

**Comprehensive  
Annual Financial Report  
Of  
Shelby County, Tennessee  
For The Year Ended  
June 30, 2018**

*Prepared by the Department of Finance*

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Shelby County Mayor Lee Harris



# Shelby County Government

LEE HARRIS  
MAYOR

December 20, 2018

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, 2018, is hereby submitted. Local ordinances and state statutes require that Shelby County publish each fiscal year a complete set of financial statements prepared in compliance with 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 unmodified opinion on Shelby County's financial statements for the fiscal year ended June 30, 2018. The independent auditor's 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The fiscal period represented in this report was during the administration of previous Mayor Mark H. Luttrell, Jr. This transmittal letter is signed by current Mayor Lee Harris, who was elected in August 2018 to serve a four year term beginning October 1, 2018.

## **Profile of Shelby County, Tennessee**

Shelby County, established in 1819, is the largest county in the State of Tennessee, with the City of Memphis serving as the County seat. The County is located in the extreme southwest corner of Tennessee on the eastern bank of the Mississippi River and serves as the hub of the surrounding 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 936,961. 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) as 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 and detention, judicial and corrections systems, health and community services, fire protection and recreational activities. Shelby County is also financially accountable for a legally separate public education system, 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 in early February. After a series of administrative reviews, the County Mayor presents a proposed consolidated budget to the County Commission by April 30. The County Commission conducts budget hearings and then adopts a final budget. This process is generally completed by July 1 as the beginning of the fiscal year. However, the County Commission has the authority to adopt a continuing budget until a final budget can be approved. The appropriated budget is prepared by fund, division (a function such as public works), and department (e.g., parks). The Mayor may authorize transfers of appropriations within the same fund, division, or expenditure category (personnel or non-personnel). Any other transfers require approval by the County Commission.

### **Local Economy**

Shelby County has experienced significant improvement in the local economy in the post-recessionary period. Stabilization and growth in commercial and residential property values was clearly reflected in the most recent reappraisal conducted during 2017. The County has also experienced notable success in attracting new businesses in the past several years, along with the continued expansion of existing businesses.

The County is the major wholesale and retail center for western Tennessee, eastern Arkansas and northern Mississippi. The Memphis Metropolitan Statistical Area (MSA) is considered one of the top 100 suburban markets in the country and ranks in the top fifty in total effective buying income, according to Sales & Marketing magazine. The industrial economy of the County is highly diversified with twenty major industrial groups listed in the Directory of Memphis Manufacturers as classified by the Bureau of the Budget. 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 services, government, and wholesale and retail trade. The southeastern region and the United States overall show a heavier concentration in manufacturing than 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 October 31, 2018 was 4.4%, as compared to the state and national rates of 3.7%.

## Long-term Financial Planning

Long-term planning is reviewed and updated annually for operations, capital improvements and debt based on analysis of historical data and projections of future requirements. Close cooperation exists between the Administration and the Commission in developing an annual financial plan in a transparent and timely process with the shared goals of maintaining structural balance, stable tax rates and adequate fund balance levels.

Over the past ten years total governmental revenue has increased by 7.4%. Revenue growth from property taxes (14.2%) and other local taxes (21.5%) has been partially offset by reductions in Federal and local revenue resulting from moving the Head Start program to another entity (-46.9%), various State grant revenues (-13.3%) and charges for services (-25.9). During this period property taxes have increased from 67.2% to 71.5% of total revenue, while State taxes have decreased as a percent of total revenue from 9.7% to 7.8%. Other revenue sources have been relatively stable. Most fines and fees as well as many other revenues are determined by the State and are not regularly adjusted to provide for inflationary cost increases.

During this same ten year period, the County's total governmental expenditures have increased by 5.7%. The core service functions of education, health and public safety, and judicial services now account for 65% of total expenditures compared to 61% ten years ago. Education funding has increased by 16.1% (\$58.2 million) and law enforcement increased by 24.2% (\$35.3 million). The significant reduction in debt service (\$32 million or 18%) reflects continued adherence to the debt reduction plan with controlled growth of capital expenditures to address aging infrastructure needs.

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 new programs, service level changes, salary increases, 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, as a result of increasing fund balances, the County ended the use of short term borrowing for cash flow purposes. In 2014 the County adopted a policy of maintaining the General Fund unassigned fund balance as a percent of General Fund revenue between 20% and 30% with the intent to stay above 25%. This percentage was gradually increased over the past decade to the upper level of the policy range. Some planned uses of fund balance have been included in the budget for the past two years to reduce the fund balance to the 25% midpoint of the acceptable range.

As part of the annual budget process the County also adopts a five year capital improvements plan. Several years ago the need to control growth in both our outstanding debt and our annual debt service payments was recognized with a formal Debt Reduction Policy. As a result of aggressive efforts to control capital spending, our general obligation debt has been reduced from \$1.85 billion in 2006 to less than \$1.0 billion as of June 30, 2018. Although CIP allocations have recently increased to address the maintenance needs of aging infrastructure and school facilities, our actual spend level has remained below the \$75 million annual local funding limit specified by the debt policy.

## Major Initiatives

The previous Administration identified several priorities designed to strengthen the long-term financial position of the County. The following initiatives continue to provide a financial planning focus in areas that are important to our future prosperity.

- 1. Promote Economic Development and Smart Growth** – Shelby County is committed to providing programs and policies that promote aggressive economic growth and high quality long-term job opportunities. The development and inclusion of local and minority-owned businesses have been supported by the adoption of purchasing ordinances with defined goals. Regulations have been adopted to curtail suburban sprawl and to facilitate business development. In addition, a joint entity with the City of Memphis called the Economic Development Growth Engine (EDGE) was created to provide a single organization to focus on economic development and to provide companies with one entity to handle all related governmental issues.
- 2. Support Quality Public Education** – Shelby County has increased funding for school operations by \$58.2 million over the past five years following a period of structural transition from one unified district to seven independent districts. Capital funding has also been increased to address facility utilization and structural repair issues identified during the transition. An investment for Pre-Kindergarten programs for low-income children has been funded in the amount of \$3 million annually since fiscal 2015.
- 3. Focus on Budget and Financial Stability** – Preparation of the budget has been focused on minimizing the size of government while maintaining essential core functions that are important to our citizens. All programs are reviewed thoroughly to evaluate the effectiveness of service delivery and to identify opportunities for savings through technology, efficiency measures or alternate funding sources. The basic goals of maintaining structural balance, appropriate fund balance levels and property tax rate stability are fundamental to the planning process.
- 4. Provide and Promote Community and Environmental Health** – The dual priorities of public health and high quality of life for our citizens are supported through strong community and environmental programs. Integrated healthcare services focus on wellness, early intervention and prevention of chronic and infectious diseases. Environmental protection services ensure that air and water quality are protected and that sustainable practices are utilized in energy efficiency, waste reduction, transportation, recycling and construction.
- 5. Provide Efficient and Responsive Government Operations** – Recruiting and retaining a skilled workforce is critical to high quality service delivery. Therefore, providing equitable compensation and training for our employees has been an ongoing priority. Trust and confidence in government are supported through transparent, accessible and responsive interactions with all internal and external customers.

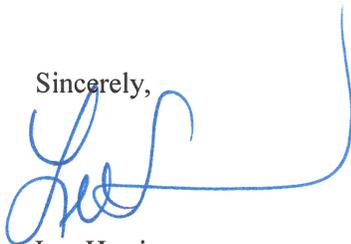
## Awards and Acknowledgements

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, 2017. Shelby County has received this

prestigious award for over thirty consecutive years. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies 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 the GFOA Distinguished Budget Presentation Award for the fiscal year ended June 30, 2018, which is the tenth consecutive year to receive this award.

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

Sincerely,



Lee Harris  
County Mayor



Patrice Thomas  
Chief Administrative Officer



Wanda Richards  
Director, Division of Administration and Finance

**Shelby County, Tennessee  
County Officials  
As of June 30, 2018**

**Shelby County Board of Commissioners**

**Heidi Shafer, Jr., Chairman  
Willie F. Brooks, Jr., Chairman Pro Tempore**

**Walter L. Bailey, Jr.  
Steve Basar  
Mark Billingsley  
Melvin Burgess\*\***

**George B. Chism, Sr.\*  
Justin J. Ford  
Eddie S. Jones, Jr.  
Reginald Milton**

**David Reaves  
Terry Roland  
Van D. Turner**

**\*Audit Committee Chairman  
\*\*Audit Committee Vice-Chairman**

**Publicly Elected Officials**

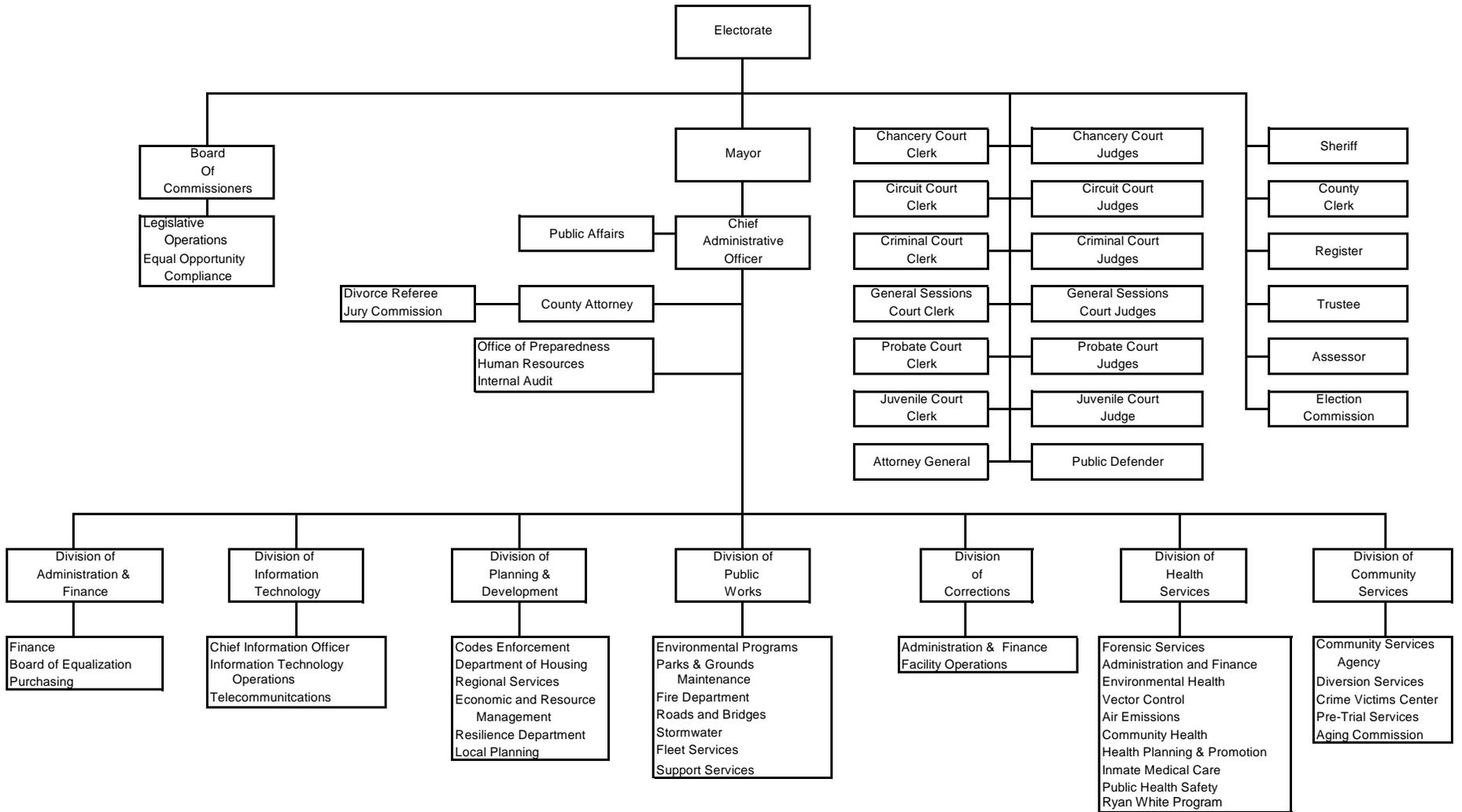
**Assessor of Property – Cheyenne Johnson  
Attorney General – Amy P. Weirich  
County Clerk – Wayne Mashburn  
County Mayor – Mark H. Luttrell, Jr.  
County Register – Tom Leatherwood  
County Trustee – David Lenoir  
Juvenile Court Clerk – Joy Touliatos  
Chancery Court Clerk and Master – Donna L. Russell  
Circuit Court Clerk – Jimmy Moore  
Criminal Court Clerk – Richard DeSaussure  
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  
Wanda Richards - Director of Administration and Finance  
John Halbert - Chief Information Officer  
John Zeanah - Director of Planning and Development  
Tom Needham - Director of Public Works  
William Gupton - Director of Corrections  
Dr. Alisa Haushalter - Director of Health Services  
Dorcas Young Griffin - Director of Community Services  
Kathryn Pascover – County Attorney**

# Shelby County Government Organizational Chart

## As of June 30, 2018





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

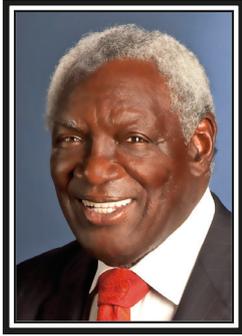
Presented to

**Shelby County  
Tennessee**

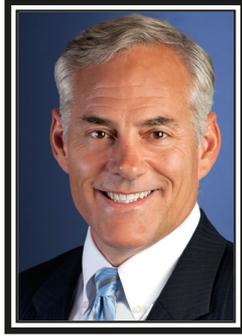
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

Executive Director/CEO



**Walter Bailey**



**Steve Basar**



**Mark Billingsley**



**Willie F. Brooks, Jr.**



**Melvin Burgess**



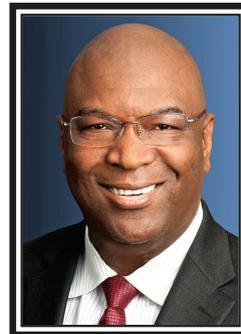
**George B. Chism, Sr.**



**Justin Ford**



**Eddie S. Jones, Jr.**



**Reginald Milton**



**David Reaves**



**Terry Roland**



**Heidi Shafer**



**Van D. Turner**

# COMMISSIONERS

## 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, 2018, 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 \$375,778,182, \$248,361,293, and \$484,295,002, respectively of the assets, net position, and revenues of the component units. 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, 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 about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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, 2018, 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.

## **Change in Accounting Principle**

Shelby County, Tennessee has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Emphasis of a Matter**

We draw attention to note IV (Q) of the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$88,959,790 and the beginning Business-Type Activities net position by \$15,846,785. These restatement were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, 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 awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 awards and state financial assistance 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 awards and state financial assistance 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 21, 2018, 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.

*Watkins Mikusall, PLLC Banks, Jolley, White & Co.*

Memphis, Tennessee  
December 21, 2018

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## 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, 2018. 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 June 30, 2018 the unassigned fund balance for the General Fund was \$100.5 million, 24.7% of total General Fund revenue, a decrease of \$9.4 million during the year. The unassigned fund balance at the end of the previous year was \$109.8 million, or 28.4% of General Fund revenue. Although the unassigned fund balance decreased, the committed fund balance increased by \$4.7 million; this increase was primarily due to the FY 2019 budget including a planned use of fund balance of \$5.1 million. The General Fund in total had a negative net change in fund balance of \$3,643 for FY 2018.
- Fund balance for the Debt Service Fund increased \$4.3 million to \$65.1 million, which is 42.7% of total revenue of the Debt Service Fund. The balance is consistent with our debt plan to provide for future debt service requirements.
- Grant fund expenditures decreased from \$76.8 million to \$73.0 million, and revenues correspondingly decreased from \$75.3 million to \$70.2 million primarily due to decreases in housing and infrastructure related grant funding. Fund balance remained steady at \$16.3 million.
- The change in net position for Business-type activities – enterprise funds was a decrease of \$2.6 million during the year, reducing the net position to a negative \$29.4 million.
- Total government-wide net position increased \$33.4 million as a result of activity for the fiscal year, with an increase of \$34.8 million from governmental activities and a decrease of \$1.5 million from business-type activities. After the positive results for the year the County's negative net position at June 30, 2018 was \$535.9 million.
- Implementing GASB 75 adjusted the beginning balance of Long Term Debt to include Net Postemployment Benefit Liability of \$87.9 million. Total adjusted long-term liabilities of governmental activities decreased \$145.8 million to \$1,538.2 million. The decrease was primarily due to a decrease of \$30.2 million in the net unfunded pension obligation, a decrease of \$48.7 million in net post-employment benefit obligation and a decrease of \$99.7 million in bonds and notes payable. This was offset by an increase in bond anticipation notes of \$51 million. The County is continuing efforts to pay off more long-term debt than new debt issued each 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 (Regional One), 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.

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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 fifteen 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 ten 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 fund 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. Complete, separately issued financial statements for each component unit may be obtained from those component units as described in Note I(A) in the Notes to the 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, the Shelby County OPEB Trust and Tennessee Consolidated Retirement System (TCRS).

#### **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, detail 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, 2018). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2018 and as of June 30, 2017.

Property taxes receivable is by far the largest portion of Shelby County’s assets and deferred outflows (40.3% at June 30, 2018 and 38.7% at June 30, 2017). The June 30, 2018 property taxes receivable includes \$800.5 million, offset by an equal unavailable revenue amount in deferred inflows of resources, which became a property lien on January 1, 2018 but are levied for next fiscal year’s operations. The similar amount at June 30, 2017 was \$781.7 million. Total assets and deferred outflows of resources decreased by \$55.4 million. This includes decreases in deferred outflows of \$75.7 million, an increase of \$4.9 million in capital assets, and \$12.0 million in property taxes

receivable. Deferred inflows increased by \$47.7 million during the year and other liabilities increased by \$9.8 million. Decreases of \$146.3 million in long-term liabilities occurred during the year.

Table 1  
Condensed Statement of Net Position  
As of June 30, 2018 and June 30, 2017

	June 30, 2018	June 30, 2017*	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 835,009,945	\$ 822,980,524	\$ 12,029,421
Current and other assets	358,791,982	358,419,230	372,752
Capital assets	610,065,914	603,894,356	6,171,558
Total assets	<u>1,803,867,841</u>	<u>1,785,294,110</u>	<u>18,573,731</u>
Deferred outflows of resources	185,966,233	250,713,368	(64,747,135)
Total deferred outflows of resources	<u>185,966,233</u>	<u>250,713,368</u>	<u>(64,747,135)</u>
Total assets and deferred outflows	<u>1,989,834,074</u>	<u>2,036,007,478</u>	<u>(46,173,404)</u>
Long-term liabilities	1,538,167,750	1,670,698,554	(132,530,804)
Other liabilities	94,442,056	84,541,844	9,900,212
Total liabilities	<u>1,632,609,806</u>	<u>1,755,240,398</u>	<u>(122,630,592)</u>
Deferred inflows of resources	863,898,260	822,268,797	41,629,463
Total deferred inflows of resources	<u>863,898,260</u>	<u>822,268,797</u>	<u>41,629,463</u>
Total liabilities and deferred inflows	<u>2,496,508,066</u>	<u>2,577,509,195</u>	<u>(81,001,129)</u>
Net investment in capital assets	463,208,433	441,217,120	21,991,313
Restricted	50,984,968	43,196,013	7,788,955
Unrestricted	<u>(1,020,867,393)</u>	<u>(1,025,914,850)</u>	<u>5,047,457</u>
Total net position	<u>(506,673,992)</u>	<u>(541,501,717)</u>	<u>34,827,725</u>
<u>Business-Type Activities</u>			
Current and other assets	26,353,451	23,424,748	2,928,703
Capital assets	24,381,097	25,585,305	(1,204,208)
Total assets	<u>50,734,548</u>	<u>49,010,053</u>	<u>1,724,495</u>
Deferred outflows of resources	29,907,909	40,874,035	(10,966,126)
Total deferred inflows of resources	<u>29,907,909</u>	<u>40,874,035</u>	<u>(10,966,126)</u>
Total assets and deferred outflows	<u>80,642,457</u>	<u>89,884,088</u>	<u>(9,241,631)</u>
Long-term liabilities	100,528,692	114,276,671	(13,747,979)
Other liabilities	2,134,569	2,203,619	(69,050)
Total liabilities	<u>102,663,261</u>	<u>116,480,290</u>	<u>(13,817,029)</u>
Deferred inflows of resources	7,220,195	1,191,900	6,028,295
Total deferred inflows of resources	<u>7,220,195</u>	<u>1,191,900</u>	<u>6,028,295</u>
Total liabilities and deferred inflows	<u>109,883,456</u>	<u>117,672,190</u>	<u>(7,788,734)</u>
Net investment in capital assets	24,381,097	23,335,305	1,045,792
Unrestricted	<u>(53,622,096)</u>	<u>(51,123,407)</u>	<u>(2,498,689)</u>
Total net position	<u>(29,240,999)</u>	<u>(27,788,102)</u>	<u>(1,452,897)</u>

\*FY 2017 for governmental-type activities has been restated for a prior period adjustment as disclosed in the Notes to the Financial Statements

Table 1 (continued)  
Condensed Statement of Net Position  
As of June 30, 2018 and June 30, 2017

	June 30, 2018	June 30, 2017*	Change
<u>Total Primary Government</u>			
Property taxes receivable	835,009,945	822,980,524	12,029,421
Current and other assets	385,145,433	381,843,978	3,301,455
Capital assets	634,447,011	629,479,661	4,967,350
Total assets	<u>1,854,602,389</u>	<u>1,834,304,163</u>	<u>20,298,226</u>
Deferred outflows of resources	215,874,142	291,587,403	(75,713,261)
Total deferred outflows of resources	<u>215,874,142</u>	<u>291,587,403</u>	<u>(75,713,261)</u>
Total assets and deferred outflows	<u>2,070,476,531</u>	<u>2,125,891,566</u>	<u>(55,415,035)</u>
Long-term liabilities	1,638,696,442	1,784,975,225	(146,278,783)
Other liabilities	96,576,625	86,745,463	9,831,162
Total liabilities	<u>1,735,273,067</u>	<u>1,871,720,688</u>	<u>(136,447,621)</u>
Deferred inflows of resources	871,118,455	823,460,697	47,657,758
Total deferred inflows of resources	<u>871,118,455</u>	<u>823,460,697</u>	<u>47,657,758</u>
Total liabilities and deferred inflows	<u>2,606,391,522</u>	<u>2,695,181,385</u>	<u>(88,789,863)</u>
Net investment in capital assets	487,589,530	464,552,425	23,037,105
Restricted	50,984,968	43,196,013	7,788,955
Unrestricted	(1,074,489,489)	(1,077,038,257)	2,548,768
Total net position	<u>\$ (535,914,991)</u>	<u>\$ (569,289,819)</u>	<u>\$ 33,374,828</u>

\*FY 2017 for business-type activities has been restated for a prior period adjustment as disclosed in the Notes to the Financial Statements

“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* in 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 (Regional One). 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 municipal school districts within Shelby County. 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 net unfunded OPEB and pension obligation also adds to the negative net position reported by Shelby County.

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 30,2018	June 30,2017
Shelby County and Municipal Public School Systems	\$ 734,543,583	\$ 817,008,700
Shelby County Health Care Corp. (Regional One)	20,691,332	25,108,448
Memphis and Shelby County Port Commission	16,807,500	17,407,500
Other	18,736,092	20,663,497
Total	<u>\$ 790,778,507</u>	<u>\$ 880,188,145</u>

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 improved by \$34.8 million for the year. 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.” It will be noted that the net positive changes in assets and liabilities were the significant factor in the current fiscal year. Changes in net position are discussed below.

**CHANGES IN NET POSITION – REVENUES, EXPENSES AND TRANSFERS**

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 15.0% or \$46 million, due to a one-time prior year increase of \$32.7 million in capital grants and contributions. The increase in capital grants was primarily due to lake expansion, site improvements, constructed buildings and other assets at Shelby Farms Park that were contributed by Shelby Farms Park Conservancy, the management organization overseeing operations of the park in FY2017. Property taxes increased \$32.5 million (4.1%) and other taxes increased \$5.1 million (5.1%).

Total expenses for the year in governmental activities increased \$48.6 million (4.7%). A significant increase occurred in Public Works (\$11.5 million, 28.1%), Hospital (\$7.0 million, 24.6%), and Education (\$31.9 million or 7.2%) offset by Community Services expenses decrease of \$7.1 million (or 18%). The increase in Education expenditures is a result of increased capital funding provided to schools and the increase to Hospital is an additional payment of \$7.0 million to Health Care Corporation for the funding of the Electronic Health Records Software.

Table 2 summarizes the financial activity for the County as a whole for the fiscal year ended June 30, 2018 with comparative amounts for the fiscal year ended June 30, 2017.

