased 8.3%, which is less than the increase in revenue primarily because capital projects have decreased from \$116.2 million in 2005 to \$19.4 million in 2014.

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 range was increased to between 20% and 30% in 2014. This percentage has increased for ten consecutive years and is 25.6% as of June 30, 2014. 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 \$137 million in 2004 to approximately \$75 million annually since 2008 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 \$1.28 billion as of June 30, 2014. 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.

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 have started production 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** – Shelby County increased school funding by \$20 million in fiscal 2014. In addition, the County has committed in fiscal 2015 to provide \$3 million for at least 20 new pre-kindergarten classes for low income children pursuant to the Voluntary Pre-K Tennessee Act of 2005.
- 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. In addition, we engaged a consultant that provided an Efficiency Review dated July 30, 2013 and most of the initiatives recommended are expected to be implemented over the next two years.
- 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, 2013. This was the twenty-ninth 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, 2013 which is the fourth 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, 2014**

Shelby County Board of Commissioners

**James M. Harvey, Sr., Chairman
Steve Basar, Chairman Pro Tempore**

**Walter L. Bailey, Jr.
Mark Billingsley
Henri E. Brooks
Melvin Burgess, Jr.**

**Sidney Chism
Justin J. Ford
Steve Mulroy
Mike Ritz**

**Terry Roland
Heidi Shafer
Chris Thomas**

Publicly Elected Officials

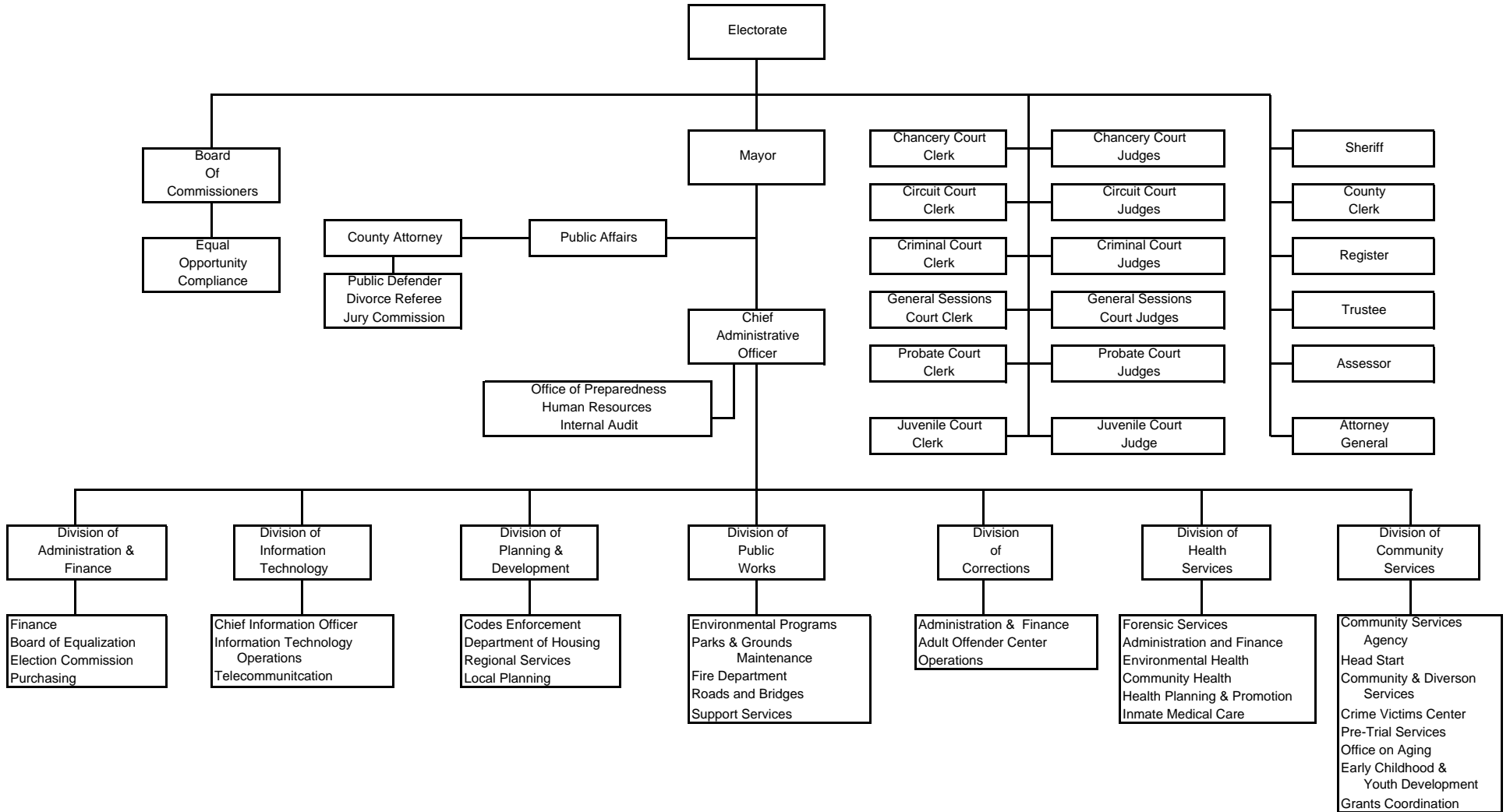
**Assessor of Property – Cheyenne Johnson
Attorney General – Amy P. Weirich
County Clerk – Wayne Mashburn
County Mayor – Mark H. Luttrell, Jr.
County Register – Tom Leatherwood
County Trustee – David Lenoir
Juvenile Court Clerk – Joy Touliatos
Chancery Court Clerk and Master – Donna Russell (Appointed)
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
John Halbert - Chief Information Officer
Michael A. Swift - Director of Administration and Finance
Marcy Ingram - County Attorney (Interim)
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, 2014





Government Finance Officers Association

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, 2013

Executive Director/CEO



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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the statements of budgetary comparison for the general fund, education fund, and grants fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Shelby County, Tennessee's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 \$368,855,781, \$287,443,464, and \$373,948,531 respectively of the assets, net position, and revenues of the component units, and Shelby County Retirement System, which represents \$1,141,456,737, \$1,137,625,754, and \$202,491,308 of the assets, total plan net position, and net additions of the fiduciary funds. Those statements were audited by other auditors whose report has 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of 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, the statements of budgetary comparison for the general fund, education fund, and grants fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-5 through B-19 and the other required supplementary information on pages D-39 through D-40 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Tennessee's basic financial statements. The 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 basic financial statements. The 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and other statements and schedules, other budgetary comparison schedules, and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, 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* in considering Shelby County, Tennessee's internal control over financial reporting and compliance.

Walter Libbelle, PLLC

Banks, Finley, White & Co.

Memphis, Tennessee
December 3, 2014

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, 2014. 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 \$102.5 million, or 26.9% of total General Fund revenue for an increase of \$7.6 million during the year. This compares to the unassigned fund balance at the end of the previous year of \$94.9 million, or 25.7% of General Fund revenue.
- Fund balance for the Debt Service Fund increased \$2.5 million to \$87.3 million, which is 49.4% of total revenue of the Debt Service Fund. The balance is consistent with our debt plan to provide for future debt service requirements.
- The change in net position for Enterprise funds was an increase of \$2.6 million during the year, to a total net position of \$42.6 million.
- Total government-wide net position increased \$126.1 million as a result of activity for the fiscal year, with an increase of \$123.5 million from governmental activities and an increase of \$2.6 million from business-type activities.
- Total long-term liabilities of governmental activities decreased \$121.8 million to \$1,383.0 million. The decrease is primarily due to the County's continuing efforts to pay off more long-term debt than new debt issued each year. This was the significant change in net position of governmental activities for the year.

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 and Other Statements and Schedules
- Other Budgetary Comparison Schedules

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 Position includes capital assets and long-term debt, whereas the fund Balance Sheet includes 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 Position and the Statement of Activities.

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 Position* presents information on all of Shelby County's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of Shelby County. The County has in prior years issued substantial amounts of debt for capital assets of others, such as the Shelby County Schools. This debt is a liability of the County but the buildings constructed with the funds are not assets of the County; thus the County has a deficit net position. In some years the County may issue enough similar debt that an annual decrease in net position occurs.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 narrower 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 fourteen 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 nine 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, Fire Services and Correction Center. *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. The Corrections Center is reported as a major enterprise funds and all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor 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 Fiduciary Funds statements report the Agency Fund and the combined Shelby County Retirement System and the Shelby County OPEB Trust, which are reported separately in a *combining statement* elsewhere in this report.

Component units combining statement 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 Position* and a *Combining Statement of Activities* are included in the fund financial statements section of the basic financial statements.

Budgetary Comparison Statements Within this section are budgetary comparison statements 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 and Other Statements and Schedules" and "Other Budgetary Comparison Schedules."

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.

COMBINING AND OTHER STATEMENTS AND SCHEDULES

Combining fund statements for the non-major enterprise funds, non-major special revenue funds, and internal service funds are included in this section of the report. Supplemental schedules include budgetary comparisons, details of 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 Position (see the government-wide financial statements for the full version as of June 30, 2014). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2014 and as of June 30, 2013.

Property taxes receivable is by far the largest portion of Shelby County's assets and deferred outflows (44.0% at June 30, 2014 and 44.2% at June 30, 2013). The June 30, 2014 property taxes receivable includes \$754.7 million, offset by an equal unavailable revenue amount in deferred inflows of resources, which became a property lien on January 1, 2014 but are levied for next fiscal year's operations. The similar amount at June 30, 2013 was \$760.8 million. Total assets and deferred outflows of resources decreased by \$8.8 million. This included decreases in property taxes receivable of \$7.4, deferred derivative outflows of \$3.2 million and capital assets of \$2.6 million and an increase in current and other assets of \$4.4 million.

Liabilities and deferred inflows decreased by \$134.9 million during the year. Significant changes included decreases of \$9.3 million for the derivative instruments fair value and \$123.6 million in long-term liabilities. A significant factor in the large decreases in both total assets and deferred outflows and total liabilities and deferred inflows was the reduction in long-term debt.

Table 1
Condensed Statement of Net Position
As of June 30, 2014 and June 30, 2013

	June 30, 2014	June 30, 2013	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 806,833,994	\$ 814,188,782	\$ (7,354,788)
Current and other assets	379,195,459	376,890,903	2,304,556
Capital assets	540,176,170	541,995,089	(1,818,919)
Deferred outflows of resources	56,624,321	59,818,049	(3,193,728)
Total assets and deferred outflows	<u>1,782,829,944</u>	<u>1,792,892,823</u>	<u>(10,062,879)</u>
Long-term liabilities	1,383,049,925	1,504,809,652	(121,759,727)
Other liabilities	92,857,982	95,323,426	(2,465,444)
Deferred inflows of resources	811,280,033	820,578,614	(9,298,581)
Total liabilities and deferred inflows	<u>2,287,187,940</u>	<u>2,420,711,692</u>	<u>(133,523,752)</u>
Net investment in capital assets	382,836,247	346,532,271	36,303,976
Restricted	42,862,828	21,081,203	21,781,625
Unrestricted	(930,057,071)	(995,432,343)	65,375,272
Total net position	<u>(504,357,996)</u>	<u>(627,818,869)</u>	<u>123,460,873</u>
<u>Business-Type Activities</u>			
Current and other assets	28,188,549	26,061,742	2,126,807
Capital assets	24,304,435	25,123,396	(818,961)
Total assets and deferred outflows	<u>52,492,984</u>	<u>51,185,138</u>	<u>1,307,846</u>
Long-term liabilities	7,560,052	9,427,623	(1,867,571)
Other liabilities	2,315,724	1,787,434	528,290
Total liabilities and deferred inflows	<u>9,875,776</u>	<u>11,215,057</u>	<u>(1,339,281)</u>
Net investment in capital assets	24,169,229	24,854,525	(685,296)
Unrestricted	18,447,979	15,115,556	3,332,423
Total net position	<u>42,617,208</u>	<u>39,970,081</u>	<u>2,647,127</u>
<u>Total Primary Government</u>			
Property taxes receivable	806,833,994	814,188,782	(7,354,788)
Current and other assets	407,384,008	402,952,645	4,431,363
Capital assets	564,480,605	567,118,485	(2,637,880)
Deferred outflows of resources	56,624,321	59,818,049	(3,193,728)
Total assets and deferred outflows	<u>1,835,322,928</u>	<u>1,844,077,961</u>	<u>(8,755,033)</u>
Long-term liabilities	1,390,609,977	1,514,237,275	(123,627,298)
Other liabilities	95,173,706	97,110,860	(1,937,154)
Deferred inflows of resources	811,280,033	820,578,614	(9,298,581)
Total liabilities and deferred inflows	<u>2,297,063,716</u>	<u>2,431,926,749</u>	<u>(134,863,033)</u>
Net investment in capital assets	407,005,476	371,386,796	35,618,680
Restricted	42,862,828	21,081,203	21,781,625
Unrestricted	(911,609,092)	(980,316,787)	68,707,695
Total net position	<u>\$ (461,740,788)</u>	<u>\$ (587,848,788)</u>	<u>\$ 126,108,000</u>

“Net Position” is the difference between assets plus deferred outflows and liabilities plus deferred inflows 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 position is the large negative net position amount. The major factor causing this negative net position 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 former 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 position amount is reported in the County’s Statement of Net Position. If the related capital assets were reported by the County or the debt were reported by the benefiting entities, the County would have a significant, positive net position.

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 30,2014	June 30,2013
Shelby County and City of Memphis Schools	\$ 1,017,631,941	\$ 1,067,311,537
Shelby County Health Care Corp. (component unit)	44,864,869	52,100,370
Memphis and Shelby County Port Commission	19,082,500	19,607,500
Other	26,454,898	28,461,285
Total	\$ 1,108,034,208	\$ 1,167,480,692

Shelby County, the component units, and other entities 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 position for governmental activities increased by \$123.5 million. The decrease in restricted net position 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 Position” and the “Financial Analysis of the Government’s Funds.” Changes in net position are discussed below.

CHANGES IN NET POSITION – REVENUES, EXPENSES AND TRANSFERS

Table 2 summarizes the financial activity for the County as a whole for the fiscal year ended June 30, 2014, with comparative amounts for the fiscal year ended June 30, 2013.

Table 2
Shelby County Change in Net Position
Fiscal Years Ended June 30, 2014 and 2013

	FY 2014	FY 2013	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 117,881,890	\$ 117,614,962	\$ 266,928
Operating grants and contributions	97,596,210	115,132,290	(17,536,080)
Capital grants and contributions	5,126,100	8,046,883	(2,920,783)
Total program revenues	<u>220,604,200</u>	<u>240,794,135</u>	<u>(20,189,935)</u>
General revenues:			
Property taxes	784,897,520	741,808,593	43,088,927
Other taxes	89,006,378	86,742,444	2,263,934
Other	1,929,552	1,829,437	100,115
Total general revenues	<u>875,833,450</u>	<u>830,380,474</u>	<u>45,452,976</u>
Total revenues-governmental activities	<u>1,096,437,650</u>	<u>1,071,174,609</u>	<u>25,263,041</u>
<u>Expenses:</u>			
General government	49,990,734	48,286,806	1,703,928
Hospital	26,815,406	26,816,000	(594)
Planning and development	8,468,651	7,170,335	1,298,316
Public works	42,948,647	43,418,152	(469,505)
Corrections	1,041,443	1,343,313	(301,870)
Health services	53,411,088	51,375,837	2,035,251
Community services	69,437,121	78,939,717	(9,502,596)
Law enforcement	162,063,175	158,763,769	3,299,406
Judicial	72,191,634	71,503,814	687,820
Other elected officials	25,886,210	27,568,080	(1,681,870)
Education	387,263,290	401,285,011	(14,021,721)
Debt interest and swap termination cost	66,185,593	88,473,435	(22,287,842)
Total expenses-governmental activities	<u>965,702,992</u>	<u>1,004,944,269</u>	<u>(39,241,277)</u>
Increase (decrease) in net position before transfers	130,734,658	66,230,340	64,504,318
Transfers	<u>(7,273,785)</u>	<u>(9,367,277)</u>	<u>2,093,492</u>
Increase (decrease) in net position	123,460,873	56,863,063	66,597,810
Net position - beginning of year	<u>(627,818,869)</u>	<u>(684,681,932)</u>	<u>56,863,063</u>
Net position - end of year	<u>\$ (504,357,996)</u>	<u>\$ (627,818,869)</u>	<u>\$ 123,460,873</u>

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 8.4% or \$20.2 million, primarily due to lower funding levels from grants. The County considers grant and reimbursement revenues from other governments associated with the current fiscal year to be available if collected within one year of the end of the current fiscal year. General revenues increased \$45.5 million; property taxes increased \$43.1 million due to an increase in the tax rate and other taxes increased \$2.4 million with relatively small increases and decreases in the various taxes.

Total expenses for the year in governmental activities decreased \$39.2 million (3.9%). Debt expenses decreased \$22.3 million and Community Services grants decreased \$9.5 million. Total education expenses decreased a net of \$14.0 million, which was a combination of a \$23.5 increase in funding for operations and a decrease of \$37.5 in capital funding. Other smaller increases and decreases occurred.

Table 2 Continued

Business-type activities:	FY 2014	FY 2013	Change
<u>Revenues:</u>			
Operating revenues:			
Charges for services	\$ 80,713,882	\$ 78,499,221	\$ 2,214,661
Operating grants and contributions	871,967	738,725	133,242
Capital grants and contributions	0	456,000	(456,000)
Total operating revenues	81,585,849	79,693,946	1,891,903
Non-operating revenues	48,675	34,989	13,686
Total revenues	81,634,524	79,728,935	1,905,589
<u>Expenses:</u>			
Operating expenses	86,261,182	86,984,663	(723,481)
Total expenses	86,261,182	86,984,663	(723,481)
Increase (decrease) in net position before transfers	(4,626,658)	(7,255,728)	2,629,070
Transfers	7,273,785	9,367,277	(2,093,492)
Increase (decrease) in net position	2,647,127	2,111,549	535,578
Net position - beginning of year	39,970,081	37,858,532	2,111,549
Net position - end of year	42,617,208	39,970,081	2,647,127
Total primary government:			
Increase (decrease) in net position	126,108,000	58,974,612	67,133,388
Net position - beginning of year	(587,848,788)	(646,823,400)	58,974,612
Net position - end of year	\$ (461,740,788)	\$ (587,848,788)	\$ 126,108,000

In business-type activities, operating revenues increased \$1,891,903 or 2.4%. This is primarily due to an increase of \$2,372,530 in Correction Center’s charges for services revenue. There were decreases of \$233,305 in Codes Enforcement and \$247,322 in the Fire Fund. The increase in operating grants of \$133,242 is primarily attributed to the Consolidated Codes Enforcement operating subsidy from the City of Memphis to fund one-half of their operating deficit. Operating expenses decreased \$723,481 overall, or 0.1%; decreases were \$1,549,727 in Fire Services and \$368,847 in Codes Enforcement primarily with an increase of \$1,195,093 in the Corrections Center. Net transfers in decreased \$2.1 million, almost all in the Corrections Center.

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 position of \$126.1 million. The County’s governmental activities operated with an increase in net position of \$123.5 million. The business-type activities had a net increase of \$2.6 million. This resulted in the County’s overall net position balance improving from a deficit balance of \$587.8 million to a deficit balance of \$461.7 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 “Assets, Liabilities and Net Position/Fund Balance.”

As of the end of the current fiscal year, Shelby County’s governmental funds reported a combined ending fund balance of \$263,144,034. The components of the balances are:

	June 30, 2014	June 30, 2013
General Fund	\$ 103,387,753	\$ 95,760,039
Debt Service Fund	87,271,602	84,767,658
Special Revenue Funds	38,301,618	32,295,838
Total, except Capital Projects Fund	228,960,973	212,823,535
Capital Projects Fund	34,183,061	47,060,904
Total all governmental funds	\$ 263,144,034	\$ 259,884,439

There was a \$16.1 million net increase in fund balance, excluding capital projects. There were increases of \$7.6 million in the General Fund, \$2.5 million in the Debt Service Fund and \$6.0 million in all special revenue funds. There was also a decrease of \$12.9 million in the Capital Projects Fund. Each of these changes is discussed below.

The *General Fund* is the chief operating fund of Shelby County and operated with a net increase in fund balance of \$7.6 million, compared to an increase of \$2.9 million in the previous year. The General Fund revenue increased \$11.5 million over prior year. Property taxes increased \$3.8 million based on an increased tax rate. Other local taxes were \$3.1 million higher and federal and local revenue were \$3.7 higher. Fines, fees and permits also increased by \$1.0 million. General Fund expenditures and other financing sources/uses increased \$7.3 million. Significant increases were \$1.2 million in Health Services, \$4.9 million in Law enforcement, and \$3.0 million in Judicial. Significant decreases were \$1.0 million in Public works and \$1.3 million in Other elected officials. The General Fund unassigned fund balance increased \$7.6 million to \$102.5 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 26.9% of total General Fund revenue. Management is committed to maintaining an unassigned fund balance in the General Fund of 20% to 30% of General Fund revenue.

The *Debt Service Fund* total fund balance increased \$2.5 million during the year to \$87.3 million, all restricted or committed for the payment of debt service. Tax revenue increased \$6.4 during the year and other revenue did not change significantly, but a transfer out of \$6.3 was made to the Capital Project fund. Debt Service expenditures decreased by \$7.0 million. There was no outstanding short term debt at any time during the year.

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 \$12.9 million during the year, from \$47.1 million to \$34.2 million. Expenditures for various capital projects were \$19.4 million and a transfer in of \$6.3 million was made from the debt service fund. All fund balances of the Capital Projects Fund are restricted, committed or assigned.

The *Education Fund* is used to provide local funding to the Shelby County Board of Education; the former City of Memphis Board of Education was merged into the Shelby County system at the beginning of this fiscal year. 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. Wheel taxes of \$20.8 million were allocated in this year. There is usually no net change in fund balance and no fund balance in the Education Fund.

The *Grants Fund* fund balance increased \$6.0 from \$10.5 million at the end of the prior year to \$16.5 million at the end of the current year. Total revenue decreased \$24.2 million to \$104.5 million. Total expenditures decreased \$6.9 million during the year.

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 in total had a nominal net increase of only \$40,786 in fund balances during the year. Significant changes in individual fund balances were a \$1.0 million increase in the Roads and Bridges Fund and a \$1.5 million decrease 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. In total these funds had an increase of \$2.8 million in net position during the year. Total net position balances at year-end are \$44.5 million, of which \$20.4 million is unrestricted and \$24.1 is net investment in capital assets.

Corrections Center Fund. The Corrections Center receives reimbursement from the State of Tennessee for housing State prisoners, which accounts for approximately 85% of the prison population. The General Fund provides the remaining cost, excluding depreciation. Operating revenues increased from \$51.2 million to \$53.6 million and operating expenses increased from \$58.2 million to \$59.0 million. Net transfers to cover the cost of non-State prisoners were \$6.7 million. The overall change in net position decreased from \$1.8 million to \$1.4 million. The net position at year-end increased from \$34.0 million to \$35.4 million.

Consolidated Codes Enforcement Fund. Operating revenue decreased \$0.4 million to \$8.0 million and operating expenses decreased \$0.45 million to \$9.2 million. The County's general fund and the City of Memphis contributed \$0.8 million each to support operations, a small increase from the previous year. The change in net position increased from a negative \$3,475 in FY13 to a positive \$143,448 in FY 14. Net position at June 30, 2014 is \$2.7 million, of which \$1.15 million is unrestricted.

Fire Services Fund. This fund operates primarily on user fees collected from residents and businesses in the unincorporated areas of the County served by the department. In the current year revenue from fees was \$18.2 million and other operating revenue was \$1.0 million. Operating expenses decreased from \$19.6 million to \$17.9 million. Both the net operating income and the change in net position for the year were \$1.3 million. Total net position at June 30, 2014 is \$6.5 million.

The County has four internal service funds. These funds are reported using full accrual accounting. *For the government-wide financial statements, these funds are combined with governmental activities.* Internal service funds provide goods or services to other fund or departments on a cost-reimbursement basis. At June 30, 2014, these funds combined had net position of \$26.0 million, an increase of \$3.9 million. The Group Health Insurance Fund had an decrease of \$1.3 million in net position to total net position of \$7.0 million. The Employer Insurance Fund had an increase of \$0.08

million to total net position of \$7.0 million. The Tort Liability Fund had a decrease of \$0.3 million in net position to \$4.4 million. The Central Services Fund had a net increase of \$4.7 million, including a transfer in from the general fund of \$4.0 million, for a total net position of \$7.5 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, 2014 were 82.6% 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, 2014 the Retirement System had net position held in trust of \$1,138 million, an increase of \$130 million, primarily due to increased net investment income.

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, 2014 the Trust had net position held in trust of \$177.6 million, an increase of \$44.1 million. Investment income for the year was \$21.2 million compared to \$13.5 million in the prior year. The ratio of current funding to the actuarial liability changed from 34.2% to 56.8% during the past year.

The County also maintains agency funds for a number of the County's 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:

- The overall increase in the revenue budget from original to amended was insignificant in total - less than 0.3% (\$1.0 million).
- The original budget for expenditures was reduced by 1% due to significant salary savings related to vacancies, primarily by departments of the Courts and Other Elected Officials. A corresponding increase in the amended budget was made in "Transfers Out" category to provide sufficient cash flow for timing fluctuations in the receipt and disbursement of grant funds.
- Actual revenues exceeded the amended budget by \$4.8 million, which is 1.3% higher than the budgeted level. Stronger than projected property tax collections contributed \$3.6 million to that amount. Additional revenue collected in the "Other Local Taxes" category reflects a partial settlement of litigation with MLG&W regarding In-Lieu-of-Taxes.
- Actual total expenditures were \$1.3 million (0.4%) below the amended budget. Favorable division variances primarily reflect personnel savings related to vacancies.
- Actual sales of capital assets exceeded the budgeted amount by \$1.1 million due to aggressive marketing of tax sale properties.

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, 2014 amounts to \$564.5 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 \$26.1 million and depreciation was \$28.1 million. Construction in progress as of the end of the current fiscal year was \$35.9 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 of \$3.1 million were made for the replacement system for the Criminal Justice computer systems.
- Expenditures of \$1.3 million were made for the Sheriff's Office Range Operations Building project.
- Appropriations of \$13.9 million were approved in the previous year for a new ERP system for the Shelby County Schools. Expenditures for obtaining and implementing this system were approximately \$2.0 million in the fiscal year.
- Renovation work continued on the Shelby County Office Building at 160 North Main. Expenditures on these renovations for the fiscal year were approximately \$8.8 million.

Long-term debt. At June 30, 2014 Shelby County's general obligation bonded debt (bonds payable) totaled \$1,285 million, which represented approximately 7.2% of assessed value of taxable property. The County's bonds, loans and notes payable decreased by approximately \$103 million (7.4%) 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.

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 may be 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 2013 no short-term notes were issued or outstanding.

During FY 2013, as part of a capital lease agreement, the State of Tennessee issued Tax Exempt revenue bonds for the construction of a Regional Forensic Center. The County has agreed to provide the State the funds, as they become due, to make principal and interest payments over the next twenty (20) years. The County is reporting the agreement as a long term lease for the principal amount of the bonds to be repaid in the amount of \$6,883,614 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. According the Tennessee Department of Labor, the unemployment rate for Shelby County as of August 31, 2014 was 8.9%, as compared to the state's rate of 7.4% and the national rate of 6.1%. (All rates are seasonally adjusted.)

Next Year's Budgets and Rates.

- As a result of an estimated 1% growth in property tax collections and savings accrued from long term debt reduction, the property tax rate for the FY2015 budget has been reduced by one cent (from \$4.38 to \$4.37) and the four cent Rural School Bond Tax was eliminated.
- Total general fund revenue is budgeted at \$3.3 million (.5%) less than the prior year level, reflecting reimbursement cycles for elections and reappraisals.
- Total general fund expenditures for FY2015 are budgeted at \$2.8 million more than the prior year due largely to a 3% general salary increase approved for employees.
- Education funding has been maintained at the prior year level of \$381.0 million for FY2015 as the school systems adapt for the third consecutive year to an evolving structure. Beginning on July 1, 2014, the recently consolidated Shelby County School District will lose a significant population of students to six newly created municipal school districts that will share the total county funding.

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 800, Memphis, Tennessee 38103.

Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Cash and cash equivalents	\$ 229,798,108	\$ 17,150,115	\$ 246,948,223	\$ 255,799,591
Investments	85,970,317	---	85,970,317	173,178,274
Accrued interest receivable	606,261	---	606,261	92,747
Property taxes receivable, net allowance for uncollectibles	806,833,994	---	806,833,994	---
Accounts receivable and accrued revenues	3,846,761	1,673,945	5,520,706	65,019,930
Internal balances	1,926,576	(1,926,576)	---	---
Due from other governmental entities	26,311,782	7,937,756	34,249,538	148,844,847
Due from primary government	---	---	---	36,073,761
Due from component units	108,928	---	108,928	---
Inventories	951,423	---	951,423	17,271,369
Prepays	763,960	28,405	792,365	3,023,273
Deposits held by others	2,494,454	---	2,494,454	---
Notes receivable	6,135,204	---	6,135,204	19,221,600
Net pension asset	20,281,686	3,324,904	23,606,590	---
Restricted and other assets	---	---	---	4,128,152
Land	26,561,532	---	26,561,532	51,436,213
Construction in progress	35,913,211	---	35,913,211	5,332,284
Depreciable capital assets, net	477,701,427	24,304,435	502,005,862	1,147,475,897
Total assets	<u>1,726,205,624</u>	<u>52,492,984</u>	<u>1,778,698,608</u>	<u>1,926,897,938</u>
Deferred outflows of resources:				
Deferred derivative outflows	56,624,321	---	56,624,321	---
Total deferred outflows of resources	<u>56,624,321</u>	<u>---</u>	<u>56,624,321</u>	<u>---</u>
Liabilities:				
Accounts payable and accrued liabilities	25,165,327	1,586,911	26,752,238	149,432,342
Accrued interest payable	11,239,556	3,171	11,242,727	---
Due to other governmental entities	2,007,165	153,460	2,160,625	---
Due to component units	36,073,761	---	36,073,761	---
Claims payable	5,924,152	---	5,924,152	14,731,549
Deposits held for others	6,224,763	412,311	6,637,074	38,455
Unearned revenue	6,223,259	159,871	6,383,130	6,547,328
Long-term liabilities				
Due within one year	118,506,455	3,324,468	121,830,923	8,939,154
Net postemployment benefit obligations	7,178,094	2,734,396	9,912,490	294,362,393
Due in more than one year	1,257,365,376	1,501,188	1,258,866,564	36,872,858
Total liabilities	<u>1,475,907,908</u>	<u>9,875,776</u>	<u>1,485,783,684</u>	<u>510,924,079</u>
Deferred inflows of resources:				
Next year property tax assessment	754,655,712	---	754,655,712	---
Derivative instruments fair value	56,624,321	---	56,624,321	---
Total deferred inflows of resources	<u>811,280,033</u>	<u>---</u>	<u>811,280,033</u>	<u>---</u>
Net position:				
Net investment in capital assets	382,836,247	24,169,229	407,005,476	1,175,951,324
Restricted for:				
Debt service	10,006,059	---	10,006,059	---
Capital improvement projects	84,515	---	84,515	14,669,393
Roads and bridges	7,181,773	---	7,181,773	---
Law enforcement	2,071,042	---	2,071,042	---
Other purposes	23,519,439	---	23,519,439	56,059,381
Unrestricted	(930,057,071)	18,447,979	(911,609,092)	169,293,761
Total net position	<u>\$ (504,357,996)</u>	<u>\$ 42,617,208</u>	<u>\$ (461,740,788)</u>	<u>\$ 1,415,973,859</u>

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

**Statement of Activities
For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities				
General Government	\$ 49,990,734	\$ 25,788,483	\$ 1,309,947	\$ 224,570
Hospital	26,815,406	---	---	---
Planning and Development	8,468,651	233,279	8,780,772	---
Public Works	42,948,647	6,122,314	59,965	4,536,095
Corrections	1,041,443	---	771,644	---
Health Services	53,411,088	10,061,350	21,950,786	321,756
Community Services	69,437,121	763,681	59,751,022	---
Law Enforcement	162,063,175	7,396,998	803,527	30,099
Judicial	72,191,634	28,801,146	4,145,672	13,580
Other Elected Officials	25,886,210	38,714,639	22,875	---
Education	387,263,290	---	---	---
Interest on Debt	66,185,593	---	---	---
Total governmental activities	<u>965,702,992</u>	<u>117,881,890</u>	<u>97,596,210</u>	<u>5,126,100</u>
Business-type activities:				
Codes Enforcement	9,209,429	8,013,914	782,717	---
Fire Services	17,940,652	19,120,500	89,250	---
Corrections Center	59,111,101	53,579,468	---	---
Total business-type activities	<u>86,261,182</u>	<u>80,713,882</u>	<u>871,967</u>	<u>---</u>
Total primary government	<u>\$ 1,051,964,174</u>	<u>\$ 198,595,772</u>	<u>\$ 98,468,177</u>	<u>\$ 5,126,100</u>
Component units:				
Board of Education	\$ 1,770,738,709	\$ 19,642,997	\$ 855,368,174	\$ 5,753,509
Shelby County Health Care Corporation	358,276,207	262,309,088	63,819,000	---
Agricenter International	3,325,885	3,423,645	27,013	---
Emergency Communications District	9,977,351	2,881,438	4,967,538	---
Total component units	<u>\$ 2,142,318,152</u>	<u>\$ 288,257,168</u>	<u>\$ 924,181,725</u>	<u>\$ 5,753,509</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, Income, and Privilege taxes
- Gasoline taxes

Grants and contributions not restricted for specific programs

- Payments from Shelby County
- Other local sources
- Unrestricted investment earnings
- Transfers, net
- Total revenues and transfers
- Change in net position
- Net position - June 30, 2013
- Net position - June 30, 2014

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (22,667,734)	\$ ---	\$ (22,667,734)	\$ ---
(26,815,406)	---	(26,815,406)	---
545,400	---	545,400	---
(32,230,273)	---	(32,230,273)	---
(269,799)	---	(269,799)	---
(21,077,196)	---	(21,077,196)	---
(8,922,418)	---	(8,922,418)	---
(153,832,551)	---	(153,832,551)	---
(39,231,236)	---	(39,231,236)	---
12,851,304	---	12,851,304	---
(387,263,290)	---	(387,263,290)	---
(66,185,593)	---	(66,185,593)	---
<u>(745,098,792)</u>	<u>---</u>	<u>(745,098,792)</u>	<u>---</u>
---	(412,798)	(412,798)	---
---	1,269,098	1,269,098	---
---	(5,531,633)	(5,531,633)	---
---	(4,675,333)	(4,675,333)	---
<u>(745,098,792)</u>	<u>(4,675,333)</u>	<u>(749,774,125)</u>	<u>---</u>
---	---	---	(889,974,029)
---	---	---	(32,148,119)
---	---	---	124,773
---	---	---	(2,128,375)
---	---	---	<u>(924,125,750)</u>
374,004,554	---	374,004,554	---
146,406,365	---	146,406,365	---
264,486,601	---	264,486,601	---
11,821,135	---	11,821,135	159,752,215
13,915,537	---	13,915,537	---
15,781,995	---	15,781,995	---
31,589,131	---	31,589,131	---
3,408,679	---	3,408,679	---
1,941,470	---	1,941,470	---
1,261,168	---	1,261,168	---
9,287,263	---	9,287,263	---
---	---	---	449,415,534
---	---	---	9,606,135
1,929,552	48,675	1,978,227	5,739,522
<u>(7,273,785)</u>	<u>7,273,785</u>	<u>---</u>	<u>---</u>
<u>868,559,665</u>	<u>7,322,460</u>	<u>875,882,125</u>	<u>624,513,406</u>
123,460,873	2,647,127	126,108,000	(299,612,344)
(627,818,869)	39,970,081	(587,848,788)	1,715,586,203
<u>\$ (504,357,996)</u>	<u>\$ 42,617,208</u>	<u>\$ (461,740,788)</u>	<u>\$ 1,415,973,859</u>

**Governmental Funds
Balance Sheet
June 30, 2014**

	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 75,693,897	\$ 53,586,494	\$ 24,537,168
Investments	40,581,551	30,557,315	14,831,451
Accrued interest receivable	574,789	17,433	---
Property taxes receivable, net allowance for uncollectibles	278,428,207	141,299,670	---
Accounts receivable and accrued revenues	1,303,925	53,421	---
Due from other funds	---	1,210,619	---
Due from other governmental entities	2,958,990	1,163,560	306,868
Due from component units	---	108,928	---
Deposits held by others	38,808	---	---
Notes receivable	334,396	2,939,014	---
Total assets	<u>\$ 399,914,563</u>	<u>\$ 230,936,454</u>	<u>\$ 39,675,487</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 11,877,512	\$ 65,353	\$ 1,796,429
Accrued interest payable	---	16,034	---
Due to other funds	4,362,981	---	---
Due to other governmental entities	293,992	---	---
Due to component units	---	---	---
Claims payable	74,179	---	---
Unearned revenue	10,000	---	80,657
Deposits held for others	553,414	---	3,309,579
Total liabilities	<u>17,172,078</u>	<u>81,387</u>	<u>5,186,665</u>
Deferred inflows of resources:			
Unavailable revenue	279,354,732	143,583,465	305,761
Total deferred inflows of resources	<u>279,354,732</u>	<u>143,583,465</u>	<u>305,761</u>
Fund balances:			
Restricted	23,247	7,605,692	84,515
Committed	81,307	79,665,910	34,098,546
Assigned	813,270	---	---
Unassigned	102,469,929	---	---
Total fund balances	<u>103,387,753</u>	<u>87,271,602</u>	<u>34,183,061</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 399,914,563</u>	<u>\$ 230,936,454</u>	<u>\$ 39,675,487</u>

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 9,623,294	\$ 6,447,143	\$ 20,884,804	\$ 190,772,800
---	---	---	85,970,317
---	---	---	592,222
387,106,117	---	---	806,833,994
---	1,913,986	440,449	3,711,781
1,465,217	---	1,687,145	4,362,981
---	17,876,766	3,299,012	25,605,196
---	---	---	108,928
---	4,139	2,351,507	2,394,454
---	2,861,794	---	6,135,204
<u>\$ 398,194,628</u>	<u>\$ 29,103,828</u>	<u>\$ 28,662,917</u>	<u>\$ 1,126,487,877</u>
\$ ---	\$ 6,221,599	\$ 4,365,760	\$ 24,326,653
---	---	---	16,034
---	239	---	4,363,220
---	1,682,067	31,106	2,007,165
12,817,529	44,799	---	12,862,328
---	---	---	74,179
---	1,860,500	40,194	1,991,351
---	10,263	2,351,507	6,224,763
<u>12,817,529</u>	<u>9,819,467</u>	<u>6,788,567</u>	<u>51,865,693</u>
<u>385,377,099</u>	<u>2,824,633</u>	<u>32,460</u>	<u>811,478,150</u>
<u>385,377,099</u>	<u>2,824,633</u>	<u>32,460</u>	<u>811,478,150</u>
---	16,459,728	16,167,849	40,341,031
---	---	5,674,041	119,519,804
---	---	---	813,270
---	---	---	102,469,929
<u>---</u>	<u>16,459,728</u>	<u>21,841,890</u>	<u>263,144,034</u>
<u>\$ 398,194,628</u>	<u>\$ 29,103,828</u>	<u>\$ 28,662,917</u>	<u>\$ 1,126,487,877</u>

**Reconciliation of Fund Balances of Governmental
Funds to the Statement of Net Position
June 30, 2014**

Fund balance - total governmental funds (page C-5)	\$	263,144,034
<p>Amounts reported for the governmental activities in the Statement of Net Position (page C-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		538,693,171
Receivables not available to pay for current expenditures are reported as deferred inflows of resources in the funds.		56,822,436
Accrued interest receivables in the Statement of Activities that do not provide current financial resources are not reported in the funds.		14,039
Other receivables not available to pay for current expenditures are not recorded in the funds		701,305
Amounts payable to schools from receivables not available to pay current expenditures, reported as deferred inflows of resources in the funds.		(23,211,433)
Certain types of services paid for in advance and reported as prepaid are reported as expenditures in the funds under the purchases method		260,826
Interest on long-term debt is not payable with current financial resources and therefore is not reported in the funds.		(11,223,522)
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).		(1,377,580,121)
Excess contributions to the pension trust fund are not reported in the funds.		20,119,227
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 Position. This includes \$1,926,815 related to "look-back" adjustments for internal service funds.		27,902,042
		27,902,042
Net position of governmental activities (page C-1)	\$	(504,357,996)