Table 2  
Shelby County Changes in Net Position  
Fiscal Years Ended June 30, 2018 and 2017

	FY 2018	FY 2017	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 108,041,596	\$ 120,409,721	\$ (12,368,125)
Operating grants and contributions	65,797,135	65,387,691	409,444
Capital grants and contributions	11,748,750	49,320,234	(37,571,484)
Total program revenues	<u>185,587,481</u>	<u>235,117,646</u>	<u>(49,530,165)</u>
General revenues:			
Property taxes	826,365,642	793,849,791	32,515,851
Other taxes	105,039,347	99,933,038	5,106,309
Other	6,668,211	2,796,271	3,871,940
Total general revenues	<u>938,073,200</u>	<u>896,579,100</u>	<u>41,494,100</u>
Total revenues-governmental activities	<u>1,123,660,681</u>	<u>1,131,696,746</u>	<u>(8,036,065)</u>
<u>Expenses:</u>			
General Government	60,449,802	58,915,452	1,534,350
Hospital	35,408,000	28,408,000	7,000,000
Planning and Development	8,692,185	6,584,020	2,108,165
Public Works	52,392,536	40,891,577	11,500,959
Corrections	1,191,335	1,009,258	182,077
Health Services	60,219,310	58,867,774	1,351,536
Community Services	32,341,610	39,447,369	(7,105,759)
Law Enforcement	190,921,619	191,292,866	(371,247)
Judicial	79,864,020	77,119,835	2,744,185
Other Elected Officials	33,115,568	34,686,605	(1,571,037)
Education	474,284,405	442,353,584	31,930,821
Debt interest and swap termination cost	46,880,271	47,567,862	(687,591)
Total expenses-governmental activities	<u>1,075,760,661</u>	<u>1,027,144,202</u>	<u>48,616,459</u>
Increase (decrease) in net position before transfers	47,900,020	104,552,544	(56,652,524)
Transfers	(13,072,295)	(9,919,776)	(3,152,519)
Increase (decrease) in net position	34,827,725	94,632,768	(59,805,043)
Net position - beginning of year	(541,501,717)	(636,134,485)	94,632,768
Net position - end of year	<u>(506,673,992)</u>	<u>(541,501,717)</u>	<u>34,827,725</u>

\*FY 2017 for business-type activities has been restated for a prior period adjustment as disclosed in the Notes to the Financial Statements

Table 2 (continued)  
Shelby County Changes in Net Position  
Fiscal Years Ended June 30, 2018 and 2017

Business-type activities:	FY 2018	FY 2017*	Change
<u>Revenues:</u>			
Operating revenues:			
Charges for services	\$ 74,299,118	\$ 70,967,027	\$ 3,332,091
Operating grants and contributions	1,653,563	1,503,345	150,218
Capital grants and contributions	---	---	0
Total operating revenues	<u>75,952,681</u>	<u>72,470,372</u>	<u>3,482,309</u>
Non-operating revenues	251,214	160,759	90,455
Total revenues	<u>76,203,895</u>	<u>72,631,131</u>	<u>3,572,764</u>
<u>Expenses:</u>			
Operating expenses	90,729,087	90,382,419	346,668
Total expenses	<u>90,729,087</u>	<u>90,382,419</u>	<u>346,668</u>
Increase (decrease) in net position before transfers	(14,525,192)	(17,751,288)	3,226,096
Transfers	13,072,295	9,919,776	3,152,519
Increase (decrease) in net position	(1,452,897)	(7,831,512)	6,378,615
Net position - beginning of year	(27,788,102)	(19,956,590)	(7,831,512)
Net position - end of year	<u>(29,240,999)</u>	<u>(27,788,102)</u>	<u>(1,452,897)</u>
 Total primary government:			
Increase (decrease) in net position	33,374,828	86,801,256	6,378,615
Net position - beginning of year	(569,289,819)	(656,091,075)	(7,831,512)
Net position - end of year	<u>\$ (535,914,991)</u>	<u>\$ (569,289,819)</u>	<u>\$ (1,452,897)</u>

\*FY 2017 for business-type activities has been restated for a prior period adjustment as disclosed in the Notes to the Financial Statements

In business-type activities, operating revenues increased slightly (\$3.5 million or 4.8%). Operating expenses also increased slightly (\$0.35 million or .38%). This is primarily due to an increase in Fire Services expenses of \$3.5 million or 15.0%. This is the result of the termination of the contracted ambulance service in December 2016. This cost comparison reflects a full year of operations.

#### 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 \$33.4 million. The County's governmental activities operated with an increase in net position of \$34.8 million. The business-type activities had a net decrease of \$1.5 million. This resulted in the County's overall net position changing from a restated deficit balance of \$569.3 million to a deficit balance of \$535.9 million.

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**Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of Shelby County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing Shelby County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Governmental accounting standards prescribe fund balance categories in a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The categories, in order of the constraints, are nonspendable, restricted, committed, assigned and unassigned. More details on these classifications are presented in the Notes to Financial Statements I(E) under "Net Position and Fund Balance."

As of the end of the current fiscal year, Shelby County's governmental funds reported a combined ending fund balance of \$244,787,190. The components of the balances are:

	June 30, 2018	June 30, 2017
General Fund	\$ 111,963,230	\$ 115,606,342
Debt Service Fund	65,054,554	60,731,484
Special Revenue Funds	62,120,821	44,827,708
Total, except Capital Projects Fund	239,138,605	221,165,534
Capital Projects Fund	5,648,585	34,040,063
Total all governmental funds	<u>\$ 244,787,190</u>	<u>\$ 255,205,597</u>

There was \$18.0 million net increase in fund balance, excluding Capital Projects. This is attributed to increases of \$17.3 million in Special Revenue funds and \$4.3 million in the Debt Service Fund offset by a decrease of \$3.6 million in the General Fund. There was also a decrease of \$28.4 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 decrease in fund balance of \$3.6 million. The General Fund revenue in total increased \$19.4 million as compared to prior year. Property taxes increased \$23.0 million (9.1%). Other local taxes decreased \$1.1 million (3.4%), State revenue decreased by \$1.5 million (6.1%) and Federal and local revenue were \$2.3 million higher (30.2%). Charges for services, fines, fees, and other revenues decreased in the aggregate \$3.4 million (4.9%). Total revenues in FY 2018 exceed expenditures by \$11.9 million compared to revenues over expenditures of \$14.1 million in FY 2017. General Fund expenditures increased \$21.5 million (5.7%) and net other financing uses increased \$1.5 million. Significant increases were \$11.3 million (6.8%) in law enforcement, primarily for vehicle fleet replacement costs, \$3.1 million (10.8%) in general fund primarily due to an increase of community service grants issued and higher legal fees, and \$2.2 million (8.2%) in health services, primarily for public health related services and inmate

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medical care. Net transfers out increased by \$.80 million. And transfers in decreased by \$.67 million in the current year. The General Fund unassigned fund balance decreased \$9.4 million to \$100.5 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 24.7% of total General Fund revenue. Management is committed to maintaining an unassigned fund balance in the General Fund between 25% and 30% of General Fund revenue. The decrease in unassigned fund balance results from an amended increases in the budgeted planned use of fund balance from \$3.3 million to \$7.5 million in the FY18 budget.

The *Debt Service Fund* total fund balance increased \$4.3 million during the year to \$65.1 million, all restricted or committed for the payment of debt service. Tax revenue decreased \$1.8 million during the year as the result of eliminating the allocation of wheel taxes designated for payment of debt and allocating those revenues to the Education Fund. Debt Service expenditures decreased by \$101.0 million primarily due to a refunding bond issue from prior year reducing the current year's principal and interest payments due.

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 \$28.4 million during the year to \$5.6 million. Expenditures for various capital projects were \$83.7 million. Long term debt of \$51 million was issued during the year; see Note IV(H) to the financial statements. All fund balances of the Capital Projects Fund are restricted or committed.

The *Education Fund* is used to provide local funding to the Shelby County Board of Education and six municipal school districts. A portion of the County property tax is specifically assessed for the schools. To the extent the property tax revenues are less than the expenditure amount appropriated, wheel tax revenues are allocated to the Education Fund to provide the total funding appropriated. There is usually no net change in fund balance and no fund balance in the Education Fund. However; the fund balance at June 30, 2018 was \$6.5 million. This was primarily due to increased property taxes this year in addition to 100% of Wheel Tax now allocated to the Education fund. Total budgeted and appropriated expenditures, and corresponding revenues remained constant in in the Education Fund. Total revenues collected increased by \$11.4 million (2.8%) as compared to prior year. As noted above this increase in revenues was funded by the allocation of wheel tax to the Education Fund and increased property tax.

The *Grants Fund* fund balance remained relatively steady at \$16.3 at June 30, 2018. Total revenue decreased \$5.0 million to \$70.2 million. Total expenditures also decreased \$3.8 million during the year. Net transfers in increased by \$1.1 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 net increase of \$10.8 million in fund balances during the year. Significant changes in individual fund balances were

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increases of \$4,787,344 in the Roads and Bridges Fund, primarily as a result of reallocating sales tax revenue from the Debt Service fund to reduce the cycle for repaving of unincorporated County roads. The increase of \$3,785,005 in the Hotel Motel Tax Fund, and \$778,250 in the Sheriff Forfeitures Fund are due to timing of receipt of revenues and required expenditures of the funds.

**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 a decrease of \$2.6 million in net position during the year. Total net position balances at year-end are a deficit of \$29.4 million, of which a negative \$53.8 million is unrestricted and a positive \$24.4 is net investment in capital assets. The negative unrestricted balances are the result of recent financial reporting standards that requires proprietary funds to record unfunded net pension liabilities and OPEB. Therefore beginning net position was restated accordingly as disclosed in Notes IV(Q) of the Notes to the Financial Statements.

*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. Taking into consideration the restatement, operating revenues remained consistent with prior year; within 2%. Operating expenses decreased by 4.8% due to a decline in Salaries and Fringe expense as compared to the prior year. Net transfers to cover the cost of non-State prisoners were \$11.7 million, a \$3.1 million increase from prior year. Thus overall net position decreased \$3.6 million to a negative \$19.1 million.

*Consolidated Codes Enforcement Fund.* Operating revenue increased \$0.06 million to \$9.1 million and operating expenses decreased \$.1 million to \$11.0 million. The County's general fund and the City of Memphis contributed \$1.5 million each to support operations, consistent with the previous year. Total net position at June 30, 2017 was restated to a negative \$3.6 million and decreased by \$1.0 million to negative \$2.6 million. The negative net position at June 30, 2018 of \$2.6 million consists of a positive \$1.5 million investment in capital assets and a negative unrestricted balance of \$4.1 million.

*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 \$21.3 million, an increase of \$1.2 million and other operating revenue was \$5.1 million, an increase of \$2.9 million. Operating expenses increased \$3.5 million from \$23.0 million to \$26.5 million. Net operating loss was \$16,121. The increase in revenues and expenses is due to the termination of the outside contracted ambulance service as mentioned above. The Fire Services Fund acquired several ambulance vehicles and increased personnel and training to operate these vehicles so as to provide the needed services to the unincorporated County. Total net position at June 30, 2017 was restated to a negative \$7.8 million and remained unchanged at June 30, 2018.

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 funds or departments on a cost-reimbursement basis. At June 30, 2018, these funds combined had net position of \$34.4 million, an increase of \$3.0 million. The Group Health Insurance Fund had an increase of \$1.6 million to a total net position of \$14.8 million. Revenues were down \$1 million and claims increased by \$3.9 million. The Employer Insurance Fund had a decrease of \$258,565 to a net position of \$7.1 million. The Tort Liability Fund had an increase of \$.77 million to a net position of \$4.9 million. The Central Services Fund had a net increase of \$886,050 to a net position of \$7.7 million.

**Fiduciary funds.** Shelby County reports three fiduciary funds. The largest is the Shelby County Retirement System. The funds in this trust are available only for retirement benefits of current and retired County employees. The actuarial value of accumulated funds in the Retirement System at June 30, 2018 was 62.1% 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, 2018 the Retirement System had net position held in trust of \$1,192 million, an increase of \$51.3 million, primarily due to increased market value of investments.

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, 2018 the Trust had net position held in trust of \$260 million, an increase of \$27.9 million for the year. Investment income for the year was a net gain of \$20.6 million compared to a net gain of \$26.6 million in the prior year. The ratio of current funding to the actuarial liability was 96.7% at the latest actuarial valuation (June 30, 2018), an improvement from 83.3% in the prior year.

The County also maintains agency funds for a number of the County's county charter officers. These funds do not belong to the County, but are funds held for others. There are no "fund balances" for agency funds.

### **Governmental Fund Budgetary Highlights**

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

- The total revenue budget increased by only \$54,000 from original to amended.
- The original expenditure budget was increased by \$5.2 million (1.3%) during the year for non-recurring uses of General Fund balance approved by the County Commission for programs to address the opioid drug epidemic (\$2.5 million), grants to non-profit agencies (\$1.7 million) and for amounts carried forward from prior year for open encumbrances (\$1.0 million).
- Actual revenues were less than the amended budget by \$4.6 million in total (1.1%), largely due to the interruption in collection of court generated fines and fees related to a system implementation. Property taxes exceeded budget by \$5.6 million (2.1%) reflecting strong collections and low appeals following a reappraisal cycle in the prior year.

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- Actual total expenditures were \$9.4 million (2.3%) less than the amended budget, attributed primarily to personnel savings resulting from vacancies throughout the county in excess of the budgeted attrition rate for the General Fund.
  - Although the final amended budget included \$8.5 million in planned use of fund balance, the actual operating deficit was recorded at \$3.6 million – a favorable variance to budget of \$4.8 million.

### Capital Asset and Debt Administration

**Capital Assets.** Shelby County Government's investment in capital assets for its governmental and business type activities as of June 30, 2018 amounts to \$634.3 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, buildings and system improvements, machinery and equipment, park facilities, roads and other infrastructure. Additions for the year were \$39.4 million and depreciation was \$32.3 million. Construction in progress as of the end of the current fiscal year was \$15.0 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 \$3.4 million were made toward the continued renovations of the 1060 Madison Avenue building.
- Expenditures of \$5.1 million were made for the County Sheriff's Information and body camera projects.
- Expenditures of \$2.3 million were made on the Agricenter HVAC retrofit project.
- The Cooling Loop and Utility InfraStructure project was completed at a cost of \$2.5 million.
- Developer Built roads were extended 1.2 miles at a cost of \$2.4 million.
- Completion of the re-alignment and bridge construction of Fite Road for a total of \$12.7 million.
- Completion of the HVAC retrofit at 201 Poplar at a cost of \$3.8 million.
- Construction and design services continued on various projects around the County to improve transportation and environmental conditions under the Congestion Management and Air Quality (CMAQ) grant program. Expenditures on this project for the fiscal year were approximately \$3.2 million.

**Long-term debt.** At June 30, 2018 Shelby County's general obligation bonded debt (bonds payable) totaled \$890 million, which represented approximately 4.4% of assessed value of taxable property. The County's bonds, notes, and loans payable decreased by approximately \$99.7 million (10.1%) 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. In October 2017 the Shelby County Board of Commissioners authorized the issuance of General

Obligation Bond Anticipation Note, Series 2017, in an original aggregate principal amount of not to exceed \$120 million (the “Note”). The Note evidences a drawdown loan being made by STI Institutional & Government, Inc., an affiliate of Sun Trust Bank (the “Lender”), to the County pursuant to the terms of the Loan Agreement. The Note was issued to provide moneys to finance certain capital projects of the County, including schools, or for any other purpose permitted under the Act and the Resolutions, and to pay the costs of issuance and sale of the Note.

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 on \$8 million of the bonds, which had a balance of \$5,036,947 at June 30, 2018. In September 2011 the County and the City of Memphis agreed to provide the funds necessary to pay the principal and interest on \$20 million each of bonds issued by the Memphis and Shelby County Port Commission for a specific economic development project. At June 30, 2018 the County’s principal obligation was \$16.8 million. The Port Commission debt is reported with bonds and other long-term debt as detailed in Note IV(H) of the financial report.

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:

<u>Moody’s</u>	<u>Standard &amp; Poor’s</u>	<u>Fitch IBCA, Inc.</u>
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.

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**Economic Factors and Next Year's Budgets and Rates**

*Economic Factors.* According to the Tennessee Department of Labor, the unemployment rate for Shelby County as of October 2018 was 4.4%, as compared to the state's rate of 3.7% and the national rate of 3.7%. (All rates are seasonally adjusted.)

*Next Year's Budgets and Rates.*

- A countywide property reappraisal completed in May of 2017 served as the basis for the certified tax rate of \$4.11 set for Fiscal Year 2018. In the fiscal year following a reappraisal, the *Certified Recapture Tax Rate* is calculated to recognize the actual appeals level and to adjust the certified rate accordingly. For Fiscal Year 2019 (Tax Year 2018), the Recapture Tax Rate was calculated and approved at \$4.06, which is a \$0.05 reduction from the prior year rate. An additional reduction of \$0.01 cent was approved by the County Commission for FY19 to set the final tax rate at \$4.05.
- A larger share of the tax rate was allocated to the General Fund for employee compensation and increased support for core services. Although the allocation to the Education Fund was reduced, a higher level of actual funding (\$7.8 million) was generated due to overall property tax growth and wheel tax revenue. A lower allocation to the Debt Service Fund reflects significant reductions to outstanding debt achieved over the past decade.
- Total General Fund revenue is budgeted at \$22.8 million (5.6%) more than the prior year level, primarily due to the expected property tax growth and continued strong collections.
- Total General Fund expenditures for FY19 are budgeted at \$19.4 million (4.4%) more than the prior year. That amount includes a 3.0% general salary raise, 42 new positions (30 in Law Enforcement), full funding for the actuarial pension contribution, and \$5.1 million for non-recurring expenditures approved with the use of fund balance.
- Unassigned General Fund balance is projected at about 24.7% of revenue, which is within the 20-30% range specified by County policy. Debt Service reserves currently exceed the required policy level at 37% of revenue.
- The Shelby County Schools continue to face significant budgetary challenges as the issues of OPEB liability, declining enrollment and aging capital infrastructure are addressed.

**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.



**Shelby County, Tennessee**

**Statement of Net Position  
June 30, 2018**

	Governmental Activities	Business-type Activities	Total	Component Units
<b>Assets:</b>				
Cash and cash equivalents	\$ 100,648,890	\$ 20,857,780	\$ 121,506,670	\$ 42,981,162
Investments	217,065,338	---	217,065,338	364,697,451
Accrued interest receivable	1,932,496	---	1,932,496	62,905
Property taxes receivable, net of allowance for uncollectibles	835,009,945	---	835,009,945	---
Accounts receivable and accrued revenues	5,213,460	2,021,477	7,234,937	167,287,162
Internal balances	1,604,090	(1,604,090)	---	---
Due from other governmental entities	26,362,221	5,025,140	31,387,361	34,389,439
Due from primary government	---	---	---	37,839,950
Inventories	338,474	---	338,474	13,996,507
Prepays	94,329	53,144	147,473	6,881,345
Deposits held by others	1,475,342	---	1,475,342	---
Notes receivable	4,057,342	---	4,057,342	19,221,600
Net OPEB asset	---	---	---	---
Net pension asset	---	---	---	55,905,813
Restricted and other assets	---	---	---	---
Land	54,468,154	5,300	54,473,454	49,563,265
Artwork collection	25,090	---	25,090	---
Construction in progress	14,943,585	93,302	15,036,887	65,710,622
Depreciable capital assets, net	540,629,085	24,282,495	564,911,580	976,617,591
<b>Total assets</b>	<b>1,803,867,841</b>	<b>50,734,548</b>	<b>1,854,602,389</b>	<b>1,835,154,812</b>
<b>Deferred outflows of resources:</b>				
OPEB related deferred outflows	11,990,330	2,248,297	14,238,627	56,715,858
Pension related deferred outflows	148,394,052	27,659,612	176,053,664	95,118,251
Deferred derivative outflows	25,581,851	---	25,581,851	---
<b>Total deferred outflows of resources</b>	<b>185,966,233</b>	<b>29,907,909</b>	<b>215,874,142</b>	<b>151,834,109</b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	21,333,677	1,470,420	22,804,097	141,560,762
Accrued interest payable	9,343,131	7,500	9,350,631	---
Due to other governmental entities	9,957,847	75,864	10,033,711	---
Due to component units	36,912,421	---	36,912,421	---
Claims payable	6,194,322	29,500	6,223,822	11,998,291
Unearned revenue	4,688,509	137,610	4,826,119	2,965,215
Deposits held for others	6,012,149	413,675	6,425,824	36,500
Long-term liabilities				
Due within one year	126,126,438	3,734,575	129,861,013	20,610,702
Notes payable - due in more than one year	51,000,000	---	51,000,000	---
Due in more than one year	850,430,019	1,623,867	852,053,886	42,012,773
Net unfunded OPEB obligations	39,159,288	7,515,712	46,675,000	1,003,615,978
Net unfunded pension obligation	471,452,005	87,654,538	559,106,543	371,172
<b>Total liabilities</b>	<b>1,632,609,806</b>	<b>102,663,261</b>	<b>1,735,273,067</b>	<b>1,223,171,393</b>
<b>Deferred inflows of resources:</b>				
Next year property tax assessment	800,464,820	---	800,464,820	---
OPEB related deferred inflows	31,516,199	6,048,801	37,565,000	87,360,328
Pension related deferred inflows	6,335,390	1,171,394	7,506,784	136,940,754
Derivative instruments fair value	25,581,851	---	25,581,851	---
<b>Total deferred inflows of resources</b>	<b>863,898,260</b>	<b>7,220,195</b>	<b>871,118,455</b>	<b>224,301,082</b>
<b>Net position:</b>				
Net investment in capital assets	463,208,433	24,381,097	487,589,530	1,036,964,681
Restricted for:				
Debt service	405,600	---	405,600	---
Capital improvement projects	88,123	---	88,123	4,223,659
Roads and bridges	15,467,021	---	15,467,021	---
Law enforcement	5,236,875	---	5,236,875	---
Special revenue activities	29,787,349	---	29,787,349	131,502,186
Unrestricted	(1,020,867,393)	(53,622,096)	(1,074,489,489)	(633,174,080)
<b>Total net position</b>	<b>\$ (506,673,992)</b>	<b>\$ (29,240,999)</b>	<b>\$ (535,914,991)</b>	<b>\$ 539,516,446</b>

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

Shelby County, Tennessee

Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General Government	\$ 60,449,802	\$ 23,349,442	\$ 535,084	\$ 72,773
Hospital	35,408,000	---	---	---
Planning and Development	8,692,185	268,103	7,316,472	---
Public Works	52,392,536	4,565,699	3,284,717	8,668,796
Corrections	1,191,335	---	326,245	---
Health Services	60,219,310	8,819,127	22,584,295	38,582
Community Services	32,341,610	761,999	24,024,921	---
Law Enforcement	190,921,619	4,225,268	3,196,990	2,968,599
Judicial	79,864,020	23,979,206	4,514,699	---
Other Elected Officials	33,115,568	42,072,752	13,712	---
Education	474,284,405	---	---	---
Interest on debt	46,880,271	---	---	---
Total governmental activities	<u>1,075,760,661</u>	<u>108,041,596</u>	<u>65,797,135</u>	<u>11,748,750</u>
Business-type activities:				
Codes Enforcement	10,848,381	9,109,537	1,500,000	---
Fire Services	26,318,287	26,273,400	153,459	---
Corrections Center	53,562,419	38,916,181	104	---
Total business-type activities	<u>90,729,087</u>	<u>74,299,118</u>	<u>1,653,563</u>	<u>---</u>
Total primary government	<u>\$ 1,166,489,748</u>	<u>\$ 182,340,714</u>	<u>\$ 67,450,698</u>	<u>\$ 11,748,750</u>
Component units:				
Board of Education	\$ 941,792,583	\$ 2,967,194	\$ 776,964,300	\$ 51,799,033
Shelby County Health Care Corporation	476,895,496	362,414,025	69,000,000	---
Agricenter International	6,248,327	6,383,679	---	---
Emergency Communications District	11,403,999	9,853,400	---	---
Total component units	<u>\$ 1,436,340,405</u>	<u>\$ 381,618,298</u>	<u>\$ 845,964,300</u>	<u>\$ 51,799,033</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
- Special item
- Transfers, net
  - Total revenues and transfers
  - Change in net position

Net position - June 30, 2017, restated

Net position - June 30, 2018

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
\$ (36,492,503)	\$ ---	\$ (36,492,503)	\$ ---
(35,408,000)	---	(35,408,000)	---
(1,107,610)	---	(1,107,610)	---
(35,873,324)	---	(35,873,324)	---
(865,090)	---	(865,090)	---
(28,777,306)	---	(28,777,306)	---
(7,554,690)	---	(7,554,690)	---
(180,530,762)	---	(180,530,762)	---
(51,370,115)	---	(51,370,115)	---
8,970,896	---	8,970,896	---
(474,284,405)	---	(474,284,405)	---
(46,880,271)	---	(46,880,271)	---
(890,173,180)	---	(890,173,180)	---
---	(238,844)	(238,844)	---
---	108,572	108,572	---
---	(14,646,134)	(14,646,134)	---
---	(14,776,406)	(14,776,406)	---
(890,173,180)	(14,776,406)	(904,949,586)	---
---	---	---	(110,062,056)
---	---	---	(45,481,471)
---	---	---	135,352
---	---	---	(1,550,599)
---	---	---	(156,958,774)
389,025,663	---	389,025,663	---
143,912,858	---	143,912,858	---
293,427,121	---	293,427,121	---
14,876,219	---	14,876,219	127,175,675
18,165,415	---	18,165,415	---
20,039,712	---	20,039,712	---
33,659,197	---	33,659,197	---
2,929,327	---	2,929,327	---
2,264,441	---	2,264,441	---
1,104,677	---	1,104,677	---
12,000,359	---	12,000,359	---
---	---	---	369,715,133
---	---	---	(1,068,077)
6,668,211	251,214	6,919,425	4,532,811
---	---	---	(5,098,411)
(13,072,295)	13,072,295	---	---
925,000,905	13,323,509	938,324,414	495,257,131
34,827,725	(1,452,897)	33,374,828	338,298,357
(541,501,717)	(27,788,102)	(569,289,819)	201,218,089
\$ (506,673,992)	\$ (29,240,999)	\$ (535,914,991)	\$ 539,516,446

# Shelby County, Tennessee

## Governmental Funds Balance Sheet June 30, 2018

	General Fund	Debt Service Fund	Capital Projects Fund
<b>Assets:</b>			
Cash and cash equivalents	\$ 9,005,277	\$ 822,929	\$ 92,522
Investments	111,255,633	63,556,087	42,253,618
Accrued interest receivable	1,420,115	3,240	---
Property taxes receivable, net of allowance for uncollectibles	317,028,577	125,753,932	---
Accounts receivable and accrued revenues	2,126,581	195,070	---
Due from other funds	---	62,896	---
Advances to other funds	1,800,000	---	---
Due from other governmental entities	6,030,346	399,489	427,434
Deposits held by others	38,808	---	---
Notes receivable	---	912,397	---
<b>Total assets</b>	<b>\$ 448,705,337</b>	<b>\$ 191,706,040</b>	<b>\$ 42,773,574</b>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 9,089,184	\$ 207,377	\$ 3,282,481
Accrued interest payable	---	158,084	---
Due to other funds	4,892,790	---	---
Due to other governmental entities	239,148	---	5,507,335
Due to component units	---	---	25,165,728
Claims payable	132,629	---	---
Unearned revenue	---	---	80,657
Deposits held for others	523,915	---	3,088,788
<b>Total liabilities</b>	<b>14,877,666</b>	<b>365,461</b>	<b>37,124,989</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	321,864,441	126,286,025	---
<b>Total deferred inflows of resources</b>	<b>321,864,441</b>	<b>126,286,025</b>	<b>---</b>
<b>Fund balances:</b>			
Restricted	64,492	405,600	88,123
Committed	9,062,102	64,648,954	5,560,462
Assigned	2,346,261	---	---
Unassigned	100,490,375	---	---
<b>Total fund balances</b>	<b>111,963,230</b>	<b>65,054,554</b>	<b>5,648,585</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 448,705,337</b>	<b>\$ 191,706,040</b>	<b>\$ 42,773,574</b>

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>
\$ 2,888,642	\$ 7,050,726	\$ 35,821,029	\$ 55,681,125
---	---	---	217,065,338
---	---	---	1,423,355
392,086,123	---	141,313	835,009,945
---	392,349	2,364,698	5,078,698
2,837,065	---	1,992,829	4,892,790
---	---	---	1,800,000
---	15,667,362	3,049,064	25,573,695
---	340	1,236,194	1,275,342
---	3,144,945	---	4,057,342
<u>\$ 397,811,830</u>	<u>\$ 26,255,722</u>	<u>\$ 44,605,127</u>	<u>\$ 1,151,857,630</u>
\$ 4,150	\$ 4,531,713	\$ 3,848,808	\$ 20,963,713
---	---	---	158,084
---	---	---	4,892,790
443,148	222,312	164,853	6,576,796
---	---	---	25,165,728
---	---	---	132,629
---	848,191	---	928,848
---	1,163,252	1,236,194	6,012,149
<u>447,298</u>	<u>6,765,468</u>	<u>5,249,855</u>	<u>64,830,737</u>
<u>390,891,624</u>	<u>3,140,774</u>	<u>56,839</u>	<u>842,239,703</u>
<u>390,891,624</u>	<u>3,140,774</u>	<u>56,839</u>	<u>842,239,703</u>
---	16,349,480	34,678,684	51,586,379
6,472,908	---	4,619,749	90,364,175
---	---	---	2,346,261
---	---	---	100,490,375
<u>6,472,908</u>	<u>16,349,480</u>	<u>39,298,433</u>	<u>244,787,190</u>
<u>\$ 397,811,830</u>	<u>\$ 26,255,722</u>	<u>\$ 44,605,127</u>	<u>\$ 1,151,857,630</u>

**Shelby County, Tennessee**

**Reconciliation of Fund Balances of Governmental  
Funds to the Statement of Net Position  
June 30, 2018**

Fund balance - total governmental funds (page C-5) \$ 244,787,190

Amounts reported for the governmental activities in the Statement of Net Position (page C-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 606,209,218

Receivables not available to pay for current expenditures are reported as deferred inflows of resources in the funds. 41,774,883

Accrued interest receivables in the Statement of Activities that do not provide current financial resources are not reported in the funds. 509,141

Other receivables not available to pay for current expenditures are not recorded in the funds 697,932

Certain types of services paid for in advance and reported as prepaid are reported as expenditures in the funds under the purchases method. 92,831

Amounts payable to schools from receivables not available to pay current expenditures, reported as deferred inflows of resources in the funds. (15,127,744)

Interest on long-term debt is not payable with current financial resources and therefore is not reported in the funds. (9,185,047)

Bond anticipation notes payable reported as other financing sources in the funds. (51,000,000)

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) (973,148,543)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized and recognized as components of OPEB expense in future years. (19,435,279)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years. 141,479,520

Net OPEB liability is not payable with current financial resources and therefore is not reported in the funds. (38,984,224)

Net pension liability is not payable with current financial resources and therefore is not reported in the funds. (469,556,334)

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 the governmental activities in the Statement of Net Position. This included \$942,007 related to "look-back" adjustments for internal service funds. 34,212,464

Net position of governmental activities (page C-1) \$ (506,673,992)

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



**Shelby County, Tennessee**

**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund
<b>Revenues:</b>			
Property taxes	\$ 276,604,440	\$ 133,844,038	\$ ---
Other local taxes	31,430,272	14,594,741	---
State revenue	22,424,187	---	1,661,069
Federal and local revenue	9,963,936	1,114,966	183,538
Charges for services	2,335,215	188,125	---
Fines, fees and permits	61,188,452	---	---
Other revenue	684,519	551,616	1,907,137
Investment income	2,190,483	2,088,513	511,497
Total revenues	<u>406,821,504</u>	<u>152,381,999</u>	<u>4,263,241</u>
<b>Expenditures:</b>			
<b>Current</b>			
General Government	31,687,335	---	---
Hospital	28,408,000	---	---
Planning and Development	340,223	---	---
Public Works	23,915,400	---	---
Corrections	---	---	---
Health Services	29,384,911	---	---
Community Services	9,026,595	---	---
Law Enforcement	176,004,697	---	---
Judicial	66,160,613	---	---
Other Elected Officials	29,979,226	---	---
Education	---	---	---
Debt service and related costs	---	148,058,929	---
Capital outlay: capital projects	---	---	83,654,719
Total expenditures	<u>394,907,000</u>	<u>148,058,929</u>	<u>83,654,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,914,504</u>	<u>4,323,070</u>	<u>(79,391,478)</u>
<b>Other financing sources (uses):</b>			
Transfers in	857,930	---	---
Transfers out	(16,527,694)	---	---
Bond anticipation notes	---	---	---
Long term debt issued	---	---	51,000,000
Premium on bonds issued	---	---	---
Insurance recoveries	---	---	---
Sale of capital assets	112,148	---	---
Total other financing sources (uses)	<u>(15,557,616)</u>	<u>---</u>	<u>51,000,000</u>
Net change in fund balances	(3,643,112)	4,323,070	(28,391,478)
<b>Fund balances:</b>			
June 30, 2017	<u>115,606,342</u>	<u>60,731,484</u>	<u>34,040,063</u>
June 30, 2018	<u>\$ 111,963,230</u>	<u>\$ 65,054,554</u>	<u>\$ 5,648,585</u>

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 385,464,792	\$ ---	\$ ---	\$ 795,913,270
40,479,116	---	31,275,962	117,780,091
---	51,162,453	12,100,302	87,348,011
---	18,135,923	716,811	30,115,174
---	(86,656)	1,753,080	4,189,764
---	172,672	6,108,150	67,469,274
---	769,981	1,273,189	5,186,442
---	79,992	412,461	5,282,946
<u>425,943,908</u>	<u>70,234,365</u>	<u>53,639,955</u>	<u>1,113,284,972</u>
---	508,809	22,744,106	54,940,250
---	---	---	28,408,000
---	7,988,465	---	8,328,688
---	7,357,344	14,642,796	45,915,540
---	592,013	---	592,013
---	24,039,134	4,223,803	57,647,848
---	24,163,323	---	33,189,918
---	3,431,776	1,583,838	181,020,311
---	4,894,071	765,576	71,820,260
---	---	232,586	30,211,812
419,471,000	---	---	419,471,000
---	---	---	148,058,929
---	---	---	83,654,719
<u>419,471,000</u>	<u>72,974,935</u>	<u>44,192,705</u>	<u>1,163,259,288</u>
<u>6,472,908</u>	<u>(2,740,570)</u>	<u>9,447,250</u>	<u>(49,974,316)</u>
---	3,512,330	1,501,486	5,871,746
---	(723,065)	(250,628)	(17,501,387)
---	---	---	---
---	---	---	51,000,000
---	---	---	---
---	---	29,190	29,190
---	---	44,212	156,360
---	<u>2,789,265</u>	<u>1,324,260</u>	<u>39,555,909</u>
6,472,908	48,695	10,771,510	(10,418,407)
---	<u>16,300,785</u>	<u>28,526,923</u>	<u>255,205,597</u>
<u>\$ 6,472,908</u>	<u>\$ 16,349,480</u>	<u>\$ 39,298,433</u>	<u>\$ 244,787,190</u>

## Shelby County, Tennessee

### Reconciliation of Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2018

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Net change in fund balance - total governmental funds (page C-9)	\$	(10,418,407)
--	----	--------------

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 more than capital outlays in the current period. See Note II(B)		4,601,685
--	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.		(8,005,446)
---	--	-------------

Increase in accrued interest receivable.		122,924
--	--	---------

Revenues in the Statement of Activities from other long-term receivables that do not provide current resources are not reported in the funds until collected. This amount is the current year collections on prior year long-term receivables.		697,932
--	--	---------

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.		(167,368)
---	--	-----------

Changes in amounts payable to schools from receivables not available in the funds.		3,209,249
--	--	-----------

Decrease in interest payable on long-term debt.		111,726
---	--	---------

Bond anticipation notes provide current financial resources to governmental funds, while repayment of the principal of that debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on the net position.		(51,000,000)
---	--	--------------

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, the 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)		116,033,985
---	--	-------------

Change in other long-term liabilities other than internal service funds. See Note II(B)		(482,451)
---	--	-----------

Governmental funds report current OPEB contributions as expenditures of the current period. In the Statement of Activities OPEB expense includes amortized costs and gains related to actuarial assumptions.		(19,407,996)
--	--	--------------

Governmental funds report current pension contributions as expenditures of the current period. In the Statement of Activities pension expense includes amortized costs and gains related to actuarial assumptions.		(67,889,623)
--	--	--------------

Change in net unfunded OPEB obligation.		35,605,933
---	--	------------

Change in net unfunded pension obligation.		30,280,630
--	--	------------

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. This includes \$360,744 for the restatement of net position for GASB 75.		1,534,952
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Change in net position of governmental activities (page C-3)	\$	<u>34,827,725</u>
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The notes to the financial statements are an integral part of this statement.

**Budgetary Comparison Statement  
General Fund  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 270,997,000	\$ 270,997,000	\$ 276,604,440	\$ 5,607,440
Other local taxes	33,349,000	33,349,000	31,430,272	(1,918,728)
State revenue	23,426,820	23,426,820	22,424,187	(1,002,633)
Federal and local revenue	9,802,419	9,802,418	9,963,936	161,518
Charges for services	3,025,622	3,079,896	2,335,215	(744,681)
Fines, fees and permits	68,350,400	68,350,400	61,188,452	(7,161,948)
Other revenue	1,214,500	1,214,500	684,519	(529,981)
Investment income	1,218,500	1,218,500	2,190,483	971,983
0	---	---	---	---
<b>Total revenues</b>	<b>411,384,261</b>	<b>411,438,534</b>	<b>406,821,504</b>	<b>(4,617,030)</b>
<b>Expenditures:</b>				
General Government	24,694,939	26,205,955	31,687,335	(5,481,380)
Hospital	28,408,000	28,408,000	28,408,000	---
Planning and Development	391,579	391,579	340,223	51,356
Public Works	25,472,000	25,273,593	23,915,400	1,358,193
Health Services	29,974,186	30,266,154	29,384,911	881,243
Community Services	9,123,712	9,329,293	9,026,595	302,698
Law Enforcement	178,052,558	177,611,907	176,004,697	1,607,210
Judicial	69,931,843	69,997,862	66,160,613	3,837,249
Other Elected Officials	33,242,256	33,135,792	29,979,226	3,156,566
<b>Total expenditures</b>	<b>399,291,073</b>	<b>400,620,135</b>	<b>394,907,000</b>	<b>5,713,135</b>
Excess (deficiency) of revenues over (under) expenditures	12,093,188	10,818,399	11,914,504	(1,096,105)
<b>Other financing sources (uses):</b>				
Transfers in	1,136,514	1,136,514	857,930	(278,584)
Transfers out	(16,768,461)	(16,719,756)	(16,527,694)	192,062
Sale of capital assets	200,000	200,000	112,148	(87,852)
Planned change in fund balance	3,338,759	4,564,843	---	(4,564,843)
<b>Total other financing sources (uses)</b>	<b>(12,093,188)</b>	<b>(10,818,399)</b>	<b>(15,557,616)</b>	<b>(4,739,217)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (3,643,112)	\$ (3,643,112)

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

Shelby County, Tennessee

**Budgetary Comparison Statement  
Education Fund  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 377,121,000	\$ 377,121,000	\$ 385,464,792	\$ 8,343,792
Other local taxes	42,350,000	42,350,000	40,479,116	(1,870,884)
Total revenues	<u>419,471,000</u>	<u>419,471,000</u>	<u>425,943,908</u>	<u>6,472,908</u>
Expenditures:				
Arlington Public Schools	15,142,903	13,590,860	13,590,860	---
Bartlett Public Schools	25,461,890	25,965,255	25,965,255	---
Collierville Public Schools	24,329,317	24,874,630	24,874,630	---
Germantwon Public Schools	17,408,047	17,449,994	17,449,994	---
Lakeland Public Schools	2,726,562	4,530,287	4,530,287	---
Millington Public Schools	7,550,478	7,340,742	7,340,742	---
Shelby County Board Of Education	326,851,803	325,719,232	325,719,232	---
Total expenditures	<u>419,471,000</u>	<u>419,471,000</u>	<u>419,471,000</u>	<u>---</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>---</u>	<u>6,472,908</u>	<u>(6,472,908)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,472,908</u>	<u>\$ 6,472,908</u>

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

**Budgetary Comparison Statement  
Grants Fund  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
State revenue	\$ 79,892,743	\$ 83,366,554	\$ 51,162,453	\$ (32,204,101)
Federal and local revenue	27,737,844	38,063,007	18,135,923	(19,927,084)
Charges for services	1,553,000	1,553,000	(86,656)	(1,639,656)
Fines, fees and permits	405,444	405,444	172,672	(232,772)
Other revenue	822,097	1,340,351	769,981	(570,370)
Investment income	45,300	45,300	79,992	34,692
Total revenues	<u>110,456,428</u>	<u>124,773,656</u>	<u>70,234,365</u>	<u>(54,539,291)</u>
<b>Expenditures:</b>				
General Government	3,883,011	3,866,011	508,809	3,357,202
Hospital			---	---
Planning and Development	16,178,995	25,887,751	7,988,465	17,899,286
Public Works	24,919,992	25,887,492	7,357,344	18,530,148
Corrections	748,048	944,976	592,013	352,963
Health Services	25,962,128	31,645,994	24,039,134	7,606,860
Community Services	32,267,005	29,573,166	24,163,323	5,409,843
Law Enforcement	4,932,248	5,428,433	3,431,776	1,996,657
Judicial	5,908,512	6,010,271	4,894,071	1,116,200
Total expenditures	<u>114,799,939</u>	<u>129,244,094</u>	<u>72,974,935</u>	<u>56,269,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,343,511)</u>	<u>(4,470,438)</u>	<u>(2,740,570)</u>	<u>(1,729,868)</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,928,962	4,092,313	3,512,330	(579,983)
Transfers out	(765,356)	(857,507)	(723,065)	134,442
Sale of capital assets	62,500	62,500	---	(62,500)
Planned change in fund balance	1,117,405	1,173,132	---	(1,173,132)
Total other financing sources (uses)	<u>4,343,511</u>	<u>4,470,438</u>	<u>2,789,265</u>	<u>(1,681,173)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 48,695</u>	<u>\$ 48,695</u>

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

**Proprietary Funds  
Statement of Net Position  
June 30, 2018**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>Assets:</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 6,845,152	\$ 14,012,628	\$ 20,857,780	\$ 44,967,765
Accounts receivable and accrued revenues	205,888	1,815,589	2,021,477	134,762
Due from other governmental entities	4,885,249	139,891	5,025,140	90,594
Inventories	---	---	---	338,474
Prepays	52,223	921	53,144	1,498
<b>Total current assets</b>	<b>11,988,512</b>	<b>15,969,029</b>	<b>27,957,541</b>	<b>45,533,093</b>
<b>Noncurrent assets</b>				
Deposits held by others	---	---	---	200,000
Land	---	5,300	5,300	---
Construction in progress	93,302	---	93,302	---
Depreciable capital assets, net	14,560,693	9,721,802	24,282,495	3,856,696
<b>Total noncurrent assets</b>	<b>14,653,995</b>	<b>9,727,102</b>	<b>24,381,097</b>	<b>4,056,696</b>
<b>Total assets</b>	<b>26,642,507</b>	<b>25,696,131</b>	<b>52,338,638</b>	<b>49,589,789</b>
<b>Deferred outflows of resources:</b>				
OPEB related deferred outflows	1,196,248	1,052,049	2,248,297	50,306
Pension related deferred outflows	15,219,778	12,439,834	27,659,612	604,476
<b>Total deferred outflows of resources</b>	<b>16,416,026</b>	<b>13,491,883</b>	<b>29,907,909</b>	<b>654,782</b>
<b>Liabilities:</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	1,316,797	153,623	1,470,420	369,964
Due to other governmental entities	3,202	72,662	75,864	---
Due to component units	---	---	---	---
Claims payable	29,500	---	29,500	6,629,797
Compensated absences payable	2,248,850	1,485,725	3,734,575	60,001
Advance from other funds - current portion	---	450,000	450,000	---
Accrued interest payable	---	7,500	7,500	---
Unearned revenue	---	137,610	137,610	3,759,661
Deposits held for others	411,275	2,400	413,675	---
<b>Total current liabilities</b>	<b>4,009,624</b>	<b>2,309,520</b>	<b>6,319,144</b>	<b>10,819,423</b>
<b>Noncurrent liabilities</b>				
Advance from other funds - long term	---	1,350,000	1,350,000	---
Claims payable, long term	96,000	---	96,000	2,748,005
Accrued sick leave payable	864,498	663,369	1,527,867	31,804
Unfunded net OPEB obligation	4,197,746	3,317,966	7,515,712	175,064
Unfunded net pension obligation	48,928,126	38,726,412	87,654,538	1,895,671
<b>Total noncurrent liabilities</b>	<b>54,086,370</b>	<b>44,057,747</b>	<b>98,144,117</b>	<b>4,850,544</b>
<b>Total liabilities</b>	<b>58,095,994</b>	<b>46,367,267</b>	<b>104,463,261</b>	<b>15,669,967</b>
<b>Deferred inflows of resources:</b>				
OPEB related deferred inflows	3,378,433	2,670,368	6,048,801	140,896
Pension related deferred inflows	653,864	517,530	1,171,394	25,334
<b>Total deferred inflows of resources</b>	<b>4,032,297</b>	<b>3,187,898</b>	<b>7,220,195</b>	<b>166,230</b>
<b>Net position:</b>				
Net investment in capital assets	14,653,995	9,727,102	24,381,097	3,856,696
Unrestricted	(33,723,753)	(20,094,253)	(53,818,006)	30,551,678
<b>Total net position</b>	<b>\$ (19,069,758)</b>	<b>\$ (10,367,151)</b>	<b>\$ (29,436,909)</b>	<b>\$ 34,408,374</b>
<b>Total net position</b>	<b>\$ (19,069,758)</b>	<b>\$ (10,367,151)</b>	<b>\$ (29,436,909)</b>	
Adjustment to reflect the consolidation of internal Service fund activities related to enterprise funds				
	34,763	161,147	195,910	
<b>Net position of business-type activities on Statement of Net Position (page C-1)</b>	<b>\$ (19,034,995)</b>	<b>\$ (10,206,004)</b>	<b>\$ (29,240,999)</b>	

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

Shelby County, Tennessee

**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2018**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>Operating revenues:</b>				
State revenue	\$ 38,050,844	\$ 101,405	\$ 38,152,249	\$ ---
Federal and local revenue	13,800	1,616,522	1,630,322	---
Charges for services	824,931	3,378,270	4,203,201	7,515,651
Fines, fees and permits	24,745	30,432,821	30,457,566	---
Other revenue	1,965	7,378	9,343	377,329
Premium revenue	---	---	---	49,233,081
Total operating revenue	<u>38,916,285</u>	<u>35,536,396</u>	<u>74,452,681</u>	<u>57,126,061</u>
<b>Operating expenses:</b>				
Salaries	21,190,346	18,168,840	39,359,186	957,397
Other compensation	6,285,771	2,655,269	8,941,040	31,901
Fringe benefits	8,325,419	11,849,815	20,175,234	579,740
Supplies and materials	1,864,901	738,381	2,603,282	2,138,905
Services and other expenditures	408,090	234,375	642,465	260,730
Professional and contracted services	9,853,589	613,667	10,467,256	3,610,415
Rent, utilities and maintenance	1,816,979	525,507	2,342,486	2,289,529
Interfund services	3,353,527	2,113,552	5,467,079	24,137
Depreciation	1,164,383	623,244	1,787,627	287,435
Claims incurred	96,000	---	96,000	42,699,970
Total operating expenses	<u>54,359,005</u>	<u>37,522,650</u>	<u>91,881,655</u>	<u>52,880,159</u>
Operating income (loss)	<u>(15,442,720)</u>	<u>(1,986,254)</u>	<u>(17,428,974)</u>	<u>4,245,902</u>
<b>Nonoperating revenues (expenses):</b>				
Intergovernmental		1,500,000	1,500,000	---
Investment income	89,371	161,843	251,214	275,512
Interest expense	---	(20,625)	(20,625)	---
Gain (loss) on asset disposal	9,400	25,876	35,276	(45,147)
Net nonoperating revenues (expenses)	<u>98,771</u>	<u>1,667,094</u>	<u>1,765,865</u>	<u>230,365</u>
<b>Transfers:</b>				
Transfers in	12,037,119	1,519,184	13,556,303	250,000
Transfers out	(302,887)	(181,121)	(484,008)	(1,692,654)
Net transfers	<u>11,734,232</u>	<u>1,338,063</u>	<u>13,072,295</u>	<u>(1,442,654)</u>
Change in net position	<u>(3,609,717)</u>	<u>1,018,903</u>	<u>(2,590,814)</u>	<u>3,033,613</u>
<b>Net position:</b>				
June 30, 2017, restated	<u>(15,460,041)</u>	<u>(11,386,054)</u>	<u>(26,846,095)</u>	<u>31,374,761</u>
June 30, 2018	<u>\$ (19,069,758)</u>	<u>\$ (10,367,151)</u>	<u>\$ (29,436,909)</u>	<u>\$ 34,408,374</u>
Change in net position	\$ (3,609,717)	\$ 1,018,903	\$ (2,590,814)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>787,186</u>	<u>350,731</u>	<u>1,137,917</u>	
Change in net position of business-type activities on Statement of Activities (page C-3)	<u>\$ (2,822,531)</u>	<u>\$ 1,369,634</u>	<u>\$ (1,452,897)</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, 2018**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:				
Receipts from customers	\$ 41,903,476	\$ 35,604,946	\$ 77,508,422	\$ 137,500
Receipts for special programs	---	90,000	90,000	---
Receipts from interfund services provided	174,217	14,093	188,310	7,355,360
Premiums received	---	---	---	49,112,230
Refunds received from suppliers	1,604	---	1,604	375,054
Refunds paid to customers	(2,590,622)	(163,709)	(2,754,331)	---
Cash payments to suppliers	(13,909,747)	(2,237,922)	(16,147,669)	(8,504,152)
Cash payments to employees	(36,822,803)	(28,490,392)	(65,313,195)	(1,392,666)
Claims paid	(22,500)	---	(22,500)	(43,827,713)
Payments for interfund services used	(3,353,527)	(2,113,553)	(5,467,080)	(24,138)
Net cash provided by (used in) operating activities	<u>(14,619,902)</u>	<u>2,703,463</u>	<u>(11,916,439)</u>	<u>3,231,475</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	12,037,120	1,519,184	13,556,304	250,000
Transfers to other funds	(302,887)	(181,121)	(484,008)	(1,692,654)
Payments from City of Memphis	---	1,500,000	1,500,000	---
Net cash provided by (used in) noncapital financing activities	<u>11,734,233</u>	<u>2,838,063</u>	<u>14,572,296</u>	<u>(1,442,654)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(345,937)	(243,856)	(589,793)	(2,034,460)
Proceeds from sale of capital assets	9,400	32,250	41,650	---
Repayment of advance from other fund	---	(450,000)	(450,000)	---
Interest paid	---	(22,500)	(22,500)	---
Net cash provided by (used in) capital and related financing activities	<u>(336,537)</u>	<u>(684,106)</u>	<u>(1,020,643)</u>	<u>(2,034,460)</u>
Cash flows from investing activities:				
Interest and investment earnings	89,371	161,843	251,214	275,512
Net cash provided by (used in) investing activities	<u>89,371</u>	<u>161,843</u>	<u>251,214</u>	<u>275,512</u>
Net increase (decrease) in cash and cash equivalents	(3,132,835)	5,019,263	1,886,428	29,873
Cash and cash equivalents, June 30, 2017	<u>9,977,987</u>	<u>8,993,365</u>	<u>18,971,352</u>	<u>44,937,892</u>
Cash and cash equivalents, June 30, 2018	<u>\$ 6,845,152</u>	<u>\$ 14,012,628</u>	<u>\$ 20,857,780</u>	<u>\$ 44,967,765</u>