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

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2014

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues:			
Property taxes	\$ 246,933,780	\$ 138,029,247	\$ ---
Other local taxes	34,048,774	35,195,483	---
State revenue	19,588,987	67,436	22,919
Federal and local revenue	11,270,945	1,204,036	20,977
Charges for services	3,360,557	225,749	---
Fines, fees and permits	64,612,993	---	---
Other revenue	272,660	717,739	---
Investment income	371,433	1,058,206	151,022
Total revenues	<u>380,460,129</u>	<u>176,497,896</u>	<u>194,918</u>
Expenditures:			
Current			
General Government	29,336,358	---	---
Hospital	26,816,000	---	---
Planning and Development	335,351	---	---
Public Works	18,695,710	---	---
Corrections	---	---	---
Health Services	24,898,776	---	---
Community Services	8,424,102	271,500	---
Law Enforcement	155,727,953	---	---
Judicial	65,921,980	---	---
Other Elected Officials	25,209,151	---	---
Education	---	---	---
Debt service and related cost	---	167,442,452	---
Capital outlay: capital projects	---	---	19,352,761
Total expenditures	<u>355,365,381</u>	<u>167,713,952</u>	<u>19,352,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,094,748</u>	<u>8,783,944</u>	<u>(19,157,843)</u>
Other financing sources (uses):			
Transfers in	1,670,050	---	6,280,000
Transfers out	(20,545,056)	(6,280,000)	---
Sale of capital assets	1,406,725	---	---
Insurance recoveries	1,247	---	---
Total other financing sources (uses)	<u>(17,467,034)</u>	<u>(6,280,000)</u>	<u>6,280,000</u>
Net change in fund balances	7,627,714	2,503,944	(12,877,843)
Fund balances:			
June 30, 2013	<u>95,760,039</u>	<u>84,767,658</u>	<u>47,060,904</u>
June 30, 2014	<u>\$ 103,387,753</u>	<u>\$ 87,271,602</u>	<u>\$ 34,183,061</u>

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>
\$ 363,926,777	\$ ---	\$ ---	\$ 748,889,804
20,837,655	---	15,962,624	106,044,536
---	53,851,808	9,287,263	82,818,413
---	41,760,925	86,611	54,343,494
---	1,354,707	932,731	5,873,744
---	181,624	6,161,728	70,956,345
---	7,251,848	1,333,908	9,576,155
---	101,193	71,877	1,753,731
<u>384,764,432</u>	<u>104,502,105</u>	<u>33,836,742</u>	<u>1,080,256,222</u>
---	1,494,779	15,119,672	45,950,809
---	---	---	26,816,000
---	7,460,868	---	7,796,219
---	6,683,853	9,872,895	35,252,458
---	971,686	---	971,686
---	24,259,174	4,428,711	53,586,661
---	60,580,656	---	69,276,258
---	738,234	3,074,885	159,541,072
---	4,448,329	646,434	71,016,743
---	---	180,621	25,389,772
384,764,432	---	---	384,764,432
---	---	---	167,442,452
---	---	---	19,352,761
<u>384,764,432</u>	<u>106,637,579</u>	<u>33,323,218</u>	<u>1,067,157,323</u>
---	(2,135,474)	513,524	13,098,899
---	12,095,300	---	20,045,350
---	(4,005,283)	(555,422)	(31,385,761)
---	---	22,400	1,429,125
---	10,451	60,284	71,982
<u>---</u>	<u>8,100,468</u>	<u>(472,738)</u>	<u>(9,839,304)</u>
---	5,964,994	40,786	3,259,595
---	10,494,734	21,801,104	259,884,439
<u>\$ ---</u>	<u>\$ 16,459,728</u>	<u>\$ 21,841,890</u>	<u>\$ 263,144,034</u>

**Reconciliation of Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net change in fund balance - total governmental funds (page C-9) \$ 3,259,595

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 were less than capital outlays in the current period. See Note II (B). (1,807,756)

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. (3,134,197)

Decrease in accrued interest receivable. (27,914)

Revenues in the Statement of Activities from other long-term receivables that do not provide current resources are not reported in the funds. 701,305

Changes in amounts payable to schools from receivables not available in the funds. (375,357)

Expenditures recorded under the purchases method that apply to a future period are reported as prepaid expenses in the Statement of Net Position. The change in prepaid is an adjustment to expenses in the current period. (101,287)

Decrease in interest payable on long-term debt. 978,032

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 position. Also, governmental funds report the effect of 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). 115,330,773

Changes in other long-term liabilities other than in internal service funds. See Note II (B). 6,489,516

Unfunded contributions to the pension trust fund are reported as a reduction to the net pension asset in the Statement of Net Position (1,941,714)

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. 4,089,877

Change in net position of governmental activities (page C-3) \$ 123,460,873

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

**Proprietary Funds
Statement of Net Position
June 30, 2014**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total	
Assets:				
Current assets				
Cash and cash equivalents	\$ 14,037,111	\$ 3,113,004	\$ 17,150,115	\$ 39,025,308
Accounts receivable and accrued revenues	64,962	1,608,983	1,673,945	134,980
Due from other funds	---	239	239	---
Due from other governmental entities	7,890,509	47,247	7,937,756	5,281
Inventories	---	---	---	951,423
Prepays	27,447	958	28,405	503,134
Deposits held by others	---	---	---	100,000
Total current assets	<u>22,020,029</u>	<u>4,770,431</u>	<u>26,790,460</u>	<u>40,720,126</u>
Noncurrent assets				
Net pension asset	1,923,127	1,401,777	3,324,904	162,458
Depreciable capital assets, net	17,928,918	6,375,517	24,304,435	1,482,999
Total noncurrent assets	<u>19,852,045</u>	<u>7,777,294</u>	<u>27,629,339</u>	<u>1,645,457</u>
Total assets	<u>41,872,074</u>	<u>12,547,725</u>	<u>54,419,799</u>	<u>42,365,583</u>
Liabilities:				
Current liabilities				
Accounts payable and accrued liabilities	1,442,739	144,172	1,586,911	838,671
Accrued interest payable	---	3,171	3,171	---
Due to other governmental entities	---	153,460	153,460	---
Claims payable, current	---	---	---	6,567,823
Compensated absences payable	2,049,315	1,209,099	3,258,414	100,279
Capital lease obligations, current portion	---	66,054	66,054	---
Unearned revenue	---	159,871	159,871	4,231,908
Deposits held for others	374,511	37,800	412,311	---
Total current liabilities	<u>3,866,565</u>	<u>1,773,627</u>	<u>5,640,192</u>	<u>11,738,681</u>
Noncurrent liabilities				
Claims payable, long-term	---	---	---	4,458,026
Accrued sick leave payable	955,898	476,138	1,432,036	63,797
Capital lease obligations, long-term	---	69,152	69,152	---
Net other postemployment benefit obligations	1,698,203	1,036,193	2,734,396	129,852
Total noncurrent liabilities	<u>2,654,101</u>	<u>1,581,483</u>	<u>4,235,584</u>	<u>4,651,675</u>
Total liabilities	<u>6,520,666</u>	<u>3,355,110</u>	<u>9,875,776</u>	<u>16,390,356</u>
Net position:				
Net investment in capital assets	17,928,918	6,240,311	24,169,229	1,482,999
Unrestricted	17,422,490	2,952,304	20,374,794	24,492,228
Total net position	<u>\$ 35,351,408</u>	<u>\$ 9,192,615</u>	<u>\$ 44,544,023</u>	<u>\$ 25,975,227</u>
Total net position	\$ 35,351,408	\$ 9,192,615	\$ 44,544,023	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
	(1,239,171)	(687,644)	(1,926,815)	
Net position of business-type activities on Statement of Net Position (page C-1)	<u>\$ 34,112,237</u>	<u>\$ 8,504,971</u>	<u>\$ 42,617,208</u>	

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

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total	
Operating revenues:				
State revenue	\$ 51,965,333	\$ 84,000	\$ 52,049,333	\$ ---
Federal and local revenue	15,600	789,436	805,036	---
Charges for services	1,513,792	86,984	1,600,776	9,976,334
Fines, fees and permits	80,943	26,211,451	26,292,394	---
Other revenue	3,800	32,067	35,867	204,252
Premium revenue	---	---	---	54,576,166
Total operating revenues	<u>53,579,468</u>	<u>27,203,938</u>	<u>80,783,406</u>	<u>64,756,752</u>
Operating expenses:				
Salaries	24,680,507	14,039,293	38,719,800	1,300,696
Other compensation	4,031,023	1,350,152	5,381,175	13,019
Fringe benefits	10,907,326	5,959,064	16,866,390	559,395
Supplies and materials	5,047,622	474,209	5,521,831	2,451,189
Services and other expenses	282,872	149,160	432,032	1,458,987
Professional and contracted services	6,751,898	2,620,737	9,372,635	3,284,709
Rent, utilities, and maintenance	2,639,998	307,222	2,947,220	3,159,787
Interfund services	3,503,723	1,789,735	5,293,458	158,309
Depreciation	1,120,189	445,408	1,565,597	167,838
Claims incurred	---	---	---	52,392,268
Total operating expenses	<u>58,965,158</u>	<u>27,134,980</u>	<u>86,100,138</u>	<u>64,946,197</u>
Operating income (loss)	<u>(5,385,690)</u>	<u>68,958</u>	<u>(5,316,732)</u>	<u>(189,445)</u>
Nonoperating revenues (expenses)				
Intergovernmental	---	782,717	782,717	---
Interest income	41,107	7,568	48,675	53,314
Interest expense	---	(9,104)	(9,104)	---
Gain (loss) on asset disposal	---	16,278	16,278	(10,413)
Insurance recoveries	---	3,448	3,448	344
Net nonoperating revenues (expenses)	<u>41,107</u>	<u>800,907</u>	<u>842,014</u>	<u>43,245</u>
Income (loss) before transfers	<u>(5,344,583)</u>	<u>869,865</u>	<u>(4,474,718)</u>	<u>(146,200)</u>
Capital contributions	---	---	---	17,511
Transfers:				
Transfers in	6,900,000	782,717	7,682,717	4,250,000
Transfers out	<u>(185,526)</u>	<u>(223,406)</u>	<u>(408,932)</u>	<u>(183,374)</u>
Net transfers	<u>6,714,474</u>	<u>559,311</u>	<u>7,273,785</u>	<u>4,066,626</u>
Change in net position	1,369,891	1,429,176	2,799,067	3,937,937
Net position:				
June 30, 2013	<u>33,981,517</u>	<u>7,763,439</u>	<u>41,744,956</u>	<u>22,037,290</u>
June 30, 2014	<u>\$ 35,351,408</u>	<u>\$ 9,192,615</u>	<u>\$ 44,544,023</u>	<u>\$ 25,975,227</u>
Change in net position	\$ 1,369,891	\$ 1,429,176	\$ 2,799,067	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(145,943)</u>	<u>(5,997)</u>	<u>(151,940)</u>	
Change in net position of business-type activities on Statement of Activities (page C-3)	<u>\$ 1,223,948</u>	<u>\$ 1,423,179</u>	<u>\$ 2,647,127</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, 2014**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:				
Receipts from customers	\$ 59,776,898	\$ 27,238,094	\$ 87,014,992	\$ 257,576
Receipts from interfund services provided	376,302	78,486	454,788	9,722,287
Premiums received	---	---	---	54,680,275
Refunds received from suppliers	115	---	115	206,980
Refunds paid to customers	(3,050,565)	(83,199)	(3,133,764)	---
Cash payments to suppliers	(14,265,640)	(3,490,077)	(17,755,717)	(11,598,953)
Cash payments to employees	(40,555,794)	(21,955,570)	(62,511,364)	(1,874,746)
Claims paid	---	---	---	(53,235,040)
Payments for interfund services	(3,503,721)	(1,789,735)	(5,293,456)	(158,309)
Net cash provided by (used in) operating activities	<u>(1,222,405)</u>	<u>(2,001)</u>	<u>(1,224,406)</u>	<u>(1,999,930)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	6,900,000	782,717	7,682,717	4,250,000
Transfers to other funds	(185,525)	(223,406)	(408,931)	(183,374)
Payments from City of Memphis	---	892,891	892,891	---
Net cash provided by (used in) noncapital financing activities	<u>6,714,475</u>	<u>1,452,202</u>	<u>8,166,677</u>	<u>4,066,626</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(544,114)	(202,523)	(746,637)	(265,333)
Proceeds from the sale of capital assets	---	16,278	16,278	---
Capital lease obligation payments	---	(168,950)	(168,950)	---
Interest paid	---	(14,434)	(14,434)	---
Insurance recoveries	---	3,448	3,448	344
Net cash provided by (used in) capital and related financing activities	<u>(544,114)</u>	<u>(366,181)</u>	<u>(910,295)</u>	<u>(264,989)</u>
Cash flows from investing activities:				
Interest and investment earnings	41,107	7,568	48,675	53,314
Net cash provided by (used in) investing activities	<u>41,107</u>	<u>7,568</u>	<u>48,675</u>	<u>53,314</u>
Net increase (decrease) in cash and cash equivalents	4,989,063	1,091,588	6,080,651	1,855,021
Cash and cash equivalents, June 30, 2013	<u>9,048,048</u>	<u>2,021,416</u>	<u>11,069,464</u>	<u>37,170,287</u>
Cash and cash equivalents, June 30, 2014	<u>\$ 14,037,111</u>	<u>\$ 3,113,004</u>	<u>\$ 17,150,115</u>	<u>\$ 39,025,308</u>

(continued)

Proprietary Funds
Statement of Cash Flows (continued)
June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (5,385,690)	\$ 68,958	\$ (5,316,732)	\$ (189,445)
Adjustments:				
Depreciation	1,120,189	445,408	1,565,597	167,838
Changes in assets and liabilities				
Accounts receivable and accrued revenues	12,973	19,530	32,503	(70,707)
Due from other funds	---	(239)	(239)	---
Due from other governmental entities	3,304,251	13,715	3,317,966	5,286
Inventories	---	---	---	(794,923)
Prepays	(8,495)	668	(7,827)	(270,560)
Deposits held by others	---	---	---	(38,777)
Net pension asset	219,847	129,480	349,327	---
Accounts payable and accrued liabilities	507,918	(23,077)	484,841	(119,919)
Due to other governmental entities	---	64,853	64,853	---
Claims payable	---	---	---	(840,616)
Compensated absences payable	(202,100)	(259,634)	(461,734)	26,948
Unearned revenue	---	46,760	46,760	164,701
Deposits held for others	(12,272)	(50,562)	(62,834)	---
Net other postemployment benefit obligations	(779,026)	(457,861)	(1,236,887)	(39,756)
Total adjustments	4,163,285	(70,959)	4,092,326	(1,810,485)
Net cash provided by (used in) operating activities	\$ (1,222,405)	\$ (2,001)	\$ (1,224,406)	\$ (1,999,930)
Noncash investing, capital, and financing activities:				
Capital assets transferred from governmental activities				\$ 17,511

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

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2014

	Postemployment Benefit Trust Funds	County Charter Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 80,113,076	\$ 349,709,736
Investments		
Domestic equity	466,885,324	---
Fixed income	240,101,565	---
International equity	232,358,075	---
Hedge funds	131,491,540	---
Limited partnership interests	91,932,259	---
Private real estate and infrastructure	29,639,213	---
Certificates of deposit	---	6,300,000
Alternative investments	19,941,915	---
Short-term investments	21,662,532	---
Accounts receivable	60,808	969,079
Accrued interest and dividends receivable	2,441,735	---
Prepays	33,454	
Due from brokers - investment sales	3,598,823	---
Total assets	1,320,260,319	\$ 356,978,815
Liabilities:		
Accounts payable	2,252,598	20,814
Funds held for others	---	85,664,306
Due to brokers and others	2,374,263	---
Due to other governmental agencies	---	4,717,134
Due to component units	---	266,576,561
Total liabilities	4,626,861	\$ 356,978,815
Deferred inflows of resources:		
Derivative instruments fair value	412,945	
Total deferred inflows of resources	412,945	
Net position held in trust for pension and other postemployment benefits	\$ 1,315,220,513	

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

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	Postemployment Benefit Trust Funds
Additions:	
Contributions	
Employer contributions	\$ 68,707,707
Member contributions	19,165,585
Other revenue	59,500
Total contributions	87,932,792
Investment income	
Net change in fair value of investments	161,023,265
Interest income	12,904,731
Dividend income	8,664,000
Other income	507,634
Total investment income	183,099,630
Less investment management expenses	(5,285,576)
Net investment income (loss)	177,814,054
Net additions	265,746,846
Deductions:	
Benefit payments	83,265,825
Administrative expenses	1,822,199
Refund of member contributions	6,941,385
Total deductions	92,029,409
Change in net position	173,717,437
Net position held in trust for benefits:	
June 30, 2013	1,141,503,076
June 30, 2014	\$ 1,315,220,513

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

Component Units
Combining Statement of Net Position
June 30, 2014

	Board of Education	Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total Component Units
Assets:					
Cash and cash equivalents	\$ 242,730,055	\$ 10,023,233	\$ 448,392	\$ 2,597,911	\$ 255,799,591
Investments	16,558,979	124,791,071	---	31,828,224	173,178,274
Accrued interest receivable	---	---	---	92,747	92,747
Accounts receivable and accrued revenues	9,149,883	55,298,759	288,311	282,977	65,019,930
Due from other governmental entities	142,851,891	5,379,189	---	613,767	148,844,847
Due from primary government	36,073,761	---	---	---	36,073,761
Inventories	13,967,559	3,271,126	32,684	---	17,271,369
Prepays	---	2,978,276	18,528	26,469	3,023,273
Notes Receivable	---	19,221,600	---	---	19,221,600
Restricted and other assets	---	4,128,152	---	---	4,128,152
Land	45,600,887	5,835,326	---	---	51,436,213
Construction in progress	3,747,250	1,585,034	---	---	5,332,284
Depreciable capital assets, net	1,047,361,892	94,928,803	1,813,166	3,372,036	1,147,475,897
Total assets	<u>1,558,042,157</u>	<u>327,440,569</u>	<u>2,601,081</u>	<u>38,814,131</u>	<u>1,926,897,938</u>
Liabilities:					
Accounts payable and accrued liabilities	101,354,268	47,713,706	142,767	221,601	149,432,342
Claims payable	12,905,549	1,826,000	---	---	14,731,549
Deposits held for others	---	---	38,455	---	38,455
Unearned revenue	2,809,042	3,382,545	355,741	---	6,547,328
Long-term liabilities					
Due within one year	8,804,325	---	134,829	---	8,939,154
Net post employment benefit obligations	293,612,393	750,000	---	---	294,362,393
Other due in more than one year	10,026,185	26,550,000	296,673	---	36,872,858
Total liabilities	<u>429,511,762</u>	<u>80,222,251</u>	<u>968,465</u>	<u>221,601</u>	<u>510,924,079</u>
Net position:					
Net investment in capital assets	1,095,398,461	75,799,163	1,381,664	3,372,036	1,175,951,324
Restricted for:					
Building construction	11,998,630	2,670,763	---	---	14,669,393
Indigent care	---	915,079	---	---	915,079
Notes payable	---	542,310	---	---	542,310
Other programs	26,132,338	---	---	---	26,132,338
Education	28,469,654	---	---	---	28,469,654
Unrestricted	(33,468,688)	167,291,003	250,952	35,220,494	169,293,761
Total net position	<u>\$ 1,128,530,395</u>	<u>\$ 247,218,318</u>	<u>\$ 1,632,616</u>	<u>\$ 38,592,530</u>	<u>\$ 1,415,973,859</u>

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, 2014**

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Board of Education	\$ 1,770,738,709	\$ 19,642,997	\$ 855,368,174	\$ 5,753,509
Shelby County Health Care Corporation	358,276,207	262,309,088	63,819,000	---
Agricenter International	3,325,885	3,423,645	27,013	---
Emergency Communications District	9,977,351	2,881,438	4,967,538	---
Total Component Units	\$ 2,142,318,152	\$ 288,257,168	\$ 924,181,725	\$ 5,753,509

General revenues:
 Local option and state sales taxes
 Payments from Shelby County
 Other local sources
 Unrestricted investment earnings
 Total general revenues
 Change in net position
 Net position - June 30, 2013
 Net position - June 30, 2014

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

Net (Expenses) Revenues and Changes in Net Position				
Board of Education	Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total Component Units
\$ (889,974,029)	\$ ---	\$ ---	\$ ---	\$ (889,974,029)
---	(32,148,119)	---	---	(32,148,119)
---	---	124,773	---	124,773
---	---	---	(2,128,375)	(2,128,375)
(889,974,029)	(32,148,119)	124,773	(2,128,375)	(924,125,750)
159,752,215	---	---	---	159,752,215
422,599,533	26,816,001	---	---	449,415,534
5,410,727	4,195,408	---	---	9,606,135
230,122	5,118,741	2,453	388,206	5,739,522
587,992,597	36,130,150	2,453	388,206	624,513,406
(301,981,432)	3,982,031	127,226	(1,740,169)	(299,612,344)
1,430,511,827	243,236,287	1,505,390	40,332,699	1,715,586,203
\$ 1,128,530,395	\$ 247,218,318	\$ 1,632,616	\$ 38,592,530	\$ 1,415,973,859

**Budgetary Comparison Statement
General Fund
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 243,356,000	\$ 243,356,000	\$ 246,933,780	\$ 3,577,780
Other local taxes	31,426,000	31,426,000	34,048,774	2,622,774
State revenue	19,721,659	20,048,659	19,588,987	(459,672)
Federal and local revenue	11,286,217	11,918,217	11,270,945	(647,272)
Charges for services	3,842,441	3,837,541	3,360,557	(476,984)
Fines, fees and permits	64,210,041	64,280,041	64,612,993	332,952
Other revenue	297,271	307,271	272,660	(34,611)
Investment income	465,200	465,200	371,433	(93,767)
Total revenues	<u>374,604,829</u>	<u>375,638,929</u>	<u>380,460,129</u>	<u>4,821,200</u>
Expenditures:				
General Government	24,923,904	25,878,570	29,336,358	(3,457,788)
Hospital	26,816,000	26,816,000	26,816,000	---
Planning and Development	345,926	346,462	335,351	11,111
Public Works	19,637,581	18,997,673	18,695,710	301,963
Health Services	26,314,290	25,801,722	24,898,776	902,946
Community Services	8,397,669	8,397,669	8,424,102	(26,433)
Law Enforcement	156,067,857	156,048,719	155,727,953	320,766
Judicial	69,705,646	67,374,213	65,921,980	1,452,233
Other Elected Officials	28,146,811	27,009,498	25,209,151	1,800,347
Total expenditures	<u>360,355,684</u>	<u>356,670,526</u>	<u>355,365,381</u>	<u>1,305,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,249,145</u>	<u>18,968,403</u>	<u>25,094,748</u>	<u>6,126,345</u>
Other financing sources (uses):				
Transfers in	2,130,608	2,262,608	1,670,050	(592,558)
Transfers out	(16,704,813)	(21,033,779)	(20,545,056)	488,723
Sale of capital assets	300,000	300,000	1,406,725	1,106,725
Insurance recoveries	25,060	25,060	1,247	(23,813)
Planned change in fund balance	---	(522,292)	---	522,292
Total other financing sources (uses)	<u>(14,249,145)</u>	<u>(18,968,403)</u>	<u>(17,467,034)</u>	<u>1,501,369</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 7,627,714</u>	<u>\$ 7,627,714</u>

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

**Budgetary Comparison Statement
Education Fund
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 358,390,000	\$ 358,390,000	\$ 363,926,777	\$ 5,536,777
Other local taxes	22,898,000	26,374,432	20,837,655	(5,536,777)
Total revenues	381,288,000	384,764,432	384,764,432	---
Expenditures:				
Shelby County Schools	381,288,000	384,764,432	384,764,432	---
Total expenditures	381,288,000	384,764,432	384,764,432	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

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

**Budgetary Comparison Statement
Grants Fund
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 74,654,609	\$ 84,411,748	\$ 53,851,808	\$ (30,559,940)
Federal and local revenue	65,473,141	74,657,971	41,760,925	(32,897,046)
Charges for services	1,581,518	1,581,518	1,354,707	(226,811)
Fines, fees and permits	372,724	372,724	181,624	(191,100)
Other revenue	1,845,640	1,966,672	7,251,848	5,285,176
Investment income	40,000	40,000	101,193	61,193
Total revenues	<u>143,967,632</u>	<u>163,030,633</u>	<u>104,502,105</u>	<u>(58,528,528)</u>
Expenditures:				
General Government	2,824,771	2,979,121	1,494,779	1,484,342
Planning and Development	16,140,624	19,455,128	7,460,868	11,994,260
Public Works	14,845,043	27,922,427	6,683,853	21,238,574
Corrections	1,316,134	1,305,397	971,686	333,711
Health Services	29,603,693	29,280,416	24,259,174	5,021,242
Community Services	77,845,346	80,293,888	60,580,656	19,713,232
Law Enforcement	548,801	992,301	738,234	254,067
Judicial	4,665,533	5,239,146	4,448,329	790,817
Total expenditures	<u>147,789,945</u>	<u>167,467,824</u>	<u>106,637,579</u>	<u>60,830,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,822,313)</u>	<u>(4,437,191)</u>	<u>(2,135,474)</u>	<u>2,301,717</u>
Other financing sources (uses):				
Transfers in	5,197,787	16,848,898	12,095,300	(4,753,598)
Transfers out	(2,400,331)	(7,249,051)	(4,005,283)	3,243,768
Sale of capital assets	380,000	380,000	---	(380,000)
Insurance recoveries	35,320	35,320	10,451	(24,869)
Planned change in fund balance	609,537	(5,577,976)	---	5,577,976
Total other financing sources (uses)	<u>3,822,313</u>	<u>4,437,191</u>	<u>8,100,468</u>	<u>3,663,277</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 5,964,994</u>	<u>\$ 5,964,994</u>

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

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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 (see notes below for descriptions) is reported in a separate column 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 is a legally separate organization that includes all the public schools in Shelby County, serving over 179,000 students. The City of Memphis Board of Education merged with the Shelby County Board of Education effective July 1, 2013. 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 One Health – Regional One Health (previously The Med) provides both inpatient and outpatient hospital services to residents of Shelby County and the surrounding area. The Regional One Health Board of Directors is appointed by the County Mayor and confirmed by the County Board of Commissioners. Substantial funding is provided by the County. Regional One Health is reported as a proprietary component unit. Financial statements for Regional One Health can be obtained from Shelby County Health Care Corporation, C/O Regional One Health at Memphis, 877 Jefferson Avenue, Memphis, Tennessee 38103, (901) 545-7100.

Agricenter International, Inc. (the Agricenter) – Agricenter International is a component unit of the Agricenter Commission. The Agricenter Commission has no separate assets, liabilities, revenues or expenditures; therefore, the summary information provided only relates to Agricenter International. 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 and the land and buildings used by the Agricenter are property of 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.

(C) Government-wide and Fund Financial Statements

The government-wide financial statements - the *Statement of Net Position* 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 is 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, long-term 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, and Hall income taxes to be available if collected within two months of the end of the current fiscal year. The government considers grant and reimbursement revenues from other governments associated with the current fiscal year to be available if collected within one year 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. 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.

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 or elected 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.

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. The merger was effective July 1, 2013. Shelby County Government is now solely responsible for local funding of all public schools in Shelby County.

After the merger of Memphis City Schools and Shelby County Schools, referendums regarding the creation of suburban school districts were held July 16, 2013 for the residents of the six municipalities outside of Memphis (Arlington, Bartlett, Collierville, Germantown, Lakeland, and Millington). Each municipality voted in favor of creating their own municipal school system. Effective July 1, 2014, there will be six municipal school districts in addition to Shelby County Schools. Shelby County Government will allocate the taxes collected to the seven school districts based on average daily attendance.

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

The *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 Motel 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 other 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.
- Restricted Court Fees Fund accounts for separate fees collected in DUI and drug related cases that are restricted by State statute for use in funding offender rehabilitation programs.

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:

Major funds:

- Corrections Center Fund accounts for the operation of the Shelby County Corrections Center. The center incarcerates individuals serving sentences for both misdemeanors and felonies, with typical sentences between two and three years.

Nonmajor funds:

- Consolidated Codes Enforcement Fund accounts for activities of the Consolidated Codes Enforcement Office and Division of Planning and Development.
- Fire Services Fund accounts for the activities of the Shelby County Fire Department. Fire protection services are provided to the unincorporated areas of the County and to the City of Lakeland. Ambulance services are provided to unincorporated areas of the County, City of Lakeland, City of Millington, and the Town of Arlington.

Proprietary Funds/Internal Service Funds are a separate category of proprietary funds (all are nonmajor). These funds account for fleet services, 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.

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.

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 charter 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.

(E) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances

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) that 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 inflows of resources. 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, 2014, 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 Outflows of Resources

In addition to assets, the *Statement of Net Position* includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so is not recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category; the fair value of derivative instruments

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 postclosure 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 postclosure 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 earned 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 position. Bond premiums and discounts 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.

Deferred Inflows of Resources

In addition to liabilities, the *Statement of Net Position* and the *Governmental Funds Balance Sheet* report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an increase to net position or fund balance that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. One item is the increase in fair value of derivative instruments reported only on the *Statement of Net*

Positon. The other is amounts in the governmental funds that were receivable and measurable at year-end but were not available to finance expenditures for the current year. These primarily include unavailable revenues from property taxes, accounts receivable and notes receivable and are reported on the *Governmental Funds Balance Sheet*.

Net Position and Fund Balance

Government-wide and proprietary fund net position is classified into three components. "Net investment in capital assets" consists of capital assets net of accumulated depreciation and reduced by outstanding debt used to finance purchase or construction of those assets. "Restricted" net position is noncapital net assets that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the County. "Unrestricted" net position is 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, such as division directors or department administrators. 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.

Use of Fund Balance

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.

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 position 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 Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. 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 \$(5,469,804) of long-term liabilities and are not part of this reconciling amount. The details of this \$(1,377,580,121) are as follows:

Bonds and loans payable	\$ (1,269,191,065)
Accreted value on bonds	(15,865,391)
Net premium on bonds issued	(57,410,515)
Compensated absences	(18,527,911)
Landfill postclosure	(2,725,976)
Claims and judgments	(305,286)
Capital lease obligation	(6,505,735)
Net post employment benefit obligation	<u>(7,048,242)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (1,377,580,121)</u></u>

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net change in fund balance – total governmental funds* and *change in net position 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 (\$1,807,756) difference are as follows:

Capital outlay	\$ 25,146,269
Loss on asset disposals	(608,171)
Depreciation expense	<u>(26,345,854)</u>
Net adjustment to decrease <i>net change in fund balance – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ (1,807,756)</u></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 position. Also, governmental funds report the effect of 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 \$115,330,773 difference are as follows:

Amortization of bond premiums	\$ 11,916,180
Accretion of zero coupon bonds	5,075,276
Principal repayments on debt	98,339,317
Net adjustment to increase <i>net change in fund balance – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 115,330,773</u>

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

The details of this \$6,489,516 difference are as follows:

Landfill post closure costs	\$ 157,268
Claims and judgements	13,603
Sick and annual leave	(193,370)
Net postemployment benefit obligations	6,512,015
Net adjustment to increase <i>net change in fund balance – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 6,489,516</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.

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, 2014; of the total investments per financial reports, \$85,970,317 is reported on the Statement of Net Position and \$6,300,000 is reported on the Combined Schedule of Changes in Assets and Liabilities for the county charter officers' agency funds.

Not included in the investments amounts are the funds on deposit with the State Treasurer's Local Government Investment Pool (LGIP). The County's pro rata share of LGIP as of June 30, 2014 was \$20,886,517 which is included in the cash and cash equivalents on the Statement of Net Position. All other investments are valued at cost, amortized cost, or fair value as disclosed in Note I(E) above.

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, 2014 the Retirement System had deposits of \$71,574,216 in money-market mutual funds that were not insured and were uncollateralized. At June 30, 2014 the Retirement System reported the following investments with carrying amounts as shown:

Domestic equity	\$ 405,223,771
Fixed income	202,625,631
International equity	204,916,411
Hedge funds	131,491,540
Limited partnership interest	91,932,259
Private real estate and infrastructure	24,561,428
Total investments	<u>\$ 1,060,751,040</u>

The fair values of fixed income investments grouped by maturity at June 30, 2014 are as follows:

Current to one year	\$ 6,227,779
One to two years	7,220,372
Two to three years	16,262,690
Three to four years	9,795,681
Four to five years	16,765,617
Five years or more	146,353,492
Total	<u>\$ 202,625,631</u>

At June 30, 2014 the Retirement System had \$166,839,772 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, 2014. 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 701, 160 N. Main Street, Memphis, Tennessee 38103.

Shelby County OPEB Trust (Fiduciary Fund):

At June 30, 2014 the OPEB Trust had deposits of \$444,435 that were not insured and were uncollateralized. All of this was held in the Tennessee LGIP short term investment fund. At June 30, 2014 the OPEB Trust reported the following investments with carrying amounts as shown:

Domestic equity	\$ 61,661,553
Fixed income	37,475,934
International equity	27,441,664
Private real estate	5,077,785
Alternative investments	19,941,915
Short-term investments	21,662,532
Total investments	<u>\$ 173,261,383</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 2014 tax bills were based was \$18,165,887,331. The estimated market value was \$60,586,935,365, making the overall assessed value 29.98% 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 92.94% of the original tax levy and 95.65% of the adjusted tax levy. The property tax levy has no legal limit. The rate, as permitted by Tennessee state law and County charter, is set annually on or after July 1 by the County Board of Commissioners and collected by the County Trustee.

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

General Fund	\$ 1.45
Debt Service Funds	.79
Boards of Education	<u>2.14</u>
Countywide tax rate	<u>\$ 4.38</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	\$ 296,639,962	\$ 150,875,206	\$ 413,086,023	\$ 860,601,191
Less allowance for uncollectibles	<u>(18,211,755)</u>	<u>(9,575,536)</u>	<u>(25,979,906)</u>	<u>(53,767,197)</u>
	<u>\$ 278,428,207</u>	<u>\$ 141,299,670</u>	<u>\$ 387,106,117</u>	<u>\$ 806,833,994</u>

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

(C) Notes Receivable

Notes receivable consist of the following:

	<u>Amount</u>	<u>Collateral</u>
<i>General Fund</i>		
Property loans receivable due in various installments at 6.5% interest	<u>\$ 334,396</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>\$ 2,939,014</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5% interest through 2021	<u>\$ 2,861,794</u>	Land & Building

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

(D) Leases Receivable

The County leases certain real property described as Butcher Shop, LLC for the sum of \$225,750 annually. The term of the lease commenced on May 1, 2013. There are two additional option terms of five years each available. The option term currently in effect will expire in 2018. 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 leasee 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 an 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, 2014:

Fiscal Year	Minimum Rental
2015	\$ 246,150
2016	240,150
2017	229,350
2018	188,125
Total	<u>\$ 903,775</u>

(E) Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2014 is detailed below.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 26,506,039	\$ 100,493	\$ (45,000)	\$ ---	\$ 26,561,532
Construction in progress	20,582,771	17,301,675	---	(1,971,235)	35,913,211
Total not being depreciated	<u>47,088,810</u>	<u>17,402,168</u>	<u>(45,000)</u>	<u>(1,971,235)</u>	<u>62,474,743</u>
Capital assets being depreciated:					
Land improvements	18,111,772	69,342	---	369,092	18,550,206
Buildings	264,625,213	555,193	(2,465,278)	750,105	263,465,233
Equipment	107,136,527	4,288,501	(3,256,400)	189,345	108,357,973
Infrastructure	525,843,736	3,038,903	---	852,038	529,734,677
Total being depreciated	<u>915,717,248</u>	<u>7,951,939</u>	<u>(5,721,678)</u>	<u>2,160,580</u>	<u>920,108,089</u>
Less accumulated depreciation:					
Land improvements	6,834,898	511,006	---	---	7,345,904
Buildings	130,480,334	7,703,637	(2,123,127)	---	136,060,844
Equipment	63,513,022	6,804,622	(2,984,217)	189,345	67,522,772
Infrastructure	219,982,715	11,494,427	---	---	231,477,142
Total accumulated depreciation	<u>420,810,969</u>	<u>26,513,692</u>	<u>(5,107,344)</u>	<u>189,345</u>	<u>442,406,662</u>
Total capital assets being depreciated, net	<u>494,906,279</u>	<u>(18,561,753)</u>	<u>(614,334)</u>	<u>1,971,235</u>	<u>477,701,427</u>
Governmental activities capital assets, net	<u>\$ 541,995,089</u>	<u>\$ (1,159,585)</u>	<u>\$ (659,334)</u>	<u>\$ ---</u>	<u>\$ 540,176,170</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Business-type activities:</i>					
Capital assets being depreciated:					
Land improvements	\$ 100,611	\$ ---	\$ ---	\$ ---	\$ 100,611
Buildings	49,561,759	120,720	---	---	49,682,479
Equipment	10,800,190	625,916	(366,456)	(189,345)	10,870,305
Total being depreciated	<u>60,462,560</u>	<u>746,636</u>	<u>(366,456)</u>	<u>(189,345)</u>	<u>60,653,395</u>
Less accumulated depreciation:					
Land improvements	2,876	9,322	---	---	12,198
Buildings	28,464,902	1,157,708	---	---	29,622,610
Equipment	<u>6,871,386</u>	<u>398,567</u>	<u>(366,456)</u>	<u>(189,345)</u>	<u>6,714,152</u>
Total accumulated depreciation	<u>35,339,164</u>	<u>1,565,597</u>	<u>(366,456)</u>	<u>(189,345)</u>	<u>36,348,960</u>
Total capital assets being depreciated, net	<u>25,123,396</u>	<u>(818,961)</u>	<u>---</u>	<u>---</u>	<u>24,304,435</u>
Business-type activities capital assets, net	<u>\$ 25,123,396</u>	<u>\$ (818,961)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 24,304,435</u>

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	\$ 13,825,912	\$ 2,718,818
Planning and Development	14,024	27,691
Public Works	364,031,509	13,663,162
Corrections	1,248,631	86,032
Health Services	16,370,903	739,085
Community Services	4,373,191	378,321
Law Enforcement	60,156,384	5,731,091
Judicial	16,259,956	2,301,167
Other Elected Officials	<u>1,420,917</u>	<u>868,325</u>
Depreciable assets total	<u>477,701,427</u>	<u>26,513,692</u>
Non-depreciable assets:		
Land	26,561,532	---
Construction in progress	<u>35,913,211</u>	<u>---</u>
Non-depreciable assets total	<u>62,474,743</u>	<u>---</u>
Governmental activities total	<u>\$ 540,176,170</u>	<u>\$ 26,513,692</u>

(F) Lease Obligations

Operating Leases

The County leases office space and other equipment under operating leases expiring during the next five years. Rent expense for the year ended June 30, 2014 was \$3,014,160 for the primary government.

Capital Leases

The County has a capital lease related to the acquisition of a Ferrara Inferno Aerial Ladder truck for the Fire Services Fund, a business-type activity. The Ferrara truck was purchased for a total cost of \$584,925. The net book value of the Ferrara Inferno Aerial Ladder truck is \$375,327. The amortization of this leased asset is included as part of depreciation expense. The total remaining balance on the capital lease is \$135,206.

The County has entered into a capital lease agreement with the State of Tennessee for a new Regional Forensic Center. The State issued bonds in March 2013 for the long term funding of construction costs. 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 issued by the State. The remaining amount owed for this lease is included with long term debts. The estimated annual capital lease cost, including interest, will be approximately \$400,000 to \$515,000 per year. The remaining balance on this lease is \$6,505,735.

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, 2014:

Fiscal Year	Operating Leases	Capital Leases
2015	\$ 1,395,819	\$ 591,688
2016	648,098	575,832
2017	312,029	487,580
2018	60,426	471,724
2019	---	455,868
2020-2024	---	2,076,378
2025-2029	---	1,877,779
2030-2033	---	1,344,612
Total minimum lease payments	2,416,372	7,881,461
Less: amount representing interest	---	(1,240,520)
Present value of minimum lease payments	<u>\$ 2,416,372</u>	<u>\$ 6,640,941</u>

(G) Deferred Inflows of Resources

Deferred inflows of resources consist of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Education Fund	Grants Fund	Nonmajor Governmental Fund	Totals
Fiscal year 2015 property tax assessment	\$ 260,485,738	\$ 132,004,308	\$ ---	\$ 362,165,666	\$ ---	\$ ---	\$ 754,655,712
Current and prior years' property taxes receivable	16,767,775	8,640,143	---	23,211,433	---	---	48,619,351
Due from State	1,097,824	---	305,761	---	---	---	1,403,585
Due from City of Memphis	345,743	---	---	---	---	---	345,743
Due from other local governments	10,320	---	---	---	---	---	10,320
Notes receivable	334,396	2,939,014	---	---	2,824,633	---	6,098,043
Other receivables	312,936	---	---	---	---	32,460	345,396
	<u>\$ 279,354,732</u>	<u>\$ 143,583,465</u>	<u>\$ 305,761</u>	<u>\$ 385,377,099</u>	<u>\$ 2,824,633</u>	<u>\$ 32,460</u>	<u>\$ 811,478,150</u>

Refer to Note I(D) regarding revenue recognition policy on deferred inflows of resources.