(continued)

**Shelby County, Tennessee**

**Proprietary Funds  
Statement of Cash Flows (continued)  
For the Year Ended June 30, 2018**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (15,442,720)	\$ (1,986,254)	\$ (17,428,974)	\$ 4,245,902
Adjustments:				
Depreciation	1,164,383	623,244	1,787,627	287,435
Changes in assets and liabilities				
Accounts receivable and accrued revenues	163,945	(20,539)	143,406	(74,211)
Due from other governmental entities	382,751	38,564	421,315	7,805
Inventories	---	---	---	(130,229)
Prepays	(26,077)	6,998	(19,079)	10
Deferred outflows	8,110,912	2,670,966	10,781,878	164,747
Accounts payable and accrued liabilities	58,289	(112,193)	(53,904)	(72,488)
Due to other governmental entities	3,202	(8,976)	(5,774)	---
Claims payable	73,500	---	73,500	(1,129,540)
Compensated absences payable	29,109	161,838	190,947	(525)
Unearned revenue	---	(9,088)	(9,088)	(79,611)
Deposits held for others	24,090	---	24,090	---
Unfunded post employment benefit obligation	(12,470,071)	(1,564,854)	(14,034,925)	(130,587)
Deferred inflows	3,308,785	2,903,757	6,212,542	142,767
Total adjustments	822,818	4,689,717	5,512,535	(1,014,427)
Net cash provided by (used in) operating activities	<u>\$ (14,619,902)</u>	<u>\$ 2,703,463</u>	<u>\$ (11,916,439)</u>	<u>\$ 3,231,475</u>
Noncash investing capital and financing activities				
Non-cash residual on disposal of assets		\$ (6,374)		\$ (14,709)
Accrued interest payable		\$ (1,875)		
Transfers of capital assets to governmental funds				\$ (30,438)

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

**Shelby County, Tennessee**

**Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2018**

	Postemployment Benefits Trust Fund	County Charter Officers Agency Fund
<b>Assets:</b>		
Cash and cash equivalents	\$ 58,817,878	\$ 374,476,445
Investments		
Domestic equity	434,744,096	---
International equity	245,516,780	---
Fixed income	249,007,091	---
Global low-volatility equity	70,005,573	---
Hedge funds	140,334,459	---
Private real estate and infrastructure	5,396,454	---
Alternative investments	42,619,653	---
Limited partnership interests	95,373,632	---
Master limited partnership	112,438,164	---
Certificates of deposit	---	3,650,000
Total investments	1,395,435,902	3,650,000
Accounts receivable and accrued revenues	35,252	1,907,194
Accrued interest and dividends receivable	2,242,812	---
Due from brokers - investment sales	55,393,815	---
Total assets	1,511,925,659	380,033,639
<b>Deferred outflows of resources:</b>		
Fair value of hedging derivatives	---	---
Total deferred outflows of resources	---	---
<b>Liabilities:</b>		
Accounts payable	878,828	18,365
Due to brokers and others	58,333,537	100,829,408
Due to other governmental entities	---	16,267,189
Due to component units	---	262,918,677
Total liabilities	59,212,365	380,033,639
<b>Deferred inflows of resources:</b>		
Fair value of hedging derivatives	1,168,273	---
Total deferred inflows of resources	1,168,273	---
Net position restricted for other postemployment and pension benefits	\$ 1,451,545,021	\$ 374,476,445

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

**Shelby County, Tennessee**

**Fiduciary Funds  
Postemployment Benefit Trust Funds  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2018**

	<u>Other Postemployment Benefits Trust Fund</u>
Additions:	
Contributions	
Employer contributions	\$ 67,506,315
Member contributions	20,822,329
Total contributions	<u>88,328,644</u>
Investment income	
Net change in fair value of investments	67,400,893
Interest income	6,539,970
Dividend income	23,143,813
Other income	2,710,428
Total investment income	99,795,104
Less investment management expenses	<u>(4,379,691)</u>
Net investment income (loss)	<u>95,415,413</u>
Security lending activities	
Securities lending income	406,948
Securities lending expenses	<u>(122,017)</u>
Net securities lending activities	<u>284,931</u>
Net additions	<u>184,028,988</u>
Deductions:	
Benefit payments	96,395,017
Administrative expenses	7,370,231
Refund of member contributions	1,129,015
Total deductions	<u>104,894,263</u>
Change in net position	79,134,725
Net position restricted for benefits	
June 30, 2017	<u>1,372,410,296</u>
June 30, 2018	<u>\$ 1,451,545,021</u>

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

Shelby County, Tennessee

**Component Units**  
**Combining Statement of Net Position**  
**June 30, 2018**

	Shelby County Board of Education	Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total
<b>Assets:</b>					
Cash and cash equivalents	\$ 27,252,244	\$ 7,294,389	\$ 963,742	\$ 7,470,787	\$ 42,981,162
Investments	237,532,465	100,449,810	---	26,715,176	364,697,451
Accrued interest receivable	---	---	---	62,905	62,905
Accounts receivable and accrued revenues	80,769,385	86,198,303	319,474	---	167,287,162
Due from other governmental entities	30,128,781	4,260,658	---	---	34,389,439
Due from primary government	37,839,950	---	---	---	37,839,950
Inventories	9,023,094	4,914,979	58,434	---	13,996,507
Prepays	---	6,584,749	13,349	283,247	6,881,345
Notes receivable	---	19,221,600	---	---	19,221,600
Net pension asset	52,187,531	3,718,282	---	---	55,905,813
Land	45,249,987	4,313,278	---	---	49,563,265
Construction in progress	50,169,866	15,540,756	---	---	65,710,622
Depreciable capital assets, net	889,223,327	82,295,132	2,319,844	2,779,288	976,617,591
Total assets	<u>1,459,376,630</u>	<u>334,791,936</u>	<u>3,674,843</u>	<u>37,311,403</u>	<u>1,835,154,812</u>
<b>Deferred outflows of resources:</b>					
Pension related deferred outflows	94,266,611	584,422	---	267,218	95,118,251
OPEB related deferred outflows	56,715,858	---	---	---	56,715,858
Total deferred outflows of resources	<u>150,982,469</u>	<u>584,422</u>	<u>---</u>	<u>267,218</u>	<u>151,834,109</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	85,033,281	55,813,723	373,955	339,803	141,560,762
Claims payable	9,940,291	2,058,000	---	---	11,998,291
Unearned revenue	1,535,034	687,377	742,804	---	2,965,215
Deposits held for others	---	---	36,500	---	36,500
<b>Long-term liabilities</b>					
Due within one year	1,096,515	19,197,000	140,076	---	20,433,591
Due in more than one year	8,909,677	33,073,419	206,788	---	42,189,884
Net OPEB liability	991,397,000	12,218,978	---	---	1,003,615,978
Net pension liability	241,058	---	---	130,114	371,172
Total liabilities	<u>1,098,152,856</u>	<u>123,048,497</u>	<u>1,500,123</u>	<u>469,917</u>	<u>1,223,171,393</u>
<b>Deferred inflows of resources:</b>					
Pension related deferred inflows	136,929,090	---	---	11,664	136,940,754
OPEB related deferred inflows	84,122,000	3,238,328	---	---	87,360,328
Total deferred inflows of resources	<u>221,051,090</u>	<u>3,238,328</u>	<u>---</u>	<u>11,664</u>	<u>224,301,082</u>
<b>Net position:</b>					
Net investment in capital assets	984,643,180	49,221,713	1,972,980	1,126,808	1,036,964,681
<b>Restricted for:</b>					
Capital improvement projects	1,665,284	2,558,375	---	---	4,223,659
Special revenue activities	129,953,693	1,548,493	---	---	131,502,186
Unrestricted	(825,107,004)	155,760,952	201,740	35,970,232	(633,174,080)
Total net position	<u>\$ 291,155,153</u>	<u>\$ 209,089,533</u>	<u>\$ 2,174,720</u>	<u>\$ 37,097,040</u>	<u>\$ 539,516,446</u>

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



**Shelby County, Tennessee**

**Component Units  
Combining Statement of Activities  
For the Year Ended June 30, 2018**

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Board of Education	\$ 941,792,583	\$ 2,967,194	\$ 776,964,300	\$ 51,799,033
Shelby County Health Care Corporation	476,895,496	362,414,025	69,000,000	---
Agricenter International	6,248,327	6,383,679	---	---
Emergency Communications District	11,403,999	9,853,400	---	---
Total component units	\$ 1,436,340,405	\$ 381,618,298	\$ 845,964,300	\$ 51,799,033

General revenues:  
 Local option and state sales taxes  
 Payments from Shelby County  
 Other local sources  
 Unrestricted investment earnings  
 Special item  
 Total revenues and transfers  
 Change in net position

Net position - June 30, 2017  
 Restatement  
 Net position - June 30, 2017, restated  
 Net position - June 30, 2018

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

Net (Expenses) Revenues and  
Changes in Net Position

Primary Government

Shelby County Board of Education	Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total Component Units
\$ (110,062,056)	\$ ---	\$ ---	\$ ---	\$ (110,062,056)
---	(45,481,471)	---	---	(45,481,471)
---	---	135,352	---	135,352
---	---	---	(1,550,599)	(1,550,599)
<u>(110,062,056)</u>	<u>(45,481,471)</u>	<u>135,352</u>	<u>(1,550,599)</u>	<u>(156,958,774)</u>
127,175,675	---	---	---	127,175,675
334,307,133	35,408,000	---	---	369,715,133
(1,068,077)	---	---	---	(1,068,077)
3,296,913	984,090	3,113	248,695	4,532,811
(5,098,411)	---	---	---	(5,098,411)
<u>458,613,233</u>	<u>36,392,090</u>	<u>3,113</u>	<u>248,695</u>	<u>495,257,131</u>
348,551,177	(9,089,381)	138,465	(1,301,904)	338,298,357
763,388,975	232,819,258	2,036,255	38,409,275	1,036,653,763
(820,784,999)	(14,640,344)	---	(10,331)	(835,435,674)
(57,396,024)	218,178,914	2,036,255	38,398,944	201,218,089
<u>\$ 291,155,153</u>	<u>\$ 209,089,533</u>	<u>\$ 2,174,720</u>	<u>\$ 37,097,040</u>	<u>\$ 539,516,446</u>



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

Shelby County, Tennessee (the County) is governed by an elected mayor and a thirteen member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations. The County has no blended component units. Each discretely presented component unit (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 within the Memphis City limits and the unincorporated areas of Shelby County. 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, 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 and in lieu of property tax payments 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 gasoline taxes to be available if collected within two months of the end of the current fiscal year. Revenues from other taxes; business taxes, wheel tax, litigation tax, beverage taxes, severance tax, income tax, and privilege taxes, are considered available if collected within one month. The government considers grant and reimbursement revenues from other governments associated with grant funds in 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 if collected within one month. Other 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 *Education Fund* accounts for tax collections allocated for school operations. Taxes are collected and allocated to the Shelby County Board of Education as well as to the other six municipal school districts within the County. Taxes are allocated based on the 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.
- *Car Rental Tax Fund* accounts for the tax proceeds on car rentals levied by the County. The proceeds are used only to help retire debt on bonds issued by the Memphis and Shelby County Sports Authority, Inc. for construction of the FedEx Forum.
- *Tax Increment Financing Fund* accounts for the proceeds of statutorily determined portion of the property tax collections to be used for community improvements and economic impact plans for specific projects. The proceeds

are paid out to the various agencies in charge of the redevelopment projects. There are currently six active redevelopment projects in Shelby County; Uptown Memphis and Highland Row managed by the Community Redevelopment Agency (CRA), University District – Highland Strip and Graceland managed by the Economic Development Growth Engine (EDGE), The Shops at Millington Farms managed by the Millington IDB, and The Lakeland District managed by the Lakeland IDB.

- 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.
- 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 of Memphis' utility services. These proceeds are used, respectively, to control pollution and control rodents, mosquitoes and other pests throughout 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. There are also fees collected for reconstruction and damage claims related to the Cotton Creek sewer system.
- 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 enterprise 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, 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 *non-operating* 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 non-operating revenues and expenses.

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

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.

Investments of the government as well as its component units are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note IV(A) for disclosures and more information on the determination of fair values.

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, call option writing programs, certificates of deposit, bonds and treasury bills of the U.S. Government, limited partnerships, and international equities. 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 30% in international equities.

##### *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.

*Capital Assets*

Capital assets, which include artwork, 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, donated works of art, and similar items, and capital assets received in service concession arrangements are recorded at estimated acquisition 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
Buildings	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.

*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, annual, and compensatory overtime 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. Compensatory overtime is "banked" and paid out in accordance with the guidelines of the Fair Labor Standards Act. Certain exceptions to this policy occur in accordance with the terms of various union agreements.

All sick, annual, and compensatory 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.

#### *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. The General Fund is the only fund that can report positive unassigned fund balance. By their nature the fund balance of other funds is at least assigned to the purpose of that fund. Only negative unassigned fund balances can be reported in other funds.

#### *Use of Net Position and Use of Fund Balance*

When both restricted and unrestricted net position is available for use, it is the County's policy to use restricted net position or resources first. When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balance 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 net position or fund balances identified as the source of the funding, that specific net position or 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 unassigned fund balance of between 20-30% of revenues for the General Fund and minimum committed fund balance of between 20-30% of revenues for the Debt Service Fund. For all other funds, fund balances will be maintained at a level equal to 30 to 90 days of working capital, depending on the specific nature of the revenues and expenditures for that fund.

#### *Interest Rate Swaps*

Shelby County has entered into 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 \$(5,303,585.53) of long-term liabilities and are not part of this reconciling amount.

The details of this \$(973,148,543) are as follows:

Bonds and loans payable	\$ (890,040,212)
Net premium on bonds issued	(52,157,337)
Compensated absences	(23,757,102)
Landfill postclosure	(1,913,403)
Claims and judgments	(243,542)
Capital lease obligation	<u>(5,036,947)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (973,148,543)</u>

Another element of that reconciliation states that "amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years." Internal service funds include \$604,476 of deferred outflows of resources and \$(25,334) of deferred inflows of resources and are not part of this reconciling amount. The details of this \$141,479,520 are as follows:

*Retirement*

Deferred outflows of resources:	
Current year pension contributions	\$ 44,629,772
Changes in assumptions	61,476,274
Difference between projected and actual experience on investments of the plan	41,683,530
Deferred inflows of resources:	
Difference between expected and actual experience on investments of the plan	<u>(6,310,056)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 141,479,520</u>

Yet another element of that reconciliation states that amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized and recognized as components of OPEB expense in future years. Internal service funds include \$50,306 of deferred outflows of resources and \$(140,896) of deferred inflows of resources and are not part of this reconciling amount. The detail of this \$(19,435,279) are as follows:

*OPEB*

Deferred Outflows of resources OPEB:	
Current year OPEB contributions	\$ 11,940,024
Deferred inflows of resources:	
Changes in assumptions	(13,628,400)
Difference between projected and actual earnings on investments of the plan	(10,711,786)
Difference between expected and actual experience	<u>(7,035,117)</u>
Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (19,435,279)</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 \$4,601,685 difference are as follows:

Capital outlay	\$ 34,200,927
Loss on asset disposals	(580,784)
Insurance recoveries	(29,190)
Capital contributions	1,193,255
Depreciation expense	<u>(30,182,523)</u>
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>\$ 4,601,685</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 \$116,033,985 difference are as follows:

Debt issued or incurred:	
Amortization of bond premiums	15,967,143
Principal repayments on debt	<u>100,066,842</u>
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>\$ 116,033,985</u>

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

The details of this \$(482,451) difference are as follows:

Landfill post closure costs	\$ 233,043
Claims and judgements	16,611
Sick and annual leave	<u>(732,105)</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>\$ (482,451)</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. This is also the basis for the budgetary comparison statements. 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 during the year to facilitate effective budgetary control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**(B) Excess Expenditures over Appropriations**

A negative variance appears in the General Fund Budgetary Comparison Statement for the General Government due to salary restrictions. Salary restrictions are planned reductions to budgeted salaries that allow for the savings from vacancies and normal attrition expected to occur throughout the year. These restrictions are partially allocated by department based on historical trends, with the remainder allocated to Central Operations within the division of General Government. As a management tool, the salary restriction adjusts the budget to a more realistic expenditure level to prevent “over budgeting” of salaries and the budget surplus that would otherwise occur. Actual salaries are monitored on a monthly basis to ensure that the restriction is met. Total General Fund salaries were within the total salaries budget net of the salary restriction.

**(C) Deficit Net Position**

The deficits in enterprise funds are the result of the implementation of GASB 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB 75 *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions – replacing GASB 45*. Without the effect of GASB 68 and GASB 75 the fund balances of the enterprise funds would be as follows:

	Non-major Enterprise Funds		
	Codes Enforcement	Fire Services	Corrections Center
	Fund	Fund	Fund
Total net position	\$ (2,590,076)	\$ (7,777,076)	\$ (19,069,757)
Unfunded pension obligation	13,779,683	24,946,729	48,928,126
Pension related deferred inflows	184,148	333,382	653,864
Pension related deferred outflows	(4,277,026)	(8,162,808)	(15,219,778)
Unfunded OPEB obligation	1,137,115	2,180,851	4,197,746
OPEB related deferred inflows	915,173	1,755,195	3,378,433
OPEB related deferred outflows	(334,402)	(717,647)	(1,196,248)
	<u>\$ 8,814,615</u>	<u>\$ 12,558,626</u>	<u>\$ 21,672,386</u>

**(D) Tax Abatements**

Shelby County, Tennessee, is committed to the improvement and growth of the local economy and community, especially in areas in need of blight remediation and quality of life improvements for the citizens. To further this objective, two jointly governed organizations; Memphis Center City Revenue Finance Corporation (Finance Corporation), Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (EDGE), and one related organization, Health, Housing and Education Facilities Board serve as the conduit organizations for the County to administer the Payment in Lieu of Taxes (PILOT). The County does not take on any commitments or obligations in connection with the PILOT agreements but forgoes property tax revenue.

*Finance Corporation Tax Abatements*

Finance Corporation uses downtown property PILOTs as a financial incentive to encourage commercial property owners to develop properties that would otherwise not be financially viable. Under the authority of Tenn. Code. Ann. § 7-53-102, Finance Corporation granted the property tax abatements according to Tenn. Code. Ann. § 48-101-312. County property tax revenue was reduced by \$10,350,591 under agreements entered into by Finance Corporation for the tax year 2017.

*EDGE Tax Abatements*

EDGE focuses on developing and fostering public or private partnerships to create jobs, grow the local economy, revitalize neighborhoods, attract investments, spark innovation, and encourage entrepreneurship. EDGE uses PILOT programs as an incentive for the applicant to contract with minority and locally owned firms and small businesses. EDGE also offers several PILOT programs designed for firms looking to expand or to relocate to Memphis and Shelby County. Under the authority of Tenn. Code. Ann. § 7-53-101, EDGE granted the property tax abatement according to Tenn. Code. Ann. § 48-101-312. The property tax revenue was reduced by \$21,507,569 under the agreements entered into by EDGE for the tax year 2017.

*Health, Housing and Education Facilities Board Tax Abatements*

Under the authority of Tenn., Code. Ann. § 48-101-301, Health, Housing and Education facilities Board is to (A) assist hospital institutions to provide facilities and structures with respect to the development and maintenance of the public health and thereby to provide the people of the County with access to adequate medical care and hospital facilities whether for profit or not for profit, for the improvement and maintenance of their welfare, prosperity, health and living conditions; (B) assist educational institutions to provide facilities and structures with respect to the development and maintenance of public and private education (including education for physically or mentally challenged individuals) and thereby providing the people of the County with access to adequate educational facilities for the improvement and maintenance of their welfare, prosperity, health and living conditions; and (C) finance safe and sanitary public or private multi-family housing projects to be used by low-income and/or moderate-income persons, and/or elderly or handicapped persons in order to increase the commerce, welfare and prosperity and the improvement and maintenance of the health and living conditions of the people of the County. Health, Housing and Education facilities Board has no current PILOT program. Applicants for bond financing who wish to obtain a PILOT must first seek and obtain approval of any PILOT from the Shelby County Mayor and the Shelby County Board of Commissioners. Alternatively, Applicants seeking a PILOT for a tax-credit housing project which has received an allocation of low-income housing tax credits shall obtain a letter of approval from the Mayor of the County of Shelby in accordance with Tenn. Code. Ann. § 48-101312(b). The property tax was reduced by \$4,943,259 for the tax year 2017.

*Tax Abatement Agreements Entered into by Industrial Development Board of Various Municipal Governments*

The Municipal Industrial Development Boards are authorized by Tenn. Code. Ann. §7-53-305 and ordinances of the metropolitan government.

Industrial Development Board of various municipality	Amount of Property Tax Abated for the Tax Year 2017
Industrial Development Board of Arlington	\$ 453,426
Industrial Development Board of Bartlett	1,238,645
Industrial Development Board of Collierville	3,242,536
Industrial Development Board of Germantown	167,018
Industrial Development Board of Millington	231,245
Total	5,332,870

**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, 2018; of the total investments per financial reports, \$217,065,338 is reported on the Statement of Net Position and \$3,650,000 is reported on the Combined Schedule of Changes in Assets and Liabilities for the county charter officers' agency funds.

Not included in the investment 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, 2018 was \$48,253,411.90 which is included in the cash and cash equivalents on the Statement of Net Position. All other investments are stated at fair value as disclosed in Note I(E) above.

Fair value:

GASB established a hierarchy of inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy has only three levels.

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities the County has the ability to access.
- Level 2 – Other than quoted prices included within level 1, inputs can be corroborated by observable market data, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets.
- Level 3 – Inputs are unobservable for the assets and liabilities and rely on management's assumptions that market participants would use in pricing the asset or liability.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. To determine fair value, the County utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible.

For the County, level 1 investments are valued using prices quoted in active markets for those investments. Level 2 investments are valued based on the investments relationship to benchmark quoted prices. Level 3 commercial paper is valued using either a discounted cash flow or market comparable techniques.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Further, while the County believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At June 30, 2018, the County had the following fair value measurements:

	Level 1	Level 2	Level 3	Total
CDARS	\$ 16,167,808	\$ ---	\$ ---	\$ 16,167,808
CDs	25,520,652	---	---	25,520,652
Agencies	---	44,855,895	---	44,855,895
Commercial paper	---	---	129,338,856	129,338,856
Pass through securities	---	1,182,127	---	1,182,127
Total investments at fair value	<u>\$ 41,688,460</u>	<u>\$ 46,038,022</u>	<u>\$ 129,338,856</u>	<u>\$ 217,065,338</u>

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Both State statutes and the County's investment policy limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments mature in two years or less.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both State statutes and the County's investment policy limit permissible investments or impose collateral and custody provisions as specified above or in Note I(E) to significantly limit credit risk. By policy, investments in commercial paper must be rated A1/P1 by at least two rating services. Although the LGIP itself is unrated, its types of investments and maturities provide a similar level of credit risk.

The County Trustee handles Shelby County Board of Education's investments. 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, 2018 the Retirement System had deposits of \$51,936,932 in money-market mutual funds that were not insured and were uncollateralized. At June 30, 2018 the Retirement System reported the following investments with carrying amounts as shown:

Domestic equity	\$ 329,742,871
International equity	209,259,063
Fixed income	140,334,459
Global low-volatility equity	209,562,305
Hedge funds	95,373,632
Private real estate and infrastructure	19,631,365
Limited partnership interest	54,407,586
Master limited partnership	93,308,356
Total investments	<u>\$ 1,151,619,637</u>

The fair values of fixed income investments grouped by maturity at June 30, 2017 were as follows:

Current to one year	\$ 20,361,185
One to two years	26,306,319
Two to three years	13,006,676
Three to four years	4,675,794
Four to five years	8,067,749
Five years or more	136,841,340
Total	<u>\$ 209,259,063</u>

At June 30, 2018, the investments of the Retirement System within the fair value hierarchy were as follows:

	Level 1	Level 2	Level 3	Total
Equity securities				
Consumer discretionary	\$ 50,894,944	\$ ---	\$ ---	\$ 50,894,944
Consumer staples	9,150,526	---	---	9,150,526
Energy	8,476,256	---	---	8,476,256
Financials	23,520,080	---	---	23,520,080
Health care	28,097,230	---	---	28,097,230
Industrial	41,239,208	---	---	41,239,208
Information technology	46,399,796	---	---	46,399,796
Materials	9,232,049	---	---	9,232,049
Real estate	3,284,673	---	---	3,284,673
Telecommunication services	3,082,733	---	---	3,082,733
Utilities	1,066,026	---	---	1,066,026
Miscellaneous	---	190,420,520	178,848,721	369,269,241
Total equity securities	<u>224,443,521</u>	<u>190,420,520</u>	<u>178,848,721</u>	<u>593,712,762</u>
Fixed Income				
Asset backed securities	---	979,288	---	979,288
Commercial mortgage-backed securities	---	33,170	---	33,170
Corporate bonds	---	61,381,239	20,653,612	82,034,851
Funds - other fixed income	---	39,315,640	---	39,315,640
Government agencies	---	11,569,346	---	11,569,346
Government bonds	---	70,587,441	---	70,587,441
Government mortgage-backed securities	---	542,963	---	542,963
Municipal/provincial bonds	---	2,898,341	---	2,898,341
Non-government backed C.M.O.s	---	1,298,023	---	1,298,023
Total fixed income	<u>---</u>	<u>188,605,451</u>	<u>20,653,612</u>	<u>209,259,063</u>
Hedge funds	---	61,925,802	78,408,657	140,334,459
Real estate	---	---	19,631,365	19,631,365
Master limited partnerships	93,308,356	---	---	93,308,356
Venture capital and partnerships	---	---	95,373,632	95,373,632
Total investments measured at fair value	<u>\$ 317,751,877</u>	<u>\$ 440,951,773</u>	<u>\$ 392,915,987</u>	<u>\$1,151,619,637</u>

At June 30, 2018 the Retirement System had \$98,521,155 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, 2018. 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, 2018 the OPEB Trust had no deposits that were not insured and were uncollateralized. At June 30, 2018 the OPEB Trust reported the following investments with carrying amounts as shown:

Domestic equity	\$ 105,001,225
Fixed income	39,748,028
International equity	35,954,475
Private real estate	5,396,454
Alternative investments	22,988,288
Global low-volatility equity	15,597,987
Master limited partnership	19,129,808
Total investments	<u>\$ 243,816,265</u>

At June 30, 2018, the investments of the OPEB Trust within the fair value hierarchy were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities				
Consumer discretionary	\$ 1,669,384	\$ ---	\$ ---	\$ 1,669,384
Consumer staples	1,356,099	---	---	1,356,099
Energy	1,070,388	---	---	1,070,388
Financials	2,326,308	---	---	2,326,308
Health care	1,261,794	---	---	1,261,794
Industrial	2,666,914	---	---	2,666,914
Information technology	726,317	---	---	726,317
Materials	689,871	---	---	689,871
Real estate	339,460	---	---	339,460
Telecommunication services	874,591	---	---	874,591
Utilities	195,257	---	---	195,257
Miscellaneous	---	61,469,861	81,907,443	143,377,304
Total equities	<u>13,176,383</u>	<u>61,469,861</u>	<u>81,907,443</u>	<u>156,553,687</u>
Fixed income				
Corporate bond	---	7,765,658	13,954,982	21,720,640
Government bond	---	---	10,758,563	10,758,563
Other fixed income funds	---	---	7,268,825	7,268,825
Total investment funds	<u>---</u>	<u>7,765,658</u>	<u>31,982,370</u>	<u>39,748,028</u>
Alternative investments	---	---	22,988,288	22,988,288
Real estate	---	---	5,396,454	5,396,454
Master limited partnership	---	19,129,808	---	19,129,808
Total investments measured at fair value	<u>\$ 13,176,383</u>	<u>\$ 88,365,327</u>	<u>\$ 142,274,555</u>	<u>\$ 243,816,265</u>

**(B) Property Taxes Receivable**

Property taxes attach an enforceable lien on property on January 1 of each year. The levy is made July 1. 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 2018 tax bills were based was \$20,247,539,027. The estimated market value was \$67,338,526,740, making the overall assessed value 30.07% 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 95.86% of the original tax levy and 96.91% 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	\$ 1.43
Debt Service Funds	.69
Education Fund	<u>1.99</u>
Countywide tax rate	<u>\$ 4.11</u>

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

	General Fund	Debt Service Fund	Education Fund	Tax Increment Financing Fund	Total
Property taxes receivable	\$ 337,754,310	\$ 134,848,126	\$ 419,216,185	\$ 141,313	\$ 891,959,934
Less allowance for uncollectibles	(20,725,733)	(9,094,194)	(27,130,062)	-	(56,949,989)
	<u>\$ 317,028,577</u>	<u>\$ 125,753,932</u>	<u>\$ 392,086,123</u>	<u>\$ 141,313</u>	<u>\$ 835,009,945</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>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>\$ 912,397</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5% interest through 2021	<u>\$ 3,144,945</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 final option term expired in April 2018. The rental income was previously recognized as revenue in the Debt Service Fund. The option was amended and restated, as an Operation Management Agreement, with the Agricenter International, Inc., a component unit. Lease payments are now made to the Agricenter International, Inc.

The County leases certain real property described as 150 Washington Avenue to the Shelby County Federal Credit Union for the sum of \$30,000 annually over a period of five years. The term of the lease commenced on October 1, 2014 and will end September 30, 2019. 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, 2016 for an annual rental amount of \$24,000. This is for a five year term ending September 21, 2021. The rental income is recognized as revenue in the Grants Fund.

The County leases certain real property located at 3757 Wilkinsville Road to Sneed Farms Inc., a privately owned business. The term of the lease commenced on January 1, 2014 for an annual rental amount of \$75,000. This is for a five year term ending December 31, 2018. 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, 2018:

<u>Fiscal Year</u>	<u>Minimum Rental</u>
2019	\$ 54,000
2020	31,500
2021	24,000
2022	6,000
2023	---
Total	<u>\$ 115,500</u>

**(E) Capital Assets**

Capital asset activity of the primary government for the year ended June 30, 2018 is detailed below.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 54,158,555	\$ 381,700	\$ (72,101)	\$ ---	\$ 54,468,154
Artwork collection	23,340	1,750	---	---	25,090
Construction in progress	25,845,206	12,814,579	(1,434,045)	(22,282,155)	14,943,585
Total not being depreciated	<u>80,027,101</u>	<u>13,198,029</u>	<u>(1,506,146)</u>	<u>(22,282,155)</u>	<u>69,436,829</u>
Capital assets being depreciated:					
Land improvements	25,971,868	89,855	---	---	26,061,723
Buildings	300,238,214	1,010,219	(302,913)	7,057,968	308,003,488
Equipment	130,609,033	12,381,235	(8,859,131)	1,899,373	136,030,510
Infrastructure	575,333,023	12,169,741	---	13,620,065	601,122,829
Total being depreciated	<u>1,032,152,138</u>	<u>25,651,050</u>	<u>(9,162,044)</u>	<u>22,577,406</u>	<u>1,071,218,550</u>
Less accumulated depreciation:					
Land improvements	9,150,143	706,467	---	---	9,856,610
Buildings	158,875,272	9,027,201	(302,913)	---	167,599,560
Equipment	81,645,240	7,674,326	(8,151,337)	288,878	81,457,107
Infrastructure	258,614,228	13,061,960	---	---	271,676,188
Total accumulated depreciation	<u>508,284,883</u>	<u>30,469,954</u>	<u>(8,454,250)</u>	<u>288,878</u>	<u>530,589,465</u>
Total capital assets being depreciated, net	<u>523,867,255</u>	<u>(4,818,904)</u>	<u>(707,794)</u>	<u>22,288,528</u>	<u>540,629,085</u>
Governmental activities capital assets, net	<u>\$ 603,894,356</u>	<u>\$ 8,379,125</u>	<u>\$ (2,213,940)</u>	<u>\$ 6,373</u>	<u>\$ 610,065,914</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Land	\$ 5,300	\$ ---	\$ ---	\$ ---	\$ 5,300
Construction in progress	72,589	20,713	---	---	93,302
Total not being depreciated	<u>77,889</u>	<u>20,713</u>	<u>---</u>	<u>---</u>	<u>98,602</u>
Capital assets being depreciated:					
Land improvements	127,111	32,223	---	---	159,334
Buildings	50,413,074	164,745	---	---	50,577,819
Equipment	14,332,297	372,111	(230,538)	(295,251)	14,178,619
Total being depreciated	<u>64,872,482</u>	<u>569,079</u>	<u>(230,538)</u>	<u>(295,251)</u>	<u>64,915,772</u>
Less accumulated depreciation:					
Land improvements	45,322	11,647	---	---	56,969
Buildings	33,109,488	1,187,784	---	---	34,297,272
Equipment	6,210,256	588,196	(230,538)	(288,878)	6,279,036
Total accumulated depreciation	<u>39,365,066</u>	<u>1,787,627</u>	<u>(230,538)</u>	<u>(288,878)</u>	<u>40,633,277</u>
Total capital assets being depreciated, net	<u>25,507,416</u>	<u>(1,218,548)</u>	<u>---</u>	<u>(6,373)</u>	<u>24,282,495</u>
Business-type activities capital assets, net	<u>\$ 25,585,305</u>	<u>\$ (1,197,835)</u>	<u>\$ ---</u>	<u>\$ (6,373)</u>	<u>\$ 24,381,097</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	\$ 16,589,889	\$ 1,854,053
Planning and Development	385,621	31,902
Public Works	421,428,762	16,600,618
Corrections	1,275,052	110,882
Health Services	16,488,369	840,888
Community Services	53,592	194,716
Law Enforcement	68,629,429	6,549,935
Judicial	12,964,846	2,521,338
Other Elected Officials	2,813,525	1,765,622
Depreciable assets total	<u>540,629,085</u>	<u>30,469,954</u>
Non-depreciable assets:		
Land	54,468,154	---
Artwork collection	25,090	---
Construction in progress	14,943,585	---
Non-depreciable assets total	<u>69,436,829</u>	<u>---</u>
Governmental activities total	<u>\$ 610,065,914</u>	<u>\$ 30,469,954</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, 2018 was \$2,615,000 for the primary government.

*Capital Leases*

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 \$5,036,947.

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, 2018:

Fiscal Year	Operating Leases	Capital Leases
2019	\$ 802,002	\$ 455,868
2020	638,357	440,011
2021	190,936	424,155
2022	122,713	411,470
2023	122,713	403,542
2024-2028	---	1,916,230
2029-2033	---	1,703,360
Total minimum lease payments	1,876,721	5,754,636
Less: amount representing interest	---	(717,689)
Present value of minimum lease payments	<u>\$ 1,876,721</u>	<u>\$ 5,036,947</u>

**(G) Deferred Inflows of Resources**

Deferred inflows of resources shown on the Balance Sheet as unavailable revenue consist of the following:

	General Fund	Debt Service Fund	Education Fund	Grants Fund	Nonmajor Governmental Fund	Totals
Fiscal year 2019 property tax assessment	\$ 304,611,452	\$ 120,089,488	\$ 375,763,880	\$ ---	\$ ---	\$ 800,464,820
Current and prior years' property taxes receivable	12,425,468	5,350,157	15,122,442	---	---	32,898,067
Due from Federal Government	17,106	---	---	---	---	17,106
Due from State	1,000	---	---	---	---	1,000
Due from City of Memphis	40,834	---	---	---	---	40,834
Due from other local governments	36,170	---	---	---	---	36,170
Notes receivable	40,304	846,380	5,302	3,140,774	---	4,032,760
Other receivables	4,692,107	---	---	---	56,839	4,748,946
	<u>\$ 321,864,441</u>	<u>\$ 126,286,025</u>	<u>\$ 390,891,624</u>	<u>\$ 3,140,774</u>	<u>\$ 56,839</u>	<u>\$ 842,239,703</u>

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

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

In October 2017, the County issued General Obligation Bond Anticipation Note, Series 2017, in an original aggregate principal amount of not to exceed \$120,000,000 (the "Note"). The Note evidences a drawdown loan being made by STI Institutional & Government, Inc., an affiliate of Sun Trust Bank (the "Lender"), to the County pursuant to the terms of the Loan Agreement. The Note was issued to provide moneys to finance certain capital projects of the County, including schools, or for any other purpose permitted under the Act and the Resolutions, and to pay the costs of issuance and sale of the Note. As of 6/30/2018, \$51,000,000 of the \$120,000,000 2017 BANs has been drawn down.

Changes in long-term liabilities:

Changes in long-term liabilities for the year were:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Governmental activities:					
Bonds and loans payable	\$ 989,746,532	\$ ---	\$ (99,706,321)	\$ 890,040,212	\$ 95,221,321
Capital lease obligations	5,397,468	---	(360,521)	5,036,947	356,070
Net premium of bonds issued	68,124,480	---	(15,967,143)	52,157,337	12,247,369
Bond anticipation notes	---	51,000,000	---	51,000,000	---
Claims and judgments	5,871,319	83,738	(2,395,404)	3,559,652	585,566
Landfill postclosure care costs	2,146,447	---	(233,043)	1,913,404	255,121
Total long-term debt	1,071,286,246	51,083,738	(118,662,432)	1,003,707,552	108,665,447
Sick and annual leave	23,117,326	11,409,161	(10,677,580)	23,848,906	17,460,990
Net postemployment benefit liability*	87,907,251	---	(48,747,963)	39,159,288	---
Net pension liability	501,704,825	47,987	(30,300,807)	471,452,005	---
Total governmental activities	<u>\$ 1,684,015,648</u>	<u>\$ 62,540,886</u>	<u>\$ (208,388,782)</u>	<u>\$ 1,538,167,751</u>	<u>\$ 126,126,437</u>
Business-type activities:					
Claims and judgements	\$ ---	\$ 96,000	\$ ---	\$ 96,000	\$ -
Sick and annual leave	5,071,497	3,587,430	(3,396,484)	5,262,442	3,734,575
Net postemployment benefit liability*	16,871,749	---	(9,356,037)	7,515,712	---
Net pension liability	94,889,331	1,993,297	(9,228,090)	87,654,538	---
Total business-type activities	<u>\$ 116,832,577</u>	<u>\$ 5,676,727</u>	<u>\$ (21,980,611)</u>	<u>\$ 100,528,692</u>	<u>\$ 3,734,575</u>

\*beginning balance due to implementing GASB 75 - prior period adjustment

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$91,804 of sick and annual leave payable, and \$3,316,110 of claims and judgments payable, which includes the current portions of long term claims in the Tort Liability Fund and Employer Insurance Fund, 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 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
2006B Public Imp/Schools (a), (b)	02/22/2006	Variable	150,145,000	03/01/2031
2009A Refunding Issue (b)	04/02/2009	2.75 - 5.0	49,685,000	04/01/2022
2009B Public Imp/Schools (b)	09/30/2009	2.25-5.0	29,455,000	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	27,891,402	09/01/2026
2010 Qualified School Construction Loans	10/01/2010	1.515	38,231,310	09/15/2027
2011A Refunding Bonds (b)	03/30/2011	4.00-5.00	60,355,000	03/01/2025
2011 Port Commission Loan	09/07/2011	2.00-5.00	16,807,500	04/01/2036
2012A Refunding Bonds (b)	03/01/2012	3.00-5.00	208,275,000	03/01/2028
2012B GO Refunding (Rural Schools) (b)	03/01/2012	2.00-4.00	390,000	03/01/2019
2015A Refunding Bonds (b)	01/28/2015	2.00-5.00	103,985,000	04/01/2027
2016A Refunding Bonds (b)	02/26/2016	1.50-5.00	64,790,000	04/01/2027
2017A Public Imp/Schools (b)	06/21/2017	5.00	80,030,000	04/01/2037
Total bonds and loans payable			<u>\$ 890,040,212</u>	

- (a) Interest rate swap agreements are in place related to this bond issue, as explained below in this note.
- (b) Direct general obligation bonds of the County

This debt represents borrowings for the following:

General government	\$ 155,496,629
Education	<u>734,543,583</u>
	<u>\$ 890,040,212</u>

Interest expense in the governmental funds during the fiscal year ended June 30, 2018 was \$46,991,997 (current financial resources measurement focus and modified accrual basis of accounting). Entity wide interest was \$46,880,272 (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 1.50% to 5.75%. In the Debt Service Fund the County accrued interest on the variable rate bonds only. All fixed rate unmatured interest is recognized as an expenditure when due.

All unmatured interest which is due in future years is disclosed in the table below. The County has no legal debt limit. Debt service requirements for principal and interest in future years, using the actual rate on fixed rate bonds and a rate of 4.43% for variable rate bonds, as explained in the swap agreement terms below, are as follows:

Years Ended June 30	Principal	Interest	Total
2019	95,221,321	43,181,084	138,402,405
2020	93,441,321	38,961,188	132,402,509
2021	91,413,821	34,794,183	126,208,004
2022	88,701,321	30,828,186	119,529,507
2023	87,656,321	27,213,917	114,870,238
2024-2028	300,593,607	81,318,247	381,911,854
2029-2033	98,547,500	22,123,294	120,670,794
2034-2038	34,465,000	3,781,875	38,246,875
Total long-term debt	<u>\$ 890,040,212</u>	<u>\$ 282,201,974</u>	<u>\$ 1,172,242,186</u>

Interest rate swap agreements:

As of June 30, 2018 Shelby County has two (2) 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, 2018		Notional Amount
	Classification	Amount	Classification	Amount	
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ (2,165,473)	Derivative instruments	\$ (6,411,895)	\$ 37,632,680
Pay-fixed interest rate swap	Deferred outflow	(6,474,234)	Derivative instruments	(19,169,956)	112,521,320
		<u>\$ (8,639,707)</u>		<u>\$(25,581,851)</u>	<u>\$ 150,154,000</u>

**Swap One and Two: 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:

Executed Date	Swap Effective Date	Swap Maturity Date	Notional Amount	Fixed Payer Rate	Floating Rate Index
2/14/2006	2/22/2006	3/1/2031	\$150,145,000	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 paid 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 original swap was \$119,590,000 and MKFP's portion was \$40,000,000. As of 6/30/2018 the notional amounts of the 2006B Goldman swap and the 2006B MKFP swap are \$112,512,320 and \$37,632,680 respectively.

*Fair Value of Swap:* The swaps, as of 6/30/2018 have a net value of (\$23,532,676). The fair value was (\$25,581,848) of which approximately (\$2,049,172) is accrued interest from 6/01/2018 to the valuation date, 6/30/2018. This fair value was measured using an option pricing model technique under the income approach in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The observability of inputs used to perform the measurement results in the swap fair values being categorized as level 2.

*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 6/30/2018 of 1.51%. Interest and net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2019	---	2,264,844	4,384,234	6,649,078
2020	2,705,000	2,264,844	4,378,023	9,347,867
2021	8,505,000	2,223,840	4,305,248	15,034,088
2022	9,575,000	2,095,627	4,056,902	15,727,529
2023	7,130,000	1,951,283	3,777,312	12,858,595
2024	7,450,000	1,843,798	3,564,059	12,857,857
2025	23,900,000	1,730,868	3,351,576	28,982,444
2026	26,130,000	1,370,574	2,653,696	30,154,270
2027	20,110,000	976,662	1,890,700	22,977,362
2028	6,625,000	673,503	1,301,641	8,600,144
2029	12,680,000	573,079	1,110,038	14,363,117
2030	6,055,000	381,927	739,782	7,176,709
2031	19,280,000	290,647	562,976	20,133,623
Total	\$ 150,145,000	\$ 18,641,496	\$ 36,076,187	\$ 204,862,683

*Credit Risk:* Because the swap has a negative value on 6/30/2018, 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 did not exercise the optional termination rights on 3/1/2016 and the terms and condition of the trade confirmation remain in effect with the termination date of 3/1/2031.

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

*Basis Risk:* As long as there is not a direct relationship between the floating rate received from the 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 in Governmental activities of \$3,559,652 and \$96,000 for Business-type activities 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	Educational Fund	Grants Fund	Nonmajor Governmental Funds	Total
Fund balances:							
Restricted for:							
Road and construction projects	\$ ---	\$ ---	\$ ---	\$ ---	\$ 395,965	\$ 15,887,338	\$ 16,283,303
Economic and cultural projects	---	---	---	---	2,254,215	8,680,745	10,934,960
Law enforcement activities	---	---	---	---	---	4,058,577	4,058,577
Data and forms processing activities	64,492	---	---	---	---	1,109,695	1,174,187
Environmental and health activities	---	---	---	---	1,947,920	409,191	2,357,111
Rehabilitation and community service programs	---	---	---	---	1,030,641	1,227,625	2,258,266
Debt on school construction	---	405,600	---	---	---	---	405,600
Conservation projects	---	---	88,123	---	649,588	3,305,513	4,043,224
Other grants and sponsored projects	---	---	---	---	10,071,151	---	10,071,151
Committed to:							
Approved carryforward appropriation:	3,911,298	---	5,560,462	---	---	---	9,471,760
Subsequent year operations	5,064,782	---	---	6,472,908	---	---	11,537,690
Economic and cultural projects	---	---	---	---	---	3,448,220	3,448,220
Environmental activities	---	---	---	---	---	1,171,529	1,171,529
Public improvement and educational projects	86,022	---	---	---	---	---	86,022
Debt on public improvement and educational projects	---	64,648,954	---	---	---	---	64,648,954
Assigned to:							
Purchase order encumbrances	---	---	---	---	---	---	---
Vehicle Replacement	1,290,610	---	---	---	---	---	1,290,610
Lawn Maintenance	376,071	---	---	---	---	---	376,071
Other purchase order encumbrances	679,580	---	---	---	---	---	679,580
Unassigned	100,490,375	---	---	---	---	---	100,490,375
Total fund balances	\$111,963,230	\$ 65,054,554	\$ 5,648,585	\$ 6,472,908	\$ 16,349,480	\$ 39,298,433	\$ 244,787,190

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:

Due to/from other funds consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 62,896
Education Fund	General Fund	2,837,065
Nonmajor Governmental Funds	General Fund	1,992,829
Total		<u>\$ 4,892,790</u>

Advances to/from other funds (interfund loans) consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise Fund	\$ 1,800,000
Total		<u>\$ 1,800,000</u>

Due to/From Component Units consists of the following:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Board of Education (component unit)	Capital Projects Fund	\$ 25,165,728
Total		<u>\$ 25,165,728</u>

The interfund amounts payable by the General Fund result from collection of fees and taxes by a designated elected official that are revenue of the receivable funds; however the custody of the funds at year-end was with the collecting official and funds were not yet available to the receiving funds.

The advance from the General Fund to the Fire Services Fund was made to facilitate the purchase of ambulances. It is a three year note bearing 1% interest, payable in January of each year. Repayment consists of one payment of \$450,000 principal plus accrued interest and one final payment of \$1,350,000 plus accrued interest due in January 2020.

The total due to component units disclosed here, \$25,165,728 is less than the amount disclosed on the Statement of Net Position due to \$11,746,693 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	\$ 2,777,694
	Corrections Center Fund	12,000,000
	Nonmajor Enterprise Funds	1,500,000
	Internal Service Funds	250,000
Grants Fund	General Fund	665,276
	Nonmajor Governmental Funds	1,486
	Corrections Center Fund	37,119
	Nonmajor Enterprise Funds	19,184
Nonmajor Governmental Funds	Grants Fund	250,628
Total transfers out of governmental fund types		<u>17,501,387</u>
Enterprise Funds	Grants Fund	484,008
Internal Service Funds	General Fund	192,654
	Nonmajor Governmental Funds	1,500,000
Total transfers out of proprietary fund types		<u>2,176,662</u>
Total all fund types		<u>\$ 19,678,049</u>

Transfers are used to (1) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The nature of transfers from Grants Fund to General Fund and Nonmajor Governmental Funds include reimbursements for salaries, fringe benefits and other expenditures incurred in those funds in prior years related to the grant programs.