(H) Debt and Long-term LiabilitiesChanges in long-term liabilities:

Changes in long-term liabilities during the year were:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental activities:					
Bonds and loans payable	\$ 1,388,093,168	\$ ---	\$ (103,036,712)	\$ 1,285,056,456	\$ 93,691,014
Capital lease obligations	6,883,614	---	(377,879)	6,505,735	373,873
Net premium of bonds issued	69,326,695	---	(11,916,180)	57,410,515	10,792,502
Claims and judgments	5,421,396	1,378,060	(1,318,294)	5,481,162	732,150
Landfill postclosure care costs	2,883,244	---	(157,268)	2,725,976	174,462
Sick and annual leave	18,471,668	16,054,283	(15,833,964)	18,691,987	12,742,454
Net postemployment benefit obligations	13,729,867	22,168,088	(28,719,861)	7,178,094	---
Total governmental activities	<u>\$ 1,504,809,652</u>	<u>\$ 39,600,431</u>	<u>\$ (161,360,158)</u>	<u>\$ 1,383,049,925</u>	<u>\$ 118,506,455</u>
Business-type activities:					
Capitalized lease obligations	\$ 304,156	\$ ---	\$ (168,950)	\$ 135,206	\$ 66,054
Sick and annual leave	5,152,184	14,777,354	(15,239,088)	4,690,450	3,258,414
Net postemployment benefit obligations	3,971,283	3,795,072	(5,031,959)	2,734,396	---
Total business-type activities	<u>\$ 9,427,623</u>	<u>\$ 18,572,426</u>	<u>\$ (20,439,997)</u>	<u>\$ 7,560,052</u>	<u>\$ 3,324,468</u>

Bonds and loans payable reductions include \$5,075,276 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, \$164,076 of sick and annual leave payable, \$5,175,876 of claims and judgments payable, which includes the current portion in the Tort Liability Fund and \$142,102 of current claims payable in the Employer Insurance Fund, and \$129,852 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.

Bonds and other long-term debt:

These are all obligations of the County, and those noted below as direct general obligations are backed by its full faith and credit and the unlimited taxing power of the County. QSCB debt and the Regional Forensic Facility loan were bonds issued by the State of Tennessee whereas the Port Commission bonds were issued by the Memphis and Shelby County Port Commission at the request of the County. In each of these 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 (b)	11/01/1996	5.00 - 6.00	\$ 5,213,353	12/01/2016
1997B Refunding Issue (b)	11/01/1997	4.50 - 5.75	5,152,216	08/01/2016
2004B Public Imp/Schools (a), (b)	04/15/2004	Variable	118,885,000	04/01/2030
2005A Refunding Issue (b)	03/10/2005	3.0 - 5.0	224,145,000	04/01/2025
2006A Public Imp/Schools (b)	02/22/2006	5.00	12,335,000	03/01/2016
2006B Public Imp/Schools (a), (b)	02/22/2006	Variable	159,590,000	03/01/2031
2006C Refunding Issue (a), (b)	11/30/2006	Variable	59,970,000	12/01/2031
2009A Refunding Issue (b)	04/02/2009	2.75 - 5.0	119,140,000	04/01/2022
2009B Public Imp/Schools (b)	09/30/2009	2.25-5.0	45,665,000	04/01/2024
2009C Public Imp/Schools (b)	09/30/2009	5.625 - 5.75	60,000,000	04/01/2034
2009 Qualified School Construction Loans	12/01/2009	1.515	41,649,009	09/01/2026
2010 Qualified School Construction Loans	10/01/2010	1.515	55,018,987	09/15/2027
2011A Refunding Bonds (b)	03/30/2011	4.00-5.00	73,795,000	03/01/2025
2011 Port Commission Loan	09/07/2011	2.00 - 5.00	19,082,500	04/01/2036
2012A Refunding Bonds (b)	03/01/2012	3.00-5.00	259,060,000	03/01/2028
2012B GO Refunding (Rural Schools) (b)	03/01/2012	2.00-4.00	10,490,000	03/01/2019
			<u>1,269,191,065</u>	
	Accreted value of bonds		<u>15,865,391</u>	
	Total bonds and loans payable		<u>\$ 1,285,056,456</u>	

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

(b) Direct general obligation bonds of the County

This debt represents borrowings for the following:

General Government	\$ 251,559,124
Education	<u>1,017,631,941</u>
	1,269,191,065
Accreted value of bonds	<u>15,865,391</u>
	<u>\$ 1,285,056,456</u>

Interest expense in the Debt Service Fund during the fiscal year ended June 30, 2014 was \$67,163,626 (current financial resources measurement focus and modified accrual basis of accounting). Entity wide interest was \$66,185,593 (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 1.515% 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 4.66% for the 2004 Series B General Obligation Variable Rate Demand Public

Improvement and School Bonds, 3.503% for the 2006 Series B General Obligation Weekly Adjustable/Fixed Rate Bonds to 3/1/2016 and a rate of 4.430% from 3/1/2016 to 3/1/2031, and 3.830% on the notional amount of \$59,970,000 for the 2006 Series C Variable Rate Demand Refunding Bonds are as follows:

Years Ended June 30	Principal	Interest	Total
2015	\$ 93,691,014	\$ 63,778,052	\$ 157,469,066
2016	95,314,440	56,630,314	151,944,754
2017	88,029,078	58,033,816	146,062,894
2018	92,191,321	46,788,158	138,979,479
2019	88,281,321	42,801,369	131,082,690
2020-2024	406,144,105	159,311,695	565,455,800
2025-2029	294,244,786	70,469,532	364,714,318
2030-2034	108,677,500	11,223,517	119,901,017
2035-2036	2,617,500	181,125	2,798,625
	1,269,191,065	509,217,578	1,778,408,643
Accreted value of bonds	15,865,391	(15,865,391)	---
Total long-term debt	\$ 1,285,056,456	\$ 493,352,187	\$ 1,778,408,643

Interest rate swap agreements:

As of June 30, 2014 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*.

	Changes in Fair Value		Fair Value at June 30, 2014		Notional Amount
	Classification	Amount	Classification	Amount	
Governmental activities					
Investment derivatives:					
Pay-fixed interest rate swap	Deferred outflow	\$ 3,189,586	Derivative instruments	\$ (14,595,088)	\$ 98,750,000
Pay-fixed interest rate swap	Deferred outflow	(480,301)	Derivative instruments	(9,198,432)	59,970,000
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	121,464	Derivative instruments	(8,228,744)	40,000,000
Pay-fixed interest rate swap	Deferred outflow	362,979	Derivative instruments	(24,602,057)	119,590,000
		<u>\$ 3,193,728</u>		<u>\$ (56,624,321)</u>	<u>\$ 318,310,000</u>

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	Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
6/23/2005	03/01/2008	03/01/2022	\$ 98,750,000	4.66%	SIFMA	\$ 8,571,000

On 3/1/2008 the County received a payment of \$8,571,000 from the Counterparty, Loop Financial Products (LFP), for granting LFP 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 6/30/2014 has a net value of (\$13,104,064). The total mark-to-market was (\$14,595,088) and (\$1,491,024) is accrued interest from 6/01/2014 to the valuation date, 6/30/2014. 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 6/30/2014 of \$118,885,000. The swap has a current notional amount of \$98,750,000 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 6/30/2014 of 0.06%. 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		
2015	\$ ---	\$ 71,331	\$ 4,463,931	\$ 4,535,262
2016	---	71,331	3,893,547	3,964,878
2017	---	71,331	3,267,068	3,338,399
2018	---	71,331	2,644,783	2,716,114
2019	---	71,331	2,016,382	2,087,713
2020	---	71,331	1,356,002	1,427,333
2021	---	71,331	688,865	760,196
2022	---	71,331	175,100	246,431
2023	---	71,331	---	71,331
2024	13,295,000	71,331	---	13,366,331
2025	21,500,000	63,354	---	21,563,354
2026	13,775,000	50,454	---	13,825,454
2027	15,150,000	42,189	---	15,192,189
2028	16,665,000	33,099	---	16,698,099
2029	18,335,000	23,100	---	18,358,100
2030	20,165,000	12,099	---	20,177,099
Total	\$ 118,885,000	\$ 937,605	\$ 18,505,678	\$ 138,328,283

Credit Risk: The County has credit exposure to LFP equivalent to the fair value of the swaps. If LFP 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 LFP 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’s (or the Credit Support Provider’s) senior, unsecured, unenhanced debt below a rating of “A2” in the case Moody’s or “A” in the case of Standard & Poor’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 LFP equal to the fair value of the swap at that time, if the fair value is negative to the County. As of 6/30/2014, 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 LFP 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 (Goldman) 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	Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
N/A	11/30/2006	12/1/2031	\$ 59,970,000	3.83%	SIFMA	None

The County entered into this swap on 11/2/2006 with Goldman Sachs Mitsui Marines Derivative Products (Goldman) 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 the County 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. At 6/30/2014 the Goldman swap had a notional amount of \$59,970,000. The Swap has a termination date of 12/1/2031.

Fair Value of Swap and Option: The swap as of 6/30/2014 has a net value of (\$9,022,548). The total mark-to-market was (\$9,198,432) of which approximately (\$175,884) is accrued interest from 6/01/2014 to the valuation date, 6/30/2014. 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. The cash flows below assume that for the Goldman swap SIFMA equals its current level, as of 6/30/2014 of 0.06%. Interest and net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payment	
2015	\$ ---	\$ 871,947	\$ 2,292,770	\$ 3,164,717
2016	---	871,947	2,299,150	3,171,097
2017	---	871,947	2,292,770	3,164,717
2018	---	871,947	2,292,770	3,164,717
2019	---	871,947	2,292,770	3,164,717
2020	---	871,947	2,299,150	3,171,097
2021	---	871,947	2,292,770	3,164,717
2022	---	871,947	2,292,770	3,164,717
2023	---	871,947	2,292,770	3,164,717
2024	---	871,947	2,299,150	3,171,097
2025	6,530,000	824,475	2,168,290	9,522,765
2026	6,785,000	727,677	1,913,774	9,426,451
2027	7,050,000	627,098	1,649,319	9,326,417
2028	7,325,000	522,594	1,377,976	9,225,570
2029	7,610,000	414,019	1,089,059	9,113,078
2030	7,910,000	301,190	792,395	9,003,585
2031	8,220,000	183,928	484,071	8,887,999
2032	8,540,000	62,085	163,705	8,765,790
Total	<u>\$ 59,970,000</u>	<u>\$ 12,382,536</u>	<u>\$ 32,585,429</u>	<u>\$ 104,937,965</u>

Credit Risk: Because the swap has a negative value on 6/30/2014, 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. The current ratings of Goldman are AAA/Aa1 by Standard & Poor's and Moody's, respectively.

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 A- by Standard & Poor's or A3 by Moody'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 Goldman 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 Goldman. Thus, the expected cost savings may not be achieved.

Swap Three and Four: Executed with Goldman Sachs Mitsui Marines Derivative Products (Goldman) 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: 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>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, Goldman and MKFP. 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 6/30/2014 the notional amounts of the 2006B Goldman swap and the 2006B MKFP swap are \$119,590,000 and \$40,000,000 respectively.

Fair Value of Swap: The swaps, as of 6/30/2014 have a net value of (\$31,020,992). The total mark-to-market was (\$32,830,801) of which approximately (\$1,809,809) is accrued interest from 6/01/2014 to the valuation date, 6/30/2014. 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. The cash flows below assume that for both swaps SIFMA equals its current level, as of 6/30/2014 of 0.06%. Interest and net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2015	\$ ---	\$ 427,600	\$ 5,494,684	\$ 5,922,284
2016	---	427,600	5,494,421	5,922,021
2017	7,425,000	427,600	6,974,083	14,826,683
2018	2,020,000	407,717	6,649,611	9,077,328
2019	---	402,308	6,561,337	6,963,645
2020	2,705,000	402,308	6,561,090	9,668,398
2021	8,505,000	395,024	6,443,128	15,343,152
2022	9,575,000	372,250	6,071,460	16,018,710
2023	7,130,000	346,610	5,653,032	13,129,642
2024	7,450,000	327,517	5,341,250	13,118,767
2025	23,900,000	307,457	5,015,886	29,223,343
2026	26,130,000	243,457	3,971,456	30,344,913
2027	20,110,000	173,486	2,829,575	23,113,061
2028	6,625,000	119,635	1,950,695	8,695,330
2029	12,680,000	101,797	1,661,256	14,443,053
2030	6,055,000	67,842	1,107,140	7,229,982
2031	19,280,000	51,628	842,536	20,174,164
Total	\$ 159,590,000	\$ 5,001,836	\$ 78,622,640	\$ 243,214,476

Credit Risk: Because the swap has a negative value on 6/30/2014, 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 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 counterparties, Goldman or MKFP, 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 counterparties. Thus, the expected cost savings may not be achieved.

Claims and Judgments

The County has recognized long-term liabilities for claims and judgments of \$5,481,162 in accordance with its accounting policy explained in Note I(E). The liabilities are based on property damage and personal injury lawsuits arising in the course of operations. The County believes this is a reasonable measure of the ultimate settlement of these matters.

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

(I) Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	General Fund	Debt Service Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total
Fund balances:						
Restricted for:						
Grants and sponsored projects	\$ ---	\$ ---	\$ ---	\$ 16,459,728	\$ ---	\$ 16,459,728
Special revenue activities	23,247	---	---	---	16,167,849	16,191,096
Educational projects and funding	---	7,605,692	1,000	---	---	7,606,692
Conservation projects	---	---	83,515	---	---	83,515
Committed to:						
Approved carryforward appropriations	---	---	34,098,546	---	---	34,098,546
Special revenue activities	---	---	---	---	5,674,041	5,674,041
Public improvement and educational projects	81,307	79,665,910	---	---	---	79,747,217
Assigned to:						
Purchase order encumbrances	813,270	---	---	---	---	813,270
Unassigned	102,469,929	---	---	---	---	102,469,929
Total fund balances	<u>\$103,387,753</u>	<u>\$ 87,271,602</u>	<u>\$ 34,183,061</u>	<u>\$ 16,459,728</u>	<u>\$ 21,841,890</u>	<u>\$ 263,144,034</u>

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

(J) Interfund Receivables, Payables and Transfers

Interfund receivables and payables consist of the following:

Receivable Fund	Payable Fund	Amount
Debt Service Fund	General Fund	\$ 1,210,619
Education Fund	General Fund	1,465,217
Nonmajor Governmental Funds	General Fund	1,687,145
Nonmajor Enterprise Funds	Grants Fund	239
Total		\$ 4,363,220

Due to/From Component Units consists of the following:

Receivable Entity	Payable Entity	Amount
Board of Education (component unit)	Education Fund	\$ 12,817,529
	Grants Fund	44,799
Debt Service Fund	Board of Education (component unit)	108,928
Total		\$ 12,971,256

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 total due to component units disclosed here, \$12,862,328, is less than the amount disclosed on the Statement of Net Position due to \$23,211,433 of deferred inflows of resources 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	Grants Fund	\$ 8,612,339
	Enterprise Funds	7,682,717
	Internal Service	4,250,000
Debt Service Fund	Capital Projects Fund	6,280,000
Grants Fund	General Fund	1,486,676
	Grants Fund	2,518,607
Nonmajor Governmental Funds	Grants Fund	555,422
	Total transfers out of governmental fund types	31,385,761
Enterprise Funds	Grants Fund	408,932
Internal Service Funds	General Fund	183,374
	Total transfers out of proprietary fund types	592,306
	Total all fund types	\$ 31,978,067

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, 2013 is detailed below:

	General Fund	Debt Service Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Private donor grants	\$ 40,226	\$ ---	\$ 523,224	\$ 19,898	\$ 583,348
In-kind services	---	---	6,503,354	---	6,503,354
Miscellaneous income	232,434	---	175,964	10,188	418,586
Forfeitures and seizures	---	---	---	1,303,822	1,303,822
Housing principal & interest	---	717,739	49,306	---	767,045
Total other revenue	<u>\$ 272,660</u>	<u>\$ 717,739</u>	<u>\$ 7,251,848</u>	<u>\$ 1,333,908</u>	<u>\$ 9,576,155</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:

	2014	2013
Insurance claims liabilities at the beginning of the fiscal year	\$ 4,764,839	\$ 4,221,239
Incurred claims and claim adjustment expenses	50,192,942	48,164,484
Payment of claims and claim adjustment expenses	<u>(50,677,807)</u>	<u>(47,620,884)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 4,279,974</u>	<u>\$ 4,764,839</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:

	2014	2013
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 1,997,077	\$ 4,093,889
Incurred claims and claim adjustment expenses	1,052,423	(1,684,957)
Payment of claims and claim adjustment expenses	<u>(798,752)</u>	<u>(411,855)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 2,250,748</u>	<u>\$ 1,997,077</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:

	2014	2013
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 5,104,549	\$ 5,692,034
Incurred claims and claim adjustment expenses	1,146,902	1,451,994
Payment of claims and claim adjustment expenses	(1,756,324)	(2,039,479)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 4,495,127</u>	<u>\$ 5,104,549</u>

The total of claims liability disclosed here, \$11,025,849, differs from the sum of claims reported on the Statement of Net Position and the long-term claims disclosed in Note IV(H) due to claims that are solely short term in nature and a \$305,286 long term liability to be paid by the General Fund.

(M) 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, or assigned fund balances in the governmental funds.

The amounts of these encumbrances are as follows:

General Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total
\$ 813,270	\$ 32,509,754	\$ 11,852,431	\$ 1,923,737	\$ 47,099,192

The Capital Projects Fund had additional commitments specific to capital projects of \$64,929,097 as of June 30, 2014.

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(N).

(N) 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 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 \$199,179,321, net of discounted bond issuance, owed as of December 31, 2013, plus \$2,006,523 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 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, 2014 the County transferred to the Sports Authority for debt service purposes the amount of \$1,934,329 from car rental taxes and \$7,541,220 from hotel/motel taxes. Financial statements for the Memphis and Shelby County Sports Authority, Inc. may be obtained from the Administrator of Finance, Shelby County Government, 160 N. Main Street, Suite 800, Memphis, Tennessee 38103.

The following is a summary of the financial information of the Authority as of the most recent financial statements available:

	Memphis and Shelby County Sports Authority, Inc. (December 31, 2013)
Assets	\$ 58,011,103
Liabilities	208,170,235
Net position	(150,159,132)
Operating expenses	12,122,290
General revenues	17,582,938
Change in net position	5,460,648

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 \$145,712 for insurance on the facility. Since the PBA's only assets are the ownership rights to the FedExForum 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.

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 retain no ongoing financial responsibility or financial interest.

Memphis and Shelby County Community Redevelopment Agency (CRA) is jointly governed by the City of Memphis and the County. The CRA 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 the City of Memphis Division of Planning and Development, 125 N. Main, Suite 468, Memphis, Tennessee 38103.

Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (EDGE) was created in 2011 by joint resolutions of 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 Position (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.

The *Memphis and Shelby County Music Commission* was jointly established by the City of Memphis and Shelby County Government with the responsibility of promoting and preserving all phases of our musical heritage, economy and industry. The City and County each appoint ten (10) members of the board and each government has one *ex officio* board member.

The *Memphis and Shelby County Film and Television Commission* was jointly established by the City of Memphis and Shelby County Government to initiate, recommend and/or support policies, programs, projects and events that support the film and television production industry. The City and the County each appoint eleven (11) members of the Commission board.

Related Organizations:

The County appoints a voting majority of the *Health, Housing and Education Facilities Board* but is not financially accountable for the organization.

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.

(O) 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 800, 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)	\$ 29,261,919
Interest on Net OPEB Obligation	929,310
Adjustment to ARC	<u>(1,248,640)</u>
Annual OPEB Cost	28,942,589
Contributions made	<u>(36,731,249)</u>
Decrease in net OPEB Obligation	(7,788,660)
Net OPEB Obligation beginning of year	<u>17,701,150</u>
Net OPEB Obligation end of year	<u><u>\$ 9,912,490</u></u>

The OPEB Trust has been in existence for only seven 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, 2014	\$ 28,942,589	\$ 36,731,249	126.9%	\$ 9,912,490
June 30, 2013	32,983,377	29,232,920	88.6%	17,701,150
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 June 30, 2014, the most recent actuarial valuation date, the plan was 56.8% funded. The actuarial accrued liability for benefits was \$313 million, and the actuarial value of assets was \$178 million, resulting in an unfunded actuarial accrued liability; (UAAL) of \$135 million. The covered payroll (annual payroll of active employees covered by the plan) was \$239 million and the ratio of the UAAL to the covered payroll was 56.4%.

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	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	23 years
Asset valuation method	Market value
Rate of inflation	4.00%
Rate of investment return	5.25%
Projected salary increases	4.00%
Healthcare cost trend rate	7.75% to 5.75% graded to 5.0% over 5 years

(P) 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 701, 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 2014 were based on the actuarial report as of June 30, 2012.

In accordance with the actuarial valuation as of June 30, 2012 the employer contribution rate required was 12.75% of covered payroll of participants. Plan B, Plan C, and Plan D participants contribute 8.0% of their earnings, with some exceptions for employees of Plan B with more than 35 years of service. Plan A participants contribute 2.0%. This resulted in total contributions of \$45,893,474 (\$31,976,458 employer contributions and \$13,917,016 employee contributions). The actuarial required employer contribution of \$32,982,757 is significantly impacted by the amortization of the actuarial surplus that results from investment results in prior years. The County funds at least the Annual Required Contribution as a percent of payroll from the most recent actuarial report at the time the budget is prepared. For fiscal year 2014, the most recent actuarial report available was as of June 30, 2012.

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)	\$ 32,982,757
Interest on net pension obligation	(2,072,708)
Adjustment to ARC	3,360,386
Annual pension cost	<u>34,270,435</u>
Contributions made (per actuarial report)	<u>(31,968,172)</u>
Increase in net pension obligation	2,302,263
Net pension obligation beginning of year	<u>(25,908,853)</u>
Net pension obligation end of year	<u><u>\$ (23,606,590)</u></u>

Fiscal Year Ended	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 34,270,435	93.3%	\$ (23,606,590)
June 30, 2013	33,060,236	91.3%	(25,908,853)
June 30, 2012	27,291,451	85.7%	(28,799,423)

Funded Status and Funding Progress:

As of June 30, 2014 the most recent actuarial valuation date, the plan was 82.6% funded. The actuarial accrued liability for benefits was \$1,398 million, and the actuarial value of assets was \$1,155 million, resulting in an unfunded actuarial liability (UAAL) of \$243 million. The covered payroll (annual payroll of active employees covered by the plan) was \$240 million and the ratio of the UAAL to the covered payroll was 101.2%.

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, 2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	22 years on June 30, 2014
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 (Regional One Health)

Effective July 1, 1985 Regional One Health 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.

**Required Supplementary Information
Shelby County Retirement System
For the Year Ended June 30, 2014**

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	922,143,395	934,829,366	12,685,971	98.6%	251,059,875	5.1%
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	1,090,210,000	1,241,966,000	151,756,000	87.8%	258,670,000	58.7%
2013	1,118,965,000	1,280,073,000	161,108,000	87.4%	250,367,000	64.3%
2014 a)	1,155,350,000	1,398,658,000	243,308,000	82.6%	240,466,000	101.2%

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

**Required Supplementary Information
Other Postemployment (OPEB) Trust Fund
For the Year Ended June 30, 2014**

Schedule of Funding Progress
(amounts rounded to thousands)

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
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%
2012	105,472	410,938	305,466	25.7%	241,767	126.3%
2013	133,454	389,781	256,327	34.2%	249,504	102.7%
2014	177,595	312,692	135,097	56.8%	239,752	56.3%

Schedule of Employer Contributions
(amounts rounded to thousands)

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 32,277	123.4%
2009	31,477	58.2%
2010	29,093	70.8%
2011	30,363	81.8%
2012	27,285	117.0%
2013	33,215	88.0%
2014	29,262	125.5%

Note 1: The Trust was established as of July 1, 2007 and only seven 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. OPEB Trust Fund

The Trust was established July 1, 2007 and has been active for only seven fiscal years. Limited trend information may be discerned from the seven 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.

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014**

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel Motel Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Assets:				
Cash and cash equivalents	\$ 6,201,991	\$ 2,756,606	\$ 2,380,937	\$ 1,253,233
Accounts receivable and accrued revenues	23,075	---	34,341	---
Due from other funds	---	1,490,312	316	---
Due from other governmental entities	1,735,930	1,341,670	---	---
Deposits held by others	---	---	2,351,507	---
Total assets	<u>\$ 7,960,996</u>	<u>\$ 5,588,588</u>	<u>\$ 4,767,101</u>	<u>\$ 1,253,233</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 772,506	\$ 2,598,377	\$ 311,160	\$ 24,927
Due to other governmental entities	6,717	---	---	---
Unearned revenue	---	---	---	---
Deposits held for others	---	---	2,351,507	---
Total liabilities	<u>779,223</u>	<u>2,598,377</u>	<u>2,662,667</u>	<u>24,927</u>
Deferred inflows of resources:				
Unavailable revenue	---	---	32,460	---
Total deferred inflows of resources	<u>---</u>	<u>---</u>	<u>32,460</u>	<u>---</u>
Fund balances:				
Restricted	7,181,773	2,990,211	2,071,974	1,228,306
Committed	---	---	---	---
Total fund balances	<u>7,181,773</u>	<u>2,990,211</u>	<u>2,071,974</u>	<u>1,228,306</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,960,996</u>	<u>\$ 5,588,588</u>	<u>\$ 4,767,101</u>	<u>\$ 1,253,233</u>

<u>Car Rental Tax Fund</u>	<u>Health Services Restricted Fees Fund</u>	<u>Storm Water Fees Fund</u>	<u>Economic Development Fund</u>	<u>Restricted Court Fees Fund</u>	<u>Total</u>
\$ 167,020	\$ 1,486,899	\$ 1,104,672	\$ 4,322,921	\$ 1,210,525	\$ 20,884,804
---	294,631	61,801	---	26,601	440,449
188,014	---	---	---	8,503	1,687,145
181,793	---	38,293	---	1,326	3,299,012
---	---	---	---	---	2,351,507
<u>\$ 536,827</u>	<u>\$ 1,781,530</u>	<u>\$ 1,204,766</u>	<u>\$ 4,322,921</u>	<u>\$ 1,246,955</u>	<u>\$ 28,662,917</u>
\$ 536,827	\$ 51,029	\$ 6,746	\$ ---	\$ 64,188	\$ 4,365,760
---	24,389	---	---	---	31,106
---	---	40,194	---	---	40,194
---	---	---	---	---	2,351,507
<u>536,827</u>	<u>75,418</u>	<u>46,940</u>	<u>---</u>	<u>64,188</u>	<u>6,788,567</u>
---	---	---	---	---	32,460
---	---	---	---	---	32,460
---	354,992	1,157,826	---	1,182,767	16,167,849
---	1,351,120	---	4,322,921	---	5,674,041
---	1,706,112	1,157,826	4,322,921	1,182,767	21,841,890
<u>\$ 536,827</u>	<u>\$ 1,781,530</u>	<u>\$ 1,204,766</u>	<u>\$ 4,322,921</u>	<u>\$ 1,246,955</u>	<u>\$ 28,662,917</u>

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
June 30, 2014

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel Motel Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Revenues:				
Other local taxes	\$ 180,629	\$ 13,847,666	\$ ---	\$ ---
State revenue	9,287,263	---	---	---
Federal and local revenue	---	---	24,905	---
Charges for services	682,969	---	243,395	5,552
Fines, fees and permits	23,486	---	13,614	595,270
Other revenue	---	---	1,307,713	---
Investment income	17,207	16,492	9,732	1,728
Total revenues	<u>10,191,554</u>	<u>13,864,158</u>	<u>1,599,359</u>	<u>602,550</u>
Expenditures:				
General Government	---	13,185,343	---	---
Public Works	8,871,272	---	---	---
Health Services	---	---	---	---
Law Enforcement	---	---	3,074,885	---
Judicial	---	---	---	309,681
Other Elected Officials	---	---	---	180,621
Total expenditures	<u>8,871,272</u>	<u>13,185,343</u>	<u>3,074,885</u>	<u>490,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,320,282</u>	<u>678,815</u>	<u>(1,475,526)</u>	<u>112,248</u>
Other financing sources (uses)				
Transfers out	(354,345)	---	---	---
Sale of capital assets	22,400	---	---	---
Insurance recoveries	60,284	---	---	---
Total other financing sources (uses)	<u>(271,661)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net change in fund balances	1,048,621	678,815	(1,475,526)	112,248
Fund balances:				
June 30, 2013	<u>6,133,152</u>	<u>2,311,396</u>	<u>3,547,500</u>	<u>1,116,058</u>
June 30, 2014	<u>\$ 7,181,773</u>	<u>\$ 2,990,211</u>	<u>\$ 2,071,974</u>	<u>\$ 1,228,306</u>

<u>Car Rental Tax Fund</u>	<u>Health Services Restricted Fees Fund</u>	<u>Storm Water Fees Fund</u>	<u>Economic Development Fund</u>	<u>Restricted Court Fees Fund</u>	<u>Total</u>
\$ 1,934,329	\$ ---	\$ ---	\$ ---	\$ ---	\$ 15,962,624
---	---	---	---	---	9,287,263
---	---	61,706	---	---	86,611
---	815	---	---	---	932,731
---	4,361,719	741,952	---	425,687	6,161,728
---	7,297	18,898	---	---	1,333,908
---	4,793	4,124	14,088	3,713	71,877
<u>1,934,329</u>	<u>4,374,624</u>	<u>826,680</u>	<u>14,088</u>	<u>429,400</u>	<u>33,836,742</u>
1,934,329	---	---	---	---	15,119,672
---	---	1,001,623	---	---	9,872,895
---	4,428,711	---	---	---	4,428,711
---	---	---	---	---	3,074,885
---	---	---	---	336,753	646,434
---	---	---	---	---	180,621
<u>1,934,329</u>	<u>4,428,711</u>	<u>1,001,623</u>	<u>---</u>	<u>336,753</u>	<u>33,323,218</u>
---	(54,087)	(174,943)	14,088	92,647	513,524
---	(193,777)	(7,300)	---	---	(555,422)
---	---	---	---	---	22,400
---	---	---	---	---	60,284
<u>---</u>	<u>(193,777)</u>	<u>(7,300)</u>	<u>---</u>	<u>---</u>	<u>(472,738)</u>
---	(247,864)	(182,243)	14,088	92,647	40,786
---	1,953,976	1,340,069	4,308,833	1,090,120	21,801,104
<u>\$ ---</u>	<u>\$ 1,706,112</u>	<u>\$ 1,157,826</u>	<u>\$ 4,322,921</u>	<u>\$ 1,182,767</u>	<u>\$ 21,841,890</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Roads and Bridges Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 273,000	\$ 273,000	\$ 180,629	\$ (92,371)
State revenue	10,120,000	10,120,000	9,287,263	(832,737)
Federal and local revenue	125,000	125,000	---	(125,000)
Charges for services	519,067	689,644	682,969	(6,675)
Fines, fees and permits	53,520	53,520	23,486	(30,034)
Investment income	25,000	25,000	17,207	(7,793)
Total revenues	<u>11,115,587</u>	<u>11,286,164</u>	<u>10,191,554</u>	<u>(1,094,610)</u>
Expenditures:				
Salaries	4,088,991	4,016,481	3,686,739	329,742
Other compensation	75,272	177,957	57,257	120,700
Fringe benefits	1,739,226	1,709,048	1,534,067	174,981
Salary restriction	(93,067)	(93,067)	---	(93,067)
Supplies and materials	1,848,904	1,873,984	691,519	1,182,465
Services and other expenditures	149,089	162,089	140,707	21,382
Professional and contracted services	186,716	185,916	17,938	167,978
Rent, utilities, and maintenance	200,385	200,385	104,024	96,361
Interfund services	1,555,060	1,555,060	1,440,909	114,151
Asset acquisitions	2,300,981	1,354,864	1,198,112	156,752
Total expenditures	<u>12,051,557</u>	<u>11,142,717</u>	<u>8,871,272</u>	<u>2,271,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(935,970)</u>	<u>143,447</u>	<u>1,320,282</u>	<u>1,176,835</u>
Other financing sources (uses):				
Transfers in	37,009	37,009	---	(37,009)
Transfers out	---	(544,660)	(354,345)	190,315
Sale of capital assets	20,000	20,000	22,400	2,400
Insurance recoveries	---	---	60,284	60,284
Planned change in fund balance	878,961	344,204	---	(344,204)
Total other financing sources (uses)	<u>935,970</u>	<u>(143,447)</u>	<u>(271,661)</u>	<u>(128,214)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,048,621</u>	<u>\$ 1,048,621</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Hotel Motel Taxes Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 13,200,000	\$ 13,200,000	\$ 13,847,666	\$ 647,666
Investment income	---	---	16,492	16,492
Total revenues	<u>13,200,000</u>	<u>13,200,000</u>	<u>13,864,158</u>	<u>664,158</u>
Expenditures:				
Affiliated organizations	<u>13,185,343</u>	<u>13,185,343</u>	<u>13,185,343</u>	<u>---</u>
Total expenditures	<u>13,185,343</u>	<u>13,185,343</u>	<u>13,185,343</u>	<u>---</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,657</u>	<u>14,657</u>	<u>678,815</u>	<u>664,158</u>
Other financing sources (uses):				
Planned change in fund balance	<u>(14,657)</u>	<u>(14,657)</u>	<u>---</u>	<u>14,657</u>
Total other financing sources (uses)	<u>(14,657)</u>	<u>(14,657)</u>	<u>---</u>	<u>14,657</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 678,815</u>	<u>\$ 678,815</u>

Sheriff Forfeitures Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ ---	\$ 24,905	\$ 24,905
Charges for services	225,000	225,000	243,395	18,395
Fines, fees and permits	38,000	38,000	13,614	(24,386)
Other revenue	2,108,000	2,108,000	1,307,713	(800,287)
Investment income	<u>44,500</u>	<u>44,500</u>	<u>9,732</u>	<u>(34,768)</u>
Total revenues	<u>2,415,500</u>	<u>2,415,500</u>	<u>1,599,359</u>	<u>(816,141)</u>
Expenditures:				
Other compensation	470,000	470,000	250,000	220,000
Supplies and materials	450,000	417,982	305,584	112,398
Services and other expenditures	373,800	481,615	400,459	81,156
Professional and contracted services	361,000	365,589	191,931	173,658
Rent, utilities, and maintenance	571,056	596,261	473,822	122,439
Interfund services	370,000	371,498	310,631	60,867
Asset acquisitions	<u>1,760,000</u>	<u>1,770,449</u>	<u>1,142,458</u>	<u>627,991</u>
Total expenditures	<u>4,355,856</u>	<u>4,473,394</u>	<u>3,074,885</u>	<u>1,398,509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,940,356)</u>	<u>(2,057,894)</u>	<u>(1,475,526)</u>	<u>582,368</u>
Other financing sources (uses):				
Planned change in fund balance	<u>1,940,356</u>	<u>2,057,894</u>	<u>---</u>	<u>(2,057,894)</u>
Total other financing sources (uses)	<u>1,940,356</u>	<u>2,057,894</u>	<u>---</u>	<u>(2,057,894)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (1,475,526)</u>	<u>\$ (1,475,526)</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Data Processing Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 12,345	\$ 12,345	\$ 5,552	\$ (6,793)
Fines, fees and permits	538,417	538,417	595,270	56,853
Investment income	2,449	2,449	1,728	(721)
Total revenues	553,211	553,211	602,550	49,339
Expenditures:				
Supplies and materials	59,449	114,576	61,735	52,841
Services and other expenditures	228,603	273,762	210,516	63,246
Professional and contracted services	78,060	75,376	73,815	1,561
Rent, utilities, and maintenance	117,031	122,031	76,664	45,367
Interfund services	10,538	10,538	10,538	---
Asset acquisitions	135,876	98,564	57,034	41,530
Total expenditures	629,557	694,847	490,302	204,545
Excess (deficiency) of revenues over (under) expenditures	(76,346)	(141,636)	112,248	253,884
Other financing sources (uses):				
Planned change in fund balance	76,346	141,636	---	(141,636)
Total other financing sources (uses)	76,346	141,636	---	(141,636)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 112,248	\$ 112,248

Car Rental Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 2,200,000	\$ 2,200,000	\$ 1,934,329	\$ (265,671)
Total revenues	2,200,000	2,200,000	1,934,329	(265,671)
Expenditures:				
Affiliated organizations	2,200,000	2,200,000	1,934,329	265,671
Total expenditures	2,200,000	2,200,000	1,934,329	265,671
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Health Services Restricted Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 750	\$ 750	\$ 815	\$ 65
Fines, fees and permits	4,519,000	4,519,000	4,361,719	(157,281)
Other revenue	---	---	7,297	7,297
Investment income	7,500	7,500	4,793	(2,707)
Total revenues	<u>4,527,250</u>	<u>4,527,250</u>	<u>4,374,624</u>	<u>(152,626)</u>
Expenditures:				
Salaries	2,805,377	2,805,377	2,587,358	218,019
Other compensation	79,096	100,096	99,429	667
Fringe benefits	1,079,000	1,058,000	1,016,907	41,093
Salary restriction	(50,000)	(50,000)	---	(50,000)
Supplies and materials	234,659	269,561	221,685	47,876
Services and other expenditures	43,150	43,150	31,579	11,571
Professional and contracted services	117,300	97,300	34,780	62,520
Rent, utilities, and maintenance	36,280	34,280	32,892	1,388
Interfund services	407,700	410,700	340,839	69,861
Asset acquisitions	80,000	63,242	63,242	---
Total expenditures	<u>4,832,562</u>	<u>4,831,706</u>	<u>4,428,711</u>	<u>402,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(305,312)</u>	<u>(304,456)</u>	<u>(54,087)</u>	<u>250,369</u>
Other financing sources (uses):				
Transfers out	(402,690)	(402,690)	(193,777)	208,913
Planned change in fund balance	708,002	707,146	---	(707,146)
Total other financing sources (uses)	<u>305,312</u>	<u>304,456</u>	<u>(193,777)</u>	<u>(498,233)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (247,864)</u>	<u>\$ (247,864)</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Storm Water Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ ---	\$ 61,706	\$ 61,706
Fines, fees and permits	720,000	720,000	741,952	21,952
Other revenue	---	---	18,898	18,898
Investment income	---	---	4,124	4,124
Total revenues	<u>720,000</u>	<u>720,000</u>	<u>826,680</u>	<u>106,680</u>
Expenditures:				
Salaries	133,186	133,186	90,892	42,294
Other compensation	---	4,000	3,435	565
Fringe benefits	48,537	44,537	28,559	15,978
Supplies and materials	26,780	41,930	9,851	32,079
Services and other expenditures	21,935	21,935	7,152	14,783
Professional and contracted services	178,451	864,451	642,160	222,291
Rent, utilities, and maintenance	8,800	17,800	4,974	12,826
Interfund services	134,200	234,200	208,200	26,000
Asset acquisitions	418,935	430,183	6,400	423,783
Total expenditures	<u>970,824</u>	<u>1,792,222</u>	<u>1,001,623</u>	<u>790,599</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(250,824)</u>	<u>(1,072,222)</u>	<u>(174,943)</u>	<u>897,279</u>
Other financing sources (uses):				
Transfers out	(15,813)	(15,813)	(7,300)	8,513
Planned change in fund balance	266,637	1,088,035	---	(1,088,035)
Total other financing sources (uses)	<u>250,824</u>	<u>1,072,222</u>	<u>(7,300)</u>	<u>(1,079,522)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (182,243)</u>	<u>\$ (182,243)</u>

Economic Development Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 3,000,000	\$ 3,000,000	\$ ---	\$ (3,000,000)
Investment income	---	---	14,088	14,088
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>14,088</u>	<u>(2,985,912)</u>
Expenditures:				
Affiliated organizations	<u>3,000,000</u>	<u>3,000,000</u>	<u>---</u>	<u>3,000,000</u>
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>---</u>	<u>3,000,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 14,088</u>	<u>\$ 14,088</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Restricted Court Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 385,000	\$ 385,000	\$ 425,687	\$ 40,687
Investment income	---	---	3,713	3,713
Total revenues	<u>385,000</u>	<u>385,000</u>	<u>429,400</u>	<u>44,400</u>
Expenditures:				
Salaries	153,430	158,430	158,384	46
Other compensation	1,651	651	---	651
Fringe benefits	74,601	70,601	70,552	49
Supplies and materials	750	7,103	5,778	1,325
Services and other expenditures	6,500	10,500	9,743	757
Professional and contracted services	317,000	305,147	90,104	215,043
Rent, utilities, and maintenance	1,440	2,940	2,192	748
Interfund services	1,250	1,250	---	1,250
Total expenditures	<u>556,622</u>	<u>556,622</u>	<u>336,753</u>	<u>219,869</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(171,622)</u>	<u>(171,622)</u>	<u>92,647</u>	<u>264,269</u>
Other financing sources (uses):				
Planned change in fund balance	171,622	171,622	---	(171,622)
Total other financing sources (uses)	<u>171,622</u>	<u>171,622</u>	<u>---</u>	<u>(171,622)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 92,647</u>	<u>\$ 92,647</u>

Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2014

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
Assets:			
Current assets			
Cash and cash equivalents	\$ 1,633,884	\$ 1,479,120	\$ 3,113,004
Accounts receivable and accrued revenues	45,269	1,563,714	1,608,983
Due from other funds	239	---	239
Due from other governmental entities	45,973	1,274	47,247
Prepays	124	834	958
Total current assets	<u>1,725,489</u>	<u>3,044,942</u>	<u>4,770,431</u>
Noncurrent assets			
Net pension asset	730,157	671,620	1,401,777
Depreciable capital assets, net	1,578,108	4,797,409	6,375,517
Total noncurrent assets	<u>2,308,265</u>	<u>5,469,029</u>	<u>7,777,294</u>
Total assets	<u>4,033,754</u>	<u>8,513,971</u>	<u>12,547,725</u>
Liabilities:			
Current liabilities			
Accounts payable and accrued liabilities	17,508	126,664	144,172
Accrued interest payable	---	3,171	3,171
Due to other governmental entities	26,734	126,726	153,460
Compensated absences payable	414,743	794,356	1,209,099
Capital lease obligations, current portion	---	66,054	66,054
Unearned revenue	117,281	42,590	159,871
Deposits held for others	37,800	---	37,800
Total current liabilities	<u>614,066</u>	<u>1,159,561</u>	<u>1,773,627</u>
Noncurrent liabilities			
Accrued sick leave payable	193,146	282,992	476,138
Capital lease obligations, long-term	---	69,152	69,152
Net other postemployment benefit obligations	494,670	541,523	1,036,193
Total noncurrent liabilities	<u>687,816</u>	<u>893,667</u>	<u>1,581,483</u>
Total liabilities	<u>1,301,882</u>	<u>2,053,228</u>	<u>3,355,110</u>
Net position:			
Net investment in capital assets	1,578,108	4,662,203	6,240,311
Unrestricted	1,153,764	1,798,540	2,952,304
Total net position	<u>\$ 2,731,872</u>	<u>\$ 6,460,743</u>	<u>\$ 9,192,615</u>

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2014

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
Operating revenues:			
State revenue	\$ ---	\$ 84,000	\$ 84,000
Federal and local revenue	---	789,436	789,436
Charges for services	8,498	78,486	86,984
Fines, fees and permits	7,990,201	18,221,250	26,211,451
Other revenue	2,739	29,328	32,067
Total operating revenues	<u>8,001,438</u>	<u>19,202,500</u>	<u>27,203,938</u>
Operating expenses:			
Salaries	5,688,521	8,350,772	14,039,293
Other compensation	19,137	1,331,015	1,350,152
Fringe benefits	2,258,062	3,701,002	5,959,064
Supplies and materials	104,849	369,360	474,209
Services and other expenses	57,372	91,788	149,160
Professional and contracted services	127,552	2,493,185	2,620,737
Rent, utilities, and maintenance	71,889	235,333	307,222
Interfund services	747,411	1,042,324	1,789,735
Depreciation	143,000	302,408	445,408
Total operating expenses	<u>9,217,793</u>	<u>17,917,187</u>	<u>27,134,980</u>
Operating income (loss)	<u>(1,216,355)</u>	<u>1,285,313</u>	<u>68,958</u>
Nonoperating revenues (expenses)			
Intergovernmental	782,717	---	782,717
Interest income	5,299	2,269	7,568
Interest expense	---	(9,104)	(9,104)
Gain (loss) on asset disposal	9,028	7,250	16,278
Insurance recoveries	3,448	---	3,448
Net nonoperating revenues (expenses)	<u>800,492</u>	<u>415</u>	<u>800,907</u>
Income (loss) before transfers	<u>(415,863)</u>	<u>1,285,728</u>	<u>869,865</u>
Transfers:			
Transfers in	782,717	---	782,717
Transfers out	(223,406)	---	(223,406)
Net transfers	<u>559,311</u>	<u>---</u>	<u>559,311</u>
Change in net position	143,448	1,285,728	1,429,176
Net position:			
June 30, 2013	<u>2,588,424</u>	<u>5,175,015</u>	<u>7,763,439</u>
June 30, 2014	<u>\$ 2,731,872</u>	<u>\$ 6,460,743</u>	<u>\$ 9,192,615</u>

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2014**

	Consolidated Codes Enforcement Fund	Fire Services Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 8,072,225	\$ 19,165,869	\$ 27,238,094
Receipts from interfund services provided	---	78,486	78,486
Refunds paid to customers	(83,199)	---	(83,199)
Cash payments to suppliers	(374,869)	(3,115,208)	(3,490,077)
Cash payments to employees	(8,125,718)	(13,829,852)	(21,955,570)
Payments for interfund services	(747,411)	(1,042,324)	(1,789,735)
Net cash provided by (used in) operating activities	<u>(1,258,972)</u>	<u>1,256,971</u>	<u>(2,001)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	782,717	---	782,717
Transfers to other funds	(223,406)	---	(223,406)
Payments from City of Memphis	892,891	---	892,891
Net cash provided by (used in) noncapital financing activities	<u>1,452,202</u>	<u>---</u>	<u>1,452,202</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(174,466)	(28,057)	(202,523)
Proceeds from the sale of capital assets	9,028	7,250	16,278
Capital lease obligation payments	---	(168,950)	(168,950)
Interest paid	---	(14,434)	(14,434)
Insurance recoveries	3,448	---	3,448
Net cash provided by (used in) capital and related financing activities	<u>(161,990)</u>	<u>(204,191)</u>	<u>(366,181)</u>
Cash flows from investing activities:			
Interest and investment earnings	5,299	2,269	7,568
Net cash provided by (used in) investing activities	<u>5,299</u>	<u>2,269</u>	<u>7,568</u>
Net increase (decrease in cash and cash equivalents)	36,539	1,055,049	1,091,588
Cash and cash equivalents, June 30, 2013	<u>1,597,345</u>	<u>424,071</u>	<u>2,021,416</u>
Cash and cash equivalents, June 30, 2014	<u>\$ 1,633,884</u>	<u>\$ 1,479,120</u>	<u>\$ 3,113,004</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ (1,216,355)</u>	<u>\$ 1,285,313</u>	<u>\$ 68,958</u>
Adjustments:			
Depreciation	143,000	302,408	445,408
Changes in assets and liabilities			
Accounts receivable and accrued revenues	23,894	(4,364)	19,530
Due from other funds	(239)	---	(239)
Due from other governmental entities	(78)	13,793	13,715
Prepays	673	(5)	668
Net pension asset	50,075	79,405	129,480
Accounts payable and accrued liabilities	(8,254)	(14,823)	(23,077)
Due to other governmental entities	(293)	65,146	64,853
Compensated absences payable	(38,074)	(221,560)	(259,634)
Unearned revenue	14,334	32,426	46,760
Deposits held for others	(50,562)	---	(50,562)
Net other postemployment benefit obligations	(177,093)	(280,768)	(457,861)
Total adjustments	<u>(42,617)</u>	<u>(28,342)</u>	<u>(70,959)</u>
Net cash provided by (used in) operating activities	<u>\$ (1,258,972)</u>	<u>\$ 1,256,971</u>	<u>\$ (2,001)</u>

**Internal Service Funds
Combining Statement of Net Position
June 30, 2014**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Assets:					
Current assets					
Cash and cash equivalents	\$ 5,636,813	\$ 15,289,726	\$ 6,685,317	\$ 11,413,452	\$ 39,025,308
Accounts receivable and accrued revenues	25,071	107,909	---	2,000	134,980
Due from other governmental entities	5,281	---	---	---	5,281
Inventories	951,423	---	---	---	951,423
Prepays	302,099	201,035	---	---	503,134
Deposits held by others	---	---	---	100,000	100,000
Total current assets	6,920,687	15,598,670	6,685,317	11,515,452	40,720,126
Noncurrent assets					
Net pension asset	162,458	---	---	---	162,458
Depreciable capital assets, net	1,482,999	---	---	---	1,482,999
Total noncurrent assets	1,645,457	---	---	---	1,645,457
Total assets	8,566,144	15,598,670	6,685,317	11,515,452	42,365,583
Liabilities:					
Current liabilities					
Accounts payable and accrued liabilities	751,131	49,660	---	37,880	838,671
Claims payable, current	---	4,279,974	575,748	1,712,101	6,567,823
Compensated absences payable	100,279	---	---	---	100,279
Unearned revenue	---	4,231,908	---	---	4,231,908
Total current liabilities	851,410	8,561,542	575,748	1,749,981	11,738,681
Noncurrent liabilities					
Claims payable, long-term	---	---	1,675,000	2,783,026	4,458,026
Accrued sick leave payable	63,797	---	---	---	63,797
Net other postemployment benefit obligations	129,852	---	---	---	129,852
Total noncurrent liabilities	193,649	---	1,675,000	2,783,026	4,651,675
Total liabilities	1,045,059	8,561,542	2,250,748	4,533,007	16,390,356
Net position:					
Net investment in capital assets	1,482,999	---	---	---	1,482,999
Unrestricted	6,038,086	7,037,128	4,434,569	6,982,445	24,492,228
Total net position	\$ 7,521,085	\$ 7,037,128	\$ 4,434,569	\$ 6,982,445	\$ 25,975,227

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2014

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Operating revenues:					
Charges for services	\$ 9,976,334	\$ ---	\$ ---	\$ ---	\$ 9,976,334
Other revenue	1,903	187,979	---	14,370	204,252
Premium revenue	---	51,793,473	567,387	2,215,306	54,576,166
Total operating revenues	<u>9,978,237</u>	<u>51,981,452</u>	<u>567,387</u>	<u>2,229,676</u>	<u>64,756,752</u>
Operating expenses:					
Salaries	1,300,696	---	---	---	1,300,696
Other compensation	13,019	---	---	---	13,019
Fringe benefits	559,395	---	---	---	559,395
Supplies and materials	2,451,189	---	---	---	2,451,189
Services and other expenses	1,431,247	27,740	---	---	1,458,987
Professional and contracted services	76,235	2,918,109	22,703	267,662	3,284,709
Rent, utilities, and maintenance	3,159,787	---	---	---	3,159,787
Interfund services	158,309	---	---	---	158,309
Depreciation	167,838	---	---	---	167,838
Claims incurred	---	50,192,942	1,052,424	1,146,902	52,392,268
Affiliated organizations	<u>9,317,715</u>	<u>53,138,791</u>	<u>1,075,127</u>	<u>1,414,564</u>	<u>64,946,197</u>
Operating income (loss)	<u>660,522</u>	<u>(1,157,339)</u>	<u>(507,740)</u>	<u>815,112</u>	<u>(189,445)</u>
Nonoperating revenues (expenses)					
Interest income	---	53,314	---	---	53,314
Gain (loss) on asset disposal	(10,413)	---	---	---	(10,413)
Insurance recoveries	344	---	---	---	344
Net nonoperating revenues (expenses)	<u>(10,069)</u>	<u>53,314</u>	<u>---</u>	<u>---</u>	<u>43,245</u>
Income (loss) before capital contributions and transfers	650,453	(1,104,025)	(507,740)	815,112	(146,200)
Capital contributions	17,511	---	---	---	17,511
Transfers:					
Transfers in	4,000,000	---	250,000	---	4,250,000
Transfers out	---	(183,374)	---	---	(183,374)
Net transfers	<u>4,000,000</u>	<u>(183,374)</u>	<u>250,000</u>	<u>---</u>	<u>4,066,626</u>
Change in net position	4,667,964	(1,287,399)	(257,740)	815,112	3,937,937
Net position:					
June 30, 2013	<u>2,853,121</u>	<u>8,324,527</u>	<u>4,692,309</u>	<u>6,167,333</u>	<u>22,037,290</u>
June 30, 2014	<u>\$ 7,521,085</u>	<u>\$ 7,037,128</u>	<u>\$ 4,434,569</u>	<u>\$ 6,982,445</u>	<u>\$ 25,975,227</u>

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2014**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Cash flows from operating activities:					
Receipts from customers	\$ 257,576	\$ ---	\$ ---	\$ ---	\$ 257,576
Receipts from interfund services provided	9,722,287	---	---	---	9,722,287
Premiums received	---	51,897,582	567,387	2,215,306	54,680,275
Refunds received from suppliers	4,475	189,294	289	12,922	206,980
Cash payments to suppliers	(7,916,897)	(3,362,535)	(22,703)	(296,818)	(11,598,953)
Cash payments to employees	(1,874,746)	---	---	---	(1,874,746)
Claims paid	---	(50,679,122)	(799,042)	(1,756,876)	(53,235,040)
Payments for interfund services	(158,309)	---	---	---	(158,309)
Net cash provided by (used in) operating activities	<u>34,386</u>	<u>(1,954,781)</u>	<u>(254,069)</u>	<u>174,534</u>	<u>(1,999,930)</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	4,000,000	---	250,000	---	4,250,000
Transfers to other funds	---	(183,374)	---	---	(183,374)
Net cash provided by (used in) noncapital financing activities	<u>4,000,000</u>	<u>(183,374)</u>	<u>250,000</u>	<u>---</u>	<u>4,066,626</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(265,333)	---	---	---	(265,333)
Insurance recoveries	344	---	---	---	344
Net cash provided by (used in) capital and related financing activities	<u>(264,989)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(264,989)</u>
Cash flows from investing activities:					
Interest and investment earnings	---	53,314	---	---	53,314
Net cash provided by (used in) investing activities	<u>---</u>	<u>53,314</u>	<u>---</u>	<u>---</u>	<u>53,314</u>
Net increase (decrease in cash and cash equivalents	3,769,397	(2,084,841)	(4,069)	174,534	1,855,021
Cash and cash equivalents, June 30, 2013	<u>1,867,416</u>	<u>17,374,567</u>	<u>6,689,386</u>	<u>11,238,918</u>	<u>37,170,287</u>
Cash and cash equivalents, June 30, 2014	<u>\$ 5,636,813</u>	<u>\$ 15,289,726</u>	<u>\$ 6,685,317</u>	<u>\$ 11,413,452</u>	<u>\$ 39,025,308</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ 660,522</u>	<u>\$ (1,157,339)</u>	<u>\$ (507,740)</u>	<u>\$ 815,112</u>	<u>\$ (189,445)</u>
Adjustments:					
Depreciation	167,838	---	---	---	167,838
Changes in assets and liabilities					
Accounts receivable and accrued revenues	(2,959)	(65,748)	---	(2,000)	(70,707)
Due from other governmental entities	5,286	---	---	---	5,286
Inventories	(794,923)	---	---	---	(794,923)
Prepays	(69,525)	(201,035)	---	---	(270,560)
Deposits held by others	11,223	---	---	(50,000)	(38,777)
Accounts payable and accrued liabilities	69,732	(210,495)	---	20,844	(119,919)
Claims payable	---	(484,865)	253,671	(609,422)	(840,616)
Compensated absences payable	26,948	---	---	---	26,948
Unearned revenue	---	164,701	---	---	164,701
Net other postemployment benefit obligations	(39,756)	---	---	---	(39,756)
Total adjustments	<u>(626,136)</u>	<u>(797,442)</u>	<u>253,671</u>	<u>(640,578)</u>	<u>(1,810,485)</u>
Net cash provided by (used in) operating activities	<u>\$ 34,386</u>	<u>\$ (1,954,781)</u>	<u>\$ (254,069)</u>	<u>\$ 174,534</u>	<u>\$ (1,999,930)</u>
Noncash investing, capital, and financing activities:					
Capital assets transferred from governmental activities	\$ 17,511	---	---	---	---

Fiduciary Funds
Postemployment Benefit Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2014

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Assets:			
Cash and cash equivalents	\$ 5,447,937	\$ 74,665,139	\$ 80,113,076
Investments			
Domestic equity	61,661,553	405,223,771	466,885,324
Fixed income	37,475,934	202,625,631	240,101,565
International equity	27,441,664	204,916,411	232,358,075
Hedge funds	---	131,491,540	131,491,540
Limited partnership interests	---	91,932,259	91,932,259
Private real estate and infrastructure	5,077,785	24,561,428	29,639,213
Alternative investments	19,941,915	---	19,941,915
Short-term investments	21,662,532	---	21,662,532
Accounts receivable	60,808	---	60,808
Accrued interest and dividends receivable	---	2,441,735	2,441,735
Prepays	33,454	---	33,454
Due from brokers - investment sales	---	3,598,823	3,598,823
Total assets	<u>178,803,582</u>	<u>1,141,456,737</u>	<u>1,320,260,319</u>
Liabilities:			
Accounts payable	1,208,823	1,043,775	2,252,598
Due to brokers and others	---	2,374,263	2,374,263
Total liabilities	<u>1,208,823</u>	<u>3,418,038</u>	<u>4,626,861</u>
Deferred inflows of resources:			
Derivative instruments fair value	---	412,945	412,945
Total deferred inflows of resources	<u>---</u>	<u>412,945</u>	<u>412,945</u>
Net position held in trust for pension and other postemployment benefits	<u>\$ 177,594,759</u>	<u>\$ 1,137,625,754</u>	<u>\$ 1,315,220,513</u>

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2014

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Additions:			
Contributions			
Employer contributions	\$ 36,731,249	\$ 31,976,458	\$ 68,707,707
Member contributions	5,248,569	13,917,016	19,165,585
Other revenue	59,500	---	59,500
Total contributions	<u>42,039,318</u>	<u>45,893,474</u>	<u>87,932,792</u>
Investment income			
Net change in fair value of investments	19,996,072	141,027,193	161,023,265
Interest income	19,582	12,885,149	12,904,731
Dividend income	1,460,257	7,203,743	8,664,000
Other income	---	507,634	507,634
Total investment income	<u>21,475,911</u>	<u>161,623,719</u>	<u>183,099,630</u>
Less investment management expenses	<u>(259,691)</u>	<u>(5,025,885)</u>	<u>(5,285,576)</u>
Net investment income (loss)	<u>21,216,220</u>	<u>156,597,834</u>	<u>177,814,054</u>
Net additions	<u>63,255,538</u>	<u>202,491,308</u>	<u>265,746,846</u>
Deductions:			
Benefit payments	18,630,198	64,635,627	83,265,825
Administrative expenses	484,663	1,337,536	1,822,199
Refund of member contributions	---	6,941,385	6,941,385
Total deductions	<u>19,114,861</u>	<u>72,914,548</u>	<u>92,029,409</u>
Change in net position	44,140,677	129,576,760	173,717,437
Net position held in trust for benefits:			
June 30, 2013	<u>133,454,082</u>	<u>1,008,048,994</u>	<u>1,141,503,076</u>
June 30, 2014	<u>\$ 177,594,759</u>	<u>\$ 1,137,625,754</u>	<u>\$ 1,315,220,513</u>

**County Charter Officers - General and Agency Funds
Combined Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2014**

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Chancery Court</u>				
Assets:				
Cash and cash equivalents	\$ 7,010,686	\$ 25,536,631	\$ (25,941,642)	\$ 6,605,675
Investments	2,000,000	2,000,000	(2,000,000)	2,000,000
Accounts receivable	98,241	---	(98,241)	---
Total assets	<u>\$ 9,108,927</u>	<u>\$ 27,536,631</u>	<u>\$ (28,039,883)</u>	<u>\$ 8,605,675</u>
Liabilities:				
Funds held for others	\$ 8,899,470	\$ 27,635,926	\$ (28,213,999)	\$ 8,321,397
Due to other funds and departments	209,457	6,575,607	(6,500,786)	284,278
Total liabilities	<u>\$ 9,108,927</u>	<u>\$ 34,211,533</u>	<u>\$ (34,714,785)</u>	<u>\$ 8,605,675</u>
<u>Circuit Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 16,015,384	\$ 9,311,269	\$ (10,098,776)	\$ 15,227,877
Investments	1,000,000	1,000,000	(1,000,000)	1,000,000
Total assets	<u>\$ 17,015,384</u>	<u>\$ 10,311,269</u>	<u>\$ (11,098,776)</u>	<u>\$ 16,227,877</u>
Liabilities:				
Funds held for others	\$ 16,474,173	\$ 6,573,244	\$ (7,326,638)	\$ 15,720,779
Due to other governmental agencies	28,518	389,993	(389,621)	28,890
Due to other funds and departments	512,693	3,348,032	(3,382,517)	478,208
Total liabilities	<u>\$ 17,015,384</u>	<u>\$ 10,311,269</u>	<u>\$ (11,098,776)</u>	<u>\$ 16,227,877</u>
<u>Criminal Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 3,308,721	\$ 8,656,907	\$ (8,423,025)	\$ 3,542,603
Accounts receivable	785,519	---	(615,860)	169,659
Total assets	<u>\$ 4,094,240</u>	<u>\$ 8,656,907</u>	<u>\$ (9,038,885)</u>	<u>\$ 3,712,262</u>
Liabilities:				
Funds held for others	\$ 3,012,153	\$ 484,327	\$ (399,268)	\$ 3,097,212
Due to other governmental agencies	58,095	2,819,659	(2,789,620)	88,134
Due to other funds and departments	1,023,992	5,639,792	(6,136,868)	526,916
Total liabilities	<u>\$ 4,094,240</u>	<u>\$ 8,943,778</u>	<u>\$ (9,325,756)</u>	<u>\$ 3,712,262</u>
<u>General Sessions Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 7,956,439	\$ 39,512,094	\$ (39,056,026)	\$ 8,412,507
Investments	1,850,000	1,850,000	(1,850,000)	1,850,000
Total assets	<u>\$ 9,806,439</u>	<u>\$ 41,362,094</u>	<u>\$ (40,906,026)</u>	<u>\$ 10,262,507</u>
Liabilities:				
Funds held for others	\$ 8,394,445	\$ 20,361,357	\$ (19,943,721)	\$ 8,812,081
Due to other governmental agencies	264,107	3,873,517	(3,866,158)	271,466
Due to other funds and departments	1,147,887	17,127,223	(17,096,150)	1,178,960
Total liabilities	<u>\$ 9,806,439</u>	<u>\$ 41,362,097</u>	<u>\$ (40,906,029)</u>	<u>\$ 10,262,507</u>

**County Charter Officers - General and Agency Funds
Combined Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2014**

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Probate Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 25,583,844	\$ 38,117,171	\$ (37,295,711)	\$ 26,405,304
Total assets	<u>\$ 25,583,844</u>	<u>\$ 38,117,171</u>	<u>\$ (37,295,711)</u>	<u>\$ 26,405,304</u>
Liabilities:				
Funds held for others	\$ 25,508,369	\$ 37,549,998	\$ (36,735,700)	\$ 26,322,667
Due to other governmental agencies	2,013	23,794	(23,256)	2,551
Due to other funds and departments	59,753	510,906	(511,387)	59,272
Accounts payable and accrued expenses	13,709	32,473	(25,368)	20,814
Total liabilities	<u>\$ 25,583,844</u>	<u>\$ 38,117,171</u>	<u>\$ (37,295,711)</u>	<u>\$ 26,405,304</u>
<u>Juvenile Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 5,232,978	\$ 8,457,130	\$ (8,513,106)	\$ 5,177,002
Accounts receivable	---	72,000	---	72,000
Total assets	<u>\$ 5,232,978</u>	<u>\$ 8,529,130</u>	<u>\$ (8,513,106)</u>	<u>\$ 5,249,002</u>
Liabilities:				
Funds held for others	\$ 5,019,786	\$ 2,045,415	\$ (2,011,104)	\$ 5,054,097
Due to other funds and departments	213,192	1,310,955	(1,329,242)	194,905
Total liabilities	<u>\$ 5,232,978</u>	<u>\$ 3,356,370</u>	<u>\$ (3,340,346)</u>	<u>\$ 5,249,002</u>
<u>County Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 6,136,034	\$ 115,251,292	\$ (114,737,525)	\$ 6,649,801
Investments	1,250,000	1,250,000	(1,250,000)	1,250,000
Accounts receivable	370,943	143,352	(90,546)	423,749
Total assets	<u>\$ 7,756,977</u>	<u>\$ 116,644,644</u>	<u>\$ (116,078,071)</u>	<u>\$ 8,323,550</u>
Liabilities:				
Funds held for others	\$ 6,470	\$ 64,760	\$ (66,581)	\$ 4,649
Due to other governmental agencies	2,451,061	52,947,262	(52,829,502)	2,568,821
Due to other funds and departments	5,299,446	62,382,622	(61,931,988)	5,750,080
Total liabilities	<u>\$ 7,756,977</u>	<u>\$ 115,394,644</u>	<u>\$ (114,828,071)</u>	<u>\$ 8,323,550</u>
<u>Register</u>				
Assets:				
Cash and cash equivalents	\$ 2,344,774	\$ 22,013,268	\$ (22,357,037)	\$ 2,001,005
Total assets	<u>\$ 2,344,774</u>	<u>\$ 22,013,268</u>	<u>\$ (22,357,037)</u>	<u>\$ 2,001,005</u>
Liabilities:				
Due to other governmental agencies	\$ 2,000,904	\$ 18,422,663	\$ (18,753,452)	\$ 1,670,115
Due to other funds and departments	343,870	3,590,605	(3,603,585)	330,890
Total liabilities	<u>\$ 2,344,774</u>	<u>\$ 22,013,268</u>	<u>\$ (22,357,037)</u>	<u>\$ 2,001,005</u>
<u>Trustee</u>				
Assets:				
Cash and cash equivalents	\$ 423,000,290	\$ 3,259,958,791	\$ (3,028,120,279)	\$ 654,838,802
Investments	300,000	200,000	(300,000)	200,000
Accounts receivable	307,495	24,607	(28,431)	303,671
Total assets	<u>\$ 423,607,785</u>	<u>\$ 3,260,183,398</u>	<u>\$ (3,028,448,710)</u>	<u>\$ 655,342,473</u>

**County Charter Officers - General and Agency Funds
Combined Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2014**

	Beginning Balance	Additions	Deductions	Ending Balance
Liabilities:				
Funds held for others	\$ 16,177,245	\$ 17,074,495	\$ (14,920,316)	\$ 18,331,424
Due to other governmental agencies	9,529,286	312,921,041	(322,363,170)	87,157
Due to other funds and departments	361,144,196	1,219,562,739	(1,210,359,604)	370,347,331
Due to component units	36,757,058	1,710,628,298	(1,480,808,795)	266,576,561
Total liabilities	<u>\$ 423,607,785</u>	<u>\$ 3,260,186,573</u>	<u>\$ (3,028,451,885)</u>	<u>\$ 655,342,473</u>
Elimination of Interdepartmental Activity				
Assets:				
Cash and cash equivalents	\$ (369,954,486)	\$ (1,320,048,481)	\$ 1,310,852,127	\$ (379,150,840)
Total assets	<u>\$ (369,954,486)</u>	<u>\$ (1,320,048,481)</u>	<u>\$ 1,310,852,127</u>	<u>\$ (379,150,840)</u>
Liabilities:				
Due to other funds and departments	\$ (369,954,486)	\$ (1,320,048,481)	\$ 1,310,852,127	\$ (379,150,840)
Total liabilities	<u>\$ (369,954,486)</u>	<u>\$ (1,320,048,481)</u>	<u>\$ 1,310,852,127</u>	<u>\$ (379,150,840)</u>
Total				
Assets:				
Cash and cash equivalents	\$ 126,634,664	\$ 2,206,766,072	\$ (1,983,691,000)	\$ 349,709,736
Investments	6,400,000	6,300,000	(6,400,000)	6,300,000
Accounts receivable	1,562,198	239,959	(833,078)	969,079
Total assets	<u>\$ 134,596,862</u>	<u>\$ 2,213,306,031</u>	<u>\$ (1,990,924,078)</u>	<u>\$ 356,978,815</u>
Liabilities:				
Funds held for others	\$ 83,492,111	\$ 111,789,522	\$ (109,617,327)	\$ 85,664,306
Due to other governmental agencies	14,333,984	391,397,929	(401,014,779)	4,717,134
Due to component units	36,757,058	1,710,628,298	(1,480,808,795)	266,576,561
Accounts payable and accrued expenses	13,709	32,473	(25,368)	20,814
Total liabilities	<u>\$ 134,596,862</u>	<u>\$ 2,213,848,222</u>	<u>\$ (1,991,466,269)</u>	<u>\$ 356,978,815</u>

Shelby County, Tennessee

**Schedule of General Obligation Bonds and Loans-Except for School Purposes
June 30, 2014**

	1996B General Obligation	1997B General Obligation	2004B General Obligation	2005A General Obligation	2009A General Obligation	2011A General Obligation
Date of Issuance	11/01/1996 ^c 11/14/1996	11/01/1997	04/15/2004	03/10/2005	04/02/2009	03/30/2011
Total Issue	\$ 43,640,742	\$ 34,019,243	\$ 60,754,734	\$ 165,792,000	\$ 131,252,597	\$ 32,938,707
Interest Rate %	5.00-6.00	4.50-5.75	Variable	3.00-5.00	2.75-5.0	4.0-5.0
Fiscal Year						
2015	\$ 850,769	\$ 832,581	\$ ---	\$ 19,016,000	\$ 18,500,000	\$ ---
2016	797,641	---	---	11,959,000	4,286,938	---
2017	754,421	783,830	---	8,991,000	3,120,244	3,397,732
2018	---	---	---	9,317,000	966,048	3,754,415
2019	---	---	---	7,828,000	50,468	4,177,702
2020	---	---	---	8,058,000	1,733,135	4,611,716
2021	---	---	---	---	2,835,764	5,090,923
2022	---	---	---	---	4,205,000	5,646,423
2023	---	---	---	---	---	6,259,796
2024	---	---	5,258,172	---	---	---
2025	---	---	8,503,250	---	---	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
2031	---	---	---	---	---	---
2032	---	---	---	---	---	---
2033	---	---	---	---	---	---
2034	---	---	---	---	---	---
2035	---	---	---	---	---	---
2036	---	---	---	---	---	---
TOTAL	\$ 2,402,831	\$ 1,616,411	\$ 13,761,422	\$ 65,169,000	\$ 35,697,597	\$ 32,938,707

(c) Capital Appreciation Bonds

Note: Certain bonds are treated as defeased and not included above. The specific series and maturities are shown following these schedules of general obligation bonds. See Note IV (H) in the Notes to the Financial Statements for more information about these bonds and loans.

2011 Port Commission	2012A General Obligation	Non-School Total
09/07/2011	03/01/2012	
\$ 20,397,500	\$ 80,978,085	
2.0-5.0	3.0-5.0	
\$ 540,000	\$ 3,486,236	\$ 43,225,586
562,500	3,781,309	21,387,388
572,500	4,109,168	21,728,895
600,000	4,480,741	19,118,204
615,000	5,870,240	18,541,410
645,000	6,385,447	21,433,298
677,500	11,239,324	19,843,511
705,000	12,104,247	22,660,670
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>\$ 19,082,500</u>	<u>\$ 80,890,656</u>	<u>\$ 251,559,124</u>

Shelby County, Tennessee

**Schedule of General Obligation Bonds and Loans-School Purposes
June 30, 2014**

	1996B General Obligation	1997B General Obligation	2004B General Obligation	2005A General Obligation	2006A General Obligation	2006B General Obligation
Date of Issuance	11/01/1996 ^c 11/14/1996	11/01/1997	04/15/2004	03/10/2005	02/22/2006	02/22/2006
Total Issue	\$ 51,045,323	\$ 74,415,173	\$ 176,950,269	\$ 241,373,000	\$ 42,161,627	\$ 159,590,000
Interest Rate %	5.00-6.00	4.50-5.75	Variable	3.00-5.00	5.00	Variable
Fiscal Year						
2015	\$ 995,120	\$ 1,821,223	\$ ---	\$ 22,689,000	\$ 3,360,000	\$ ---
2016	932,978	---	---	27,501,000	8,975,000	---
2017	882,424	1,714,582	---	19,764,000	---	7,425,000
2018	---	---	---	25,033,000	---	2,020,000
2019	---	---	---	20,222,000	---	---
2020	---	---	---	18,762,000	---	2,705,000
2021	---	---	---	6,115,000	---	8,505,000
2022	---	---	---	4,010,000	---	9,575,000
2023	---	---	---	5,140,000	---	7,130,000
2024	---	---	8,036,828	5,100,000	---	7,450,000
2025	---	---	12,996,750	4,640,000	---	23,900,000
2026	---	---	13,775,000	---	---	26,130,000
2027	---	---	15,150,000	---	---	20,110,000
2028	---	---	16,665,000	---	---	6,625,000
2029	---	---	18,335,000	---	---	12,680,000
2030	---	---	20,165,000	---	---	6,055,000
2031	---	---	---	---	---	19,280,000
2032	---	---	---	---	---	---
2033	---	---	---	---	---	---
2034	---	---	---	---	---	---
2035	---	---	---	---	---	---
2036	---	---	---	---	---	---
TOTAL	<u>\$ 2,810,522</u>	<u>\$ 3,535,805</u>	<u>\$ 105,123,578</u>	<u>\$ 158,976,000</u>	<u>\$ 12,335,000</u>	<u>\$ 159,590,000</u>

(continued)

(c) Capital Appreciation Bonds

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

2006C General Obligation	2009A General Obligation	2009B General Obligation	2009C General Obligation	2009 QSCB	2010 QSCB
11/30/2006	04/02/2009	09/30/2009	09/30/2009	12/01/2009	10/01/2010
\$ 197,846,127	\$ 83,442,403	\$ 60,000,000	\$ 60,000,000	\$ 55,120,000	\$ 67,260,000
Variable	2.75-5.0	2.25-5.0	5.625-5.75	1.515	1.515
\$ ---	\$ ---	\$ 3,905,000	\$ ---	\$ 3,439,402	\$ 4,196,919
---	14,083,062	3,995,000	---	3,439,402	4,196,919
---	10,174,756	4,095,000	---	3,439,402	4,196,919
---	18,323,952	4,215,000	---	3,439,402	4,196,919
---	20,464,532	4,425,000	---	3,439,402	4,196,919
---	12,861,865	4,570,000	---	3,439,402	4,196,919
---	7,534,236	4,755,000	---	3,439,402	4,196,919
---	---	4,990,000	---	3,439,402	4,196,919
---	---	5,240,000	---	3,439,402	4,196,919
---	---	5,475,000	---	3,439,402	4,196,919
6,530,000	---	---	4,995,000	3,439,402	4,196,919
6,785,000	---	---	5,195,000	3,439,402	4,196,919
7,050,000	---	---	5,400,000	376,185	4,196,919
7,325,000	---	---	5,610,000	---	459,040
7,610,000	---	---	5,830,000	---	---
7,910,000	---	---	6,060,000	---	---
8,220,000	---	---	6,315,000	---	---
8,540,000	---	---	6,585,000	---	---
---	---	---	6,860,000	---	---
---	---	---	7,150,000	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
<u>\$ 59,970,000</u>	<u>\$ 83,442,403</u>	<u>\$ 45,665,000</u>	<u>\$ 60,000,000</u>	<u>\$ 41,649,009</u>	<u>\$ 55,018,987</u>

Schedule of General Obligation Bonds and Loans-School Purposes (continued)
June 30, 2014

	2011A General Obligation	2012A General Obligation	2012B GO Refunding (Rural Schools)	School Total	G. O. Bonds Total
Date of Issuance	03/30/2011	03/01/2012	03/01/2012		
Total Issue	\$ 40,856,293	\$ 178,361,915	\$ 15,060,000		
Interest Rate %	4.0-5.0	3.0-5.0	2.0-4.0		
Fiscal Year					
2015	\$ ---	\$ 7,678,764	\$ 2,380,000	\$ 50,465,428	\$ 93,691,014
2016	---	8,328,691	2,475,000	73,927,052	95,314,440
2017	2,987,268	9,050,832	2,570,000	66,300,183	88,029,078
2018	3,300,585	9,869,259	2,675,000	73,073,117	92,191,321
2019	3,672,298	12,929,760	390,000	69,739,911	88,281,321
2020	4,053,284	14,064,553	---	64,653,023	86,086,321
2021	4,479,077	24,755,676	---	63,780,310	83,623,821
2022	4,963,577	26,660,753	---	57,835,651	80,496,321
2023	5,505,204	28,541,758	---	59,193,283	79,151,321
2024	5,660,000	21,588,573	---	60,946,722	76,786,321
2025	6,235,000	---	---	66,933,071	76,256,321
2026	---	4,367,233	---	63,888,554	66,736,321
2027	---	4,879,609	---	57,162,713	60,275,604
2028	---	5,453,883	---	42,137,923	45,549,040
2029	---	---	---	44,455,000	45,427,500
2030	---	---	---	40,190,000	41,200,000
2031	---	---	---	33,815,000	34,865,000
2032	---	---	---	15,125,000	16,227,500
2033	---	---	---	6,860,000	8,017,500
2034	---	---	---	7,150,000	8,367,500
2035	---	---	---	---	1,277,500
2036	---	---	---	---	1,340,000
TOTAL	<u>\$ 40,856,293</u>	<u>\$ 178,169,344</u>	<u>\$ 10,490,000</u>	<u>\$ 1,017,631,941</u>	<u>\$ 1,269,191,065</u>

(continued)

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

**Schedule of Defeased Bonds
June 30, 2014**

Defeased Bonds: **

Bond Series	Maturity Dates	Total Defeased Principal
2009A Refunding bonds	10/2012-04/2019	\$ 29,650,000
2005A Refunding Bonds	10/2012-04/2016	4,875,000
1997B Refunding Bonds	08/2012-08/2016	42,890
1996B Refunding Bonds	12/2012-12/2016	127,909
Total		\$ 34,695,799

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

Debt Service Fund
Budgetary Comparison Schedule - Summary by Type
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 136,233,000	\$ 136,233,000	\$ 138,029,247	\$ 1,796,247
Other local taxes	24,665,000	24,665,000	35,195,483	10,530,483
State revenue	---	---	67,436	67,436
Federal and local revenue	1,304,602	1,304,602	1,204,036	(100,566)
Charges for services	204,000	204,000	225,749	21,749
Other revenue	529,667	529,667	717,739	188,072
Investment income	295,000	295,000	1,058,206	763,206
Total revenues	<u>163,231,269</u>	<u>163,231,269</u>	<u>176,497,896</u>	<u>13,266,627</u>
Expenditures:				
Services and other expenditures	400,000	400,000	271,500	128,500
Professional and contracted services	280,590	280,590	141,625	138,965
Debt service	168,824,831	168,824,831	167,300,827	1,524,004
Total expenditures	<u>169,505,421</u>	<u>169,505,421</u>	<u>167,713,952</u>	<u>1,791,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,274,152)</u>	<u>(6,274,152)</u>	<u>8,783,944</u>	<u>15,058,096</u>
Other financing sources (uses):				
Transfers in	3,260,765	3,260,765	---	(3,260,765)
Transfers out	(6,280,000)	(6,280,000)	(6,280,000)	---
Planned change in fund balance	9,293,387	9,293,387	---	(9,293,387)
Total other financing sources (uses)	<u>6,274,152</u>	<u>6,274,152</u>	<u>(6,280,000)</u>	<u>(12,554,152)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 2,503,944</u>	<u>\$ 2,503,944</u>

General Fund
Budgetary Comparison Schedule - Summary by Type
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 243,356,000	\$ 243,356,000	\$ 246,933,780	\$ 3,577,780
Other local taxes	31,426,000	31,426,000	34,048,774	2,622,774
State revenue	19,721,659	20,048,659	19,588,987	(459,672)
Federal and local revenue	11,286,217	11,918,217	11,270,945	(647,272)
Charges for services	3,842,441	3,837,541	3,360,557	(476,984)
Fines, fees and permits	64,210,041	64,280,041	64,612,993	332,952
Other revenue	297,271	307,271	272,660	(34,611)
Investment income	465,200	465,200	371,433	(93,767)
Total revenues	374,604,829	375,638,929	380,460,129	4,821,200
Expenditures:				
Salaries	191,236,768	191,581,433	175,798,254	15,783,179
Other compensation	12,315,645	13,019,223	12,390,954	628,269
Fringe benefits	81,225,894	82,041,731	76,667,703	5,374,028
Salary restriction	(16,959,785)	(20,763,107)	---	(20,763,107)
Supplies and materials	9,568,753	9,650,597	9,440,639	209,958
Services and other expenditures	8,164,097	7,570,055	7,434,157	135,898
Professional and contracted services	33,025,189	29,457,836	29,825,253	(367,417)
Rent, utilities, and maintenance	14,238,139	13,322,098	13,203,826	118,272
Interfund services	96,669	286,332	232,916	53,416
Asset acquisitions	1,221,540	1,298,464	1,275,601	22,863
Affiliated organizations	28,376,848	28,461,078	28,461,078	---
Grants	635,000	635,000	635,000	---
Contingencies and restrictions	(2,789,073)	109,786	---	109,786
Total expenditures	360,355,684	356,670,526	355,365,381	1,305,145
Excess (deficiency) of revenues over (under) expenditures	14,249,145	18,968,403	25,094,748	6,126,345
Other financing sources (uses):				
Transfers in	2,130,608	2,262,608	1,670,050	(592,558)
Transfers out	(16,704,813)	(21,033,779)	(20,545,056)	488,723
Sale of capital assets	300,000	300,000	1,406,725	1,106,725
Insurance recoveries	25,060	25,060	1,247	(23,813)
Planned change in fund balance	---	(522,292)	---	522,292
Total other financing sources (uses)	(14,249,145)	(18,968,403)	(17,467,034)	1,501,369
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 7,627,714	\$ 7,627,714

General Fund
Budgetary Comparison Schedule - Summary by Department
For the Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ ---	\$ 297	\$ 297
County Attorney	---	546	546
Central Operations	287,485,765	294,676,601	7,190,836
Human Resources	655,612	619,621	(35,991)
Purchasing	500	267	(233)
Finance	---	112	112
Election Commission	1,622,500	963,099	(659,401)
Chief Information Officer	218,994	228,409	9,415
Information Technology Operations	1,600,000	1,649,293	49,293
	<u>291,583,371</u>	<u>298,138,245</u>	<u>6,554,874</u>
Planning and Development			
Housing	5,000	350	(4,650)
	<u>5,000</u>	<u>350</u>	<u>(4,650)</u>
Public Works			
Environmental Programs	403,000	390,582	(12,418)
Parks and Grounds Maintenance	666,500	459,222	(207,278)
Support Services	1,517,703	1,687,431	169,728
	<u>2,587,203</u>	<u>2,537,235</u>	<u>(49,968)</u>
Health Services			
Forensic Services	498,200	352,721	(145,479)
Health Services Administration and Finance	1,102,216	1,151,890	49,674
Environmental Health Services	2,176,784	1,653,938	(522,846)
Community Health	1,506,000	1,313,540	(192,460)
	<u>5,283,200</u>	<u>4,472,089</u>	<u>(811,111)</u>
Community Services			
Director of Community Services	---	3,932	3,932
Crime Victims Center	650,000	426,631	(223,369)
Pretrial Services	300,000	290,388	(9,612)
	<u>950,000</u>	<u>720,951</u>	<u>(229,049)</u>
Law Enforcement			
Sheriff's Office	6,076,240	5,777,593	(298,647)
	<u>6,076,240</u>	<u>5,777,593</u>	<u>(298,647)</u>
Judicial			
Chancery Court	3,629,000	3,961,970	332,970
Circuit Court	3,170,000	3,055,561	(114,439)
Criminal Court	4,898,640	3,729,913	(1,168,727)
General Sessions Court	10,035,000	10,066,540	31,540
Probate Court	550,000	581,484	31,484
Juvenile Court Judge	221,000	145,425	(75,575)
Juvenile Court Clerk	1,400,000	1,212,403	(187,597)
Public Defender	5,087,700	4,974,992	(112,708)
Divorce Referee	280,000	277,141	(2,859)
Attorney General	84,000	80,950	(3,050)
	<u>29,355,340</u>	<u>28,086,379</u>	<u>(1,268,961)</u>

General Fund

Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance
Other Elected Officials			
Legislative Operations	\$ 500	\$ 350	\$ (150)
Assessor	2,827,875	2,972,188	144,313
County Clerk	9,625,200	10,365,805	740,605
Register	3,852,000	3,591,621	(260,379)
Trustee	23,493,000	23,797,323	304,323
	<u>39,798,575</u>	<u>40,727,287</u>	<u>928,712</u>
Total revenues	<u>375,638,929</u>	<u>380,460,129</u>	<u>4,821,200</u>
Expenditures:			
General Government			
Mayor's Office	538,126	405,479	132,647
Public Affairs	454,592	430,329	24,263
Chief Administrative Officer	3,294,027	3,169,446	124,581
County Attorney	3,789,152	3,536,335	252,817
Director of Administration and Finance	274,664	269,465	5,199
Central Operations	21,522,584	26,091,996	(4,569,412)
County Grants	635,000	635,000	---
Human Resources	4,449,029	4,447,204	1,825
Purchasing	628,274	608,096	20,178
Finance	2,451,524	2,338,526	112,998
Board of Equalization	667,039	654,709	12,330
Election Commission	3,380,517	3,166,367	214,150
Chief Information Officer	448,025	444,289	3,736
Information Technology Operations	10,162,017	9,955,117	206,900
	<u>52,694,570</u>	<u>56,152,358</u>	<u>(3,457,788)</u>
Planning and Development			
Housing	346,462	335,351	11,111
	<u>346,462</u>	<u>335,351</u>	<u>11,111</u>
Public Works			
Director of Public Works	628,854	608,338	20,516
Environmental Programs	625,795	550,213	75,582
Parks and Grounds Maintenance	2,404,108	2,330,068	74,040
Support Services	15,338,916	15,207,091	131,825
	<u>18,997,673</u>	<u>18,695,710</u>	<u>301,963</u>
Health Services			
Director of Health Services	458,651	451,940	6,711
Forensic Services	3,584,734	3,567,810	16,924
Health Services Administration and Finance	1,057,732	1,027,862	29,870
Environmental Health Services	2,629,985	2,423,840	206,145
Community Health	6,096,495	5,607,829	488,666
Health Planning and Promotion	509,156	400,935	108,221
Inmate Medical Care	11,464,969	11,418,560	46,409
	<u>25,801,722</u>	<u>24,898,776</u>	<u>902,946</u>
Community Services			
Director of Community Services	1,044,523	935,942	108,581
Community and Diversion Services	2,097,214	2,535,750	(438,536)
Crime Victims Center	1,364,793	1,302,721	62,072
Pretrial Services	3,891,139	3,649,689	241,450
	<u>8,397,669</u>	<u>8,424,102</u>	<u>(26,433)</u>
Law Enforcement			
Sheriff's Office	156,048,719	155,727,953	320,766
	<u>156,048,719</u>	<u>155,727,953</u>	<u>320,766</u>

General Fund

Budgetary Comparison Schedule - Summary by Department (continued)

For the Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance
Judicial			
Chancery Court	\$ 1,539,849	\$ 1,338,010	\$ 201,839
Circuit Court	2,885,134	2,677,996	207,138
Criminal Court	4,980,935	4,829,447	151,488
General Sessions Court	13,635,154	13,534,412	100,742
Probate Court	1,220,980	1,173,367	47,613
Juvenile Court Judge	16,204,637	15,777,719	426,918
Juvenile Court Clerk	4,933,121	4,717,563	215,558
Public Defender	10,717,354	10,649,397	67,957
Divorce Referee	597,006	586,412	10,594
Jury Commission	827,953	816,979	10,974
Attorney General	9,832,090	9,820,678	11,412
	<u>67,374,213</u>	<u>65,921,980</u>	<u>1,452,233</u>
Other Elected Officials			
Commissioner's Contingency	109,786	---	109,786
Legislative Operations	1,856,790	1,734,581	122,209
Equal Opportunity Compliance	733,146	633,838	99,308
Assessor	10,337,340	9,685,528	651,812
County Clerk	4,951,413	4,854,444	96,969
Register	1,753,170	1,559,950	193,220
Trustee	7,267,853	6,740,810	527,043
	<u>27,009,498</u>	<u>25,209,151</u>	<u>1,800,347</u>
Total Expenditures	<u>356,670,526</u>	<u>355,365,381</u>	<u>1,305,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,968,403</u>	<u>25,094,748</u>	<u>6,126,345</u>
Transfers in:			
Chief Administrative Officer	144,000	156,433	12,433
Human Resources	350,000	---	(350,000)
Director of Public Works	35,170	35,170	---
Health Services Administration and Finance	921,186	921,186	---
Community Health	527,000	345,374	(181,626)
Sheriff's Office	184,497	140,277	(44,220)
Juvenile Court Judge	67,688	67,688	---
Juvenile Court Clerk	33,067	3,922	(29,145)
Total transfers in	<u>2,262,608</u>	<u>1,670,050</u>	<u>(592,558)</u>

General Fund

Budgetary Comparison Schedule - Summary by Department (continued)

For the Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance
Transfers out:			
Chief Administrative Officer	\$ ---	\$ (13,817)	\$ (13,817)
Central Operations	(15,565,315)	(15,548,032)	17,283
Information Technology Operations	(84,336)	(84,336)	---
Housing	(64,361)	(51,410)	12,951
Director of Public Works	(647,839)	(647,839)	---
Environmental Programs	(5,000)	(5,000)	---
Health Services Administration and Finance	(448,947)	(445,647)	3,300
Environmental Health Services	(1,541,048)	(1,105,780)	435,268
Community Health	(563,850)	(538,215)	25,635
Health Planning and Promotion	(4,300)	(3,462)	838
Director of Community Services	---	(71,244)	(71,244)
Crime Victims Center	(128,676)	(128,676)	---
Sheriff's Office	(75,913)	(74,245)	1,668
Circuit Court	(59,859)	(59,859)	---
General Sessions Court	(100,774)	(100,774)	---
Juvenile Court Judge	(327,729)	(325,710)	2,019
Juvenile Court Clerk	(326,996)	(251,548)	75,448
Jury Commission	(185,747)	(185,747)	---
Attorney General	(2,046)	(2,672)	(626)
Legislative Operations	(433,705)	(433,705)	---
Assessor	(110,200)	(110,200)	---
County Clerk	(24,438)	(24,438)	---
Trustee	(332,700)	(332,700)	---
Total transfers out	<u>(21,033,779)</u>	<u>(20,545,056)</u>	<u>488,723</u>
Other financing sources (uses):			
Central Operations	(522,292)	---	522,292
Parks and Grounds Maintenance	---	77,344	77,344
Support Services	300,000	1,330,545	1,030,545
Sheriff's Office	25,060	83	(24,977)
Total other financing sources (uses)	<u>(197,232)</u>	<u>1,407,972</u>	<u>1,605,204</u>
Net Other Financing Sources and Uses	<u>(18,968,403)</u>	<u>(17,467,034)</u>	<u>1,501,369</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ 7,627,714</u>	<u>\$ 7,627,714</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Mayor's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 418,735	\$ 400,546	\$ 298,508	\$ 102,038
Fringe benefits	139,081	137,080	106,971	30,109
Services and other expenditures	500	500	---	500
Total expenditures	<u>558,316</u>	<u>538,126</u>	<u>405,479</u>	<u>132,647</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (558,316)</u>	<u>\$ (538,126)</u>	<u>\$ (405,479)</u>	<u>\$ 132,647</u>

Public Affairs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 286,224	\$ 317,123	\$ 301,633	\$ 15,490
Fringe benefits	114,326	112,606	110,109	2,497
Supplies and materials	4,250	4,250	918	3,332
Services and other expenditures	12,652	1,687	510	1,177
Interfund services	31,555	18,926	17,159	1,767
Total expenditures	<u>449,007</u>	<u>454,592</u>	<u>430,329</u>	<u>24,263</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (449,007)</u>	<u>\$ (454,592)</u>	<u>\$ (430,329)</u>	<u>\$ 24,263</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 297	\$ 297
Total revenues	---	---	297	297
Expenditures:				
Salaries	1,930,474	1,959,695	1,818,337	141,358
Other compensation	10,150	10,150	9,603	547
Fringe benefits	707,383	719,719	683,820	35,899
Salary restriction	(60,000)	(60,000)	---	(60,000)
Supplies and materials	132,984	83,800	82,718	1,082
Services and other expenditures	105,745	117,862	116,836	1,026
Professional and contracted services	541,243	207,932	204,852	3,080
Rent, utilities, and maintenance	49,788	12,529	12,448	81
Interfund services	240,230	242,340	240,832	1,508
Total expenditures	3,657,997	3,294,027	3,169,446	124,581
Excess (deficiency) of revenues over (under) expenditures	(3,657,997)	(3,294,027)	(3,169,149)	124,878
Other financing sources (uses):				
Transfers in	---	144,000	156,433	12,433
Transfers out	---	---	(13,817)	(13,817)
Total other financing sources (uses)	---	144,000	142,616	(1,384)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,657,997)	\$ (3,150,027)	\$ (3,026,533)	\$ 123,494

County Attorney

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 111,000	\$ ---	\$ ---	\$ ---
Charges for services	---	---	546	546
Total revenues	111,000	---	546	546
Expenditures:				
Salaries	2,429,690	2,314,619	2,096,087	218,532
Other compensation	5,000	57,015	7,171	49,844
Fringe benefits	974,713	932,548	829,587	102,961
Salary restriction	(100,000)	(120,000)	---	(120,000)
Supplies and materials	22,750	16,613	16,377	236
Services and other expenditures	168,800	130,527	130,477	50
Professional and contracted services	341,254	419,264	418,070	1,194
Interfund services	43,374	38,566	38,566	---
Total expenditures	3,885,581	3,789,152	3,536,335	252,817
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,774,581)	\$ (3,789,152)	\$ (3,535,789)	\$ 253,363

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Director of Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 173,479	\$ 173,479	\$ 173,479	\$ ---
Fringe benefits	71,190	71,190	71,032	158
Supplies and materials	9,500	950	908	42
Services and other expenditures	9,000	1,595	1,588	7
Professional and contracted services	242,151	19,050	19,050	---
Interfund services	8,400	8,400	3,408	4,992
Total expenditures	513,720	274,664	269,465	5,199
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (513,720)	\$ (274,664)	\$ (269,465)	\$ 5,199

Central Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 243,356,000	\$ 243,356,000	\$ 246,933,780	\$ 3,577,780
Other local taxes	30,956,000	30,956,000	33,593,794	2,637,794
State revenue	9,308,000	9,308,000	10,314,875	1,006,875
Federal and local revenue	3,260,765	3,260,765	3,001,533	(259,232)
Charges for services	10,000	10,000	5,751	(4,249)
Fines, fees and permits	145,000	145,000	523,321	378,321
Other revenue	100,000	100,000	14,125	(85,875)
Investment income	350,000	350,000	289,422	(60,578)
Total revenues	287,485,765	287,485,765	294,676,601	7,190,836
Expenditures:				
Other compensation	409,997	213,291	---	213,291
Fringe benefits	---	1,501,169	1,501,169	---
Salary restriction	(2,287,647)	(4,782,866)	---	(4,782,866)
Services and other expenditures	624,538	595,942	595,942	---
Professional and contracted services	548,457	417,227	417,064	163
Interfund services	(4,307,409)	(4,307,409)	(4,307,409)	---
Affiliated organizations	27,801,000	27,885,230	27,885,230	---
Contingencies and restrictions	(2,520,073)	---	---	---
Total expenditures	20,268,863	21,522,584	26,091,996	(4,569,412)
Excess (deficiency) of revenues over (under) expenditures	267,216,902	265,963,181	268,584,605	2,621,424
Other financing sources (uses):				
Transfers out	(14,010,765)	(15,565,315)	(15,548,032)	17,283
Planned change in fund balance	---	(522,292)	---	522,292
Total other financing sources (uses)	(14,010,765)	(16,087,607)	(15,548,032)	539,575
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 253,206,137	\$ 249,875,574	\$ 253,036,573	\$ 3,160,999

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

		Budgeted Amounts		Actual	
		Original	Final	Amounts	Variance
County Grants					
Expenditures:					
Grants		\$ 635,000	\$ 635,000	\$ 635,000	\$ ---
Total expenditures		635,000	635,000	635,000	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		\$ (635,000)	\$ (635,000)	\$ (635,000)	\$ ---

		Budgeted Amounts		Actual	
		Original	Final	Amounts	Variance
Human Resources					
Revenues:					
Federal and local revenue		\$ 615,612	\$ 615,612	\$ 569,490	\$ (46,122)
Charges for services		---	---	655	655
Other revenue		40,000	40,000	49,476	9,476
Total revenues		655,612	655,612	619,621	(35,991)
Expenditures:					
Salaries		3,136,883	3,205,990	2,995,717	210,273
Other compensation		---	5,800	5,771	29
Fringe benefits		1,229,632	1,241,214	1,170,999	70,215
Salary restriction		(300,000)	(280,000)	---	(280,000)
Supplies and materials		47,339	28,398	28,227	171
Services and other expenditures		60,410	74,763	73,771	992
Professional and contracted services		59,590	51,898	51,889	9
Rent, utilities, and maintenance		43,644	25,751	25,751	---
Interfund services		102,657	95,215	95,079	136
Total expenditures		4,380,155	4,449,029	4,447,204	1,825
Excess (deficiency) of revenues over (under) expenditures		(3,724,543)	(3,793,417)	(3,827,583)	(34,166)
Other financing sources (uses):					
Transfers in		350,000	350,000	---	(350,000)
Total other financing sources (uses)		350,000	350,000	---	(350,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		\$ (3,374,543)	\$ (3,443,417)	\$ (3,827,583)	\$ (384,166)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Purchasing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 267	\$ (233)
Total revenues	<u>500</u>	<u>500</u>	<u>267</u>	<u>(233)</u>
Expenditures:				
Salaries	402,474	402,474	396,980	5,494
Fringe benefits	178,596	176,330	168,834	7,496
Supplies and materials	12,100	7,113	7,060	53
Services and other expenditures	28,830	7,409	6,962	447
Professional and contracted services	2,000	2,000	---	2,000
Rent, utilities, and maintenance	14,000	11,698	7,623	4,075
Interfund services	42,353	21,250	20,637	613
Total expenditures	<u>680,353</u>	<u>628,274</u>	<u>608,096</u>	<u>20,178</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (679,853)</u>	<u>\$ (627,774)</u>	<u>\$ (607,829)</u>	<u>\$ 19,945</u>

Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ ---	\$ ---	\$ 112	\$ 112
Total revenues	<u>---</u>	<u>---</u>	<u>112</u>	<u>112</u>
Expenditures:				
Salaries	1,716,054	1,715,576	1,599,653	115,923
Other compensation	10,000	10,000	5,802	4,198
Fringe benefits	671,898	672,377	631,674	40,703
Salary restriction	(50,106)	(50,106)	---	(50,106)
Supplies and materials	24,923	20,701	20,641	60
Services and other expenditures	37,375	38,292	36,321	1,971
Professional and contracted services	700	700	690	10
Rent, utilities, and maintenance	700	1,050	964	86
Interfund services	85,500	42,934	42,781	153
Total expenditures	<u>2,497,044</u>	<u>2,451,524</u>	<u>2,338,526</u>	<u>112,998</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,497,044)</u>	<u>\$ (2,451,524)</u>	<u>\$ (2,338,414)</u>	<u>\$ 113,110</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Board of Equalization

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 265,231	\$ 442,033	\$ 441,580	\$ 453
Other compensation	---	6,000	5,730	270
Fringe benefits	132,899	142,803	142,803	---
Supplies and materials	10,600	10,600	5,304	5,296
Services and other expenditures	4,000	4,600	4,182	418
Professional and contracted services	237,722	34,315	34,315	---
Rent, utilities, and maintenance	7,188	2,188	384	1,804
Interfund services	19,500	24,500	20,411	4,089
Total expenditures	677,140	667,039	654,709	12,330
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (677,140)	\$ (667,039)	\$ (654,709)	\$ 12,330

Election Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 18,000	\$ 318,000	\$ 16,704	\$ (301,296)
Federal and local revenue	550,000	1,300,000	939,850	(360,150)
Charges for services	4,500	4,500	6,545	2,045
Total revenues	572,500	1,622,500	963,099	(659,401)
Expenditures:				
Salaries	1,487,940	1,762,150	1,527,588	234,562
Other compensation	103,188	134,188	51,996	82,192
Fringe benefits	422,489	375,889	321,402	54,487
Salary restriction	(215,000)	(161,433)	---	(161,433)
Supplies and materials	107,500	66,845	66,544	301
Services and other expenditures	512,192	473,122	469,090	4,032
Professional and contracted services	145,442	258,285	258,276	9
Rent, utilities, and maintenance	246,025	204,232	204,232	---
Interfund services	401,200	267,239	267,239	---
Contingencies and restrictions	(69,000)	---	---	---
Total expenditures	3,141,976	3,380,517	3,166,367	214,150
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,569,476)	\$ (1,758,017)	\$ (2,203,268)	\$ (445,251)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Chief Information Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 126,840	\$ 126,840	\$ 134,255	\$ 7,415
Charges for services	92,154	92,154	94,154	2,000
Total revenues	218,994	218,994	228,409	9,415
Expenditures:				
Salaries	211,138	211,138	209,888	1,250
Fringe benefits	67,864	67,864	67,339	525
Supplies and materials	6,900	4,775	4,098	677
Services and other expenditures	212,676	220,801	219,517	1,284
Interfund services	(59,463)	(56,553)	(56,553)	---
Total expenditures	439,115	448,025	444,289	3,736
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (220,121)	\$ (229,031)	\$ (215,880)	\$ 13,151

Information Technology Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 1,600,000	\$ 1,600,000	\$ 1,649,293	\$ 49,293
Total revenues	1,600,000	1,600,000	1,649,293	49,293
Expenditures:				
Salaries	5,199,861	5,466,891	4,897,048	569,843
Other compensation	110,753	110,753	56,800	53,953
Fringe benefits	2,043,168	2,151,421	1,911,211	240,210
Salary restriction	(665,000)	(665,000)	---	(665,000)
Supplies and materials	518,930	789,513	789,136	377
Services and other expenditures	1,488,810	1,530,128	1,526,718	3,410
Professional and contracted services	520,143	227,747	226,059	1,688
Rent, utilities, and maintenance	545,257	337,164	337,155	9
Interfund services	53,605	60,290	58,090	2,200
Asset acquisitions	140,110	153,110	152,900	210
Total expenditures	9,955,637	10,162,017	9,955,117	206,900
Excess (deficiency) of revenues over (under) expenditures	(8,355,637)	(8,562,017)	(8,305,824)	256,193
Other financing sources (uses):				
Transfers out	---	(84,336)	(84,336)	---
Total other financing sources (uses)	---	(84,336)	(84,336)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (8,355,637)	\$ (8,646,353)	\$ (8,390,160)	\$ 256,193

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 5,000	\$ 5,000	\$ 350	\$ (4,650)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>350</u>	<u>(4,650)</u>
Expenditures:				
Salaries	210,276	210,702	210,419	283
Fringe benefits	89,336	89,446	89,446	---
Supplies and materials	7,700	7,700	3,846	3,854
Services and other expenditures	5,575	5,575	1,747	3,828
Professional and contracted services	500	500	---	500
Rent, utilities, and maintenance	3,500	1,507	---	1,507
Interfund services	29,039	31,032	29,893	1,139
Total expenditures	<u>345,926</u>	<u>346,462</u>	<u>335,351</u>	<u>11,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(340,926)</u>	<u>(341,462)</u>	<u>(335,001)</u>	<u>6,461</u>
Other financing sources (uses):				
Transfers out	(64,361)	(64,361)	(51,410)	12,951
Total other financing sources (uses)	<u>(64,361)</u>	<u>(64,361)</u>	<u>(51,410)</u>	<u>12,951</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (405,287)</u>	<u>\$ (405,823)</u>	<u>\$ (386,411)</u>	<u>\$ 19,412</u>

Director of Public Works

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 198,465	\$ 198,465	\$ 188,465	\$ 10,000
Fringe benefits	78,664	78,664	78,197	467
Salary restriction	(209,346)	---	---	---
Supplies and materials	2,350	2,350	102	2,248
Services and other expenditures	2,500	9,000	7,600	1,400
Professional and contracted services	30,000	3,528	3,233	295
Rent, utilities, and maintenance	3,910	3,910	---	3,910
Interfund services	339,147	331,617	329,799	1,818
Asset acquisitions	38,490	1,320	942	378
Total expenditures	<u>484,180</u>	<u>628,854</u>	<u>608,338</u>	<u>20,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(484,180)</u>	<u>(628,854)</u>	<u>(608,338)</u>	<u>20,516</u>
Other financing sources (uses):				
Transfers in	35,170	35,170	35,170	---
Transfers out	(50,000)	(647,839)	(647,839)	---
Total other financing sources (uses)	<u>(14,830)</u>	<u>(612,669)</u>	<u>(612,669)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (499,010)</u>	<u>\$ (1,241,523)</u>	<u>\$ (1,221,007)</u>	<u>\$ 20,516</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Environmental Programs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ ---	\$ ---	\$ 8,245	\$ 8,245
Fines, fees and permits	403,000	403,000	381,287	(21,713)
Other revenue	---	---	1,050	1,050
Total revenues	<u>403,000</u>	<u>403,000</u>	<u>390,582</u>	<u>(12,418)</u>
Expenditures:				
Salaries	196,025	196,025	167,175	28,850
Other compensation	70	70	9	61
Fringe benefits	62,912	62,912	58,048	4,864
Supplies and materials	14,468	24,688	14,507	10,181
Services and other expenditures	5,134	10,924	9,445	1,479
Professional and contracted services	21,900	17,630	4,650	12,980
Rent, utilities, and maintenance	248,693	229,277	224,159	5,118
Interfund services	67,621	84,269	72,220	12,049
Total expenditures	<u>616,823</u>	<u>625,795</u>	<u>550,213</u>	<u>75,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(213,823)</u>	<u>(222,795)</u>	<u>(159,631)</u>	<u>63,164</u>
Other financing sources (uses):				
Transfers out	---	(5,000)	(5,000)	---
Total other financing sources (uses)	<u>---</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (213,823)</u>	<u>\$ (227,795)</u>	<u>\$ (164,631)</u>	<u>\$ 63,164</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Parks and Grounds Maintenance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 517,500	\$ 517,500	\$ 316,802	\$ (200,698)
Fines, fees and permits	39,000	39,000	21,190	(17,810)
Other revenue	110,000	110,000	120,943	10,943
Investment income	---	---	287	287
Total revenues	<u>666,500</u>	<u>666,500</u>	<u>459,222</u>	<u>(207,278)</u>
Expenditures:				
Salaries	661,462	719,512	649,096	70,416
Other compensation	1,138	1,138	107	1,031
Fringe benefits	205,551	245,061	219,334	25,727
Salary restriction	---	(50,000)	---	(50,000)
Supplies and materials	80,004	81,709	78,532	3,177
Services and other expenditures	59,824	54,334	54,271	63
Professional and contracted services	12,000	13,800	13,800	---
Rent, utilities, and maintenance	484,768	591,799	591,623	176
Interfund services	89,440	159,317	147,457	11,860
Asset acquisitions	44,190	11,590	---	11,590
Affiliated organizations	575,848	575,848	575,848	---
Total expenditures	<u>2,214,225</u>	<u>2,404,108</u>	<u>2,330,068</u>	<u>74,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,547,725)</u>	<u>(1,737,608)</u>	<u>(1,870,846)</u>	<u>(133,238)</u>
Other financing sources (uses):				
Sale of capital assets	---	---	77,344	77,344
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>77,344</u>	<u>77,344</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,547,725)</u>	<u>\$ (1,737,608)</u>	<u>\$ (1,793,502)</u>	<u>\$ (55,894)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,400,000	\$ 1,400,000	\$ 1,391,878	\$ (8,122)
Charges for services	87,603	87,703	46,291	(41,412)
Fines, fees and permits	30,000	30,000	236,624	206,624
Other revenue	---	---	12,638	12,638
Total revenues	<u>1,517,603</u>	<u>1,517,703</u>	<u>1,687,431</u>	<u>169,728</u>
Expenditures:				
Salaries	5,818,342	5,716,697	5,195,313	521,384
Other compensation	66,387	66,387	54,201	12,186
Fringe benefits	2,375,504	2,379,591	2,192,715	186,876
Salary restriction	(302,814)	(462,160)	---	(462,160)
Supplies and materials	861,833	758,894	758,894	---
Services and other expenditures	93,407	65,212	61,518	3,694
Professional and contracted services	458,190	172,736	171,155	1,581
Rent, utilities, and maintenance	5,683,242	5,459,384	5,458,987	397
Interfund services	1,066,983	1,109,433	1,241,829	(132,396)
Asset acquisitions	201,279	72,742	72,479	263
Total expenditures	<u>16,322,353</u>	<u>15,338,916</u>	<u>15,207,091</u>	<u>131,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,804,750)</u>	<u>(13,821,213)</u>	<u>(13,519,660)</u>	<u>301,553</u>
Other financing sources (uses):				
Sale of capital assets	300,000	300,000	1,329,381	1,029,381
Insurance recoveries	---	---	1,164	1,164
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>1,330,545</u>	<u>1,030,545</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (14,504,750)</u>	<u>\$ (13,521,213)</u>	<u>\$ (12,189,115)</u>	<u>\$ 1,332,098</u>

Director of Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 318,541	\$ 326,076	\$ 320,486	\$ 5,590
Other compensation	---	8,500	7,498	1,002
Fringe benefits	120,322	124,075	123,956	119
Salary restriction	(302,069)	---	---	---
Total expenditures	<u>136,794</u>	<u>458,651</u>	<u>451,940</u>	<u>6,711</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (136,794)</u>	<u>\$ (458,651)</u>	<u>\$ (451,940)</u>	<u>\$ 6,711</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Forensic Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 173,200	\$ 173,200	\$ 84,541	\$ (88,659)
Fines, fees and permits	325,000	325,000	268,180	(56,820)
Total revenues	498,200	498,200	352,721	(145,479)
Expenditures:				
Supplies and materials	40,000	15,500	11,433	4,067
Services and other expenditures	8,400	8,400	3,050	5,350
Professional and contracted services	3,243,187	3,283,187	3,278,057	5,130
Rent, utilities, and maintenance	294,000	250,647	250,360	287
Interfund services	34,000	27,000	24,910	2,090
Total expenditures	3,619,587	3,584,734	3,567,810	16,924
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,121,387)	\$ (3,086,534)	\$ (3,215,089)	\$ (128,555)

Health Services Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 10,000	\$ 10,000	\$ 11,260	\$ 1,260
Charges for services	142,216	142,216	158,822	16,606
Fines, fees and permits	940,000	940,000	979,724	39,724
Other revenue	10,000	10,000	2,084	(7,916)
Total revenues	1,102,216	1,102,216	1,151,890	49,674
Expenditures:				
Salaries	1,252,640	1,093,033	1,040,887	52,146
Other compensation	10,305	10,305	7,715	2,590
Fringe benefits	535,557	467,017	440,874	26,143
Salary restriction	(102,482)	(61,000)	---	(61,000)
Supplies and materials	43,567	70,786	65,388	5,398
Services and other expenditures	81,415	94,415	92,616	1,799
Professional and contracted services	11,672,787	167,393	166,383	1,010
Rent, utilities, and maintenance	272,546	297,874	297,856	18
Interfund services	(1,023,559)	(1,082,091)	(1,083,857)	1,766
Contingencies and restrictions	(400,000)	---	---	---
Total expenditures	12,342,776	1,057,732	1,027,862	29,870
Excess (deficiency) of revenues over (under) expenditures	(11,240,560)	44,484	124,028	79,544
Other financing sources (uses):				
Transfers in	933,186	921,186	921,186	---
Transfers out	---	(448,947)	(445,647)	3,300
Total other financing sources (uses)	933,186	472,239	475,539	3,300
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (10,307,374)	\$ 516,723	\$ 599,567	\$ 82,844

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,376,284	\$ 1,376,284	\$ 858,215	\$ (518,069)
Charges for services	500	500	1,474	974
Fines, fees and permits	800,000	800,000	794,249	(5,751)
Total revenues	<u>2,176,784</u>	<u>2,176,784</u>	<u>1,653,938</u>	<u>(522,846)</u>
Expenditures:				
Salaries	1,864,299	1,846,175	1,608,808	237,367
Other compensation	17,330	37,330	36,882	448
Fringe benefits	818,284	794,746	672,896	121,850
Salary restriction	(160,754)	(160,754)	---	(160,754)
Supplies and materials	40,316	23,150	22,410	740
Services and other expenditures	78,540	58,273	58,114	159
Professional and contracted services	88,485	12,185	12,132	53
Rent, utilities, and maintenance	30,600	13,100	10,567	2,533
Interfund services	(24,135)	2,665	2,031	634
Asset acquisitions	5,000	3,115	---	3,115
Total expenditures	<u>2,757,965</u>	<u>2,629,985</u>	<u>2,423,840</u>	<u>206,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(581,181)</u>	<u>(453,201)</u>	<u>(769,902)</u>	<u>(316,701)</u>
Other financing sources (uses):				
Transfers out	(1,541,048)	(1,541,048)	(1,105,780)	435,268
Total other financing sources (uses)	<u>(1,541,048)</u>	<u>(1,541,048)</u>	<u>(1,105,780)</u>	<u>435,268</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,122,229)</u>	<u>\$ (1,994,249)</u>	<u>\$ (1,875,682)</u>	<u>\$ 118,567</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Community Health

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,416,320	\$ 1,416,320	\$ 1,263,603	\$ (152,717)
Fines, fees and permits	74,680	74,680	23,071	(51,609)
Other revenue	15,000	15,000	26,866	11,866
Total revenues	1,506,000	1,506,000	1,313,540	(192,460)
Expenditures:				
Salaries	3,274,544	3,270,290	2,719,028	551,262
Other compensation	50,469	50,469	40,670	9,799
Fringe benefits	1,385,280	1,373,537	1,152,405	221,132
Salary restriction	---	(293,739)	---	(293,739)
Supplies and materials	672,064	577,531	577,531	---
Services and other expenditures	177,896	80,810	80,810	---
Professional and contracted services	546,830	448,844	448,844	---
Rent, utilities, and maintenance	540,732	396,322	396,292	30
Interfund services	229,398	192,431	192,249	182
Total expenditures	6,877,213	6,096,495	5,607,829	488,666
Excess (deficiency) of revenues over (under) expenditures	(5,371,213)	(4,590,495)	(4,294,289)	296,206
Other financing sources (uses):				
Transfers in	527,000	527,000	345,374	(181,626)
Transfers out	(563,850)	(563,850)	(538,215)	25,635
Total other financing sources (uses)	(36,850)	(36,850)	(192,841)	(155,991)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (5,408,063)	\$ (4,627,345)	\$ (4,487,130)	\$ 140,215

Health Planning and Promotion

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 336,576	\$ 328,959	\$ 258,227	\$ 70,732
Fringe benefits	130,179	127,902	102,926	24,976
Supplies and materials	24,250	6,883	6,775	108
Services and other expenditures	44,850	10,280	10,265	15
Professional and contracted services	20,000	9,232	---	9,232
Rent, utilities, and maintenance	3,000	3,000	---	3,000
Interfund services	21,100	22,900	22,742	158
Total expenditures	579,955	509,156	400,935	108,221
Excess (deficiency) of revenues over (under) expenditures	(579,955)	(509,156)	(400,935)	108,221
Other financing sources (uses):				
Transfers out	(4,300)	(4,300)	(3,462)	838
Total other financing sources (uses)	(4,300)	(4,300)	(3,462)	838
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (584,255)	\$ (513,456)	\$ (404,397)	\$ 109,059

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Inmate Medical Care

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ ---	\$ 174,569	\$ 121,138	\$ 53,431
Fringe benefits	---	73,017	49,867	23,150
Salary restriction	---	(41,482)	---	(41,482)
Supplies and materials	---	5,800	1,497	4,303
Services and other expenditures	---	12,000	7,795	4,205
Professional and contracted services	---	11,217,465	11,216,887	578
Rent, utilities, and maintenance	---	13,600	12,860	740
Interfund services	---	10,000	8,516	1,484
Total expenditures	---	11,464,969	11,418,560	46,409
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ (11,464,969)	\$ (11,418,560)	\$ 46,409

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ ---	\$ ---	\$ 2,497	\$ 2,497
Other revenue	---	---	1,435	1,435
Total revenues	---	---	3,932	3,932
Expenditures:				
Salaries	566,204	566,204	536,292	29,912
Other compensation	---	8,100	8,054	46
Fringe benefits	228,522	228,522	213,125	15,397
Salary restriction	(116,675)	---	---	---
Supplies and materials	36,086	23,386	3,763	19,623
Services and other expenditures	63,975	56,175	36,034	20,141
Professional and contracted services	145,635	89,255	89,250	5
Rent, utilities, and maintenance	3,800	800	750	50
Interfund services	67,811	67,811	48,674	19,137
Asset acquisitions	64,270	4,270	---	4,270
Total expenditures	1,059,628	1,044,523	935,942	108,581
Excess (deficiency) of revenues over (under) expenditures	(1,059,628)	(1,044,523)	(932,010)	112,513
Other financing sources (uses):				
Transfers out	---	---	(71,244)	(71,244)
Total other financing sources (uses)	---	---	(71,244)	(71,244)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,059,628)	\$ (1,044,523)	\$ (1,003,254)	\$ 41,269

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Community and Diversion Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Services and other expenditures	\$ 20,000	\$ 20,000	\$ ---	\$ 20,000
Professional and contracted services	1,937,334	2,077,214	2,535,750	(458,536)
Total expenditures	<u>1,957,334</u>	<u>2,097,214</u>	<u>2,535,750</u>	<u>(438,536)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,957,334)</u>	<u>\$ (2,097,214)</u>	<u>\$ (2,535,750)</u>	<u>\$ (438,536)</u>

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 440,000	\$ 440,000	\$ 259,600	\$ (180,400)
Federal and local revenue	90,000	90,000	35,130	(54,870)
Fines, fees and permits	120,000	120,000	131,901	11,901
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>426,631</u>	<u>(223,369)</u>
Expenditures:				
Salaries	760,231	780,785	779,715	1,070
Other compensation	---	44,975	30,655	14,320
Fringe benefits	244,203	240,724	240,710	14
Supplies and materials	44,838	41,738	35,067	6,671
Services and other expenditures	29,900	30,500	20,828	9,672
Professional and contracted services	58,125	58,625	42,032	16,593
Rent, utilities, and maintenance	119,410	126,110	120,138	5,972
Interfund services	46,036	41,336	33,576	7,760
Total expenditures	<u>1,302,743</u>	<u>1,364,793</u>	<u>1,302,721</u>	<u>62,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(652,743)</u>	<u>(714,793)</u>	<u>(876,090)</u>	<u>(161,297)</u>
Other financing sources (uses):				
Transfers out	(128,676)	(128,676)	(128,676)	---
Total other financing sources (uses)	<u>(128,676)</u>	<u>(128,676)</u>	<u>(128,676)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (781,419)</u>	<u>\$ (843,469)</u>	<u>\$ (1,004,766)</u>	<u>\$ (161,297)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Pretrial Services				
Revenues:				
Charges for services	\$ 300,000	\$ 300,000	\$ 290,388	\$ (9,612)
Total revenues	300,000	300,000	290,388	(9,612)
Expenditures:				
Salaries	2,685,924	2,685,924	2,318,378	367,546
Other compensation	7,800	12,900	12,846	54
Fringe benefits	1,208,276	1,133,026	1,051,102	81,924
Salary restriction	(141,454)	(258,129)	---	(258,129)
Supplies and materials	73,178	73,178	64,493	8,685
Services and other expenditures	42,718	42,718	39,621	3,097
Professional and contracted services	99,923	99,923	92,216	7,707
Rent, utilities, and maintenance	18,500	18,500	8,702	9,798
Interfund services	83,099	83,099	62,331	20,768
Total expenditures	4,077,964	3,891,139	3,649,689	241,450
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,777,964)	\$ (3,591,139)	\$ (3,359,301)	\$ 231,838