**(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, 2018 is detailed below:

	General Fund	Debt Service Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Private donor grants	\$ 53,000	\$ ---	\$ ---	\$ 521,488	\$ 1,500	\$ 575,988
Miscellaneous income	565,625	---	1,907,137	20	2,052	2,474,834
Forfeitures and seizures	65,894	---	---	---	1,269,637	1,335,531
Housing principal & interest	---	551,616	---	248,473	---	800,089
Total other revenue	<u>\$ 684,519</u>	<u>\$ 551,616</u>	<u>\$ 1,907,137</u>	<u>\$ 769,981</u>	<u>\$ 1,273,189</u>	<u>\$ 5,186,442</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:

	2018	2017
Insurance claims liabilities at the beginning of the fiscal year	\$ 3,436,770	\$ 3,968,034
Incurred claims and claim adjustment expenses	42,500,038	38,587,114
Payment of claims and claim adjustment expenses	(41,253,965)	(39,118,378)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 4,682,843</u>	<u>\$ 3,436,770</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:

	2018	2017
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 3,218,413	\$ 1,867,896
Incurred claims and claim adjustment expenses	(1,439,118)	1,881,272
Payment of claims and claim adjustment expenses	(721,293)	(530,755)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 1,058,002</u>	<u>\$ 3,218,413</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:

	2018	2017
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 3,852,159	\$ 4,399,228
Incurred claims and claim adjustment expenses	1,637,253	1,034,040
Payment of claims and claim adjustment expenses	(1,852,455)	(1,581,109)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 3,636,957</u>	<u>\$ 3,852,159</u>

The total of claims liability disclosed here, \$9,377,802 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 \$132,629 of claims in General Fund and \$29,500 in the Corrections Fund that are solely short term in nature and a \$243,542 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
\$ 3,911,298	\$ 36,372,640	\$ 12,261,971	\$ 1,086,431	\$ 53,632,340

The Capital Projects Fund had additional commitments specific to capital projects of \$46,924,300 as of June 30, 2018.

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).

The County is listed as defendant in several lawsuits all related to the selection and implementation of court case software. The software was implemented on or about November 2016. Complaints began to be filed around that time and in early 2017 alleging civil rights violations under 42 U.S.C. section 1983 and Tennessee Common Law as a result of the software implementation. The County is vigorously defending the claims. As of June 30, 2018 it is too early in the litigation process to assess any potential liability arising from claims in these cases. These claims would be paid by the Tort Liability Fund.

**(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 an 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 FedEx Forum) has been done through the Authority. The Authority has issued long-term debt with principal balance of \$160,510,614, net of discounted bond issuance, owed as of December 31, 2017. 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, 2018 the County transferred to the Sports Authority for debt service purposes the amount of \$2,281,890 from car rental taxes and \$4,861,210 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. <u>(December 31, 2017)</u>
Assets	\$ 59,165,153
Liabilities	167,741,749
Net position	(108,576,596)
Operating expenses	14,235,932
General revenues	29,667,445
Change in net position	15,431,513

*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 previous 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 FedEx Forum). Upon completion of the facility, it was leased to and operated by HOOPS, LP. In 2012, Memphis Basketball, LLC purchased the NBA franchise from HOOPS, L.P. and now leases and operates FedEx Forum.

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 \$151,061 for insurance on the facility. Since the PBA's only assets are the ownership rights to the FedEx Forum Arena, and since there has been no financial activity for the fiscal year, the Tennessee Comptroller of the Treasury has granted approval for an exemption from the annual audit requirement. As of December 31, 2007 - the most recent financial statements available - the PBA reported assets of \$209,123,653 and net assets of \$209,123,653.

*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, Highland Row, and Binghampton projects. 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 *Shelby County Health, Housing and Education Facilities Board* was established to assist in the financing of health facilities, educational facilities, and housing facilities for low and moderate income families, disabled individuals and the elderly. The financings are accomplished through the issuance of revenue bonds payable solely from the revenues of the project. The taxpayers and the County of Shelby are never liable for the repayment of the bonds. The County Mayor appoints all nine members of the Board but the County 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.

*Employees covered by benefit terms*

The following table summarizes the membership of the Trust as of June 30, 2017:

	<u>Total</u>
Inactive employees and beneficiaries currently receiving benefits	3,183
Inactive members entitled to but not receiving benefits	---
Active participants	<u>5,011</u>
Total Membership	<u><u>8,194</u></u>

Plan members receiving health insurance under the County’s plan pay a monthly premium based on benefits experience of the retiree group. Plan members receiving life insurance under the Trust contribute an amount that is 30% of the composite (average) premium for both active and retired employees. The Trust pays an age-adjusted premium for the retiree life insurance.

Shelby County provides employer contributions to the Trust. The county contributes the annual required contribution (ARC), or more, as a percent of payroll from the active employees based on the latest available actuarial valuation, at the time the budget is approved for a fiscal year. The FY2018 contribution was 5.61% of payroll. Active employees are not required to make contributions to the OPEB Trust.

The net OPEB liability was measured as of June 30, 2017, and the total net OPEB liability used to calculate the net OPEB liability was determined by actuarial valuations as of that date.

*Actuarial assumptions*

System:

Inflation	2.75	percent
Real wage growth	0.50	percent
Wage inflation	3.25	percent
Salary Increases	2.75 - 5.75	percent, including inflation
Long-term Investment rate of return, net of OPEB investment expense	5.25	percent, including inflation
Municipal Bond Index rate at prior measurement date	3.01	percent
Municipal Bond Index rate at measurement date	3.56	percent
Single Equivalent Interest rate at measurement date	5.25	percent
Single Equivalent Interest rate at prior measurement date	5.25	percent

*Health Care cost trend rate*

	2017*
Pre-medicare	<u>7.75%</u>
	2017**
Medicare	<u>5.75%</u>

\*decreasing to an ultimate rate of 5.00% by 2023

\*\*decreasing to an ultimate rate of 5.00% by 2020

The mortality rates for healthy participants are the RP-2000 Combined Healthy Mortality Table set forward three years for males and set forward one year for females and using a Scale AA projection to 2025. The mortality rates for disabled participants are the RP-2000 Disabled Mortality Table set forward six years for males and set forward nine years for females and using a Scale AA projection to 2015.

The actuarial demographic assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 – June 30, 2012. The actuarial economic assumptions used in the June 30, 2017 valuation were based on the results of an Economic Experience Investigation as of June 30, 2015 with the assumed investment Rate of Return further reduced to 5.25 percent by the Retirement Board of Trustees on September 13, 2016.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Several factors should be considered in evaluation the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans, which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	14.1 %	6.3 %
International Equity	10.4	6.5
Low Volatility Equity	8.2	6.5
Private Equity	6.6	8.7
Core Fixed Income	6.7	3.3
High Yield	1.0	5.0
EMD Hard Currency	6.4	5.5
Global Fixed Income	5.1	2.4
Credit Opportunities	6.4	6.2
Absolute Return	16.1	5.9
Private Real Estate	1.0	5.6
Private Real Asset	8.0	6.8
MLPs	10.0	9.0
Cash	---	1.6
Total	100.0 %	

The following presents net OPEB liability, calculated using the above stated discount rates, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate Health Care Cost Trend Rates and Interest Rates:

The following exhibit presents the NOL of the Plan, calculated using current health care cost trend rates, as well as what the Plan's NOL would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

*Health Care Cost Trend rates*

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (\$ thousands)	\$ 25,491	\$ 46,675	\$ 72,392

The following exhibit presents the NOL of the Plan, calculated using the discount rate of 5.25%, as well as what the Plan's NOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

*Interest rates*

	1% Decrease	Current Discount Rate	1% Increase
	4.25%	5.25%	6.25%
Net OPEB liability (\$ thousands)	\$ 84,896	\$ 46,675	\$ 15,240

*Changes in the Net OPEB Liability*

	(\$ in thousands)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016	\$ 303,456	\$ 198,677	\$ 104,779
Changes for the year:			
Service cost	5,409	---	5,409
Interest	15,541	---	15,541
Difference between expected and actual experience	(10,467)	---	(10,467)
Changes in assumptions	(20,278)	---	(20,278)
Contributions - employer	---	15,873	(15,873)
Contributions - employee	---	6,311	(6,311)
Net investment income	---	26,640	(26,640)
Benefits payments	(14,865)	(14,865)	---
Administrative expense	---	(537)	537
Other	---	22	(22)
Net change	<u>(24,660)</u>	<u>33,444</u>	<u>(58,104)</u>
Balances at June 30, 2017	<u>\$ 278,796</u>	<u>\$ 232,121</u>	<u>\$ 46,675</u>

For the year ended June 30, 2018, Shelby County Government recognized OPEB expense of \$4,666,000 from the Trust.

*OPEB Related Deferred Outflows and Inflows*

The table below provides a summary of the OPEB related deferred outflows and inflows as of June 30, 2018:

	(\$ in thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ (8,423)
Changes in assumptions	---	(16,317)
Net difference between projected and actual earnings on Plan investments	---	(12,825)
Employer contributions subsequent to the measurement date	14,255	---
Total	<u>\$ 14,255</u>	<u>\$ (37,565)</u>

Amounts reported as deferred inflows of resources related to pension will be recognized as follows:

Year ended June 30,	<u>(\$ in thousands)</u>
2019	\$ (9,211)
2020	(9,211)
2021	(9,211)
2022	(720)
Thereafter	---

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

**(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 supplemental information. Audited GAAP financial statements may be obtained by writing to the Shelby County Retirement System, Suite 701, 160 N. Main, Memphis, TN 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. Once becoming a participant, a person will continue to participate as long as he or she is an employee of the County.

*Benefits Provided*

The System consists of four plans (Plans A, B, C and D) which are legally one reporting entity. All System plans are contributory. All plans provide retirement as well as survivor and disability defined benefits.

Plan A is 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. Retirement benefits are calculated based upon number of years of credited service, age at the time pension payments begin, and final average earnings as defined in the plan as an average of the earnings in the 36 consecutive month period of employment in which the earnings were highest. Survivor benefits generally are payable to the employee’s spouse in an amount equal to 75% of the calculated pension due the employee once the spouse attains age 65. Other options and restrictions apply to pensions and survivor benefits as detailed in the plan. Disability pension benefits are generally provided through a separate insurance contract maintained by the County. Plan A does not provide any disability benefits for participants who were active employees on January 1, 2002 except in certain circumstances as outlined in the plan.

Benefit terms provide for annual cost-of-living adjustments to each employee’s retirement allowance beginning the calendar year after a pensioned participant attains age 65. The adjustment is the lesser of the percentage increase in the federally-calculated Consumer Price Index – All Urban for the 12-month period ending on the previous September 30 or 4%.

Plan B is for employees hired prior to December 1, 1978. Retirement benefits are calculated based upon 2.7% of final average earnings multiplied by the lesser of years of credited service or 25 years, plus 1% of final average earnings multiplied by years of credited service in excess of 25 but no more than 35. Survivor benefits are generally payable to the employee's spouse or in the absence of a spouse, the employee's eligible children as defined in the plan, an amount equal to 100% of the benefits payable to the employee. Other options and restrictions apply to pensions and survivor benefits as detailed in the plan. Disability pension benefits are only available to those employees who incur line-of-duty disability.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance beginning the calendar year after a pensioned participant attains age 65. The adjustment is the lesser of the percentage increase in the federally-calculated Consumer Price Index – All Urban for the 12-month period ending on the previous September 30 or 1%.

Plan C became effective September 1, 2005 for all employees hired after February 28, 2005 but before July 1, 2011 and includes all full-time, part-time and elected employees, and employees of all joint City/County agencies administrated by Shelby County, and members of Plan A electing to transfer to Plan C. CETA employees, Board of Education employees, employees electing Social Security coverage, and Joint City/County agencies not administered by Shelby County cannot participate. Retirement benefits are calculated in one of two ways, whichever produces the highest benefit to the employee; (1) based upon number of years of credited service, final average earnings as defined in the plan as an average of the earnings in the 36 consecutive month period of employment in which the earnings were highest, and a percentage determined by options detailed in the plan – maximum of 2.35%, (2) the "Life Annuity Equivalent" based upon the employee's age when payments begin, using actuarial factors contained in the plan document, applied to the employee's benefit accrual account under the plan. Survivor benefits are generally payable as follows: (1) any dependent children as defined in the plan receive 50% of final average earnings to be divided equally for as long as they remain dependent, (2) a spouse, as defined in the plan, will receive the greater of 75% of the amount calculated based on credited years of service, average final earnings, and 2.35% or the "Life Annuity Equivalent" based upon the spouse's age and actuarial factors contained in the plan. Other options and restrictions apply to pensions and survivor benefits as detailed in the plan. Disability pension benefits are generally provided through a separate insurance contract maintained by the County. Plan C does not provide any disability benefits for participants except under a single exception applicable only to former employees who transferred to City of Memphis employment as outlined in the plan.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance beginning the calendar year after a pensioned participant attains age 65. The adjustment is the lesser of the percentage increase in the federally-calculated Consumer Price Index – All Urban for the 12-month period ending on the previous September 30 or 4%.

Plan D includes all employees hired on or after July 1, 2011. Retirement benefits are calculated using the average over the 5 highest consecutive years of earnings and are eligible for early retirement at age 62 (at age 50 with the last 20 years of credited service in a public safety classification) and normal retirement at age 67 (at age 55 with the last 7.5 years of credited service in a public safety classification). Survivor benefits for the eligible beneficiary will be based on years of credited service and determination of in line-of-duty or not in line-of-duty death. A surviving spouse, as defined in the plan, will receive 75% of the participant's pension at age 67, if participant dies after completion of 15 years of credited service. Disability pension benefits are generally provided through a separate insurance contract maintained by the County, except for transfers as outlined in the plan.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance beginning the calendar year after a pensioned participant attains age 67. The adjustment is the lesser of the percentage increase in the federally-calculated Consumer Price Index – All Urban for the 12-month period ending on the previous September 30 with a maximum of 2%.

*Employees covered by benefit terms*

The following table summarizes the membership of the System as of June 30, 2017, the valuation and measurement date:

	<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan D</u>	<u>Total</u>
Inactive employees and beneficiaries currently receiving benefits	1,911	926	964	---	3,801
Inactive employees and beneficiaries entitled to but not yet receiving benefits	150	---	56	1	207
Inactive participants entitled to a refund of contributions	29	---	73	165	267
County to City transfers	165	---	13	2	180
Active participants	<u>1,339</u>	<u>5</u>	<u>2,073</u>	<u>1,594</u>	<u>5,011</u>
Total	<u><u>3,594</u></u>	<u><u>931</u></u>	<u><u>3,179</u></u>	<u><u>1,762</u></u>	<u><u>9,466</u></u>

*Contributions*

Contributions for participants in the System are established by the Board of Administration of the Shelby County, Tennessee Retirement System (the Board) based on actuarial valuations. Contribution requirements for the employer are based on the same actuarial valuations used by the Board and are established by the Shelby County Board of Commissioners in the fiscal year budget appropriations which can be amended by resolution. 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 2018 were based on the actuarial report as of June 30, 2016.

In accordance with the actuarial valuation as of June 30, 2016, the System employer rate required was 20.95% of covered payroll participants. Plan B, Plan C, and Plan D participants contribute 8% of their earnings, with some exceptions of employees of Plan B with more than 35 years of service. Plan A participants contribute 2.0%. This resulted in total contributions of \$69,564,619 (\$53,250,780 employer contributions and \$16,313,839 of employee contributions).

The net pension liability for all plans was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

*Actuarial assumptions*

## System:

Inflation	2.75	percent
Salary Increases	2.75 - 5.75	percent, including inflation
Investment rate of return	7.00	percent, net of pension plan investment expense, including inflation
Cost-of-Living Adjustment	1.00	percent per year, compounded for Plan B
	2.75	percent per year, compounded for Plan A and Plan C
	2.00	percent per year, compounded for Plan D

Mortality rates for the System were based on the RP-2000 Combined Mortality Table set forward three years for males and set forward one year for females and using a Scale AA projection to 2025 for the period after service retirement and for dependent beneficiaries as well as for deaths in active service. The RP-2000 Disability Mortality Table set forward six years for males and set forward nine years for females and using a Scale AA projection to 2015 is used for the period after disability retirement.

The System actuarial demographic assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 – June 30, 2012. The actuarial economic assumptions used in the June 30, 2017 valuation were based on the results of an Economic Experience Investigation as of June 30, 2015 with the assumed investment rate of return further reduced to 7.00 percent by the Retirement Board of Trustees on September 13, 2016.

The discount rate used to measure the total pension liability for the System at June 30, 2017 was the long term rate of return, 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made equal to the difference between the actuarially determined contribution and member contributions. Projected future benefit payments for all current plan members were projected through the year 2119.

Based on those assumptions, the fiduciary net position for all plans was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and a municipal bond rate was not used in determining the discount rate.

The System long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	14.1 %	6.3 %
International Equity	10.4	6.5
Low Volatility Equity	8.2	6.5
Private Equity	6.6	8.7
Core Fixed Income	6.7	3.3
High Yield	1.0	5.0
EMD Hard Currency	6.4	5.5
Global Fixed Income	5.2	2.4
Credit Opportunities	6.4	6.2
Absolute Return	16.0	5.9
Private Real Estate	1.0	5.6
Private Real Asset	8.0	6.8
MLPs	10.0	9.0
Cash	---	1.6
Total	100.0 %	

The following presents net pension liability, calculated using the above stated discount rates, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability (\$ thousands)	\$ 771,262	\$ 559,049	\$ 381,969

*Changes in the Net Pension Liability*

	(\$ in thousands)		
	Total Pension	Fiduciary Net	Net Pension
	Liability	Position	Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016	\$ 1,648,669	\$ 1,052,137	\$ 596,532
Changes for the year:			
Service cost	27,640	---	27,640
Interest	112,438	---	112,438
Difference between expected and actual experience	(3,124)	---	(3,124)
Changes in assumptions	---	---	---
Contributions - employer	---	41,888	(41,888)
Contributions - employee	---	15,688	(15,688)
Net investment income	---	118,103	(118,103)
Benefits payments, including refunds of employee contributions	(86,285)	(86,285)	---
Administrative expense	---	(1,242)	1,242
Net change	50,669	88,152	(37,483)
Balances at June 30, 2017	<u>\$ 1,699,338</u>	<u>\$ 1,140,289</u>	<u>\$ 559,049</u>

For the year ended June 30, 2018, Shelby County Government recognized pension expense of \$97,007,000 from the System.

*Pension Related Deferred Outflows and Inflows*

The table below provides a summary of the pension related deferred outflows and inflows as of June 30, 2017:

	(\$ in thousands)	
	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and actual experience	\$ ---	\$ 7,471
Changes in assumptions	73,202	---
Net difference between projected and actual earnings on Plan investments	49,591	---
Employer contributions subsequent to the measurement date	53,214	---
Total	<u>\$ 176,007</u>	<u>\$ 7,471</u>

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

Amounts reported as deferred inflows of resources related to pension will be recognized as follows:

Year ended June 30,	<u>(\$ in thousands)</u>
2019	\$ 55,062
2020	25,758
2021	(9,492)
Thereafter	---

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

### **Tennessee Consolidated Retirement System**

#### *Plan Description*

Certain employees of Shelby County Government are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

#### *Benefits Provided*

The TCRS includes only certain employees of Shelby County as permitted by state statutes. Members are eligible to retire at age 60 with 5 years of service credit or after 30 years of service credit. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits are available for early retirement at age 55 and vested. Members vest with five years of service credit. Service related and non-service related disability benefits are provided in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. Automatic cost of living adjustments are provided after retirement.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for Annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3% and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employment contributions, plus any accumulated interest.

Shelby County membership in TCRS as of June 30, 2017, the valuation and measurement date, includes five inactive employees or beneficiaries currently receiving benefits, and one currently active employee.

#### *Contributions*

Contributions under the TCRS plan are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. Shelby County Government makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, employer contributions for Shelby County Government were \$10,845 based on 9.80% of covered payroll.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

*Actuarial assumptions*

TCRS:		
Inflation	2.5	percent
Salary Increases	3.45-8.75	percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25	percent, net of pension plan investment expense, including inflation
Cost-of-Living Adjustment	2.25	percent

Mortality rates for TCRS were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The TCRS actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 – June 30, 2016. The TCRS discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made equal to the difference between the actuarially determined contribution and member contributions.

Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The TCRS long-term rate of return was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study by considering several techniques for a blended capital market projection. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 2.5 percent.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	31.0 %	5.7 %
Developed Market International Equity	14.0	5.3
Emerging Market International Equity	4.0	6.4
Private Equity and Strategic Lending	20.0	5.8
US Fixed Income	20.0	2.0
Real Estate	10.0	4.3
Short-term Securities	1.0	---
Total	100.0 %	

The following presents net pension liability, calculated using the above stated discount rates, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net pension liability	\$ 134,219	\$ 57,543	\$ (9,319)

*Changes to the Net Pension Liability*

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 832,412	\$ 770,256	\$ 62,156
Changes for the year:			
Service cost	10,062	---	10,062
Interest	61,186	---	61,186
Difference between expected and actual experience	(808)	---	(808)
Changes in assumptions	26,033	---	26,033
Contributions - employer	---	10,480	(10,480)
Contributions - employee	---	5,533	(5,533)
Net investment income	---	85,158	(85,158)
Benefits payments, including refunds of employee contributions	(53,315)	(53,315)	---
Administrative expense	---	(85)	85
Net change	<u>43,158</u>	<u>47,771</u>	<u>(4,613)</u>
Balances at June 30, 2017	<u>\$ 875,570</u>	<u>\$ 818,027</u>	<u>\$ 57,543</u>

For the year ended June 30, 2018, Shelby County Government recognized pension expense of \$30,508 from TCRS.

*Pension Related Deferred Outflows and Inflows*

The table below provides a summary of the pension related deferred outflows and inflows as of June 30, 2017:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ ---
Changes in assumptions	---	---
Net difference between projected and actual earnings on Plan investments	386	---
Employer contributions subsequent to the measurement date	10,845	---
Total	<u>\$ 11,231</u>	<u>\$ ---</u>

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

Year ended June 30,	
2019	\$ (4,150)
2020	8,600
2021	1,692
2022	(5,758)
Thereafter	---

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

**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, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0203 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us).