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Sheriff's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,607,600	\$ 2,614,600	\$ 2,411,917	\$ (202,683)
Federal and local revenue	711,000	704,000	606,596	(97,404)
Charges for services	1,251,148	1,246,148	1,153,051	(93,097)
Fines, fees and permits	1,490,221	1,485,221	1,570,437	85,216
Other revenue	16,271	26,271	35,592	9,321
Total revenues	<u>6,076,240</u>	<u>6,076,240</u>	<u>5,777,593</u>	<u>(298,647)</u>
Expenditures:				
Salaries	93,452,547	93,385,322	85,764,748	7,620,574
Other compensation	11,088,408	11,681,011	11,671,774	9,237
Fringe benefits	41,584,747	40,914,822	38,853,070	2,061,752
Salary restriction	(9,516,486)	(9,516,486)	---	(9,516,486)
Supplies and materials	5,261,429	5,446,389	5,371,890	74,499
Services and other expenditures	1,219,290	1,249,401	1,226,692	22,709
Professional and contracted services	7,959,975	7,234,322	7,228,949	5,373
Rent, utilities, and maintenance	3,719,763	3,758,356	3,723,187	35,169
Interfund services	770,838	1,001,323	996,057	5,266
Asset acquisitions	527,346	894,259	891,586	2,673
Total expenditures	<u>156,067,857</u>	<u>156,048,719</u>	<u>155,727,953</u>	<u>320,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,991,617)</u>	<u>(149,972,479)</u>	<u>(149,950,360)</u>	<u>22,119</u>
Other financing sources (uses):				
Transfers in	184,497	184,497	140,277	(44,220)
Transfers out	(14,817)	(75,913)	(74,245)	1,668
Insurance recoveries	25,060	25,060	83	(24,977)
Total other financing sources (uses)	<u>194,740</u>	<u>133,644</u>	<u>66,115</u>	<u>(67,529)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (149,796,877)</u>	<u>\$ (149,838,835)</u>	<u>\$ (149,884,245)</u>	<u>\$ (45,410)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Chancery Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 3,600,000	\$ 3,600,000	\$ 3,944,799	\$ 344,799
Investment income	29,000	29,000	17,171	(11,829)
Total revenues	<u>3,629,000</u>	<u>3,629,000</u>	<u>3,961,970</u>	<u>332,970</u>
Expenditures:				
Salaries	1,010,703	1,010,703	834,130	176,573
Fringe benefits	416,063	416,063	349,169	66,894
Salary restriction	(56,720)	(56,720)	---	(56,720)
Supplies and materials	23,602	26,863	20,281	6,582
Services and other expenditures	100,741	104,208	101,403	2,805
Professional and contracted services	2,000	244	---	244
Rent, utilities, and maintenance	5,460	500	---	500
Interfund services	38,000	37,988	33,027	4,961
Total expenditures	<u>1,539,849</u>	<u>1,539,849</u>	<u>1,338,010</u>	<u>201,839</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 2,089,151</u>	<u>\$ 2,089,151</u>	<u>\$ 2,623,960</u>	<u>\$ 534,809</u>

Circuit Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 3,160,000	\$ 3,160,000	\$ 3,045,659	\$ (114,341)
Investment income	10,000	10,000	9,902	(98)
Total revenues	<u>3,170,000</u>	<u>3,170,000</u>	<u>3,055,561</u>	<u>(114,439)</u>
Expenditures:				
Salaries	1,978,380	1,978,380	1,801,465	176,915
Other compensation	5,771	6,371	6,309	62
Fringe benefits	769,908	769,308	669,896	99,412
Salary restriction	(83,170)	(83,170)	---	(83,170)
Supplies and materials	44,600	33,794	32,248	1,546
Services and other expenditures	123,600	97,944	97,902	42
Professional and contracted services	1,400	2,600	13	2,587
Rent, utilities, and maintenance	13,404	7,769	---	7,769
Interfund services	91,100	72,138	70,163	1,975
Total expenditures	<u>2,944,993</u>	<u>2,885,134</u>	<u>2,677,996</u>	<u>207,138</u>
Excess (deficiency) of revenues over (under) expenditures	<u>225,007</u>	<u>284,866</u>	<u>377,565</u>	<u>92,699</u>
Other financing sources (uses):				
Transfers out	---	(59,859)	(59,859)	---
Total other financing sources (uses)	<u>---</u>	<u>(59,859)</u>	<u>(59,859)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 225,007</u>	<u>\$ 225,007</u>	<u>\$ 317,706</u>	<u>\$ 92,699</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Criminal Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 4,896,640	\$ 4,896,640	\$ 3,728,124	\$ (1,168,516)
Investment income	2,000	2,000	1,789	(211)
Total revenues	<u>4,898,640</u>	<u>4,898,640</u>	<u>3,729,913</u>	<u>(1,168,727)</u>
Expenditures:				
Salaries	3,426,630	3,426,630	3,181,989	244,641
Other compensation	12,000	13,000	12,959	41
Fringe benefits	1,434,838	1,433,838	1,345,464	88,374
Salary restriction	(195,057)	(195,057)	---	(195,057)
Supplies and materials	92,419	92,419	89,985	2,434
Services and other expenditures	34,485	39,152	39,147	5
Professional and contracted services	1,800	1,800	---	1,800
Rent, utilities, and maintenance	43,970	22,894	21,932	962
Interfund services	129,850	146,259	137,971	8,288
Total expenditures	<u>4,980,935</u>	<u>4,980,935</u>	<u>4,829,447</u>	<u>151,488</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (82,295)</u>	<u>\$ (82,295)</u>	<u>\$ (1,099,534)</u>	<u>\$ (1,017,239)</u>

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 470,000	\$ 470,000	\$ 454,980	\$ (15,020)
State revenue	---	20,000	---	(20,000)
Fines, fees and permits	9,500,000	9,500,000	9,591,542	91,542
Other revenue	---	---	155	155
Investment income	45,000	45,000	19,863	(25,137)
Total revenues	<u>10,015,000</u>	<u>10,035,000</u>	<u>10,066,540</u>	<u>31,540</u>
Expenditures:				
Salaries	9,186,397	9,186,594	8,931,246	255,348
Other compensation	118,454	118,454	48,379	70,075
Fringe benefits	3,655,131	3,654,934	3,509,447	145,487
Salary restriction	(378,274)	(378,274)	---	(378,274)
Supplies and materials	125,337	79,099	78,540	559
Services and other expenditures	201,796	149,331	148,989	342
Professional and contracted services	408,024	366,076	366,061	15
Rent, utilities, and maintenance	89,070	43,711	36,595	7,116
Interfund services	309,993	415,229	415,155	74
Total expenditures	<u>13,715,928</u>	<u>13,635,154</u>	<u>13,534,412</u>	<u>100,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,700,928)</u>	<u>(3,600,154)</u>	<u>(3,467,872)</u>	<u>132,282</u>
Other financing sources (uses):				
Transfers out	---	(100,774)	(100,774)	---
Total other financing sources (uses)	<u>---</u>	<u>(100,774)</u>	<u>(100,774)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,700,928)</u>	<u>\$ (3,700,928)</u>	<u>\$ (3,568,646)</u>	<u>\$ 132,282</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Probate Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 550,000	\$ 550,000	\$ 581,484	\$ 31,484
Total revenues	550,000	550,000	581,484	31,484
Expenditures:				
Salaries	831,754	831,754	813,988	17,766
Fringe benefits	317,481	317,481	303,949	13,532
Supplies and materials	8,145	13,745	12,274	1,471
Services and other expenditures	12,000	13,400	8,074	5,326
Professional and contracted services	1,900	500	---	500
Rent, utilities, and maintenance	7,900	2,324	---	2,324
Interfund services	41,800	41,776	35,082	6,694
Total expenditures	1,220,980	1,220,980	1,173,367	47,613
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (670,980)	\$ (670,980)	\$ (591,883)	\$ 79,097

Juvenile Court Judge

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 100,000	\$ 100,000	\$ 97,082	\$ (2,918)
Federal and local revenue	100,000	100,000	37,199	(62,801)
Charges for services	15,000	15,000	5,767	(9,233)
Other revenue	6,000	6,000	5,377	(623)
Total revenues	221,000	221,000	145,425	(75,575)
Expenditures:				
Salaries	9,805,130	9,697,231	9,216,765	480,466
Other compensation	53,100	164,664	164,057	607
Fringe benefits	4,220,436	4,216,774	3,959,415	257,359
Salary restriction	(318,920)	(318,920)	---	(318,920)
Supplies and materials	436,740	360,201	359,622	579
Services and other expenditures	146,760	147,469	145,906	1,563
Professional and contracted services	1,392,601	1,241,930	1,241,403	527
Rent, utilities, and maintenance	695,496	701,452	696,925	4,527
Interfund services	(19,982)	(39,873)	(39,874)	1
Asset acquisitions	---	33,709	33,500	209
Total expenditures	16,411,361	16,204,637	15,777,719	426,918
Excess (deficiency) of revenues over (under) expenditures	(16,190,361)	(15,983,637)	(15,632,294)	351,343
Other financing sources (uses):				
Transfers in	67,688	67,688	67,688	---
Transfers out	---	(327,729)	(325,710)	2,019
Total other financing sources (uses)	67,688	(260,041)	(258,022)	2,019
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (16,122,673)	\$ (16,243,678)	\$ (15,890,316)	\$ 353,362

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Juvenile Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 700,000	\$ 700,000	\$ 667,913	\$ (32,087)
Fines, fees and permits	700,000	700,000	544,490	(155,510)
Total revenues	1,400,000	1,400,000	1,212,403	(187,597)
Expenditures:				
Salaries	3,185,513	3,184,487	3,013,312	171,175
Other compensation	56,042	56,042	25,567	30,475
Fringe benefits	1,461,103	1,462,128	1,355,918	106,210
Salary restriction	(100,000)	(100,000)	---	(100,000)
Supplies and materials	139,050	52,471	52,445	26
Services and other expenditures	82,017	51,271	51,244	27
Professional and contracted services	147,000	148,440	146,500	1,940
Rent, utilities, and maintenance	80,438	49,967	49,224	743
Interfund services	31,226	28,315	23,353	4,962
Total expenditures	5,082,389	4,933,121	4,717,563	215,558
Excess (deficiency) of revenues over (under) expenditures	(3,682,389)	(3,533,121)	(3,505,160)	27,961
Other financing sources (uses):				
Transfers in	33,067	33,067	3,922	(29,145)
Transfers out	(326,996)	(326,996)	(251,548)	75,448
Total other financing sources (uses)	(293,929)	(293,929)	(247,626)	46,303
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,976,318)	\$ (3,827,050)	\$ (3,752,786)	\$ 74,264

Public Defender

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 4,927,700	\$ 4,927,700	\$ 4,801,800	\$ (125,900)
Fines, fees and permits	160,000	160,000	173,192	13,192
Total revenues	5,087,700	5,087,700	4,974,992	(112,708)
Expenditures:				
Salaries	8,665,869	8,655,727	7,275,138	1,380,589
Other compensation	---	3,100	3,019	81
Fringe benefits	3,342,734	3,349,776	2,814,291	535,485
Salary restriction	(487,479)	(1,857,479)	---	(1,857,479)
Supplies and materials	91,900	166,224	165,218	1,006
Services and other expenditures	156,250	164,250	159,699	4,551
Professional and contracted services	394,512	72,068	72,068	---
Rent, utilities, and maintenance	103,500	44,071	41,457	2,614
Interfund services	105,118	119,617	118,507	1,110
Asset acquisitions	119,355	---	---	---
Total expenditures	12,491,759	10,717,354	10,649,397	67,957
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (7,404,059)	\$ (5,629,654)	\$ (5,674,405)	\$ (44,751)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Divorce Referee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 280,000	\$ 280,000	\$ 277,141	\$ (2,859)
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>277,141</u>	<u>(2,859)</u>
Expenditures:				
Salaries	404,646	404,656	404,650	6
Fringe benefits	186,781	186,771	177,797	8,974
Supplies and materials	700	700	454	246
Services and other expenditures	2,000	2,000	1,684	316
Interfund services	2,879	2,879	1,827	1,052
Total expenditures	<u>597,006</u>	<u>597,006</u>	<u>586,412</u>	<u>10,594</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (317,006)</u>	<u>\$ (317,006)</u>	<u>\$ (309,271)</u>	<u>\$ 7,735</u>

Jury Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 217,411	\$ 217,411	\$ 213,283	\$ 4,128
Fringe benefits	108,332	108,332	103,964	4,368
Supplies and materials	2,724	2,724	2,332	392
Services and other expenditures	486,740	421,905	421,905	---
Professional and contracted services	17,560	18,786	17,705	1,081
Interfund services	53,542	58,795	57,790	1,005
Total expenditures	<u>886,309</u>	<u>827,953</u>	<u>816,979</u>	<u>10,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(886,309)</u>	<u>(827,953)</u>	<u>(816,979)</u>	<u>10,974</u>
Other financing sources (uses):				
Transfers out	---	(185,747)	(185,747)	---
Total other financing sources (uses)	<u>---</u>	<u>(185,747)</u>	<u>(185,747)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (886,309)</u>	<u>\$ (1,013,700)</u>	<u>\$ (1,002,726)</u>	<u>\$ 10,974</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 38,000	\$ 38,000	\$ 42,205	\$ 4,205
Federal and local revenue	46,000	46,000	38,738	(7,262)
Other revenue	---	---	7	7
Total revenues	84,000	84,000	80,950	(3,050)
Expenditures:				
Salaries	7,200,114	7,190,966	6,965,740	225,226
Other compensation	13,915	23,842	15,634	8,208
Fringe benefits	2,650,124	2,649,345	2,575,880	73,465
Salary restriction	(295,700)	(295,700)	---	(295,700)
Supplies and materials	8,940	582	582	---
Services and other expenditures	48,046	43,745	43,745	---
Rent, utilities, and maintenance	50,809	38,400	38,400	---
Interfund services	157,889	180,910	180,697	213
Total expenditures	9,834,137	9,832,090	9,820,678	11,412
Excess (deficiency) of revenues over (under) expenditures	(9,750,137)	(9,748,090)	(9,739,728)	8,362
Other financing sources (uses):				
Transfers out	---	(2,046)	(2,672)	(626)
Total other financing sources (uses)	---	(2,046)	(2,672)	(626)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (9,750,137)	\$ (9,750,136)	\$ (9,742,400)	\$ 7,736

Commissioner's Contingency

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Contingencies and restrictions	\$ 200,000	\$ 109,786	\$ ---	\$ 109,786
Total expenditures	200,000	109,786	---	109,786
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (200,000)	\$ (109,786)	\$ ---	\$ 109,786

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Legislative Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 500	\$ 500	\$ 350	\$ (150)
Total revenues	<u>500</u>	<u>500</u>	<u>350</u>	<u>(150)</u>
Expenditures:				
Salaries	1,015,281	1,015,281	947,931	67,350
Other compensation	8,806	8,806	1,080	7,726
Fringe benefits	401,694	401,694	375,115	26,579
Supplies and materials	66,449	66,449	55,598	10,851
Services and other expenditures	126,600	144,123	141,588	2,535
Professional and contracted services	542,173	151,044	151,044	---
Rent, utilities, and maintenance	16,500	6,942	---	6,942
Interfund services	77,894	62,451	62,225	226
Total expenditures	<u>2,255,397</u>	<u>1,856,790</u>	<u>1,734,581</u>	<u>122,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,254,897)</u>	<u>(1,856,290)</u>	<u>(1,734,231)</u>	<u>122,059</u>
Other financing sources (uses):				
Transfers out	---	(433,705)	(433,705)	---
Total other financing sources (uses)	<u>---</u>	<u>(433,705)</u>	<u>(433,705)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,254,897)</u>	<u>\$ (2,289,995)</u>	<u>\$ (2,167,936)</u>	<u>\$ 122,059</u>

Equal Opportunity Compliance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 531,472	\$ 531,472	\$ 429,894	\$ 101,578
Other compensation	3,207	3,207	---	3,207
Fringe benefits	206,300	206,300	165,441	40,859
Salary restriction	(80,250)	(80,250)	---	(80,250)
Supplies and materials	14,100	14,100	2,838	11,262
Services and other expenditures	35,825	18,227	17,829	398
Professional and contracted services	9,723	9,723	---	9,723
Rent, utilities, and maintenance	3,300	2,407	---	2,407
Interfund services	27,067	27,960	17,836	10,124
Total expenditures	<u>750,744</u>	<u>733,146</u>	<u>633,838</u>	<u>99,308</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (750,744)</u>	<u>\$ (733,146)</u>	<u>\$ (633,838)</u>	<u>\$ 99,308</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Assessor

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 22,875	\$ 22,875	\$ 22,875	\$ ---
Federal and local revenue	2,800,000	2,800,000	2,941,111	141,111
Charges for services	5,000	5,000	5,587	587
Other revenue	---	---	2,615	2,615
Total revenues	2,827,875	2,827,875	2,972,188	144,313
Expenditures:				
Salaries	6,500,607	6,489,880	5,976,494	513,386
Other compensation	65,456	65,456	39,402	26,054
Fringe benefits	2,787,531	2,798,259	2,585,480	212,779
Salary restriction	(113,102)	(113,102)	---	(113,102)
Supplies and materials	108,690	143,189	143,189	---
Services and other expenditures	254,425	246,925	246,867	58
Professional and contracted services	421,300	245,945	245,923	22
Rent, utilities, and maintenance	372,450	308,711	308,680	31
Interfund services	123,138	137,077	124,497	12,580
Asset acquisitions	---	15,000	14,996	4
Total expenditures	10,520,495	10,337,340	9,685,528	651,812
Excess (deficiency) of revenues over (under) expenditures	(7,692,620)	(7,509,465)	(6,713,340)	796,125
Other financing sources (uses):				
Transfers out	---	(110,200)	(110,200)	---
Total other financing sources (uses)	---	(110,200)	(110,200)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (7,692,620)	\$ (7,619,665)	\$ (6,823,540)	\$ 796,125

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

County Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 9,541,000	\$ 9,616,000	\$ 10,353,704	\$ 737,704
Investment income	9,200	9,200	12,101	2,901
Total revenues	9,550,200	9,625,200	10,365,805	740,605
Expenditures:				
Salaries	3,052,396	3,052,396	2,893,714	158,682
Other compensation	37,772	37,772	28,085	9,687
Fringe benefits	1,405,432	1,405,432	1,340,479	64,953
Salary restriction	(180,561)	(180,561)	---	(180,561)
Supplies and materials	38,301	105,301	88,701	16,600
Services and other expenditures	21,585	21,585	18,703	2,882
Rent, utilities, and maintenance	130,200	128,062	120,894	7,168
Interfund services	395,726	371,576	354,169	17,407
Asset acquisitions	---	9,850	9,699	151
Total expenditures	4,900,851	4,951,413	4,854,444	96,969
Excess (deficiency) of revenues over (under) expenditures	4,649,349	4,673,787	5,511,361	837,574
Other financing sources (uses):				
Transfers out	---	(24,438)	(24,438)	---
Total other financing sources (uses)	---	(24,438)	(24,438)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 4,649,349	\$ 4,649,349	\$ 5,486,923	\$ 837,574

Register

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 3,850,000	\$ 3,850,000	\$ 3,589,842	\$ (260,158)
Investment income	2,000	2,000	1,779	(221)
Total revenues	3,852,000	3,852,000	3,591,621	(260,379)
Expenditures:				
Salaries	1,148,800	1,145,389	1,011,964	133,425
Other compensation	10,000	10,000	2,253	7,747
Fringe benefits	509,479	512,890	440,380	72,510
Salary restriction	(40,000)	(40,000)	---	(40,000)
Supplies and materials	38,030	38,030	36,807	1,223
Services and other expenditures	12,520	12,520	10,415	2,105
Professional and contracted services	4,200	3,400	---	3,400
Rent, utilities, and maintenance	19,275	16,792	16,543	249
Interfund services	50,866	54,149	41,588	12,561
Total expenditures	1,753,170	1,753,170	1,559,950	193,220
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 2,098,830	\$ 2,098,830	\$ 2,031,671	\$ (67,159)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Trustee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,475,000	\$ 1,475,000	\$ 1,575,165	\$ 100,165
Fines, fees and permits	22,000,000	22,000,000	22,203,039	203,039
Investment income	18,000	18,000	19,119	1,119
Total revenues	23,493,000	23,493,000	23,797,323	304,323
Expenditures:				
Salaries	3,821,406	3,692,024	3,251,878	440,146
Other compensation	40,127	40,127	30,926	9,201
Fringe benefits	1,531,951	1,517,134	1,339,997	177,137
Salary restriction	(100,719)	(100,719)	---	(100,719)
Supplies and materials	229,167	261,466	261,466	---
Services and other expenditures	1,119,755	886,755	886,737	18
Professional and contracted services	747,423	651,023	650,933	90
Rent, utilities, and maintenance	273,301	189,298	189,138	160
Interfund services	22,243	31,246	30,236	1,010
Asset acquisitions	81,500	99,499	99,499	---
Total expenditures	7,766,154	7,267,853	6,740,810	527,043
Excess (deficiency) of revenues over (under) expenditures	15,726,846	16,225,147	17,056,513	831,366
Other financing sources (uses):				
Transfers out	---	(332,700)	(332,700)	---
Total other financing sources (uses)	---	(332,700)	(332,700)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 15,726,846	\$ 15,892,447	\$ 16,723,813	\$ 831,366

Grants Fund

Budgetary Comparison Schedule - Summary by Type
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 74,654,609	\$ 84,411,748	\$ 53,851,808	\$ (30,559,940)
Federal and local revenue	65,473,141	74,657,971	41,760,925	(32,897,046)
Charges for services	1,581,518	1,581,518	1,354,707	(226,811)
Fines, fees and permits	372,724	372,724	181,624	(191,100)
Other revenue	1,845,640	1,966,672	7,251,848	5,285,176
Investment income	40,000	40,000	101,193	61,193
Total revenues	143,967,632	163,030,633	104,502,105	(58,528,528)
Expenditures:				
Salaries	38,554,699	38,807,528	31,685,856	7,121,672
Other compensation	530,671	1,218,830	987,299	231,531
Fringe benefits	16,751,896	16,345,721	13,767,392	2,578,329
Salary restriction	(711,765)	(1,727,748)	---	(1,727,748)
Supplies and materials	8,489,817	7,030,585	3,385,993	3,644,592
Services and other expenditures	22,096,001	28,856,416	20,310,434	8,545,982
Professional and contracted services	42,559,639	43,330,899	26,401,342	16,929,557
Rent, utilities, and maintenance	3,221,897	3,646,741	2,029,636	1,617,105
Interfund services	3,049,579	3,481,509	2,834,365	647,144
Asset acquisitions	13,247,511	26,477,343	5,235,262	21,242,081
Total expenditures	147,789,945	167,467,824	106,637,579	60,830,245
Excess (deficiency) of revenues over (under) expenditures	(3,822,313)	(4,437,191)	(2,135,474)	2,301,717
Other financing sources (uses):				
Transfers in	5,197,787	16,848,898	12,095,300	(4,753,598)
Transfers out	(2,400,331)	(7,249,051)	(4,005,283)	3,243,768
Sale of capital assets	380,000	380,000	---	(380,000)
Insurance recoveries	35,320	35,320	10,451	(24,869)
Planned change in fund balance	609,537	(5,577,976)	---	5,577,976
Total other financing sources (uses)	3,822,313	4,437,191	8,100,468	3,663,277
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 5,964,994	\$ 5,964,994

Grants Fund
Budgetary Comparison Schedule - Summary by Department
For the Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ 2,855,780	\$ 1,515,792	\$ (1,339,988)
	<u>2,855,780</u>	<u>1,515,792</u>	<u>(1,339,988)</u>
Planning and Development			
Local Planning	5,000	---	(5,000)
Economic and Resource Management Grants	1,816,133	1,350,867	(465,266)
Housing	17,880,445	5,400,143	(12,480,302)
Regional Services	3,182,913	2,298,388	(884,525)
	<u>22,884,491</u>	<u>9,049,398</u>	<u>(13,835,093)</u>
Public Works			
Environmental Programs	453,494	433,399	(20,095)
Roads and Bridges	20,857,517	3,832,521	(17,024,996)
Support Services	657,006	575,214	(81,792)
	<u>21,968,017</u>	<u>4,841,134</u>	<u>(17,126,883)</u>
Corrections			
Corrections Administration	1,075,690	738,740	(336,950)
Corrections Center Operations	44,181	32,904	(11,277)
	<u>1,119,871</u>	<u>771,644</u>	<u>(348,227)</u>
Health Services			
Health Services Administration and Finance	979,457	917,800	(61,657)
Environmental Health Services	4,650,660	3,210,607	(1,440,053)
Community Health	21,788,569	19,239,097	(2,549,472)
Health Planning and Promotion	463,028	181,217	(281,811)
	<u>27,881,714</u>	<u>23,548,721</u>	<u>(4,332,993)</u>
Community Services			
Director of Community Services	4,836,903	1,517,177	(3,319,726)
Community Services Administration	14,994,105	12,076,176	(2,917,929)
Head Start	38,588,093	30,561,991	(8,026,102)
Community and Diversion Services	3,647,247	2,065,136	(1,582,111)
Ryan White	7,919,146	6,529,100	(1,390,046)
Crime Victims Center	482,860	480,946	(1,914)
Pretrial Services	259,308	124,382	(134,926)
Aging Commission of the Mid-South	9,437,550	6,399,428	(3,038,122)
	<u>80,165,212</u>	<u>59,754,336</u>	<u>(20,410,876)</u>
Law Enforcement			
Sheriff's Office	1,146,708	832,400	(314,308)
	<u>1,146,708</u>	<u>832,400</u>	<u>(314,308)</u>
Judicial			
General Sessions Court	1,256,157	1,046,986	(209,171)
Juvenile Court Judge	2,123,559	1,976,329	(147,230)
Juvenile Court Clerk	634,756	489,148	(145,608)
Public Defender	267,875	1,120	(266,755)
Attorney General	726,493	675,097	(51,396)
	<u>5,008,840</u>	<u>4,188,680</u>	<u>(820,160)</u>
Total revenues	<u>163,030,633</u>	<u>104,502,105</u>	<u>(58,528,528)</u>
Expenditures:			
General Government			
Chief Administrative Officer	2,979,121	1,494,779	1,484,342
	<u>2,979,121</u>	<u>1,494,779</u>	<u>1,484,342</u>

Grants Fund

Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance
Planning and Development			
Local Planning	6,000	---	6,000
Economic and Resource Management Grants	2,216,133	1,431,508	784,625
Housing	13,608,086	3,504,718	10,103,368
Regional Services	3,624,909	2,524,642	1,100,267
	<u>19,455,128</u>	<u>7,460,868</u>	<u>11,994,260</u>
Public Works			
Environmental Programs	507,361	221,083	286,278
Roads and Bridges	26,758,060	5,834,490	20,923,570
Support Services	657,006	628,280	28,726
	<u>27,922,427</u>	<u>6,683,853</u>	<u>21,238,574</u>
Corrections			
Corrections Administration	1,261,216	938,782	322,434
Corrections Center Operations	44,181	32,904	11,277
	<u>1,305,397</u>	<u>971,686</u>	<u>333,711</u>
Health Services			
Health Services Administration and Finance	61,657	---	61,657
Environmental Health Services	6,604,398	4,518,649	2,085,749
Community Health	22,147,033	19,555,846	2,591,187
Health Planning and Promotion	467,328	184,679	282,649
	<u>29,280,416</u>	<u>24,259,174</u>	<u>5,021,242</u>
Community Services			
Director of Community Services	4,836,903	1,517,177	3,319,726
Community Services Administration	14,994,105	12,085,805	2,908,300
Head Start	38,588,093	31,233,654	7,354,439
Community and Diversion Services	3,647,247	2,032,100	1,615,147
Ryan White	7,919,146	6,536,060	1,383,086
Crime Victims Center	611,536	586,756	24,780
Pretrial Services	259,308	189,676	69,632
Aging Commission of the Mid-South	9,437,550	6,399,428	3,038,122
	<u>80,293,888</u>	<u>60,580,656</u>	<u>19,713,232</u>
Law Enforcement			
Sheriff's Office	992,301	738,234	254,067
	<u>992,301</u>	<u>738,234</u>	<u>254,067</u>
Judicial			
General Sessions Court	1,256,157	1,110,090	146,067
Juvenile Court Judge	2,057,890	1,938,985	118,905
Juvenile Court Clerk	928,685	736,774	191,911
Public Defender	267,875	---	267,875
Attorney General	728,539	662,480	66,059
	<u>5,239,146</u>	<u>4,448,329</u>	<u>790,817</u>
Total expenditures	<u>167,467,824</u>	<u>106,637,579</u>	<u>60,830,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,437,191)</u>	<u>(2,135,474)</u>	<u>2,301,717</u>

Grants Fund

Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance
Transfers in:			
Chief Administrative Officer	---	13,817	13,817
Central Operations	6,341,863	6,341,863	---
Housing	64,361	48,562	(15,799)
Regional Services	441,996	226,254	(215,742)
Environmental Programs	50,000	66,706	16,706
Roads and Bridges	5,845,723	2,457,238	(3,388,485)
Corrections Administration	185,526	185,526	---
Environmental Health Services	1,953,738	1,306,257	(647,481)
Community Health	846,249	810,223	(36,026)
Health Planning and Promotion	4,300	3,462	(838)
Director of Community Services	---	18,856	18,856
Community Services Administration	141,843	53,651	(88,192)
Community and Diversion Services	---	42,758	42,758
Ryan White	---	6,960	6,960
Crime Victims Center	128,676	128,676	---
Aging Commission of the Mid-South	483,472	101,849	(381,623)
Sheriff's Office	30,090	28,422	(1,668)
Juvenile Court Judge	2,019	---	(2,019)
Juvenile Court Clerk	326,996	251,548	(75,448)
Attorney General	2,046	2,672	626
Total transfers in	<u>16,848,898</u>	<u>12,095,300</u>	<u>(4,753,598)</u>
Transfers out:			
Chief Administrative Officer	(181,009)	(156,431)	24,578
Housing	(4,716,720)	(2,093,769)	2,622,951
Environmental Programs	(35,170)	(35,170)	---
Health Services Administration and Finance	(917,800)	(917,800)	---
Community Health	(487,785)	(437,395)	50,390
Community Services Administration	(141,843)	(44,022)	97,821
Ryan White	---	(6,960)	(6,960)
Aging Commission of the Mid-South	(483,472)	(101,849)	381,623
Sheriff's Office	(184,497)	(140,277)	44,220
Juvenile Court Judge	(67,688)	(67,688)	---
Juvenile Court Clerk	(33,067)	(3,922)	29,145
Total transfers out	<u>(7,249,051)</u>	<u>(4,005,283)</u>	<u>3,243,768</u>
Other financing sources (uses):			
Chief Administrative Officer	304,350	---	(304,350)
Central Operations	(6,341,863)	---	6,341,863
Local Planning	1,000	---	(1,000)
Economic and Resource Management Grants	400,000	---	(400,000)
Housing	380,000	---	(380,000)
Environmental Programs	39,037	---	(39,037)
Roads and Bridges	54,820	---	(54,820)
Head Start	---	10,451	10,451
Total other financing sources (uses)	<u>(5,162,656)</u>	<u>10,451</u>	<u>5,173,107</u>
Net Other Financing Sources and Uses	<u>4,437,191</u>	<u>8,100,468</u>	<u>3,663,277</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ 5,964,994</u>	<u>\$ 5,964,994</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,821,816	\$ 1,965,816	\$ 1,509,517	\$ (456,299)
Federal and local revenue	889,964	889,964	---	(889,964)
Other revenue	---	---	6,275	6,275
Total revenues	<u>2,711,780</u>	<u>2,855,780</u>	<u>1,515,792</u>	<u>(1,339,988)</u>
Expenditures:				
Salaries	276,028	279,532	186,418	93,114
Other compensation	38,458	38,458	---	38,458
Fringe benefits	106,570	108,417	72,015	36,402
Salary restriction	(63,767)	(129,767)	---	(129,767)
Supplies and materials	1,372,792	1,232,800	321,880	910,920
Services and other expenditures	6,500	6,500	450	6,050
Professional and contracted services	592,070	550,216	543,628	6,588
Rent, utilities, and maintenance	496,120	667,658	145,818	521,840
Asset acquisitions	---	225,307	224,570	737
Total expenditures	<u>2,824,771</u>	<u>2,979,121</u>	<u>1,494,779</u>	<u>1,484,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,991)</u>	<u>(123,341)</u>	<u>21,013</u>	<u>144,354</u>
Other financing sources (uses):				
Transfers in	---	---	13,817	13,817
Transfers out	(37,009)	(181,009)	(156,431)	24,578
Planned change in fund balance	150,000	304,350	---	(304,350)
Total other financing sources (uses)	<u>112,991</u>	<u>123,341</u>	<u>(142,614)</u>	<u>(265,955)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (121,601)</u>	<u>\$ (121,601)</u>

Central Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Other financing sources (uses):				
Transfers in	\$ ---	\$ 6,341,863	\$ 6,341,863	\$ ---
Planned change in fund balance	---	(6,341,863)	---	6,341,863
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>6,341,863</u>	<u>6,341,863</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,341,863</u>	<u>\$ 6,341,863</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Local Planning

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ 5,000	\$ 5,000	\$ ---	\$ (5,000)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>---</u>	<u>(5,000)</u>
Expenditures:				
Supplies and materials	6,000	6,000	---	6,000
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>---</u>	<u>6,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>---</u>	<u>1,000</u>
Other financing sources (uses):				
Planned change in fund balance	1,000	1,000	---	(1,000)
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>---</u>	<u>(1,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Economic and Resource Management Grants

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,690,312	\$ 1,816,133	\$ 1,342,677	\$ (473,456)
Investment income	---	---	8,190	8,190
Total revenues	<u>1,690,312</u>	<u>1,816,133</u>	<u>1,350,867</u>	<u>(465,266)</u>
Expenditures:				
Salaries	103,846	103,846	102,917	929
Fringe benefits	47,013	47,013	45,384	1,629
Supplies and materials	7,500	5,500	1,644	3,856
Services and other expenditures	126,400	126,400	32,085	94,315
Professional and contracted services	1,804,253	1,930,074	1,248,574	681,500
Rent, utilities, and maintenance	1,300	1,300	---	1,300
Interfund services	---	2,000	904	1,096
Total expenditures	<u>2,090,312</u>	<u>2,216,133</u>	<u>1,431,508</u>	<u>784,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(400,000)</u>	<u>(400,000)</u>	<u>(80,641)</u>	<u>319,359</u>
Other financing sources (uses):				
Planned change in fund balance	400,000	400,000	---	(400,000)
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>---</u>	<u>(400,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (80,641)</u>	<u>\$ (80,641)</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,000,000	\$ 2,000,000	\$ 253,273	\$ (1,746,727)
Federal and local revenue	7,757,500	14,797,296	4,777,384	(10,019,912)
Fines, fees and permits	254,161	254,161	119,503	(134,658)
Other revenue	763,474	788,988	158,356	(630,632)
Investment income	40,000	40,000	91,627	51,627
Total revenues	10,815,135	17,880,445	5,400,143	(12,480,302)
Expenditures:				
Salaries	556,143	583,713	509,380	74,333
Fringe benefits	234,944	244,492	222,765	21,727
Supplies and materials	53,765	68,854	7,494	61,360
Services and other expenditures	7,169,746	7,369,721	2,093,056	5,276,665
Professional and contracted services	3,223,898	5,281,221	657,176	4,624,045
Rent, utilities, and maintenance	8,000	8,000	5,760	2,240
Interfund services	9,000	13,085	9,087	3,998
Asset acquisitions	4,000	39,000	---	39,000
Total expenditures	11,259,496	13,608,086	3,504,718	10,103,368
Excess (deficiency) of revenues over (under) expenditures	(444,361)	4,272,359	1,895,425	(2,376,934)
Other financing sources (uses):				
Transfers in	64,361	64,361	48,562	(15,799)
Transfers out	---	(4,716,720)	(2,093,769)	2,622,951
Sale of capital assets	380,000	380,000	---	(380,000)
Total other financing sources (uses)	444,361	(4,272,359)	(2,045,207)	2,227,152
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (149,782)	\$ (149,782)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Regional Services
	Original	Final	Amounts	Variance
Revenues:				
State revenue	\$ 2,342,820	\$ 2,932,913	\$ 2,298,388	\$ (634,525)
Federal and local revenue	---	250,000	---	(250,000)
Total revenues	2,342,820	3,182,913	2,298,388	(884,525)
Expenditures:				
Salaries	669,564	669,564	446,556	223,008
Fringe benefits	249,996	249,996	174,669	75,327
Supplies and materials	32,000	57,000	29,719	27,281
Services and other expenditures	109,500	109,500	50,422	59,078
Professional and contracted services	1,526,500	2,339,093	1,657,803	681,290
Rent, utilities, and maintenance	13,000	7,129	1,211	5,918
Interfund services	184,256	192,627	164,262	28,365
Total expenditures	2,784,816	3,624,909	2,524,642	1,100,267
Excess (deficiency) of revenues over (under) expenditures	(441,996)	(441,996)	(226,254)	215,742
Other financing sources (uses):				
Transfers in	441,996	441,996	226,254	(215,742)
Total other financing sources (uses)	441,996	441,996	226,254	(215,742)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Environmental Programs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 85,000	\$ 125,297	\$ 120,109	\$ (5,188)
Federal and local revenue	121,000	121,000	115,000	(6,000)
Charges for services	78,400	78,400	89,410	11,010
Other revenue	113,000	128,797	107,504	(21,293)
Investment income	---	---	1,376	1,376
Total revenues	<u>397,400</u>	<u>453,494</u>	<u>433,399</u>	<u>(20,095)</u>
Expenditures:				
Salaries	50,123	50,123	48,544	1,579
Fringe benefits	14,139	14,139	12,150	1,989
Supplies and materials	11,398	11,398	65	11,333
Services and other expenditures	5,050	5,050	1,509	3,541
Professional and contracted services	344,216	343,756	90,812	252,944
Rent, utilities, and maintenance	14,991	14,991	2,843	12,148
Interfund services	11,350	17,550	14,858	2,692
Asset acquisitions	---	50,354	50,302	52
Total expenditures	<u>451,267</u>	<u>507,361</u>	<u>221,083</u>	<u>286,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(53,867)</u>	<u>(53,867)</u>	<u>212,316</u>	<u>266,183</u>
Other financing sources (uses):				
Transfers in	50,000	50,000	66,706	16,706
Transfers out	(35,170)	(35,170)	(35,170)	---
Planned change in fund balance	39,037	39,037	---	(39,037)
Total other financing sources (uses)	<u>53,867</u>	<u>53,867</u>	<u>31,536</u>	<u>(22,331)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 243,852</u>	<u>\$ 243,852</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Roads and Bridges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 12,181,334	\$ 18,486,635	\$ 3,410,188	\$ (15,076,447)
Federal and local revenue	384,803	1,820,882	389,038	(1,431,844)
Other revenue	550,000	550,000	33,295	(516,705)
Total revenues	13,116,137	20,857,517	3,832,521	(17,024,996)
Expenditures:				
Salaries	144,683	185,693	136,838	48,855
Fringe benefits	62,733	83,484	60,090	23,394
Supplies and materials	16,584	22,234	20,599	1,635
Services and other expenditures	6,200	9,550	3,470	6,080
Professional and contracted services	1,000,000	1,123,561	1,018,538	105,023
Interfund services	500	500	---	500
Asset acquisitions	12,506,070	25,333,038	4,594,955	20,738,083
Total expenditures	13,736,770	26,758,060	5,834,490	20,923,570
Excess (deficiency) of revenues over (under) expenditures	(620,633)	(5,900,543)	(2,001,969)	3,898,574
Other financing sources (uses):				
Transfers in	565,813	5,845,723	2,457,238	(3,388,485)
Insurance recoveries	35,320	35,320	---	(35,320)
Planned change in fund balance	19,500	19,500	---	(19,500)
Total other financing sources (uses)	620,633	5,900,543	2,457,238	(3,443,305)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 455,269	\$ 455,269

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 538,443	\$ 538,443	\$ 513,093	\$ (25,350)
Fines, fees and permits	118,563	118,563	62,121	(56,442)
Total revenues	657,006	657,006	575,214	(81,792)
Expenditures:				
Salaries	44,771	44,771	44,771	---
Other compensation	1,536	1,536	---	1,536
Fringe benefits	18,097	18,097	18,055	42
Supplies and materials	4,363	4,363	---	4,363
Services and other expenditures	2,300	2,300	660	1,640
Professional and contracted services	584,039	584,039	563,952	20,087
Interfund services	1,900	1,900	842	1,058
Total expenditures	657,006	657,006	628,280	28,726
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (53,066)	\$ (53,066)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Corrections Administration

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 233,925	\$ 173,634	\$ 109,221	\$ (64,413)
Federal and local revenue	852,502	902,056	629,519	(272,537)
Total revenues	1,086,427	1,075,690	738,740	(336,950)
Expenditures:				
Salaries	590,336	508,638	421,417	87,221
Other compensation	(3,337)	3,738	3,595	143
Fringe benefits	247,222	172,386	161,264	11,122
Supplies and materials	128,144	215,697	185,195	30,502
Services and other expenditures	262,588	268,825	119,972	148,853
Professional and contracted services	35,000	55,000	32,430	22,570
Rent, utilities, and maintenance	12,000	22,532	2,359	20,173
Interfund services	---	14,400	12,550	1,850
Total expenditures	1,271,953	1,261,216	938,782	322,434
Excess (deficiency) of revenues over (under) expenditures	(185,526)	(185,526)	(200,042)	(14,516)
Other financing sources (uses):				
Transfers in	185,526	185,526	185,526	---
Total other financing sources (uses)	185,526	185,526	185,526	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (14,516)	\$ (14,516)

Corrections Center Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 44,181	\$ 44,181	\$ 32,904	\$ (11,277)
Total revenues	44,181	44,181	32,904	(11,277)
Expenditures:				
Salaries	44,181	44,181	32,904	11,277
Total expenditures	44,181	44,181	32,904	11,277
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Health Services Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 979,457	\$ 979,457	\$ 917,800	\$ (61,657)
Total revenues	<u>979,457</u>	<u>979,457</u>	<u>917,800</u>	<u>(61,657)</u>
Expenditures:				
Other compensation	52,693	52,693	---	52,693
Professional and contracted services	8,964	8,964	---	8,964
Total expenditures	<u>61,657</u>	<u>61,657</u>	<u>---</u>	<u>61,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>917,800</u>	<u>917,800</u>	<u>917,800</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	(917,800)	(917,800)	(917,800)	---
Total other financing sources (uses)	<u>(917,800)</u>	<u>(917,800)</u>	<u>(917,800)</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>

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 3,295,767	\$ 3,196,756	\$ 2,096,302	\$ (1,100,454)
Federal and local revenue	1,453,904	1,453,904	1,114,305	(339,599)
Total revenues	<u>4,749,671</u>	<u>4,650,660</u>	<u>3,210,607</u>	<u>(1,440,053)</u>
Expenditures:				
Salaries	1,978,740	1,979,757	1,623,922	355,835
Other compensation	1,550	19,050	18,746	304
Fringe benefits	827,679	820,486	684,689	135,797
Salary restriction	(20,264)	(183,664)	---	(183,664)
Supplies and materials	350,839	370,225	218,496	151,729
Services and other expenditures	233,185	507,535	299,512	208,023
Professional and contracted services	2,485,583	2,190,683	998,290	1,192,393
Rent, utilities, and maintenance	117,558	113,071	52,345	60,726
Interfund services	465,039	464,565	382,577	81,988
Asset acquisitions	253,500	322,690	240,072	82,618
Total expenditures	<u>6,693,409</u>	<u>6,604,398</u>	<u>4,518,649</u>	<u>2,085,749</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,943,738)</u>	<u>(1,953,738)</u>	<u>(1,308,042)</u>	<u>645,696</u>
Other financing sources (uses):				
Transfers in	1,943,738	1,953,738	1,306,257	(647,481)
Total other financing sources (uses)	<u>1,943,738</u>	<u>1,953,738</u>	<u>1,306,257</u>	<u>(647,481)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (1,785)</u>	<u>\$ (1,785)</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Community Health

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 17,869,303	\$ 18,912,713	\$ 16,753,892	\$ (2,158,821)
Federal and local revenue	2,835,933	1,375,429	1,194,026	(181,403)
Charges for services	1,500,000	1,500,000	1,262,179	(237,821)
Other revenue	427	427	29,000	28,573
Total revenues	22,205,663	21,788,569	19,239,097	(2,549,472)
Expenditures:				
Salaries	12,974,934	13,021,131	11,173,358	1,847,773
Other compensation	115,016	125,579	125,374	205
Fringe benefits	5,515,391	5,497,827	4,742,631	755,196
Salary restriction	(497,799)	(1,188,424)	---	(1,188,424)
Supplies and materials	891,507	1,190,699	889,588	301,111
Services and other expenditures	603,842	651,408	270,331	381,077
Professional and contracted services	1,270,151	846,791	644,418	202,373
Rent, utilities, and maintenance	424,936	403,246	230,244	173,002
Interfund services	1,254,149	1,517,092	1,398,218	118,874
Asset acquisitions	---	81,684	81,684	---
Total expenditures	22,552,127	22,147,033	19,555,846	2,591,187
Excess (deficiency) of revenues over (under) expenditures	(346,464)	(358,464)	(316,749)	41,715
Other financing sources (uses):				
Transfers in	846,249	846,249	810,223	(36,026)
Transfers out	(499,785)	(487,785)	(437,395)	50,390
Total other financing sources (uses)	346,464	358,464	372,828	14,364
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 56,079	\$ 56,079

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Health Planning and Promotion

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 292,200	\$ 463,028	\$ 181,217	\$ (281,811)
Total revenues	292,200	463,028	181,217	(281,811)
Expenditures:				
Salaries	144,343	177,037	89,985	87,052
Fringe benefits	55,927	73,587	36,011	37,576
Supplies and materials	28,230	116,954	38,686	78,268
Services and other expenditures	5,600	36,900	5,049	31,851
Professional and contracted services	36,000	25,000	---	25,000
Rent, utilities, and maintenance	2,500	---	---	---
Interfund services	23,900	37,850	14,948	22,902
Total expenditures	296,500	467,328	184,679	282,649
Excess (deficiency) of revenues over (under) expenditures	(4,300)	(4,300)	(3,462)	838
Other financing sources (uses):				
Transfers in	4,300	4,300	3,462	(838)
Total other financing sources (uses)	4,300	4,300	3,462	(838)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,909,653	\$ 2,793,663	\$ 755,707	\$ (2,037,956)
Federal and local revenue	1,701,026	2,043,240	761,470	(1,281,770)
Total revenues	3,610,679	4,836,903	1,517,177	(3,319,726)
Expenditures:				
Salaries	127,825	155,377	109,991	45,386
Fringe benefits	63,269	35,718	35,320	398
Salary restriction	(1,910)	(1,910)	---	(1,910)
Supplies and materials	297,850	286,849	59,467	227,382
Services and other expenditures	30,448	41,448	26,651	14,797
Professional and contracted services	3,082,624	4,308,848	1,283,498	3,025,350
Rent, utilities, and maintenance	2,400	2,400	2,250	150
Interfund services	8,173	8,173	---	8,173
Total expenditures	3,610,679	4,836,903	1,517,177	3,319,726
Excess (deficiency) of revenues over (under) expenditures	---	---	---	---
Other financing sources (uses):				
Transfers in	---	---	18,856	18,856
Total other financing sources (uses)	---	---	18,856	18,856
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 18,856	\$ 18,856

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Community Services Administration

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 14,832,262	\$ 14,832,262	\$ 12,022,154	\$ (2,810,108)
Federal and local revenue	141,843	141,843	44,022	(97,821)
Other revenue	20,000	20,000	10,000	(10,000)
Total revenues	<u>14,994,105</u>	<u>14,994,105</u>	<u>12,076,176</u>	<u>(2,917,929)</u>
Expenditures:				
Salaries	1,781,054	1,780,438	1,367,065	413,373
Other compensation	90,482	63,152	32,544	30,608
Fringe benefits	711,968	712,584	578,825	133,759
Salary restriction	(11,404)	(11,404)	---	(11,404)
Supplies and materials	42,254	32,334	16,700	15,634
Services and other expenditures	11,942,883	11,772,772	9,764,514	2,008,258
Professional and contracted services	1,000	---	---	---
Rent, utilities, and maintenance	274,852	418,295	227,472	190,823
Interfund services	161,016	225,934	98,685	127,249
Total expenditures	<u>14,994,105</u>	<u>14,994,105</u>	<u>12,085,805</u>	<u>2,908,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>---</u>	<u>(9,629)</u>	<u>(9,629)</u>
Other financing sources (uses):				
Transfers in	141,843	141,843	53,651	(88,192)
Transfers out	(141,843)	(141,843)	(44,022)	97,821
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>9,629</u>	<u>9,629</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Head Start

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,707,757	\$ 1,707,757	\$ 1,379,081	\$ (328,676)
Federal and local revenue	36,880,336	36,880,336	22,688,256	(14,192,080)
Other revenue	---	---	6,494,654	6,494,654
Total revenues	<u>38,588,093</u>	<u>38,588,093</u>	<u>30,561,991</u>	<u>(8,026,102)</u>
Expenditures:				
Salaries	13,492,726	13,492,726	10,420,413	3,072,313
Other compensation	9,280	404,280	399,706	4,574
Fringe benefits	6,236,188	5,841,188	4,839,763	1,001,425
Salary restriction	(17,080)	(17,080)	---	(17,080)
Supplies and materials	5,013,313	3,037,913	1,313,897	1,724,016
Services and other expenditures	1,038,608	7,273,008	7,248,991	24,017
Professional and contracted services	10,420,272	6,091,272	5,614,803	476,469
Rent, utilities, and maintenance	1,430,864	1,554,750	976,302	578,448
Interfund services	567,168	603,282	419,779	183,503
Asset acquisitions	396,754	306,754	---	306,754
Total expenditures	<u>38,588,093</u>	<u>38,588,093</u>	<u>31,233,654</u>	<u>7,354,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>---</u>	<u>(671,663)</u>	<u>(671,663)</u>
Other financing sources (uses):				
Insurance recoveries	---	---	10,451	10,451
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>10,451</u>	<u>10,451</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (661,212)</u>	<u>\$ (661,212)</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Community and Diversion Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,665,280	\$ 1,706,975	\$ 1,550,977	\$ (155,998)
Federal and local revenue	1,523,034	1,940,272	508,509	(1,431,763)
Other revenue	---	---	5,650	5,650
Total revenues	<u>3,188,314</u>	<u>3,647,247</u>	<u>2,065,136</u>	<u>(1,582,111)</u>
Expenditures:				
Salaries	325,000	325,000	187,946	137,054
Fringe benefits	116,276	116,276	75,412	40,864
Salary restriction	---	(130,154)	---	(130,154)
Supplies and materials	34,000	80,898	76,434	4,464
Services and other expenditures	139,955	200,301	130,938	69,363
Professional and contracted services	2,448,614	2,933,782	1,440,256	1,493,526
Rent, utilities, and maintenance	106,469	96,544	96,529	15
Interfund services	18,000	24,600	24,585	15
Total expenditures	<u>3,188,314</u>	<u>3,647,247</u>	<u>2,032,100</u>	<u>1,615,147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>---</u>	<u>33,036</u>	<u>33,036</u>
Other financing sources (uses):				
Transfers in	---	---	42,758	42,758
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>42,758</u>	<u>42,758</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 75,794</u>	<u>\$ 75,794</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Ryan White

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 7,305,761	\$ 7,919,146	\$ 6,529,100	\$ (1,390,046)
Total revenues	<u>7,305,761</u>	<u>7,919,146</u>	<u>6,529,100</u>	<u>(1,390,046)</u>
Expenditures:				
Salaries	555,793	555,791	481,921	73,870
Other compensation	12,751	12,751	---	12,751
Fringe benefits	234,350	234,350	207,241	27,109
Salary restriction	(5,487)	(5,487)	---	(5,487)
Supplies and materials	58,844	65,996	44,168	21,828
Services and other expenditures	109,713	108,721	23,806	84,915
Professional and contracted services	6,289,576	6,896,803	5,767,541	1,129,262
Rent, utilities, and maintenance	18,756	17,676	---	17,676
Interfund services	31,465	32,545	11,383	21,162
Total expenditures	<u>7,305,761</u>	<u>7,919,146</u>	<u>6,536,060</u>	<u>1,383,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>---</u>	<u>(6,960)</u>	<u>(6,960)</u>
Other financing sources (uses):				
Transfers in	---	---	6,960	6,960
Transfers out	---	---	(6,960)	(6,960)
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>\$ (6,960)</u>	<u>\$ (6,960)</u>

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 482,860	\$ 482,860	\$ 458,082	\$ (24,778)
Federal and local revenue	---	---	22,864	22,864
Total revenues	<u>482,860</u>	<u>482,860</u>	<u>480,946</u>	<u>(1,914)</u>
Expenditures:				
Salaries	424,869	424,869	412,506	12,363
Fringe benefits	197,106	197,106	166,274	30,832
Salary restriction	(20,439)	(20,439)	---	(20,439)
Supplies and materials	1,000	1,000	523	477
Services and other expenditures	8,000	8,000	7,453	547
Interfund services	1,000	1,000	---	1,000
Total expenditures	<u>611,536</u>	<u>611,536</u>	<u>586,756</u>	<u>24,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,676)</u>	<u>(128,676)</u>	<u>(105,810)</u>	<u>22,866</u>
Other financing sources (uses):				
Transfers in	128,676	128,676	128,676	---
Total other financing sources (uses)	<u>128,676</u>	<u>128,676</u>	<u>128,676</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 22,866</u>	<u>\$ 22,866</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Pretrial Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 150,000	\$ ---	\$ (150,000)
Federal and local revenue	109,308	109,308	124,382	15,074
Total revenues	<u>109,308</u>	<u>259,308</u>	<u>124,382</u>	<u>(134,926)</u>
Expenditures:				
Salaries	38,682	116,100	86,184	29,916
Fringe benefits	17,308	51,938	33,230	18,708
Supplies and materials	3,500	16,900	16,518	382
Services and other expenditures	1,818	9,302	7,910	1,392
Professional and contracted services	48,000	62,318	45,000	17,318
Rent, utilities, and maintenance	---	1,200	---	1,200
Interfund services	---	1,550	834	716
Total expenditures	<u>109,308</u>	<u>259,308</u>	<u>189,676</u>	<u>69,632</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (65,294)</u>	<u>\$ (65,294)</u>

Aging Commission of the Mid-South

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 9,199,826	\$ 9,199,826	\$ 6,183,892	\$ (3,015,934)
Federal and local revenue	221,406	221,406	212,222	(9,184)
Charges for services	3,118	3,118	3,118	---
Other revenue	13,200	13,200	196	(13,004)
Total revenues	<u>9,437,550</u>	<u>9,437,550</u>	<u>6,399,428</u>	<u>(3,038,122)</u>
Expenditures:				
Salaries	1,985,985	1,985,985	1,632,899	353,086
Fringe benefits	879,745	879,745	738,947	140,798
Supplies and materials	98,080	85,870	38,605	47,265
Services and other expenditures	145,489	123,529	74,194	49,335
Professional and contracted services	6,052,700	6,082,770	3,677,777	2,404,993
Rent, utilities, and maintenance	195,645	192,452	165,028	27,424
Interfund services	79,906	87,199	71,978	15,221
Total expenditures	<u>9,437,550</u>	<u>9,437,550</u>	<u>6,399,428</u>	<u>3,038,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	483,472	483,472	101,849	(381,623)
Transfers out	(483,472)	(483,472)	(101,849)	381,623
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Sheriff's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 120,463	\$ 408,463	\$ 380,485	\$ (27,978)
Federal and local revenue	598,018	700,205	413,875	(286,330)
Other revenue	---	38,040	38,040	---
Total revenues	718,481	1,146,708	832,400	(314,308)
Expenditures:				
Salaries	39,845	39,845	36,977	2,868
Other compensation	147,990	429,103	397,869	31,234
Fringe benefits	14,423	14,423	14,025	398
Supplies and materials	---	38,969	38,571	398
Services and other expenditures	22,806	56,286	31,275	25,011
Professional and contracted services	139,934	186,470	67,943	118,527
Rent, utilities, and maintenance	96,616	122,397	121,475	922
Asset acquisitions	87,187	104,808	30,099	74,709
Total expenditures	548,801	992,301	738,234	254,067
Excess (deficiency) of revenues over (under) expenditures	169,680	154,407	94,166	(60,241)
Other financing sources (uses):				
Transfers in	14,817	30,090	28,422	(1,668)
Transfers out	(184,497)	(184,497)	(140,277)	44,220
Total other financing sources (uses)	(169,680)	(154,407)	(111,855)	42,552
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (17,689)	\$ (17,689)

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 550,000	\$ 650,000	\$ 510,726	\$ (139,274)
Federal and local revenue	689,040	606,157	536,260	(69,897)
Total revenues	1,239,040	1,256,157	1,046,986	(209,171)
Expenditures:				
Salaries	109,713	83,825	82,963	862
Fringe benefits	26,089	25,075	24,240	835
Salary restriction	(34,196)	---	---	---
Supplies and materials	16,104	21,605	18,195	3,410
Services and other expenditures	8,295	8,295	5,703	2,592
Professional and contracted services	1,111,245	1,115,457	977,568	137,889
Rent, utilities, and maintenance	890	266	---	266
Interfund services	900	1,634	1,421	213
Total expenditures	1,239,040	1,256,157	1,110,090	146,067
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (63,104)	\$ (63,104)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Juvenile Court Judge

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,911,687	\$ 1,942,581	\$ 1,864,758	\$ (77,823)
Federal and local revenue	72,743	146,884	111,571	(35,313)
Other revenue	21,000	34,094	---	(34,094)
Total revenues	2,005,430	2,123,559	1,976,329	(147,230)
Expenditures:				
Salaries	1,190,900	1,227,552	1,189,661	37,891
Other compensation	46,077	50,315	363	49,952
Fringe benefits	476,602	489,358	474,716	14,642
Salary restriction	(39,419)	(39,419)	---	(39,419)
Supplies and materials	7,000	7,002	6,351	651
Services and other expenditures	57,000	71,594	61,562	10,032
Professional and contracted services	55,000	106,906	71,335	35,571
Rent, utilities, and maintenance	1,000	1,000	---	1,000
Interfund services	143,582	143,582	134,997	8,585
Total expenditures	1,937,742	2,057,890	1,938,985	118,905
Excess (deficiency) of revenues over (under) expenditures	67,688	65,669	37,344	(28,325)
Other financing sources (uses):				
Transfers in	---	2,019	---	(2,019)
Transfers out	(67,688)	(67,688)	(67,688)	---
Total other financing sources (uses)	(67,688)	(65,669)	(67,688)	(2,019)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (30,344)	\$ (30,344)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Juvenile Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 634,756	\$ 634,756	\$ 489,148	\$ (145,608)
Total revenues	<u>634,756</u>	<u>634,756</u>	<u>489,148</u>	<u>(145,608)</u>
Expenditures:				
Salaries	512,168	512,168	424,422	87,746
Other compensation	7,000	7,000	2,309	4,691
Fringe benefits	242,417	242,417	190,927	51,490
Supplies and materials	14,750	14,750	3,301	11,449
Services and other expenditures	60,075	60,075	43,358	16,717
Rent, utilities, and maintenance	4,000	1,834	---	1,834
Interfund services	88,275	90,441	72,457	17,984
Total expenditures	<u>928,685</u>	<u>928,685</u>	<u>736,774</u>	<u>191,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(293,929)</u>	<u>(293,929)</u>	<u>(247,626)</u>	<u>46,303</u>
Other financing sources (uses):				
Transfers in	326,996	326,996	251,548	(75,448)
Transfers out	(33,067)	(33,067)	(3,922)	29,145
Total other financing sources (uses)	<u>293,929</u>	<u>293,929</u>	<u>247,626</u>	<u>(46,303)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Public Defender

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 267,875	\$ 1,120	\$ (266,755)
Total revenues	<u>---</u>	<u>267,875</u>	<u>1,120</u>	<u>(266,755)</u>
Expenditures:				
Professional and contracted services	---	267,875	---	267,875
Total expenditures	<u>---</u>	<u>267,875</u>	<u>---</u>	<u>267,875</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,120</u>	<u>\$ 1,120</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2014**

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 127,913	\$ 93,798	\$ (34,115)
Federal and local revenue	200,527	210,454	212,421	1,967
Other revenue	359,539	388,126	368,878	(19,248)
Total revenues	560,066	726,493	675,097	(51,396)
Expenditures:				
Salaries	392,447	459,866	435,898	23,968
Other compensation	11,175	11,175	6,793	4,382
Fringe benefits	156,444	175,619	158,749	16,870
Supplies and materials	---	38,775	39,897	(1,122)
Services and other expenditures	---	29,396	7,563	21,833
Asset acquisitions	---	13,708	13,580	128
Total expenditures	560,066	728,539	662,480	66,059
Excess (deficiency) of revenues over (under) expenditures	---	(2,046)	12,617	14,663
Other financing sources (uses):				
Transfers in	---	2,046	2,672	626
Total other financing sources (uses)	---	2,046	2,672	626
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 15,289	\$ 15,289

Shelby County, Tennessee

Statistical Section Index For the Year Ended June 30, 2014

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

	<u>Page</u>
Financial Trends Information These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.....	G-2
Revenue Capacity Information These schedules contain information to help the reader assess the County's most significant local revenue sources, including property taxes and non-ad valorem taxes.....	G-10
Debt Capacity Information These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt.....	G-15
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.....	G-17
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.....	G-19
Schedule of Salaries and Fidelity Bonds This schedule provides information on the salaries and fidelity bonds of selected County officials.....	G-24

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 Position by Component
Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities (a):										
Net investment in capital assets	\$ 175,194,990	\$ 156,764,887	\$ 157,206,332	\$ 180,537,007	\$ 204,190,463	\$ 240,569,297	\$ 328,687,913	\$ 293,284,276	\$ 346,532,271	\$ 382,836,247
Restricted	46,561,030	80,104,201	91,417,704	106,942,854	87,310,795	207,993,719	148,784,078	75,271,215	21,081,203	42,862,828
Unrestricted	<u>(1,281,070,298)</u>	<u>(1,259,839,639)</u>	<u>(1,247,320,422)</u>	<u>(1,270,705,173)</u>	<u>(1,253,600,239)</u>	<u>(1,287,263,343)</u>	<u>(1,228,588,491)</u>	<u>(1,053,237,423)</u>	<u>(995,432,343)</u>	<u>(930,057,071)</u>
Total governmental activities net position	<u><u>\$(1,059,314,278)</u></u>	<u><u>\$(1,022,970,551)</u></u>	<u><u>\$(998,696,386)</u></u>	<u><u>\$(983,225,312)</u></u>	<u><u>\$(962,098,981)</u></u>	<u><u>\$(838,700,327)</u></u>	<u><u>\$(751,116,500)</u></u>	<u><u>\$(684,681,932)</u></u>	<u><u>\$(627,818,869)</u></u>	<u><u>\$(504,357,996)</u></u>
Business-type activities:										
Net investment in capital assets	\$ 28,180,902	\$ 27,213,452	\$ 26,737,011	\$ 26,328,481	\$ 25,324,668	\$ 24,388,818	\$ 24,274,150	\$ 24,482,158	\$ 24,854,525	\$ 24,169,229
Unrestricted	<u>3,447,095</u>	<u>5,422,857</u>	<u>7,996,464</u>	<u>8,667,114</u>	<u>13,288,503</u>	<u>11,950,335</u>	<u>12,276,642</u>	<u>13,376,374</u>	<u>15,115,556</u>	<u>18,447,979</u>
Total business-type activities net position	<u><u>\$ 31,627,997</u></u>	<u><u>\$ 32,636,309</u></u>	<u><u>\$ 34,733,475</u></u>	<u><u>\$ 34,995,595</u></u>	<u><u>\$ 38,613,171</u></u>	<u><u>\$ 36,339,153</u></u>	<u><u>\$ 36,550,792</u></u>	<u><u>\$ 37,858,532</u></u>	<u><u>\$ 39,970,081</u></u>	<u><u>\$ 42,617,208</u></u>
Total Shelby County Government:										
Net investment in capital assets	\$ 203,375,892	\$ 183,978,339	\$ 183,943,343	\$ 206,865,488	\$ 229,515,131	\$ 264,958,115	\$ 352,962,063	\$ 317,766,434	\$ 371,386,796	\$ 407,005,476
Restricted	46,561,030	80,104,201	91,417,704	106,942,854	87,310,795	207,993,719	148,784,078	75,271,215	21,081,203	42,862,828
Unrestricted	<u>(1,277,623,203)</u>	<u>(1,254,416,782)</u>	<u>(1,239,323,958)</u>	<u>(1,262,038,059)</u>	<u>(1,240,311,736)</u>	<u>(1,275,313,008)</u>	<u>(1,216,311,849)</u>	<u>(1,039,861,049)</u>	<u>(980,316,787)</u>	<u>(911,609,092)</u>
Total Shelby County Government net position	<u><u>\$(1,027,686,281)</u></u>	<u><u>\$(990,334,242)</u></u>	<u><u>\$(963,962,911)</u></u>	<u><u>\$(948,229,717)</u></u>	<u><u>\$(923,485,810)</u></u>	<u><u>\$(802,361,174)</u></u>	<u><u>\$(714,565,708)</u></u>	<u><u>\$(646,823,400)</u></u>	<u><u>\$(587,848,788)</u></u>	<u><u>\$(461,740,788)</u></u>

(a) Net position for 2005 has been restated for the addition of prior years infrastructure assets in 2006.

Shelby County, Tennessee

Financial Trends Information
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses										
Governmental activities:										
General Government	\$ 40,309,162	\$ 44,023,109	\$ 55,976,751	\$ 55,285,580	\$ 54,450,925	\$ 64,443,616	\$ 69,528,117	\$ 61,697,150	\$ 48,286,806	\$ 49,990,734
Hospital	25,566,667	25,566,667	27,566,667	27,600,000	27,491,667	38,816,666	36,816,000	26,816,000	26,816,000	26,815,406
Planning and Development	6,084,407	6,558,085	6,133,345	5,593,676	6,060,521	5,151,177	6,061,205	6,392,108	7,170,335	8,468,651
Public Works	46,673,557	39,203,679	45,623,519	50,774,639	46,238,481	47,783,453	47,909,770	46,738,284	43,418,152	42,948,647
Corrections	371,598	505,384	928,659	1,461,598	1,318,182	1,481,007	1,608,821	1,435,580	1,343,313	1,041,443
Health Services	49,339,399	52,333,668	55,764,370	65,897,329	59,570,012	56,818,691	52,391,485	52,205,826	51,375,837	53,411,088
Community Services	41,325,211	44,053,420	43,627,279	45,804,646	59,954,415	73,390,258	83,537,889	69,605,001	78,939,717	69,437,121
Law Enforcement	128,391,275	130,673,267	138,777,409	146,648,650	150,228,384	149,883,692	153,074,368	156,465,979	158,763,769	162,063,175
Judicial	66,622,877	71,267,471	74,919,142	85,085,401	77,826,817	66,108,459	67,809,546	68,815,715	71,503,814	72,191,634
Other Elected Officials	24,553,977	24,573,915	25,988,417	27,522,711	27,230,582	25,700,703	26,302,063	25,379,684	27,568,080	25,886,210
Education	404,270,674	446,365,688	451,071,817	498,893,788	420,351,443	363,281,302	387,692,028	420,187,895	401,285,011	387,263,290
Interest on debt	75,944,617	83,880,247	87,802,538	71,866,481	86,882,448	70,146,945	71,559,500	90,654,296	88,473,435	66,185,593
Total governmental activities expenses	<u>909,453,421</u>	<u>969,004,600</u>	<u>1,014,179,913</u>	<u>1,082,434,499</u>	<u>1,017,603,877</u>	<u>963,005,969</u>	<u>1,004,290,792</u>	<u>1,026,393,518</u>	<u>1,004,944,269</u>	<u>965,702,992</u>
Business-type activities:										
Codes Enforcement	12,753,672	11,694,624	12,024,192	12,523,782	11,274,089	10,472,229	10,394,909	9,687,934	9,578,276	9,209,429
Fire Services	11,218,053	11,564,013	12,842,381	18,057,095	17,636,732	18,938,445	19,733,109	19,565,511	19,490,379	17,940,652
Corrections	42,568,864	43,953,488	46,259,142	49,992,924	50,891,358	53,963,382	56,737,346	55,149,724	57,916,008	59,111,101
Total business-type activities expenses	<u>66,540,589</u>	<u>67,212,125</u>	<u>71,125,715</u>	<u>80,573,801</u>	<u>79,802,179</u>	<u>83,374,056</u>	<u>86,865,364</u>	<u>84,403,169</u>	<u>86,984,663</u>	<u>86,261,182</u>
Total Shelby County Government expenses	<u>\$ 975,994,010</u>	<u>\$ 1,036,216,725</u>	<u>\$ 1,085,305,628</u>	<u>\$ 1,163,008,300</u>	<u>\$ 1,097,406,056</u>	<u>\$ 1,046,380,025</u>	<u>\$ 1,091,156,156</u>	<u>\$ 1,110,796,687</u>	<u>\$ 1,091,928,932</u>	<u>\$ 1,051,964,174</u>
Program Revenues										
Governmental activities:										
Charges for services										
General Government	\$ 13,045,918	\$ 11,278,503	\$ 8,684,599	\$ 7,618,981	\$ 4,163,688	\$ 6,790,905	\$ 24,372,146	\$ 26,776,873	\$ 26,507,164	\$ 25,788,483
Health Services	12,152,158	13,581,260	13,074,571	9,978,487	8,988,169	18,243,100	12,350,842	10,736,876	9,895,282	10,061,350
Judicial	17,991,087	22,736,318	22,679,021	24,834,966	24,032,927	27,679,015	28,356,402	27,975,343	26,986,596	28,801,146
Other Elected Officials	33,568,741	38,011,061	36,255,228	34,595,178	35,602,836	34,806,901	35,612,955	35,610,464	37,463,194	38,714,639
Other governmental activities	10,321,666	10,425,669	10,583,922	11,296,439	9,402,118	20,713,862	14,463,418	20,723,747	16,762,726	14,516,272
Operating grants and contributions	119,186,843	138,189,459	121,125,431	136,552,118	136,145,188	114,570,324	116,897,799	95,184,769	115,132,290	97,596,210
Capital grants and contributions	277,257	12,460,564	3,440,619	1,914,603	1,126,464	710,000	15,901,708	4,353,916	8,046,883	5,126,100
Total governmental activities program revenues	<u>206,543,670</u>	<u>246,682,834</u>	<u>215,843,391</u>	<u>226,790,772</u>	<u>219,461,390</u>	<u>223,514,107</u>	<u>247,955,270</u>	<u>221,361,988</u>	<u>240,794,135</u>	<u>220,604,200</u>

Business-type activities:										
Charges for services										
Codes Enforcement	9,966,304	9,877,918	9,957,347	8,965,105	10,066,844	8,749,266	7,251,123	7,954,287	8,373,459	8,013,914
Fire Services	12,921,848	14,023,656	14,809,843	17,967,759	19,058,865	19,109,260	19,228,630	19,259,093	18,918,824	19,120,500
Corrections	33,394,199	38,624,196	40,610,450	42,981,224	47,205,050	44,894,303	48,279,566	47,447,969	51,206,938	53,579,468
Operating grants and contributions	56,960	43,050	49,050	75,000	81,000	75,600	1,736,920	1,204,618	738,725	871,967
Capital grants and contributions	---	---	---	---	---	---	---	2,000	456,000	---
Total business-type activities	56,339,311	62,568,820	65,426,690	69,989,088	76,411,759	72,828,429	76,496,239	75,867,967	79,693,946	81,585,849
Total Shelby County Government program revenues	<u>\$ 262,882,981</u>	<u>\$ 309,251,654</u>	<u>\$ 281,270,081</u>	<u>\$ 296,779,860</u>	<u>\$ 295,873,149</u>	<u>\$ 296,342,536</u>	<u>\$ 324,451,509</u>	<u>\$ 297,229,955</u>	<u>\$ 320,488,081</u>	<u>\$ 302,190,049</u>
Net (Expense)/Revenue										
Governmental activities	\$ (702,909,751)	\$ (722,321,766)	\$ (798,336,522)	\$ (855,643,727)	\$ (798,142,487)	\$ (739,491,862)	\$ (756,335,522)	\$ (805,031,530)	\$ (764,150,134)	\$ (745,098,792)
Business-type activities	<u>(10,201,278)</u>	<u>(4,643,305)</u>	<u>(5,699,025)</u>	<u>(10,584,713)</u>	<u>(3,390,420)</u>	<u>(10,545,627)</u>	<u>(10,369,125)</u>	<u>(8,535,202)</u>	<u>(7,290,717)</u>	<u>(4,675,333)</u>
Total Shelby County Government net expense	<u>\$ (713,111,029)</u>	<u>\$ (726,965,071)</u>	<u>\$ (804,035,547)</u>	<u>\$ (866,228,440)</u>	<u>\$ (801,532,907)</u>	<u>\$ (750,037,489)</u>	<u>\$ (766,704,647)</u>	<u>\$ (813,566,732)</u>	<u>\$ (771,440,851)</u>	<u>\$ (749,774,125)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 587,164,493	\$ 654,551,938	\$ 680,615,376	\$ 703,098,494	\$ 724,765,511	\$ 773,832,412	\$ 755,877,920	\$ 754,061,310	\$ 741,808,593	\$ 784,897,520
Sales taxes	10,200,007	10,343,331	10,151,491	9,392,291	25,739,847	22,028,916	22,983,679	11,191,681	11,903,445	11,821,135
Business taxes	8,123,470	8,970,348	9,307,206	11,179,019	11,671,674	11,428,545	12,208,730	12,940,493	14,151,056	13,915,537
Hotel/Motel/Car rental taxes	10,522,938	12,377,312	14,175,629	14,080,417	14,969,068	13,550,421	13,701,394	14,220,558	15,095,906	15,781,995
Wheel taxes	29,237,237	29,962,996	30,077,684	30,010,231	29,053,746	29,429,162	29,090,186	28,531,929	29,922,077	31,589,131
Other taxes	27,434,241	33,667,862	60,978,512	60,264,808	13,287,647	17,198,939	16,994,422	15,107,316	15,669,960	15,898,580
Investment earnings	5,660,042	14,068,619	24,575,622	27,571,070	6,307,051	2,950,625	3,703,351	6,939,244	1,829,437	1,929,552
Transfers	(7,146,688)	(5,276,913)	(7,270,833)	(6,818,986)	(6,806,798)	(7,683,295)	(10,557,785)	(9,808,915)	(9,367,277)	(7,273,785)
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	<u>671,195,740</u>	<u>758,665,493</u>	<u>822,610,687</u>	<u>850,136,899</u>	<u>819,268,818</u>	<u>862,890,516</u>	<u>843,919,349</u>	<u>871,466,098</u>	<u>821,013,197</u>	<u>868,559,665</u>
Business-type activities:										
Investment earnings	283,040	374,704	525,358	285,964	207,994	48,728	22,979	34,027	34,989	48,675
Transfers	7,146,688	5,276,913	7,270,833	6,818,986	6,806,798	7,683,295	10,557,785	9,808,915	9,367,277	7,273,785
Other sources/(uses)	---	---	---	31,187	(6,796)	---	---	---	---	---
Total business-type activities	<u>7,429,728</u>	<u>5,651,617</u>	<u>7,796,191</u>	<u>7,136,137</u>	<u>7,007,996</u>	<u>7,732,023</u>	<u>10,580,764</u>	<u>9,842,942</u>	<u>9,402,266</u>	<u>7,322,460</u>
Total Shelby County Government	<u>\$ 678,625,468</u>	<u>\$ 764,317,110</u>	<u>\$ 830,406,878</u>	<u>\$ 857,273,036</u>	<u>\$ 826,276,814</u>	<u>\$ 870,622,539</u>	<u>\$ 854,500,113</u>	<u>\$ 881,309,040</u>	<u>\$ 830,415,463</u>	<u>\$ 875,882,125</u>
Change in Net Position										
Governmental activities	\$ (31,714,011)	\$ 36,343,727	\$ 24,274,165	\$ (5,506,828)	\$ 21,126,331	\$ 123,398,654	\$ 87,583,827	\$ 66,434,568	\$ 56,863,063	\$ 123,460,873
Business-type activities	<u>(2,771,550)</u>	<u>1,008,312</u>	<u>2,097,166</u>	<u>(3,448,576)</u>	<u>3,617,576</u>	<u>(2,813,604)</u>	<u>211,639</u>	<u>1,307,740</u>	<u>2,111,549</u>	<u>2,647,127</u>
Total Shelby County Government	<u>\$ (34,485,561)</u>	<u>\$ 37,352,039</u>	<u>\$ 26,371,331</u>	<u>\$ (8,955,404)</u>	<u>\$ 24,743,907</u>	<u>\$ 120,585,050</u>	<u>\$ 87,795,466</u>	<u>\$ 67,742,308</u>	<u>\$ 58,974,612</u>	<u>\$ 126,108,000</u>

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

Shelby County, Tennessee

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (b)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
Assigned (a)	\$ 4,158,337	\$ 4,150,637	\$ 4,119,786	\$ 2,940,960	\$ 772,147	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Unrestricted	37,539,543	41,147,243	47,178,094	62,563,181	74,392,811	---	---	---	---	---
Restricted	---	---	---	---	---	567,558	737,713	933,228	---	23,247
Committed	---	---	---	---	---	799,402	278,675	328,309	368,368	81,307
Assigned (a)	---	---	---	---	---	1,096,493	215,871	47,919	479,046	813,270
Unassigned	---	---	---	---	---	75,694,460	85,635,125	91,590,535	94,912,625	102,469,929
Total General Fund	\$ 41,697,880	\$ 45,297,880	\$ 51,297,880	\$ 65,504,141	\$ 75,164,958	\$ ---	\$ 86,867,384	\$ 92,899,991	\$ 95,760,039	\$ 103,387,753
All other governmental funds										
Reserved	\$ 2,102,322	\$ 662,791	\$ 716,305	\$ 2,051,448	\$ 1,190,788	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Unreserved, reported in:										
Debt Service Fund	29,241,588	55,924,980	63,401,912	73,709,130	74,646,920	---	---	---	---	---
Capital Projects Fund	(136,651,444)	28,418,919	97,730,872	(23,173,636)	(84,323,603)	---	---	---	---	---
Grants Fund	1,659,168	3,250,037	3,472,963	2,482,916	(10,138,135)	---	---	---	---	---
Nonmajor Governmental Fund	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	4,000,169	7,605,692
Capital Projects Fund	---	---	---	---	---	56,613,022	92,826,243	37,879,122	221,513	84,515
Education Fund	---	---	---	---	---	9,136,859	---	---	---	---
Grants Fund	---	---	---	---	---	14,313,849	5,438,738	6,400,154	10,494,734	16,459,728
Nonmajor Governmental Fund	---	---	---	---	---	17,549,023	15,153,766	15,577,420	16,153,985	16,167,849
Committed, reported in:										
Debt Service Fund	---	---	---	---	---	95,043,193	99,621,072	89,481,609	80,767,489	79,665,910
Capital Projects Fund	---	---	---	---	---	8,234,947	4,425,564	24,762,356	33,915,863	34,098,546
Nonmajor Governmental Fund	---	---	---	---	---	984,685	1,574,304	10,242,902	5,647,119	5,674,041
Assigned, reported in:										
Capital Projects Fund	---	---	---	---	---	36,491,640	42,952,510	35,293,938	12,923,528	---
Unassigned, reported in:										
Grants Fund	---	---	---	---	---	(29,842,455)	(21,638,867)	(16,043,862)	---	---
Nonmajor Governmental Fund	---	---	---	---	---	---	---	(980,740)	---	---
Total all other governmental funds	\$ (90,035,088)	\$ 108,523,120	\$ 189,148,576	\$ 83,769,218	\$ 11,619,404	\$ ---	\$ 248,547,216	\$ 204,202,693	\$ 164,124,400	\$ 159,756,281

(a) For fiscal years 2005 - 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) 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									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues										
Property taxes	\$ 586,518,187	\$ 655,822,442	\$ 680,495,848	\$ 693,655,202	\$ 696,817,677	\$ 736,681,436	\$ 731,508,709	\$ 722,068,728	\$ 722,145,559	\$ 748,889,804
Other local taxes	88,021,603	94,491,764	98,287,134	98,253,306	96,908,922	93,671,585	93,391,143	87,643,901	95,327,539	106,044,536
State revenue	82,843,474	103,592,317	104,114,911	106,575,752	100,728,176	104,668,855	104,339,217	89,278,432	91,168,902	82,818,413
Federal and local revenue	54,629,843	51,596,881	51,548,235	60,872,661	56,759,545	61,664,406	61,914,188	66,418,403	63,098,998	54,343,494
Charges for services	5,706,520	5,665,021	5,654,583	5,548,653	5,657,780	8,906,272	8,907,877	9,010,486	5,529,577	5,873,744
Fines, fees and permits	59,430,802	68,177,969	69,456,673	70,303,476	67,243,639	67,642,736	71,275,465	70,756,123	70,018,979	70,956,345
Other revenue	10,981,843	8,650,084	9,271,704	21,847,041	6,542,242	16,036,573	5,101,809	4,984,954	16,952,794	9,576,155
Investment income	5,479,137	12,870,684	21,505,123	13,323,539	5,868,121	1,855,056	1,565,544	1,423,487	1,598,412	1,753,731
Total revenues	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	1,065,840,760	1,080,256,222
Expenditures (a)										
General Government	43,479,898	52,222,660	52,053,563	53,129,333	51,808,577	60,877,420	50,211,742	44,800,191	52,500,099	45,950,809
Hospital (b)	20,566,667	20,566,667	25,066,667	27,600,000	27,491,667	38,816,666	36,816,000	26,816,000	26,816,000	26,816,000
Planning and Development	6,110,142	6,562,951	6,228,606	5,526,687	6,019,995	6,994,026	6,698,102	6,840,109	7,263,711	7,796,219
Public Works	28,977,431	30,702,983	32,802,189	35,808,417	31,940,435	41,067,276	40,666,685	36,661,009	33,281,016	35,252,458
Corrections	371,598	432,171	824,652	1,312,609	1,261,813	1,384,904	1,458,284	1,388,314	1,285,105	971,686
Health Services	49,158,299	52,417,925	57,000,019	65,369,150	59,832,315	57,569,310	53,055,020	52,586,968	50,754,512	53,586,661
Community Services	41,229,338	44,060,485	44,360,555	46,772,688	60,217,711	73,258,904	83,229,822	70,077,171	78,269,418	69,276,258
Law Enforcement	127,315,702	130,234,277	137,012,750	141,560,285	145,718,901	145,326,022	148,217,763	153,549,971	156,974,542	159,541,072
Judicial	65,070,182	69,633,785	74,624,323	81,484,654	74,985,231	64,415,801	65,161,460	67,520,667	67,949,640	71,016,743
Other Elected Officials	23,721,774	25,146,009	26,173,457	26,465,295	26,077,724	25,370,576	25,503,944	25,146,899	26,731,196	25,389,772
Education (c)	325,859,655	360,019,604	360,019,604	361,288,000	361,288,000	361,288,000	361,288,000	361,288,000	361,288,000	384,764,432
Debt service:										
Interest	69,852,019	78,956,185	83,211,018	73,145,937	84,749,327	70,146,945	75,477,158	88,258,323	85,844,646	69,103,136
Principal	67,734,747	68,555,308	79,663,851	94,335,932	95,310,990	102,104,384	107,763,833	81,473,270	88,600,728	98,339,316
Capital outlay: capital projects	116,166,362	105,741,913	107,970,051	142,770,872	68,988,598	7,848,475	37,035,762	79,800,460	63,864,946	19,352,761
Total expenditures	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	1,101,423,559	1,067,157,323
Excess (deficiency) of revenues over (under) expenditures	(92,002,405)	(44,385,761)	(46,677,094)	(86,190,229)	(59,165,182)	34,658,210	(14,579,623)	(44,622,838)	(35,582,799)	13,098,899

Other financing sources (uses)										
Transfers in	36,262,244	43,788,657	40,798,067	42,175,234	31,276,257	31,145,888	22,849,510	17,532,055	26,787,968	20,045,350
Transfers out	(42,179,231)	(49,583,407)	(48,547,371)	(49,710,631)	(38,802,576)	(39,197,809)	(33,668,744)	(27,705,386)	(35,938,941)	(31,385,761)
General obligation bonds issued	---	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	6,883,614	---
Short term debt proceeds	---	---	---	816,473	19,821,655	---	---	---	---	---
Other sources (uses)	1,130,030	1,310,937	344,336	1,072,782	690,849	511,228	434,050	1,729,036	631,913	1,501,107
Total other financing sources (uses)	5,897,367	246,543,969	133,302,550	(4,982,868)	(3,323,815)	171,741,461	57,792,738	(65,179,078)	(1,635,446)	(9,839,304)
Special item	---	---	---	---	---	---	---	71,490,000	---	---
Extraordinary item	---	---	---	---	---	---	(982,548)	---	---	---
Net change in fund balances	\$ (86,105,038)	\$ 202,158,208	\$ 86,625,456	\$ (91,173,097)	\$ (62,488,997)	\$ 206,399,671	\$ 42,230,567	\$ (38,311,916)	\$ (37,218,245)	\$ 3,259,595
Debt service as a percentage of non capital expenditures	14.42%	14.44%	15.22%	14.71%	16.67%	16.62%	17.08%	15.65%	16.29%	16.07%

(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 (Regional One Health). 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**

Fiscal Year	Tax Year	Residential Property	Commercial Property	Personal Property	Public Utilities (a)	Total Taxable Assessed Value (b)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (c)
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%
2013	2012	10,649,905,970	5,660,543,555	1,438,945,120	1,098,465,902	18,847,860,547	4.02	63,834,911,731	29.53%
2014 (d)	2013	9,588,110,655	5,919,308,700	1,533,153,805	1,125,314,171	18,165,887,331	4.38	60,586,935,365	29.98%

(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 each 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, 2010 and 2014 amounts.