**Required Supplementary Information  
Other Postemployment (OPEB) Trust Fund  
For the Year Ended June 30, 2018**

	<u>Schedule of Employer Contributions</u>			
(\$ in thousands)	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined employer contributions*	\$ 29,262	\$ 15,811	\$ 12,984	\$ 13,717
Actual employer contributions	<u>36,731</u>	<u>31,445</u>	<u>21,266</u>	<u>15,873</u>
Annual contribution deficiency/(excess)	<u>\$ (7,469)</u>	<u>\$ (15,634)</u>	<u>\$ (8,282)</u>	<u>\$ (2,156)</u>
Covered payroll	\$ 239,752	\$ 253,536	\$ 254,988	\$ 255,925
Actual contributions as a percent of covered payroll	15.32%	12.40%	8.34%	6.20%

\* Actuarially determined employer contributions calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

**Required Supplementary Information  
Other Postemployment (OPEB) Trust Fund  
For the Year Ended June 30, 2018**

**Changes in Net OPEB Liability**

	(\$ in thousands)
Fiscal year-end (measurement date)	2017
<b>Total OPEB Liability</b>	
Service cost	\$ 5,409
Interest	15,541
Changes of benefit terms	---
Differences between expected and actual experience	(10,467)
Changes in assumptions	(20,278)
Benefit payments, including refunds of employee contributions	(14,865)
Net change in total OPEB liability	(24,660)
Total OPEB Liability - beginning	303,456
Total OPEB Liability - ending	\$ 278,796
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 15,873
Contributions - employee	6,311
Net investment income	26,640
Benefit payments, including refunds of employee contributions	(14,865)
Administrative expenses	(537)
Other	22
Net change in Plan Fiduciary Net Position	33,444
Plan Fiduciary Net Position - beginning	198,677
Plan Fiduciary Net Position - ending	\$ 232,121
Net OPEB Liability - ending	\$ 46,675

**Required Supplementary Information  
Other Postemployment (OPEB) Trust Fund Liability  
For the Year Ended June 30, 2018**

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Net OPEB Liability

	2017		2016	
Total OPEB Liability	\$ 278,796		\$ 303,456	
Plan Fiduciary Net Position	232,121		198,677	
Net OPEB Liability	46,675		104,779	
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	83.26%		65.47%	
Covered Payroll	\$ 255,925		\$ 254,988	
Net OPEB Liability as a percentage of covered payroll	18.24%		41.09%	

Shelby County, Tennessee

Required Supplementary Information  
Other Postemployment (OPEB) Trust Fund  
Annual Money Weighted Return  
For the Year Ended June 30, 2018

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	Average
Annual money rate of return, net of investment expenses	9.00%	13.42%	-4.11%	0.89%	15.44%	12.35%	-2.43%	23.68%	13.67%	-5.97%	7.59%

**Required Supplementary Information**  
**Shelby County Retirement System and Tennessee Consolidated Retirement System**  
**For the Year Ended June 30, 2018**

**Schedule of Changes in Net Pension Liability**

Fiscal year-end (measurement date)	Shelby County Retirement System (\$ in thousands)				Tennessee Consolidated Retirement System			
	2014	2015	2016	2017	2014	2015	2016	2017
<b>Total Pension Liability</b>								
Service cost	\$ 23,641	\$ 25,533	\$ 24,763	\$ 27,640	\$ 5,465	\$ 12,846	\$ 9,846	\$ 10,062
Interest	104,504	108,830	110,121	112,438	60,595	59,034	60,244	61,186
Changes of benefit terms	---	---	---	---	---	---	---	---
Differences between expected and actual experience	---	(6,934)	(4,524)	(3,124)	(41,875)	145	(4,558)	(808)
Changes in assumptions	---	59,700	90,986	---	---	---	---	26,033
Benefit payments, including refunds of employee contributions	(71,577)	(76,562)	(81,902)	(86,285)	(52,056)	(52,699)	(53,067)	(53,315)
Net change in total pension liability	56,568	110,567	139,444	50,669	(27,871)	19,326	12,465	43,158
Total Pension Liability - beginning	1,342,090	1,398,658	1,509,225	1,648,669	828,492	800,621	819,947	832,412
Total Pension Liability - ending	<u>\$ 1,398,658</u>	<u>\$ 1,509,225</u>	<u>\$ 1,648,669</u>	<u>\$ 1,699,338</u>	<u>\$ 800,621</u>	<u>\$ 819,947</u>	<u>\$ 832,412</u>	<u>\$ 875,570</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 31,976	\$ 34,213	\$ 35,864	\$ 41,888	\$ 9,480	\$ 10,225	\$ 10,479	\$ 10,480
Contributions - employee	13,917	15,235	15,599	15,688	5,399	5,399	5,524	5,533
Net investment income	156,598	6,327	(30,836)	118,103	116,422	24,071	20,381	85,158
Benefit payments, including refunds of employee contributions	(71,577)	(76,562)	(81,902)	(86,285)	(52,056)	(52,699)	(53,067)	(53,315)
Administrative expenses	(1,337)	(1,705)	(1,722)	(1,242)	(85)	(51)	(76)	(85)
Other	---	---	---	---	---	---	---	---
Net change in Plan Fiduciary Net Position	129,577	(22,492)	(62,997)	88,152	79,160	(13,055)	(16,759)	47,771
Plan Fiduciary Net Position - beginning	1,008,049	1,137,626	1,115,134	1,052,137	720,910	800,070	787,015	770,256
Plan Fiduciary Net Position - ending	<u>\$ 1,137,626</u>	<u>\$ 1,115,134</u>	<u>\$ 1,052,137</u>	<u>\$ 1,140,289</u>	<u>\$ 800,070</u>	<u>\$ 787,015</u>	<u>\$ 770,256</u>	<u>\$ 818,027</u>
Net Pension Liability - ending	<u>\$ 261,032</u>	<u>\$ 394,091</u>	<u>\$ 596,532</u>	<u>\$ 559,049</u>	<u>\$ 551</u>	<u>\$ 32,932</u>	<u>\$ 62,156</u>	<u>\$ 57,543</u>
<b>Plan Fiduciary Net Position as a percent of Total Pension Liability</b>								
Covered Payroll	\$ 240,466	\$ 243,655	\$ 244,818	\$ 245,415	\$ 107,975	\$ 107,975	\$ 110,593	\$ 110,663
Net Pension Liability as a percent of Covered Payroll	108.55%	161.74%	243.66%	227.80%	0.51%	30.50%	56.20%	52.00%

GASB 68 requires a 10-year schedule to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Additional years' information will be displayed as it becomes available.

**Shelby County, Tennessee**

**Required Supplementary Information**  
**Shelby County Retirement System and Tennessee Consolidated Retirement System**  
**For the Year Ended June 30, 2018**

**Schedule of Employer Contributions**

Shelby County Retirement System (\$ in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined employer contributions*	\$ 15,261	\$ 16,652	\$ 18,571	\$ 23,402	\$ 31,826	\$ 32,983	\$ 33,220	\$ 32,113	\$ 38,668	\$ 51,289
Actual employer contributions	<u>18,733</u>	<u>19,390</u>	<u>18,788</u>	<u>23,402</u>	<u>30,170</u>	<u>31,976</u>	<u>34,213</u>	<u>35,864</u>	<u>41,888</u>	<u>53,251</u>
Annual contribution deficiency/(excess)	<u>\$ (3,472)</u>	<u>\$ (2,738)</u>	<u>\$ (217)</u>	<u>\$ ---</u>	<u>\$ 1,656</u>	<u>\$ 1,007</u>	<u>\$ (993)</u>	<u>\$ (3,751)</u>	<u>\$ (3,220)</u>	<u>\$ (1,962)</u>
Covered payroll	\$ 271,888	\$ 266,559	\$ 265,137	\$ 258,670	\$ 250,367	\$ 240,466	\$ 243,655	\$ 244,818	\$ 245,415	\$ 254,182
Actual contributions as a percent of covered payroll	6.89%	7.27%	7.09%	9.05%	12.05%	13.30%	14.04%	14.65%	17.07%	20.95%

\* Actuarially determined employer contributions calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined employer contributions						\$ 9,480	\$ 10,225	\$ 10,479	\$ 10,479	\$ 10,480
Actual employer contributions						<u>9,480</u>	<u>10,225</u>	<u>10,479</u>	<u>10,479</u>	<u>10,845</u>
Annual contribution deficiency/(excess)	N/A	N/A	N/A	N/A	N/A	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (365)</u>
Covered payroll						\$ 107,975	\$ 107,975	\$ 110,593	\$ 110,663	\$ 110,663
Actual contributions as a percent of covered payroll						8.78%	9.47%	9.48%	9.47%	9.80%

**I. OPEB Trust Fund**

(A) The Trust was established July 1, 2007 and has been active for eleven fiscal years.

(B) Actuarial valuations are performed as of the close of a fiscal year to determine the employer’s “annual required contribution” (ARC) for the following fiscal year. Since budgets and appropriations by the County’s legislative body must be completed before the beginning of each fiscal year, the County’s annual OPEB contribution is budgeted at the ARC as a percent of payroll from the latest actuarial valuation available at the time the budget is prepared. From fiscal year 2012 to date the county has contributed at least 100% of the ARC being used for the year; continuing this funding level is the most significant factor affecting the trends shown above.

(C) The schedules presented are reported as historical trend information. The Schedule of Funding Progress is presented to measure the progress being made to accumulate sufficient assets to pay benefits when due. The Schedule of Employer Contributions is presented to show the responsibility of the County in meeting the actuarial requirements to maintain the Plan on a sound financial basis. The comparability of trend information may be affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the net postemployment benefit obligation as a factor.

Actuarial cost method	Entry Age Normal	
Amortization method	Level dollar	
Amorization period	21 years, closed	
Asset valuation method	Market value of assets	
Price inflation	2.75%	
Real wage growth	0.50%	
Wage Inflation	3.25%	
Salary increases, including wage inflations	2.75% to 5.75%	
Long-term investment rate of return, net of OPEB plan investment including price inflation	5.25%	
	<u>Cigna Plans</u>	<u>Medicare</u>
Health care cost trend rate	7.75%	5.75%
Ultimate Trend rate	5.00%	5.00%
Year of ultimate trend rate	2022	2019

**II. Shelby County Retirement System**

*Changes of benefit terms:* None

*Changes of assumptions:* The actuarial demographic assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 – June 30, 2012. The actuarial economic assumptions used in the June 30, 2017 valuation were based on the results of an Economic Experience Investigation as of June 30, 2015.

*Method and assumptions used in calculations of actuarially determined contributions:* The Actuarially determined contributions in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Employer contributions for the year ended June 30, 2018 were based on the results of the June 30, 2016 actuarial valuation. The following actuarial methods and assumptions were used to determine the most recent contributions reported in the schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Single equivalent amortization period	22 years
Asset valuation method	10 - year smoothed market
Inflation	2.75 percent
Salary increases	2.75 - 5.75 percent, including inflation
Investment rate of return	7.00 percent, net of investment related expenses
Cost of living adjustments	1.00% per year, compounded for Plan B 4.00% per year, compounded for Plan A and Plan C 2.00% per year, compounded for Plan D

### III. Tennessee Consolidated Retirement System

Employer contributions for the year ended June 30, 2018 are based on the results of the July 1, 2016 actuarial valuation.

The following actuarial methods and assumptions were used to determine the most recent contributions reported in the schedule:

#### Tennessee Consolidated Retirement System

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 - year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.5 percent, if provided

## Combining and Other Statements and Schedules

**Nonmajor Special Revenue Funds:** Roads and Bridges, Hotel Motel Taxes, Car Rental Tax, Tax Increment Financing, Sheriff Forfeitures, Data Processing, Health Services Restricted Fees, Storm Water Fees, Economic Development, and Restricted Court Fees

**Nonmajor Enterprise Funds:** Consolidated Codes Enforcement, and Fire Services

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

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

**County Charter Officers' Statements** are used to account for the revenues and expenditures the elected officials collect and incur in the performance of their charter assigned duties.

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

**Shelby County, Tennessee**

**Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2018**

	Special Revenue Funds		
	Roads and Bridges Fund	Hotel Motel Taxes Fund	Car Rental Tax Fund
<b>Assets:</b>			
Cash and cash equivalents	\$ 13,325,898	\$ 7,527,181	\$ 193,112
allowance for uncollectibles	---	---	---
Accounts receivable and accrued revenues	12,265	1,682,559	220,410
Due from other funds	---	1,769,424	220,666
Due from other governmental entities	3,045,053	---	---
Deposits held by others	---	---	---
Total assets	<u>\$ 16,383,216</u>	<u>\$ 10,979,164</u>	<u>\$ 634,188</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 480,713	\$ 2,298,419	\$ 634,188
Due to other governmental entities	15,165	---	---
Deposits held for others	---	---	---
Total liabilities	<u>495,878</u>	<u>2,298,419</u>	<u>634,188</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	---	---	---
Total deferred inflows of resources	<u>---</u>	<u>---</u>	<u>---</u>
<b>Fund balances:</b>			
Restricted	15,887,338	8,680,745	---
Committed	---	---	---
Total fund balances	<u>15,887,338</u>	<u>8,680,745</u>	<u>---</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 16,383,216</u>	<u>\$ 10,979,164</u>	<u>\$ 634,188</u>

**Shelby County, Tennessee**

**Nonmajor Governmental Funds  
Combining Balance Sheet (continued)  
June 30, 2018**

	Special Revenue Funds		
	Tax Increment Financing Fund	Sheriff Forfeitures Fund	Data Processing Fund
<b>Assets:</b>			
Cash and cash equivalents	\$ ---	\$ 4,231,499	\$ 1,178,299
allowance for uncollectibles	141,313	---	---
Accounts receivable and accrued revenues	---	56,839	---
Due from other funds	---	56	---
Due from other governmental entities	---	---	---
Deposits held by others	---	1,236,194	---
Total assets	\$ 141,313	\$ 5,524,588	\$ 1,178,299
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ ---	\$ 172,978	\$ 68,604
Due to other governmental entities	141,313	---	---
Deposits held for others	---	1,236,194	---
Total liabilities	141,313	1,409,172	68,604
<b>Deferred inflows of resources:</b>			
Unavailable revenue	---	56,839	---
Total deferred inflows of resources	---	56,839	---
<b>Fund balances:</b>			
Restricted	---	4,058,577	1,109,695
Committed	---	---	---
Total fund balances	---	4,058,577	1,109,695
Total liabilities, deferred inflows, and fund balances	\$ 141,313	\$ 5,524,588	\$ 1,178,299

Health Services Restricted Fees Fund	Storm Water and Sewer Fees Fund	Economic Development Fund	Restricted Court Fees Fund	Total
\$ 1,348,660	\$ 3,306,834	\$ 3,452,670	\$ 1,256,876	\$ 35,821,029
---	---	---	---	141,313
305,311	62,128	---	25,186	2,364,698
---	---	---	2,683	1,992,829
---	---	---	4,011	3,049,064
---	---	---	---	1,236,194
<u>\$ 1,653,971</u>	<u>\$ 3,368,962</u>	<u>\$ 3,452,670</u>	<u>\$ 1,288,756</u>	<u>\$ 44,605,127</u>
\$ 73,251	\$ 55,074	\$ 4,450	\$ 61,131	\$ 3,848,808
---	8,375	---	---	164,853
---	---	---	---	1,236,194
<u>73,251</u>	<u>63,449</u>	<u>4,450</u>	<u>61,131</u>	<u>5,249,855</u>
---	---	---	---	56,839
---	---	---	---	56,839
409,191	3,305,513	---	1,227,625	34,678,684
1,171,529	---	3,448,220	---	4,619,749
<u>1,580,720</u>	<u>3,305,513</u>	<u>3,448,220</u>	<u>1,227,625</u>	<u>39,298,433</u>
<u>\$ 1,653,971</u>	<u>\$ 3,368,962</u>	<u>\$ 3,452,670</u>	<u>\$ 1,288,756</u>	<u>\$ 44,605,127</u>

(continued)

**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in fund Balance**  
**For the Year Ended June 30, 2018**

	Special Revenue Funds				
	Roads and Bridges Fund	Hotel Motel Taxes Fund	Car Rental Tax Fund	Tax Increment Financing Fund	Sheriff Forfeitures Fund
<b>Revenues:</b>					
Other local taxes	\$ 5,181,835	\$ 17,757,822	\$ 2,281,890	\$ 6,054,415	\$ ---
State revenue	12,100,302	---	---	---	---
Federal and local revenue	571,277	---	---	---	145,534
Charges for services	858,572	---	---	---	892,756
Fines, fees and permits	36,657	---	---	---	2,782
Other revenues	1,021	---	---	---	1,272,144
Investment income	156,710	82,069	---	---	48,872
<b>Total revenue</b>	<b>18,906,374</b>	<b>17,839,891</b>	<b>2,281,890</b>	<b>6,054,415</b>	<b>2,362,088</b>
<b>Expenditures:</b>					
General Government	---	14,054,886	2,281,890	6,054,415	---
Public Works	13,967,885	---	---	---	---
Health Services	---	---	---	---	---
Law Enforcement	---	---	---	---	1,583,838
Judicial	---	---	---	---	---
Other Elected Officials	---	---	---	---	---
<b>Total expenditures</b>	<b>13,967,885</b>	<b>14,054,886</b>	<b>2,281,890</b>	<b>6,054,415</b>	<b>1,583,838</b>
Excess (deficiency) of revenues over(under) expenditures	4,938,489	3,785,005	---	---	778,250
<b>Other financing sources (uses):</b>					
Transfers in	1,486	---	---	---	---
Transfers out	(226,033)	---	---	---	---
Insurance recoveries	29,190	---	---	---	---
Sale of capital assets	44,212	---	---	---	---
<b>Total other financing sources (uses)</b>	<b>(151,145)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Net change in fund balance</b>	<b>4,787,344</b>	<b>3,785,005</b>	<b>---</b>	<b>---</b>	<b>778,250</b>
<b>Fund balances:</b>					
June 30, 2017	11,099,994	4,895,740	---	---	3,280,327
June 30, 2018	<u>\$ 15,887,338</u>	<u>\$ 8,680,745</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 4,058,577</u>

Data Processing Fund	Health Services Restricted Fees Fund	Storm Water and Sewer Fees Fund	Economic Development Fund	Restricted Court Fees Fund	Total
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 31,275,962
---	---	---	---	---	12,100,302
---	---	---	---	---	716,811
1,677	75	---	---	---	1,753,080
591,317	4,415,155	739,873	---	322,366	6,108,150
---	24	---	---	---	1,273,189
14,332	13,955	32,307	47,387	16,829	412,461
<u>607,326</u>	<u>4,429,209</u>	<u>772,180</u>	<u>47,387</u>	<u>339,195</u>	<u>53,639,955</u>
---	---	---	352,915	---	22,744,106
---	---	674,911	---	---	14,642,796
---	4,223,803	---	---	---	4,223,803
---	---	---	---	---	1,583,838
350,127	---	---	---	415,449	765,576
232,586	---	---	---	---	232,586
<u>582,713</u>	<u>4,223,803</u>	<u>674,911</u>	<u>352,915</u>	<u>415,449</u>	<u>44,192,705</u>
24,613	205,406	97,269	(305,528)	(76,254)	9,447,250
---	---	1,500,000	---	---	1,501,486
---	(24,595)	---	---	---	(250,628)
---	---	---	---	---	29,190
---	---	---	---	---	44,212
---	(24,595)	1,500,000	---	---	1,324,260
24,613	180,811	1,597,269	(305,528)	(76,254)	10,771,510
1,085,082	1,399,909	1,708,244	3,753,748	1,303,879	28,526,923
<u>\$ 1,109,695</u>	<u>\$ 1,580,720</u>	<u>\$ 3,305,513</u>	<u>\$ 3,448,220</u>	<u>\$ 1,227,625</u>	<u>\$ 39,298,433</u>

(continued)

**Nonmajor Governmental Funds  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Roads and Bridges Special Revenue Fund**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local taxes	\$ 3,160,000	\$ 3,160,000	\$ 5,181,835	\$ 2,021,835
State revenue	11,175,000	11,175,000	12,100,302	925,302
Federal and local revenue	---	---	571,277	571,277
Charges for services	819,265	846,148	858,572	12,424
Fines, fees and permits	38,000	38,000	36,657	(1,343)
Other revenue	---	---	1,021	1,021
Investment income	25,000	25,000	156,710	131,710
Total revenues	<u>15,217,265</u>	<u>15,244,148</u>	<u>18,906,374</u>	<u>3,662,226</u>
<b>Expenditures:</b>				
Salaries	4,508,818	4,508,818	4,187,976	320,842
Other compensation	238,010	238,010	121,615	116,395
Fringe benefits	1,814,445	1,814,445	1,699,071	115,374
Salary restrictions	(93,067)	(93,067)	---	(93,067)
Supplies and materials	1,760,911	1,765,794	838,572	927,222
Services and other expenditures	156,444	161,944	144,243	17,701
Professional and contracted services	138,500	313,500	193,364	120,136
Rent, utilities and maintenance	324,176	642,176	233,529	408,647
Interfund services	1,717,019	1,415,519	1,415,238	281
Asset acquisitions	6,262,030	5,912,155	5,134,277	777,878
Total expenditures	<u>16,827,286</u>	<u>16,679,294</u>	<u>13,967,885</u>	<u>2,711,409</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,610,021)</u>	<u>(1,435,146)</u>	<u>4,938,489</u>	<u>(6,373,635)</u>
<b>Other financing sources (uses):</b>				
Transfers in	---	---	1,486	1,486
Transfers out	(197,038)	(371,913)	(226,033)	145,880
Insurance recoveries	---	---	29,190	29,190
Sale of capital assets	20,000	20,000	44,212	24,212
Planned change in fund balance	1,787,059	1,787,059	---	(1,787,059)
Total other financing sources (uses)	<u>1,610,021</u>	<u>1,435,146</u>	<u>(151,145)</u>	<u>(1,586,291)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 4,787,344</u>	<u>\$ 4,787,344</u>

**Hotel Motel Taxes Special Revenue Fund**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local taxes	\$ 17,300,000	\$ 17,300,000	\$ 17,757,822	\$ 457,822
Investment income	20,000	20,000	82,069	62,069
Total revenues	<u>17,320,000</u>	<u>17,320,000</u>	<u>17,839,891</u>	<u>519,891</u>
Expenditures:				
Affiliated organizations	19,054,886	19,054,886	14,054,886	5,000,000
Total expenditures	<u>19,054,886</u>	<u>19,054,886</u>	<u>14,054,886</u>	<u>5,000,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,734,886)</u>	<u>(1,734,886)</u>	<u>3,785,005</u>	<u>(5,519,891)</u>
Other financing sources (uses):				
Planned change in fund balance	1,734,886	1,734,886	---	(1,734,886)
Total other financing sources (uses)	<u>1,734,886</u>	<u>1,734,886</u>	<u>---</u>	<u>(1,734,886)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 3,785,005</u>	<u>\$ 3,785,005</u>

**Car Rental Tax Special Revenue Fund**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,281,890	\$ (218,110)
Total revenues	2,500,000	2,500,000	2,281,890	(218,110)
Expenditures:				
Affiliated organizations	2,500,000	2,500,000	2,281,890	218,110
Total expenditures	2,500,000	2,500,000	2,281,890	218,110
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Tax Increment Financing Special Revenue Fund**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 5,500,000	\$ 5,500,000	\$ 6,054,415	\$ 554,415
Total revenues	5,500,000	5,500,000	6,054,415	554,415
Expenditures:				
Affiliated organizations	5,500,000	5,500,000	6,054,415	(554,415)
Total expenditures	5,500,000	5,500,000	6,054,415	(554,415)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Sheriff Forfeitures Special Revenue Fund**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Federal and local revenue	\$ 50,000	\$ 50,000	\$ 145,534	\$ 95,534
Charges for services	215,000	215,000	892,756	677,756
Fines, fees and permits	22,000	22,000	2,782	(19,218)
Other revenue	2,105,000	2,105,000	1,272,144	(832,856)
Investment income	13,000	13,000	48,872	35,872
Total revenues	2,405,000	2,405,000	2,362,088	(42,912)
<b>Expenditures:</b>				
Other compensation	378,000	378,000	---	378,000
Supplies and materials	400,000	379,208	324,340	54,868
Services and other expenditures	363,300	363,900	254,556	109,344
Professional and contracted services	288,000	288,000	222,941	65,059
Rent, utilities and maintenance	387,760	408,052	401,884	6,168
Interfund services	117,200	117,200	73,787	43,413
Asset acquisitions	827,000	334,550	306,330	28,220
Total expenditures	2,761,260	2,268,910	1,583,838	685,072
Excess (deficiency) of revenues over (under) expenditures	(356,260)	136,090	778,250	(642,160)
<b>Other financing sources (uses):</b>				
Planned change in fund balance	356,260	(136,090)	---	136,090
Total other financing sources (uses)	356,260	(136,090)	---	136,090
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 778,250	\$ 778,250

**Data Processing Special Revenue Fund**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 8,845	\$ 8,845	\$ 1,677	\$ (7,168)
Fines, fees and permits	603,055	603,055	591,317	(11,738)
Investment income	2,950	2,950	14,332	11,382
Total revenues	<u>614,850</u>	<u>614,850</u>	<u>607,326</u>	<u>(7,524)</u>
<b>Expenditures:</b>				
Supplies and materials	59,260	59,260	5,126	54,134
Services and other expenditures	625,801	676,801	287,094	389,707
Professional and contracted services	609,736	585,336	144,201	441,135
Rent, utilities and maintenance	115,030	132,744	59,538	73,206
Interfund services	69,488	69,488	69,040	448
Asset acquisitions	45,095	51,495	17,714	33,781
Total expenditures	<u>1,524,410</u>	<u>1,575,124</u>	<u>582,713</u>	<u>992,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(909,560)</u>	<u>(960,274)</u>	<u>24,613</u>	<u>(984,887)</u>
<b>Other financing sources (uses):</b>				
Planned change in fund balance	<u>909,560</u>	<u>960,274</u>	<u>---</u>	<u>(960,274)</u>
Total other financing sources (uses)	<u>909,560</u>	<u>960,274</u>	<u>---</u>	<u>(960,274)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 24,613</u>	<u>\$ 24,613</u>

**Health Services Restricted Fees Special Revenue Fund**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 750	\$ 750	\$ 75	\$ (675)
Fines, fees and permits	4,520,000	4,520,000	4,415,155	(104,845)
Other revenue	---	---	24	24
Investment income	6,500	6,500	13,955	7,455
Total revenues	<u>4,527,250</u>	<u>4,527,250</u>	<u>4,429,209</u>	<u>(98,041)</u>
<b>Expenditures:</b>				
Salaries	3,022,842	2,996,322	2,614,534	381,788
Other compensation	144,809	144,809	110,727	34,082
Fringe benefits	1,137,233	1,136,650	964,149	172,501
Salary restrictions	(80,999)	(53,896)	---	(53,896)
Supplies and materials	334,358	282,258	108,381	173,877
Services and other expenditures	38,204	39,804	36,345	3,459
Professional and contracted services	70,300	70,800	40,057	30,743
Rent, utilities and maintenance	29,480	53,480	49,244	4,236
Interfund services	332,758	338,758	300,366	38,392
Asset acquisitions	50,000	50,000	---	50,000
Total expenditures	<u>5,078,985</u>	<u>5,058,985</u>	<u>4,223,803</u>	<u>835,182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(551,735)</u>	<u>(531,735)</u>	<u>205,406</u>	<u>(737,141)</u>
<b>Other financing sources (uses):</b>				
Transfers out	---	(20,000)	(24,595)	(4,595)
Planned change in fund balance	551,735	551,735	---	(551,735)
Total other financing sources (uses)	<u>551,735</u>	<u>531,735</u>	<u>(24,595)</u>	<u>(556,330)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 180,811</u>	<u>\$ 180,811</u>