Shelby County, Tennessee

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates										
General Fund	\$ 1.43	\$ 1.31	\$ 1.22	\$ 1.22	\$ 1.22	\$ 1.23	\$ 1.33	\$ 1.36	\$ 1.36	\$ 1.45
Education	2.03	2.03	2.02	2.02	2.02	1.98	1.90	1.91	1.91	2.14
Debt Service	0.58	0.70	0.80	0.80	0.80	0.81	0.79	0.75	0.75	0.79
Total Direct Rate	4.04	4.04	4.04	4.04	4.04	4.02	4.02	4.02	4.02	4.38
Rural School Bonds (a)	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.04
City & Town Rates										
Memphis (b)	3.23	3.43	3.43	3.43	3.25	3.20	3.20	3.19	3.11	3.40
Arlington	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.15	1.15
Bartlett	1.38	1.31	1.31	1.54	1.54	1.49	1.49	1.49	1.49	1.62
Collierville	1.45	1.28	1.28	1.28	1.28	1.18	1.18	1.43	1.43	1.53
Germantown	1.70	1.54	1.54	1.54	1.54	1.43	1.43	1.49	1.49	1.93
Lakeland (c)	---	---	---	---	---	---	---	---	0.85	0.85
Millington	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.53

Rates are applicable to fiscal years ending June 30.

(a) 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.

(b) Prior to 2013 the City of Lakeland did not have a property tax.

(c) Over two-thirds (69.6%) 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, 2014**

Name of Taxpayer	Fiscal 2014 Assessments			Fiscal 2005 Assessments		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
FedEx Express Corporation	\$ 622,911,806	1	3.43%	\$ 366,735,073	1	2.42%
Bellsouth Telecommunications Inc.	112,025,698	2	0.62%	182,464,170	2	1.20%
AT&T Mobility LLC	66,859,445	3	0.37%			
Belz Investco GP	64,356,640	4	0.35%	83,166,650	3	0.55%
AMISUB (SFH) Inc.	64,234,085	5	0.35%	32,889,680	6	0.22%
G&I VII Retail Carriage LLC (and related divs)	59,254,960	6	0.33%			
Galleria at Wolfchase, LLC	58,318,190	7	0.32%	53,899,240	4	0.36%
Kroger Companies	56,429,080	8	0.31%			
Lightman Michael A (and affiliated LPs)	54,608,625	9	0.30%			
Boyle Investment Co.	47,973,495	10	0.26%			
Union Planters National Bank				35,762,770	5	0.24%
Northwest Airlines				32,099,591	7	0.21%
Mid-America Apartments				30,535,785	8	0.20%
First Tennessee Bank				28,294,175	9	0.19%
The Premcor Refining Company				24,646,770	10	0.16%
Total Assessed Valuation of Top Ten Taxpayers	1,206,972,024		6.64%	870,493,904		5.75%
Balance of Assessed Valuation	16,958,915,307		93.36%	14,285,714,125		94.25%
Total Assessed Valuation	<u>\$ 18,165,887,331</u>		<u>100.00%</u>	<u>\$ 15,156,208,029</u>		<u>100.00%</u>

Source: Shelby County Assessor and Trustee Offices

Shelby County, Tennessee

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

Fiscal Year Ended June 30,	Tax Year	Original Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Adjusted Tax Levy	Total Collections to Date		
			Amount	Percentage of Original Levy			Amount	Percentage of Adjusted Levy	Percentage of Original Levy
2005	2004	615,006,455	577,008,988	93.82%	26,293,826	603,872,759	603,302,814	99.91%	98.10%
2006	(a) 2005	694,476,293	645,263,773	92.91%	31,216,512	677,268,537	676,480,285	99.88%	97.41%
2007	2006	711,047,486	666,613,568	93.75%	32,393,140	700,035,777	699,006,708	99.85%	98.31%
2008	2007	721,760,505	676,692,968	93.76%	33,881,666	712,198,714	710,574,634	99.77%	98.45%
2009	2008	736,461,361	684,698,542	92.97%	39,813,231	727,370,529	724,511,773	99.61%	98.38%
2010	(a) 2009	791,055,910	719,276,815	90.93%	33,521,540	756,953,165	752,798,355	99.45%	95.16%
2011	2010	776,865,051	713,667,892	91.87%	27,819,420	748,242,682	741,487,312	99.10%	95.45%
2012	2011	764,302,988	710,934,070	93.02%	24,586,404	748,024,787	735,520,474	98.33%	96.23%
2013	2012	760,525,341	713,245,234	93.78%	17,604,328	747,755,679	730,849,562	97.74%	96.10%
2014	(a) 2013	798,327,814	741,958,610	92.94%	N/A	775,676,738	741,958,610	95.65%	92.94%

(a) The effect of property reappraisals are reflected in FY 2006, 2010 and 2014 amounts.

Source: Shelby County Assessor and Trustee Offices.

Shelby County, Tennessee

**Revenue Capacity Information
General Fund Non-Ad Valorem Revenues
Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual local taxes	\$ 22,324,739	\$ 23,905,702	\$ 25,440,837	\$ 35,685,177	\$ 34,785,952	\$ 32,278,259	\$ 36,481,924	\$ 28,298,234	\$ 30,987,178	\$ 34,048,774
Annual local revenue	26,178,599	27,747,801	25,164,696	28,939,685	27,690,488	17,846,319	8,228,640	7,651,586	11,006,243	14,631,502
Annual State revenues	14,258,452	15,056,355	21,963,864	22,439,722	22,959,928	21,144,826	17,585,648	17,552,358	19,448,536	19,588,987
Annual fees of elected officials	53,040,414	59,960,792	61,145,914	61,647,822	59,473,620	62,044,010	64,386,433	65,071,272	63,598,248	64,612,993
Other revenues	<u>5,494,899</u>	<u>8,780,839</u>	<u>10,550,451</u>	<u>6,367,509</u>	<u>3,776,017</u>	<u>1,026,701</u>	<u>1,475,590</u>	<u>825,499</u>	<u>785,818</u>	<u>644,093</u>
Total non-ad valorem revenues	<u>\$ 121,297,103</u>	<u>\$ 135,451,489</u>	<u>\$ 144,265,762</u>	<u>\$ 155,079,915</u>	<u>\$ 148,686,005</u>	<u>\$ 134,340,115</u>	<u>\$ 128,158,235</u>	<u>\$ 119,398,949</u>	<u>\$ 125,826,023</u>	<u>\$ 133,526,349</u>

Non-Ad Valorem Revenues of the County are considered all General Fund revenue other than property taxes and include the following:

Interest and Penalties. Consists of late penalties and interest earned from late payment of real property taxes throughout the County.

Other Payments in Lieu of Taxes. Payments in lieu of ad valorem property taxes by a tax-exempt or governmental entity in an amount not to exceed the taxes payable on privately owned property of a similar nature.

Alcohol Revenues. Alcohol revenues consist of beer sales taxes, mixed drink tax and liquor by the drink sales.

Business Revenues. Business revenues consist of County general sales tax and gross receipts tax.

Fees for services provided including fees of the various court clerks and other elected officials.

Shelby County, Tennessee

**Debt Capacity Information
Schedule of Direct and Overlapping Debt
June 30, 2014**

	Net Debt Outstanding	Estimated Percentage Applicable (d)	Estimated Share of Overlapping Debt
Direct Debt (a)			
General obligation debt	\$ 1,285,056,456	100.00%	\$ 1,285,056,456
Premium on general obligation debt	57,410,515	100.00%	57,410,515
		Total direct bonded debt (b)	<u>1,342,466,971</u>
Overlapping Debt (c)			
City of Memphis	1,271,320,000	100.00%	1,271,320,000
City of Germantown	23,885,000	100.00%	23,885,000
City of Bartlett	31,140,000	100.00%	31,140,000
City of Collierville	32,854,587	100.00%	32,854,587
City of Lakeland	5,793,601	100.00%	5,793,601
Town of Arlington	14,742,628	100.00%	14,742,628
City of Millington	6,909,345	100.00%	6,909,345
		Total overlapping debt	<u>1,386,645,161</u>
		Total direct and overlapping debt	<u>\$ 2,729,112,132</u>

- (a) The County has the power to levy ad valorem taxes without limitation as to rate or amount and is obligated to levy taxes sufficient to pay bonded debt.
- (b) The total bonded debt amount corresponds with all Shelby County assessed property.
- (c) The tax base within each city corresponds with that city's debt.
- (d) The percentage of overlapping debt applicable is estimated using taxable 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	G.O. Bonded Debt Percent Of Actual Value (b)	G.O. Bonded Debt Per Capita (b)	Total Government Debt Per Capita (b)	Total Government Debt Percent of Personal Income(c)
		General Obligation Bonds & Loans (a)	Capital Leases	Capital Leases	Total Government Debt					
2005	2004	\$ 1,710,111,426	\$ ---	\$ 794,188	\$ 1,710,905,614	3.36%	\$ 1,880	\$ 1,881	5.17%	
2006	2005	1,763,166,331	---	721,717	1,763,888,048	3.05%	1,931	1,932	5.17%	
2007	2006	1,820,107,968	---	1,170,996	1,821,278,964	3.09%	1,978	1,979	5.04%	
2008	2007	1,772,325,160	---	1,039,885	1,773,365,045	2.96%	1,924	1,925	4.71%	
2009	2008	1,747,860,459	---	906,177	1,748,766,636	2.85%	1,898	1,899	4.66%	
2010	2009	1,707,260,182	---	766,064	1,708,026,246	2.57%	1,851	1,851	4.78%	
2011	2010	1,665,674,209	---	619,240	1,666,293,449	2.55%	1,793	1,794	4.50%	
2012	2011	1,493,946,286	---	465,383	1,494,411,669	2.32%	1,598	1,598	3.92%	
2013	2012	1,388,093,168	6,883,614	304,156	1,395,280,938	2.17%	1,475	1,483	3.50%	
2014	2013	1,285,056,456	6,505,735	135,206	1,291,697,397	2.12%	1,368	1,375	3.24%	

(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 G-10 for Estimated Actual and Assessed Property Values and page G-17 for Population Amounts and Personal Income Values.

(c) Personal Income Data not available for FY2014. Data for FY2013 was substituted for the calculation.

Shelby County, Tennessee

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

<u>Year (a)</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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	38,116,646	40,763	9.9%
2012	940,764	39,896,975	42,409	9.1%
2013	939,465	N/A	N/A	9.7%

Sources:

Population and personal income data provided by the U.S. Bureau of the Census through Bureau of Economic Analysis (BEA).

Unemployment rates provided by Tennessee Department of Labor and Workforce Development.

Note:

Population data are midyear estimates. Personal income amounts are totals for each calendar year. Per capita personal income amounts are computed on the basis of the mid-year population estimates given at left. Unemployment rates are calendar year average rates for the civilian workforce. BEA released the population and personal income data shown here in March 2014.

Shelby County, Tennessee

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
FedEx Corp	32,000	1	5.82%	30,000	1	3.83%
Shelby County Schools (a)	16,000	2	2.91%	5,200	10	0.66%
Tennessee State Government	14,400	3	2.62%	5,200		0.66%
United States Government	13,900	4	2.53%	14,800	3	1.89%
Methodist Le Bonheur Healthcare	10,175	5	1.85%	7,271	4	0.93%
Baptist Memorial Health Care Corp.	8,587	6	1.56%	6,951	5	0.89%
City of Memphis	6,848	7	1.25%	6,698	6	0.86%
Wal-Mart Stores Inc.	6,000	8	1.09%	6,600	7	0.84%
Shelby County Government	5,662	9	1.03%	6,513	8	0.83%
Naval Support Activity Mid-South	4,600	10	0.84%	6,372	9	0.81%
Memphis City Schools (a)				15,240	2	1.95%
Total Employment	118,172		21.50%	110,845		14.15%

(a) In 2013 Shelby County Schools and Memphis City Schools combined into what is now Shelby County Schools.

Sources:

Largest employer data for 2014 comes from Memphis Chamber of Commerce. Largest employer data for 2005 comes from the MBJ 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 2013, from the TN Department of Labor & Workforce Development-Employment Security Division, is used as a surrogate for the 2014 figure, which is not expected to be available until 2015.*

* Total Employment:	2013	549,640
	2005	782,907

Shelby County, Tennessee

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

Function/Program:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	297	317	297	319	294	284	281	282	297	287
Planning and Development	219	215	215	209	180	165	148	140	134	139
Public Works	496	474	480	476	453	441	434	424	418	423
Corrections	650	630	629	622	610	671	659	643	677	682
Health Services	677	674	653	643	619	624	550	534	495	501
Community Services	590	572	545	562	544	569	533	513	507	514
Law Enforcement	1,968	1,930	1,942	1,945	1,883	1,919	1,937	1,929	1,920	1,927
Judicial	1,049	1,067	1,045	1,102	1,057	891	877	875	831	899
Other Elected Officials	371	398	394	387	376	365	365	355	358	360
Total Full-time Equivalent Employees	6,317	6,277	6,200	6,265	6,016	5,929	5,784	5,695	5,637	5,732

(a) This schedule shows filled positions as of January 1, within each fiscal year.

Shelby County, Tennessee

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

Function/Program:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government: Election Commission Polling Locations	279	279	279	274	275	236	236	220	220	220
Assessor Offices	2	2	2	2	2	2	2	2	2	2
Public Works Bridges (a)	201	199	184	184	189	192	192	182	179	179
Health Services Public Health Clinics	8	8	8	8	8	9	9	8	8	8
Law Enforcement Jail Capacity Male	3,025	3,025	2,825	2,825	2,825	2,825	2,818	2,813	2,813	2,800
Female	384	384	382	382	382	382	382	382	382	381
Judicial Courts	41	41	41	41	41	41	41	41	41	41
Enterprise Funds: Fire Services Engine Companies	9	9	9	9	9	9	9	9	9	9

(a) The number of bridges has declined due to annexations by municipalities.

Shelby County, Tennessee

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

Function/Program:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government:										
Pretrial Services										
Misdeemeanor interviews	28,538	26,973	28,691	25,646	27,470	25,170	27,869	22,280	19,897	21,273
Misdeemeanor arraignments (a)	59,566	56,222	59,068	43,275	66,595	68,813	82,728	79,221	80,927	95,554
Felony interviews	10,827	10,913	10,820	9,886	10,679	10,171	12,581	11,969	10,676	11,327
Felony arraignments	11,012	11,061	11,332	10,667	11,549	11,316	11,791	13,014	9,962	13,153
Election Commission										
Number of elections	5	4	6	6	3	4	5	4	2	5
Public Works										
Linear road miles (b)	---	772	775	775	775	776	778	780	750	750
Public buildings	7	7	7	7	7	7	7	7	7	7
Community Services:										
Head Start										
Students (c)	3,872	3,586	3,590	3,628	4,192	4,292	3,771	4,346	4,219	4,030
Housing										
Loans outstanding	93	106	121	200	333	612	778	869	1,041	1,085
Law Enforcement:										
Sheriff's Office Inmate days	881,162	948,892	1,024,920	968,785	1,009,222	1,003,886	978,248	973,495	887,459	896,504
Judicial (d):										
Chancery Court										
Filings	2,575	2,717	2,524	2,493	2,638	2,498	2,318	2,237	2,063	2,229
Dispositions	2,502	3,268	2,717	2,620	2,581	2,849	2,469	2,562	2,425	1,316
Circuit Court										
Filings	7,735	6,770	6,671	6,159	6,087	6,220	6,060	5,988	5,212	5,704
Dispositions	7,710	7,361	6,730	7,461	7,035	6,968	6,297	6,016	5,732	6,157
Criminal Court (a)										
Filings	24,869	29,928	26,977	27,030	23,626	28,092	26,218	24,081	20,252	21,535
Dispositions	24,742	26,621	29,923	30,396	26,277	28,221	28,436	29,015	24,107	21,402
General Sessions Criminal Court										
Filings	153,087	159,157	171,091	163,254	203,143	215,020	211,899	206,510	214,996	226,389
Dispositions	150,547	157,091	160,761	163,866	187,607	205,944	205,398	195,610	206,362	219,865

General Sessions Civil Court										
Filings	63,154	64,459	75,214	72,778	73,154	75,637	70,628	65,164	65,276	63,207
Dispositions (e)	53,636	55,080	59,095	64,357	62,277	115,415	111,734	102,264	49,745	45,908
Juvenile Court (g)										
Disposed/Adjusted	22,817	21,211	19,195	16,877	18,436	17,522	17,276	16,764	15,541	15,057
Children affected	15,987	15,561	14,205	12,897	13,721	13,206	12,903	12,577	11,976	11,455
Probate Court										
Filings	3,624	3,493	3,506	3,484	3,539	3,482	3,404	3,377	3,207	2,752
Dispositions	4,455	3,493	3,557	3,202	3,654	3,539	3,478	3,432	3,230	2,812
Other Elected Officials:										
Register										
New documents filed	210,030	214,467	206,918	174,608	154,137	160,788	128,739	108,755	154,350	141,074
Assessor										
Parcels Assessed										
Real property	335,896	340,264	349,963	353,006	351,727	351,605	351,595	351,156	351,089	351,325
Personal property	38,168	38,846	39,773	39,495	38,311	36,654	37,253	36,445	35,576	34,864
Attorney General (f)										
Criminal Court indictments	8,667	9,271	9,765	9,247	9,388	8,196	9,267	9,272	9,527	7,232
New juvenile delinquency cases	2,947	3,090	3,168	3,185	6,500	4,610	4,282	4,243	5,689	8,543
Enterprise Funds:										
Codes Enforcement										
Building inspections	63,665	61,482	59,332	44,673	39,443	34,362	33,343	32,730	42,799	40,160
Building permits	11,789	10,860	9,889	7,010	5,686	6,875	6,154	5,931	7,050	6,572
Fire Services (g)										
Fire responses	6,433	7,087	8,926	9,621	7,889	7,911	8,448	8,172	8,222	4,323
Ambulance calls	9,808	10,376	11,084	11,516	11,538	11,014	11,508	11,607	12,278	9,637
Corrections:										
Inmate days	955,641	988,262	1,000,357	1,135,098	1,160,027	1,100,798	971,882	911,778	879,537	823,874
Boards of Education/Schools										
Enrollment (h)										
Shelby County Board of Education (component un	53,435	54,943	55,745	56,799	56,503	56,905	56,162	54,823	54,887	179,437
City of Memphis Board of Education	138,043	137,932	135,268	129,872	127,073	124,691	125,369	123,400	121,907	-
Total enrollment	<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>	<u>176,794</u>	<u>179,437</u>

- (a) Beginning with FY2011, data is reported by Court Operations staff. In prior years, data was reported by the Information Technology Department.
- (b) Information not reported is not available for these periods.
- (c) Head Start students represents total students served, including Early Head Start.
- (d) Data for the latest year, except for Juvenile Court, was provided by Shelby County. Juvenile Court data taken from reports of the Tennessee Administrative Office of the Courts.
- (e) Beginning with FY2010, data includes orders needing a Judge's signature being placed on the court's dockets.
- (f) Data is reported on a calendar year basis as of December 31 within each fiscal year. Beginning with FY2014, new juvenile delinquency case information provided by Juvenile Court.
- (g) Beginning with FY2010, data is reported on a fiscal year basis. Prior years' data is reported on a calendar year basis as of December 31 within each fiscal year. Beginning with FY2014, ambulance calls were outsourced to a different vendor, which resulted in reduced service area and fewer fire responses and ambulance calls for the County's operations.
- (h) The Board of Education enrollment is weighted full-time equivalency of average daily attendance. The City of Memphis Board of Education merges with the Shelby County Board of Education in FY2014.

Shelby County, Tennessee

Schedule of Salaries and Fidelity Bonds

June 30, 2014

Official	Designation	Salary Amounts	Bond Expiration Date	Bond Amount
Mayor and Staff				
Mark H. Luttrell, Jr.	Mayor	\$ 142,500	09/01/14	\$ 100,000
Harvey Kennedy	Chief Administrative Officer	136,500	09/01/14	100,000
Michael A. Swift	Director of Administration and Finance	131,300	09/01/14	100,000
Thomas E. Needham	Director of Public Works	126,250	09/01/14	100,000
Dorothy Day Jones	Director of Community Services	126,250	09/01/14	25,000
Rodney W. Bowers	Director of Corrections	126,250	09/01/14	100,000
Court Clerks				
Donna L. Russell	Chancery Court Clerk and Master	108,617	01/03/18	1,060,000
James L. Moore	Circuit Court Clerk	108,617	09/01/14	60,000
Kevin P. Key	Criminal Court Clerk	108,617	09/01/14	65,000
Edward L. Stanton, Jr.	General Sessions Court Clerk	108,617	09/01/16	60,000
Paul C. Boyd	Probate Court Clerk	108,617	09/01/14	60,000
Eftehia Joy Touliatos	Juvenile Court Clerk	108,617	09/01/14	60,000
Others				
William Patrick Oldham	Sheriff	115,000	09/01/14	50,000
Richard Wayne Mashburn	County Clerk	107,975	09/01/14	95,000
Thomas F. Leatherwood	Register	107,975	09/01/14	25,000
David C. Lenoir	Trustee	107,975	09/01/14	47,165,177
Cheyenne Johnson	Assessor	108,617	09/01/14	50,000
Scott B. Peatross	Public Administrator	(a)	06/06/17	500,000
All Employees	Public Employees Employee Dishonesty and Faithful Performance of Duty Coverage		11/01/14	1,000,000 per loss

(a) Compensated from assigned cases.



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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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 3, 2014. Our report includes a reference to other auditors who 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

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

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

or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The audit for the fiscal year ended June 30, 2014 revealed a cash shortage of \$1,020 in the general sessions court and a theft of \$195 in the vital records department (reference number 2014-1). The cash shortage was reported to the State of Tennessee Division of County Audit; however, a guilty party was not determined. The theft of \$195 resulted in an employee termination. In both instances, the County was unable to recover any of the funds. These matters were detected by the County in the normal operation of their internal controls and internal audit functions.

Purpose of this Report

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

Memphis, Tennessee
December 3, 2014

Watkins Universal, PLLC
Banks, Finley, White & Co.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

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, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's financial statements include the operations of the Shelby County Health Care Corporation and the Shelby County Board of Education (component units of the County), which received \$4,224,840 and \$197,699,042 in federal awards, respectively, which are not included in the schedule of expenditures of federal and state awards for the year ended June 30, 2014. Our audit did not include the operations of the Shelby County Health Care Corporation because the entity engaged another auditor to perform an audit in accordance with OMB Circular A-133. The results of our audit for the Shelby County Board of Education are included in a separate report.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Watkins Universal, PLLC

Memphis Tennessee
December 3, 2014

Banks, Jolley, White & Co.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
Department of Agriculture			
TN Department of Health/ WIC Program	10.557	GG-133450800	\$ 5,847,320
TN Department of Human Services/ CACFP	10.558	03-47-64531-00-1	1,379,081
<i>Food Distribution Cluster</i>			
TN Department of Health/ Supplemental Food	10.565	GG-1237333	320,083
TN Department of Health/ Supplemental Food	10.565	GG-133538300	114,060
<i>Total Food Distribution Cluster</i>			<u>434,143</u>
Total Department of Agriculture			7,660,544
Department of Housing and Urban Development			
Direct Award/ Community Development Block	14.218	B-11-UC-47-0002	447,033
Direct Award/ Community Development Block	14.218	B-12-UC-47-0002	318,375
Direct Award/ CDBG Disaster Grant	14.218	B-10-UF-47-0001	1,204,978
Direct Award/ CDBG Disaster Grant	14.218	B-13-US-47-0001	2,105,314
			<u>4,075,700</u>
Direct Award/ Home Entitlement - HUD	14.239	M-10-UC-47-002	1,857
Direct Award/ Home Entitlement - HUD	14.239	M-11-UC-47-0205	43,796
Direct Award/ Home Entitlement - HUD	14.239	M-12-UC-47-0205	27,409
Direct Award/ Home Entitlement - HUD	14.239	M-08-UC-47-0205	161,367
Direct Award/ Home Entitlement - HUD	14.239	B-08-UN-47-0001	13,705
			<u>248,134</u>
Direct Award/ HUD Regional Planning Grant	14.703	TNRIP0069-11	1,342,677
Direct Award/ Federal Lead Based Paint Grant	14.900	TNLHB0442-09	453,550
Direct Award/ City Lead Grant Program	14.900	28920	180,360
Direct Award/ City Lead Grant	14.900	28887	1,500
			<u>635,410</u>
Total Department of Housing and Urban Development			6,301,921
Department of Justice			
TN Department of Children's Services/ Juvenile Accountability	16.523	GG-09-26434-00	74,403
TN Office of Criminal Justice Programs/ State Of Tennessee Grant	16.575	19703	458,082
Direct Award/ Adult Drug Court Enhancement Program	16.585	2011-DC-BX-0030	97,499
TN Office of Violence Against Women/ Stop Grant Sex Crimes	16.588	19127	39,446
Direct Award/ Arrest Policies-Blueprint For Safety	16.590	2011-WE-AX-K002	36,043
Direct Award/ SCAAP State Alien Assistance	16.606	2013-AP-BX-0837	173,181
Direct Award/ Bulletproof Vest Partnership	16.607	CA145507	15,273
Direct Award/ Project Safe Neighborhood-Gun Crime	16.609	2010-GP-BX-0049	9,927
Direct Award/ DOJ-Defending Childhood Initiative	16.730	2011-MU-MU-K005	742,614
<i>JAG Program Cluster</i>			
Direct Award/ Byrne Justice Assistance Grant	16.738	2011-DJ-BX-3445	124,257
Direct Award/ Justice Assistance Grant	16.738	2012-DJ-BX-0077	218,283

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
Direct Award/ Justice Assistance Grant	16.738	2013-DJ-BX-0333	440,789
Direct Award/ JAG MGU Grant	16.738	22973	84,165
TN Office of Criminal Justice Programs/ Drug Task Force	16.738	4034	131,088
TN Department of Mental Health/ Mentally Ill Inmate Services	16.803	GG-10-28271	143,237
Direct Award/ Justice Assistance Grant	16.803	2010-DJ-BX-1563	229,328
<i>Total JAG Program Cluster</i>			<u>1,371,147</u>
Total Department of Justice			3,017,615
Department of Transportation			
Direct Award/ Rideshare Project	20.205	080030	675,525
MS Department of Transportation/ Transportation Planning MDOT	20.205	76008-0700410	441,559
MS Department of Transportation/ Transportation Planning MDOT	20.205	106460-118000	200,977
TN Department of Transportation/ Transportation Planning TDOT	20.205	GG1237135-1	1,424,618
TN Department of Transportation/ Transportation Planning TDOT	20.205	GG1337261	194,389
TN Department of Transportation/ County Schools Bus Retrofit	20.205	11004	317,993
TN Department of Transportation/ CMAQ Intersection Improvement Grant	20.205	CA1314427	1,808,668
TN Department of Transportation/ Safe Routes To School	20.205	CA1314451	81,180
TN Department of Transportation/ Metro Planning FTA	20.205	GG-07-26824-00	36,845
			<u>5,181,754</u>
TN Department of Transportation/ State and Community Highway Safety	20.600	PT-14-43	15,246
Direct Award/ Alcohol Countermeasures	20.607	154AL-13-207	58,749
Direct Award/ Alcohol Countermeasures	20.607	154AL-14-99	264,935
Direct Award/ GHSO Network Coordinator	20.607	PT-13-48	2,109
			<u>325,793</u>
Total Department of Transportation			5,522,793
Environmental Protection Agency			
Direct Award/ Air Pollution	66.001	A-00408210-04	454,398
Direct Award/ Air Pollution	66.001	A-00408210-05	229,284
			<u>683,682</u>
Direct Award/ Air Pollution-Roadside Agreement	66.034	XA-95495812-0	156,968
Direct Award/ Air Pollution Special Studies	66.034	XA-95490112-0	165,865
Direct Award/ Special Air Pollution	66.034	PM-96497508-9	106,554
			<u>429,387</u>
Total Environmental Protection Agency			1,113,069
Department of Energy			
TN Housing Development Agency/ Weatherization Assistance	81.042	WAP-12-09	474,116
Department of Health and Human Services			
Direct Award/ Medical Reserve Corps	93.008	MRC-11-0150/13-0150	1,236
TN Commission on Aging/ Aging Program	93.042	GG-10-29077-00	50,100
TN Commission on Aging/ Aging Program	93.043	GG-10-29077-00	54,401

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
<i>Aging Cluster</i>			
TN Commission on Aging/ Aging Program	93.044	GG-10-29077-00	1,633,914
TN Commission on Aging/ Aging Program	93.045	GG-10-29077-00	1,329,263
TN Commission on Aging/ Aging Program	93.053	GG-10-29077-00	235,516
<i>Total Aging Cluster</i>			<u>3,198,693</u>
TN Commission on Aging/ Aging Program	93.052	GG-10-29077-00	344,210
US Department of Homeland Security/ Homeland Security	93.074	GG-14-38207-00	1,017,533
Direct Award/ Project MOST Program-Year 1/3	93.086	90FK003703	388,432
Direct Award/ Project MOST Program-Year 2/3	93.086	90FK003702	215,009
			<u>603,441</u>
TN Department of Mental Health/ Just Care Family Network	93.104	30843-GG1238239	1,486,207
TN Department of Health/ TB Outreach	93.116	133425400	56,902
TN Department of Health/ TB Outreach	93.116	GG-14-39990-0	1,474,612
			<u>1,531,514</u>
TN Department of Health/ Immunization	93.268	1239788	281,721
TN Department of Health/ Immunization	93.268	GG13-37212-00	289,577
			<u>571,298</u>
TN Department of Health/ CDC Antiterrorism Grant	93.283	GG13-35406	10,902
TN Department of Health/ Tobacco Risk	93.283	GG1239790	9,384
TN Department of Health/ Tobacco Risk	93.283	GG-1437970	31,622
TN Department of Health/ Public Health Emergency Services	93.283	GG133968100	85,252
TN Department of Health/ Breast And Cervical Cancer	93.283	GG-13-39492	125,040
			<u>262,200</u>
TN Commission on Aging/ Aging Program	93.324	GG-10-29077-00	140,518
TN Governor's Office of Children's Care/ Parenting Success	93.500	GG1136105	755,707
TN Department of Health/ Tenndercare Outreach	93.505	GG-13-38283	132,845
TN Department of Human Services/ Title IV-D(Process Paper)Grant	93.563	GG-11-32442	849
TN Department of Human Services/ DHS IV-D Child Support Service	93.563	GG-1339728	1,528,759
			<u>1,529,608</u>
TN Department of Human Services/ LIHEAP	93.568	Z-05-021704-09	9,564,032
TN Department of Human Services/ Community Service Block Grant	93.569	Z-05-020698-06	1,961,956
Direct Award/ Head Start	93.600	04CH3447	21,237,848
TN Department of Human Services/ Direct Appropriation	93.667	CA075023	22,050
TN Department of Health/ HIV	93.733	GG-1336394-00	24,251
TN Department of Health/ Infant Mortality Coordinator	93.778	GG-11-32226	270,029
Direct Award/ Ryan White MAI	93.914	6 H89HA 11464-05-02	444,624
Direct Award/ Ryan White MAI	93.914	6 H89HA 11464-06-01	148,148
Direct Award/ Ryan White Part A	93.914	6 H89HA 11464-05-02	4,306,722
Direct Award/ Ryan White Part A	93.914	6 H89HA 11464-06-01	1,525,525
			<u>6,425,019</u>

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
Direct Award/ Healthy Start Initiative	93.926	H49MC00036-12-00	55,257
Direct Award/ Healthy Start Initiative	93.926	H49MC00036-13-01	620,975
			<u>676,232</u>
TN Department of Health/ HIV Case Management-COE	93.940	GG-1336912-00	51,595
TN Department of Health/ HIV Case Management-COE	93.940	GG-1332870-00	21,628
TN Department of Health/ Rapid HIV Testing	93.940	GG-1334348-00	180,130
TN Department of Health/ HIV	93.940	GG-1336394-00	539,411
TN Department of Health/ HIV Prevention & Intervention	93.940	CA1311825	239,977
			<u>1,032,741</u>
TN Department of Health/ HIV	93.944	GG-1237993-00	937,445
TN Department of Health/ HIV	93.944	GG-1336394-00	112,630
			<u>1,050,075</u>
TN Department of Health/ Chronic Disease Mgmt - School Health	93.945	GG-14-41730-00	22,010
TN Department of Health/ Health Risk Reduction	93.991	G-13-39680	113,904
TN Department of Health/ Childhood Lead Paint Prevent	93.994	GU-13-32848	203,300
TN Department of Health/ Children's Special Services	93.994	GG-13-33273	739,232
			<u>942,532</u>
TN Department of Health/ HIV	93.977	GG-1336394-00	329,473
Total Department of Health and Human Services			55,351,663
Office of National Drug Control Policy			
Direct Award/ HIDTA Parcel Post	95.001	G10GC0005A	39,037
Direct Award/ HIDTA Grant	95.001	G12GC0005A	68,879
Direct Award/ HIDTA Grant	95.001	G13GC0005A	44,523
			<u>152,439</u>
Department of Homeland Security			
Direct Award/ Federal Hazard Mitigation Grant	97.039	CA1211935-1	10,316
Direct Award/ EMPG	97.042	34101-09414	144,000
Direct Award/ MMRS	97.067	CA136721	277,917
Direct Award/ Citizen Corp	97.067	CA136721	6,549
Direct Award/ Homeland Security	97.067	34101-18213	375,270
Direct Award/ Homeland Security UASI	97.067	34101-19512	705,781
			<u>1,365,517</u>
Total Department of Homeland Security			<u>1,519,833</u>
Total federal awards			81,113,993

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Contract Number	Program Name	Grantor Agency	Total Expenditures
CA-131075	Child Support Mediation	TN Administrative Office of the Courts	10,472
31602-13019	Aging Program	TN Commission on Aging and Disability	2,395,972
GG-1235222	At Risk Youth	TN Department of Children's Services	67,688
CA131075	Court Appointed Spec Advocates	TN Department of Children's Services	9,000
N/A	Offender Re-Entry Program	TN Department of Corrections	109,221
GG-09-25326-00	Household Hazardous Waste	TN Department of Environment and Conservation	84,530
CA123779	Tire Recycling	TN Department of Environment and Conservation	513,093
CA1315540	Shelby Farms Trailhead	TN Department of Environment Conservation	35,579
N/A	BSC Enrollments and Deferrals	TN Department of Health	9,380
GG13-35406	CDC Antiterrorism Grant	TN Department of Health	81,900
GG-13-33806-00	Family Planning	TN Department of Health	1,029,685
GU-13-39494	Fetal Infant Mortality Review	TN Department of Health	328,800
GG-1237993-00	HIV	TN Department of Health	38,954
GG-1336394-00	HIV	TN Department of Health	36,698
N/A	HMEP	TN Department of Health	917,800
GG-13-38496	Home Visiting Services	TN Department of Health	546,631
GG-12-35950-00	New born Outreach	TN Department of Health	20,100
GG1334701	Project Diabetes Initiative	TN Department of Health	19
GG-1339493	TennCare Dental Prevention	TN Department of Health	1,668,357
GG-13-38283	Tenndercare Outreach	TN Department of Health	1,111,330
N/A	Tobacco Settlement Funds 2014	TN Department of Health	4,278
GG-1339444	DHS Advocacy Services	TN Department of Human Services	248,839
N/A	Down Payment Assistance	TN Department of Human Services	253,273
GG-11-32442	Title IV-D Process Paper Grant	TN Department of Human Services	488,299
33392	Residential Drug Treatment	TN Department of Mental Health and Substance Abuse	510,726
N/A	State Aid Program Ward Rd. Bridge	TN Department of Transportation	85,606
CA136693	State Aid Road and Bridge Maintenance	TN Department of Transportation	1,206,891
Z13LIT079	Roadside Grant	TN Highway Beautification Office	217,527
Total state awards			<u>12,030,648</u>
Total federal and state awards			<u><u>\$ 93,144,641</u></u>

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2014

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	\$ 93,144,641
Add: Expenditures not shown on this schedule	1,397,645
Add: County matching	12,095,300
Total grant fund expenditures	<u>\$ 106,637,586</u>

SHELBY COUNTY, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2014

NOTE 3 – AMOUNTS AWARDED TO SUBRECIPIENTS

The following amounts were awarded to subrecipients during the fiscal year ended June 30, 2014:

CFDA Number(s)	Program	Amount
16.523	Juvenile Accountability	\$ 44,577
16.590	Blueprint for Safety	27,471
16.730	Defending Childhood Initiative	616,302
16.738/ 16.803	JAG Program Cluster	461,864
20.205	Highway Planning and Construction	397,491
93.044/ 93.045 / 93.053	Aging Cluster	2,497,867
93.104	Just Care Family Network	344,377
93.500	Parenting Success	667,196
93.600	Head Start	5,076,792
93.940	HIV	390,000
95.001	HIDTA Grant	62,488
97.067	Homeland Security	527,980
Total amounts awarded to subrecipients		<u><u>\$ 11,114,405</u></u>

SHELBY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Shelby County, Tennessee.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Shelby County, Tennessee were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Shelby County, Tennessee expresses an unmodified 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:
 - CFDA 14.218 – Community Development Block Grants
 - CFDA 93.568 – Low-Income Home Energy Assistance
 - CFDA 93.914 – HIV Emergency Relief Project Grants
 - CFDA 97.067 – Homeland Security Grant Program
8. The threshold for distinguishing between Type A and B programs was \$2,433,420.
9. Shelby County, Tennessee qualifies as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

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

None

SHELBY COUNTY, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2014

None