**Storm Water and Sewer Fees Special Revenue Fund**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines, fees and permits	\$ 726,000	\$ 726,000	\$ 739,873	\$ 13,873
Investment income	5,000	5,000	32,307	27,307
<b>Total revenues</b>	<b>731,000</b>	<b>731,000</b>	<b>772,180</b>	<b>41,180</b>
<b>Expenditures:</b>				
Salaries	218,416	218,416	147,314	71,102
Other compensation	530	760	759	1
Fringe benefits	70,967	70,737	53,177	17,560
Supplies and materials	41,929	111,489	67,791	43,698
Services and other expenditures	21,935	21,935	15,448	6,487
Professional and contracted services	394,413	334,413	146,608	187,805
Rent, utilities and maintenance	17,800	1,423,800	6,229	1,417,571
Interfund services	230,806	230,806	98,089	132,717
Asset acquisitions	1,734,991	228,991	120,028	108,963
Claims incurred	---	90,440	19,468	70,972
<b>Total expenditures</b>	<b>2,731,787</b>	<b>2,731,787</b>	<b>674,911</b>	<b>2,056,876</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,000,787)</u>	<u>(2,000,787)</u>	<u>97,269</u>	<u>(2,098,056)</u>
<b>Other financing sources (uses):</b>				
Transfers in	---	1,500,000	1,500,000	---
Planned change in fund balance	2,000,787	500,787	---	(500,787)
<b>Total other financing sources (uses)</b>	<b>2,000,787</b>	<b>2,000,787</b>	<b>1,500,000</b>	<b>(500,787)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,597,269</u>	<u>\$ 1,597,269</u>

**Nonmajor Governmental Funds  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Economic Development Special Revenue Fund**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Investment income	\$ ---	\$ ---	\$ 47,387	\$ 47,387
Total revenues	---	---	47,387	47,387
<b>Expenditures:</b>				
Services and other expenditures	---	30,000	25,000	5,000
Professional and contracted services	4,000,000	2,470,000	327,915	2,142,085
Affiliated organizations	---	1,500,000	---	(1,500,000)
Total expenditures	4,000,000	4,000,000	352,915	647,085
Excess (deficiency) of revenues over (under) expenditures	(4,000,000)	(4,000,000)	(305,528)	(694,472)
<b>Other financing sources (uses):</b>				
Planned change in fund balance	4,000,000	4,000,000	---	(4,000,000)
Total other financing sources (uses)	4,000,000	4,000,000	---	(4,000,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (305,528)	\$ (3,305,528)

**Restricted Court Fees Special Revenue Fund**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Fines, fees and permits	\$ 470,000	\$ 470,000	\$ 322,366	\$ (147,634)
Investment income	3,500	3,500	16,829	13,329
Total revenues	473,500	473,500	339,195	(134,305)
<b>Expenditures:</b>				
Salaries	194,059	194,059	197,728	(3,669)
Other compensation	3,409	3,409	2,685	724
Fringe benefits	79,133	79,133	70,915	8,218
Supplies and materials	750	750	738	12
Services and other expenditures	6,500	6,500	3,278	3,222
Professional and contracted services	434,307	431,367	134,572	296,795
Rent, utilities and maintenance	2,850	5,490	4,814	676
Interfund services	1,250	1,550	719	831
Total expenditures	722,258	722,258	415,449	306,809
Excess (deficiency) of revenues over (under) expenditures	(248,758)	(248,758)	(76,254)	(172,504)
<b>Other financing sources (uses):</b>				
Planned change in fund balance	248,758	248,758	---	(248,758)
Total other financing sources (uses)	248,758	248,758	---	(248,758)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (76,254)	\$ (76,254)

**Shelby County, Tennessee**

**Nonmajor Enterprise Funds  
Combining Statement of Net Position  
For the Year Ended June 30, 2018**

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
<b>Assets:</b>			
Current assets			
Cash and cash equivalents	\$ 8,059,136	\$ 5,953,492	\$ 14,012,628
Accounts receivable and accrued revenues	30,722	1,784,867	1,815,589
Due from other governmental entities	537	139,354	139,891
Prepays	142	779	921
Total current assets	<u>8,090,537</u>	<u>7,878,492</u>	<u>15,969,029</u>
Noncurrent assets			
Land	---	5,300	5,300
Depreciable capital assets, net	1,505,435	8,216,367	9,721,802
Total noncurrent assets	<u>1,505,435</u>	<u>8,221,667</u>	<u>9,727,102</u>
Total assets	<u>9,595,972</u>	<u>16,100,159</u>	<u>25,696,131</u>
Deferred outflows of resources:			
OPEB related deferred outflows	334,402	717,647	1,052,049
Pension related deferred outflows	4,277,026	8,162,808	12,439,834
Total deferred outflows of resources	<u>4,611,428</u>	<u>8,880,455</u>	<u>13,491,883</u>
<b>Liabilities:</b>			
Current liabilities			
Accounts payable and accrued liabilities	17,111	136,512	153,623
Due to other governmental entities	33,576	39,086	72,662
Compensated absences payable	427,979	1,057,746	1,485,725
Advance from other funds - current portion	---	450,000	450,000
Accrued interest payable	---	7,500	7,500
Unearned revenue	137,610	---	137,610
Deposits held for others	2,400	---	2,400
Total current liabilities	<u>618,676</u>	<u>1,690,844</u>	<u>2,309,520</u>
Noncurrent liabilities			
Advance from other funds - long term	---	1,350,000	1,350,000
Accrued sick leave payable	162,680	500,689	663,369
Unfunded OPEB related obligation	1,137,115	2,180,851	3,317,966
Unfunded net pension obligation	13,779,683	24,946,729	38,726,412
Total noncurrent liabilities	<u>15,079,478</u>	<u>28,978,269</u>	<u>44,057,747</u>
Total liabilities	<u>15,698,154</u>	<u>30,669,113</u>	<u>46,367,267</u>
Deferred inflows of resources:			
OPEB related deferred inflows	915,173	1,755,195	2,670,368
Pension related deferred inflows	184,148	333,382	517,530
Total deferred inflows of resources	<u>1,099,321</u>	<u>2,088,577</u>	<u>3,187,898</u>
<b>Net position:</b>			
Net investment in capital assets	1,505,435	8,221,667	9,727,102
Unrestricted	(4,095,510)	(15,998,743)	(20,094,253)
Total net position	<u>\$ (2,590,075)</u>	<u>\$ (7,777,076)</u>	<u>\$ (10,367,151)</u>

Shelby County, Tennessee

**Nonmajor Enterprise Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2018**

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
Operating revenues:			
State revenue	\$ ---	\$ 101,405	\$ 101,405
Federal and local revenue	---	1,616,522	1,616,522
Charges for services	19,510	3,358,760	3,378,270
Fines, fees and permits	9,089,198	21,343,623	30,432,821
Other revenue	829	6,549	7,378
Total operating revenue	9,109,537	26,426,859	35,536,396
Operating expenses:			
Salaries	5,995,187	12,173,653	18,168,840
Other compensation	62,759	2,592,510	2,655,269
Fringe benefits	3,407,970	8,441,845	11,849,815
Supplies and materials	105,353	633,028	738,381
Services and other expenditures	118,571	115,804	234,375
Professional and contracted services	182,478	431,189	613,667
Rent, utilities and maintenance	72,558	452,949	525,507
Interfund services	956,581	1,156,971	2,113,552
Depreciation	129,910	493,334	623,244
Total operating expenses	11,031,367	26,491,283	37,522,650
Operating income (loss)	(1,921,830)	(64,424)	(1,986,254)
Nonoperating revenues (expenses):			
Intergovernmental	1,500,000	---	1,500,000
Investment income	100,965	60,878	161,843
Interest expense	---	(20,625)	(20,625)
Gain (loss) on asset disposal	17,826	8,050	25,876
Net nonoperating revenues (expenses)	1,618,791	48,303	1,667,094
Transfers:			
Transfers in	1,519,184	---	1,519,184
Transfers out	(181,121)	---	(181,121)
Net transfers	1,338,063	---	1,338,063
Change in net position	1,035,024	(16,121)	1,018,903
Net position:			
June 30, 2017, restated	(3,625,099)	(7,760,955)	(11,386,054)
June 30, 2018	\$ (2,590,075)	\$ (7,777,076)	\$ (10,367,151)

**Shelby County, Tennessee**

**Nonmajor Enterprise Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2018**

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 9,287,354	\$ 26,317,592	\$ 35,604,946
Receipts for special programs	---	90,000	90,000
Receipts from interfund services provided	---	14,093	14,093
Refunds paid to customers	(163,709)	---	(163,709)
Cash payments to suppliers	(496,322)	(1,741,600)	(2,237,922)
Cash payments to employees	(8,574,474)	(19,915,918)	(28,490,392)
Claims paid	---	---	---
Payments for interfund services used	(956,583)	(1,156,970)	(2,113,553)
Net cash provided by (used in) operating activities	<u>(903,734)</u>	<u>3,607,197</u>	<u>2,703,463</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	1,519,184	---	1,519,184
Transfers to other funds	(181,121)	---	(181,121)
Payments from City of Memphis	1,500,000	---	1,500,000
Net cash provided by (used in) noncapital financing activities	<u>2,838,063</u>	<u>---</u>	<u>2,838,063</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	(64,711)	(179,145)	(243,856)
Proceeds from sale of capital assets	24,200	8,050	32,250
Repayment of advance from other fund	---	(450,000)	(450,000)
Interest paid	---	(22,500)	(22,500)
Net cash provided by (used in) capital and related financing activities	<u>(40,511)</u>	<u>(643,595)</u>	<u>(684,106)</u>
<b>Cash flows from investing activities:</b>			
Interest and investment earnings	100,965	60,878	161,843
Net cash provided by (used in) investing activities	<u>100,965</u>	<u>60,878</u>	<u>161,843</u>
Net increase (decrease) in cash and cash equivalents	1,994,783	3,024,480	5,019,263
Cash and cash equivalents, June 30, 2017	<u>6,064,353</u>	<u>2,929,012</u>	<u>8,993,365</u>
Cash and cash equivalents, June 30, 2018	<u>\$ 8,059,136</u>	<u>\$ 5,953,492</u>	<u>\$ 14,012,628</u>

(continued)

**Shelby County, Tennessee**

**Nonmajor Enterprise Funds  
Combining Statement of Cash Flows (continued)  
For the Year Ended June 30, 2018**

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,921,830)	\$ (64,424)	\$ (1,986,254)
Adjustments:			
Depreciation	129,910	493,334	623,244
Changes in assets and liabilities			
Accounts receivable and accrued revenues	3,796	(24,335)	(20,539)
Due from other governmental entities	(255)	38,819	38,564
Prepays	4,579	2,419	6,998
Deferred outflows	1,588,353	1,082,613	2,670,966
Accounts payable and accrued liabilities	5,627	(117,820)	(112,193)
Due to other governmental entities	(27,712)	18,736	(8,976)
Compensated absences payable	(31,081)	192,919	161,838
Unearned revenue	10,570	(19,658)	(9,088)
Unfunded post employment benefit obligation	(1,584,941)	20,087	(1,564,854)
Deferred inflows	919,250	1,984,507	2,903,757
Total adjustments	<u>1,018,096</u>	<u>3,671,621</u>	<u>4,689,717</u>
Net cash provided by (used in) operating activities	<u>\$ (903,734)</u>	<u>\$ 3,607,197</u>	<u>\$ 2,703,463</u>
Noncash investing capital and financing activities			
Non-cash residual on disposal of assets	\$ (6,374)		\$ (6,374)
Accrued interest payable		\$ (1,875)	\$ (1,875)

**Internal Service Funds  
Combining Statement of Net Position  
June 30, 2018**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
<b>Assets:</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 5,460,900	\$ 23,050,293	\$ 5,938,185	\$ 10,518,387	\$ 44,967,765
Accounts receivable and accrued revenues	46,103	88,659	---	---	134,762
Due from other governmental entities	4,342	86,252	---	---	90,594
Inventories	338,474	---	---	---	338,474
Prepays	1,498	---	---	---	1,498
<b>Total current assets</b>	<b>5,851,317</b>	<b>23,225,204</b>	<b>5,938,185</b>	<b>10,518,387</b>	<b>45,533,093</b>
<b>Noncurrent assets</b>					
Deposits held by others	---	---	---	200,000	200,000
Depreciable capital assets, net	3,856,696	---	---	---	3,856,696
<b>Total noncurrent assets</b>	<b>3,856,696</b>	<b>---</b>	<b>---</b>	<b>200,000</b>	<b>4,056,696</b>
<b>Total assets</b>	<b>9,708,013</b>	<b>23,225,204</b>	<b>5,938,185</b>	<b>10,718,387</b>	<b>49,589,789</b>
<b>Deferred outflows of resources:</b>					
OPEB related deferred outflows	50,306	---	---	---	50,306
Pension related deferred outflows	604,476	---	---	---	604,476
<b>Total deferred outflows of resources</b>	<b>654,782</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>654,782</b>
<b>Liabilities:</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	325,374	28,308	1,796	14,486	369,964
Claims payable	---	4,682,843	426,002	1,520,952	6,629,797
Compensated absences payable	60,001	---	---	---	60,001
Unearned revenue	---	3,759,661	---	---	3,759,661
<b>Total current liabilities</b>	<b>385,375</b>	<b>8,470,812</b>	<b>427,798</b>	<b>1,535,438</b>	<b>10,819,423</b>
<b>Noncurrent liabilities</b>					
Advance from other funds - long term	---	---	---	---	---
Claims payable, long term	---	---	632,000	2,116,005	2,748,005
Accrued sick leave payable	31,804	---	---	---	31,804
Unfunded net OPEB obligation	175,064	---	---	---	175,064
Unfunded net pension obligation	1,895,671	---	---	---	1,895,671
<b>Total noncurrent liabilities</b>	<b>2,102,539</b>	<b>---</b>	<b>632,000</b>	<b>2,116,005</b>	<b>4,850,544</b>
<b>Total liabilities</b>	<b>2,487,914</b>	<b>8,470,812</b>	<b>1,059,798</b>	<b>3,651,443</b>	<b>15,669,967</b>
<b>Deferred inflows of resources:</b>					
OPEB related deferred inflows	140,896	---	---	---	140,896
Pension related deferred inflows	25,334	---	---	---	25,334
<b>Total deferred inflows of resources</b>	<b>166,230</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>166,230</b>
<b>Net position:</b>					
Net investment in capital assets	3,856,696	---	---	---	3,856,696
Unrestricted	3,851,955	14,754,392	4,878,387	7,066,944	30,551,678
<b>Total net position</b>	<b>\$ 7,708,651</b>	<b>\$ 14,754,392</b>	<b>\$ 4,878,387</b>	<b>\$ 7,066,944</b>	<b>\$ 34,408,374</b>

Shelby County, Tennessee

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2018**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
<b>Operating revenues:</b>					
Charges for services	\$ 7,515,651.00	\$ -	\$ -	\$ -	\$ 7,515,651.00
Other revenue	2,376	374,953	---	---	377,329
Premium revenue	---	47,079,802	578,885	1,574,394	49,233,081
Total operating revenue	<u>7,518,027</u>	<u>47,454,755</u>	<u>578,885</u>	<u>1,574,394</u>	<u>57,126,061</u>
<b>Operating expenses:</b>					
Salaries	957,397	---	---	---	957,397
Other compensation	31,901	---	---	---	31,901
Fringe benefits	579,740	---	---	---	579,740
Supplies and materials	2,123,950	---	---	14,955	2,138,905
Services and other expenditures	230,935	29,795	---	---	260,730
Professional and contracted services	61,806	3,367,859	---	180,750	3,610,415
Rent, utilities and maintenance	2,289,529	---	---	---	2,289,529
Interfund services	24,137	---	---	---	24,137
Depreciation	287,435	---	---	---	287,435
Claims incurred	---	42,500,038	(1,437,322)	1,637,254	42,699,970
Total operating expenses	<u>6,586,830</u>	<u>45,897,692</u>	<u>(1,437,322)</u>	<u>1,832,959</u>	<u>52,880,159</u>
Operating income (loss)	<u>931,197</u>	<u>1,557,063</u>	<u>2,016,207</u>	<u>(258,565)</u>	<u>4,245,902</u>
<b>Nonoperating revenues (expenses):</b>					
Investment income	---	275,512	---	---	275,512
Gain (loss) on asset disposal	(45,147)	---	---	---	(45,147)
Net nonoperating revenues (expenses)	<u>(45,147)</u>	<u>275,512</u>	<u>---</u>	<u>---</u>	<u>230,365</u>
<b>Transfers:</b>					
Transfers in	---	---	250,000	---	250,000
Transfers out	---	(192,654)	(1,500,000)	---	(1,692,654)
Net transfers	<u>---</u>	<u>(192,654)</u>	<u>(1,250,000)</u>	<u>---</u>	<u>(1,442,654)</u>
Change in net position	886,050	1,639,921	766,207	(258,565)	3,033,613
<b>Net position:</b>					
June 30, 2017, restated	<u>6,822,601</u>	<u>13,114,471</u>	<u>4,112,180</u>	<u>7,325,509</u>	<u>31,374,761</u>
June 30, 2018	<u>\$ 7,708,651</u>	<u>\$ 14,754,392</u>	<u>\$ 4,878,387</u>	<u>\$ 7,066,944</u>	<u>\$ 34,408,374</u>

Shelby County, Tennessee

**Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2018**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 137,500	\$ ---	\$ ---	\$ ---	\$ 137,500
Receipts from interfund services provided	7,355,360	---	---	---	7,355,360
Premiums received	---	46,958,951	578,885	1,574,394	49,112,230
Refunds received from suppliers	100	374,954	---	---	375,054
Cash payments to suppliers	(4,882,579)	(3,429,243)	---	(192,330)	(8,504,152)
Cash payments to employees	(1,392,666)	---	---	---	(1,392,666)
Claims paid	---	(41,253,965)	(721,293)	(1,852,455)	(43,827,713)
Payments for interfund services used	(24,138)	---	---	---	(24,138)
Net cash provided by (used in) operating activities	<u>1,193,577</u>	<u>2,650,697</u>	<u>(142,408)</u>	<u>(470,391)</u>	<u>3,231,475</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers from other funds	---	---	250,000	---	250,000
Transfers to other funds	---	(192,654)	(1,500,000)	---	(1,692,654)
Net cash provided by (used in) noncapital financing activities	<u>---</u>	<u>(192,654)</u>	<u>(1,250,000)</u>	<u>---</u>	<u>(1,442,654)</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(2,034,460)	---	---	---	(2,034,460)
Net cash provided by (used in) capital and related financing activities	<u>(2,034,460)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(2,034,460)</u>
<b>Cash flows from investing activities:</b>					
Interest and investment earnings	---	275,512	---	---	275,512
Net cash provided by (used in) investing activities	<u>---</u>	<u>275,512</u>	<u>---</u>	<u>---</u>	<u>275,512</u>
Net increase (decrease) in cash and cash equivalents	(840,883)	2,733,555	(1,392,408)	(470,391)	29,873
Cash and cash equivalents, June 30, 2017	6,301,783	20,316,738	7,330,593	10,988,778	44,937,892
Cash and cash equivalents, June 30, 2018	<u>\$ 5,460,900</u>	<u>\$ 23,050,293</u>	<u>\$ 5,938,185</u>	<u>\$ 10,518,387</u>	<u>\$ 44,967,765</u>

(continued)

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 931,197	\$ 1,557,063	\$ 2,016,207	\$ (258,565)	\$ 4,245,902
<b>Adjustments:</b>					
Depreciation	287,435	---	---	---	287,435
<b>Changes in assets and liabilities</b>					
Accounts receivable and accrued revenues	(25,315)	(48,896)	---	---	(74,211)
Due from other governmental entities	148	7,657	---	---	7,805
Inventories	(130,229)	---	---	---	(130,229)
Prepays	10	---	---	---	10
Deferred outflows	164,747	---	---	---	164,747
Accounts payable and accrued liabilities	(46,071)	(31,589)	1,796	3,376	(72,488)
Claims payable	---	1,246,073	(2,160,411)	(215,202)	(1,129,540)
Compensated absences payable	(525)	---	---	---	(525)
Unearned revenue	---	(79,611)	---	---	(79,611)
Unfunded post employment benefit obligation	(130,587)	---	---	---	(130,587)
Deferred inflows	142,767	---	---	---	142,767
Total adjustments	<u>262,380</u>	<u>1,093,634</u>	<u>(2,158,615)</u>	<u>(211,826)</u>	<u>(1,014,427)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,193,577</u>	<u>\$ 2,650,697</u>	<u>\$ (142,408)</u>	<u>\$ (470,391)</u>	<u>\$ 3,231,475</u>
<b>Noncash investing capital and financing activities</b>					
Non-cash residual on disposal of assets	\$ (14,709)	---	---	---	\$ (14,709)
Transfers of capital assets to governmental funds	\$ (30,438)	---	---	---	\$ (30,438)

Shelby County, Tennessee

**Fiduciary Funds**  
**Postemployment Benefit Trust Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2018**

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 17,027,998	\$ 41,789,880	\$ 58,817,878
Investments			
Domestic equity	105,001,225	329,742,871	434,744,096
International equity	35,954,475	209,562,305	245,516,780
Fixed income	39,748,028	209,259,063	249,007,091
Global low-volatility equity	15,597,987	54,407,586	70,005,573
Hedge funds	---	140,334,459	140,334,459
Private real estate and infrastructure	5,396,454	19,631,365	25,027,819
Alternative investments	22,988,288	---	22,988,288
Limited partnership interests	---	95,373,632	95,373,632
Master limited partnership	19,129,808	93,308,356	112,438,164
Total investments	<u>243,816,265</u>	<u>1,151,619,637</u>	<u>1,395,435,902</u>
Accounts receivable and accrued revenues	35,252	---	35,252
Accrued interest and dividends receivable	---	2,242,812	2,242,812
Due from brokers - investment sales	---	55,393,815	55,393,815
Total assets	<u>260,879,515</u>	<u>1,251,046,144</u>	<u>1,511,925,659</u>
<b>Deferred outflows of resources:</b>			
Fair value of hedging derivatives	---	---	---
Total deferred outflows of resources	<u>---</u>	<u>---</u>	<u>---</u>
<b>Liabilities:</b>			
Accounts payable	76,843	801,985	878,828
Due to brokers and others	831,298	57,502,239	58,333,537
Total liabilities	<u>908,141</u>	<u>58,304,224</u>	<u>59,212,365</u>
<b>Deferred inflows of resources:</b>			
Fair value of hedging derivatives	---	1,168,273	1,168,273
Total deferred inflows of resources	<u>---</u>	<u>1,168,273</u>	<u>1,168,273</u>
Net position restricted for other postemployment and pension benefits	<u>\$ 259,971,374</u>	<u>\$ 1,191,573,647</u>	<u>\$ 1,451,545,021</u>

Shelby County, Tennessee

**Fiduciary Funds**  
**Postemployment Benefit Trust Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2018**

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Additions:			
Contributions			
Employer contributions	\$ 14,255,535	\$ 53,250,780	\$ 67,506,315
Member contributions	4,508,490	16,313,839	20,822,329
Total contributions	<u>18,764,025</u>	<u>69,564,619</u>	<u>88,328,644</u>
Investment income			
Net change in fair value of investments	16,091,010	51,309,883	67,400,893
Interest income	287,150	6,252,820	6,539,970
Dividend income	4,840,488	18,303,325	23,143,813
Other income	2,541,562	168,866	2,710,428
Total investment income	<u>23,760,210</u>	<u>76,034,894</u>	<u>99,795,104</u>
Less investment management expenses	<u>(664,122)</u>	<u>(3,715,569)</u>	<u>(4,379,691)</u>
Net investment income (loss)	<u>23,096,088</u>	<u>72,319,325</u>	<u>95,415,413</u>
Security lending activities			
Securities lending income	---	406,948	406,948
Securities lending expenses	---	(122,017)	(122,017)
Net securities lending activities	<u>---</u>	<u>284,931</u>	<u>284,931</u>
Net additions	<u>41,860,113</u>	<u>142,168,875</u>	<u>184,028,988</u>
Deductions:			
Benefit payments	13,388,064	83,006,953	96,395,017
Administrative expenses	621,531	6,748,700	7,370,231
Refund of member contributions	---	1,129,015	1,129,015
Total deductions	<u>14,009,595</u>	<u>90,884,668</u>	<u>104,894,263</u>
Change in net position	27,850,518	51,284,207	79,134,725
Net position restricted for benefits			
June 30, 2017	<u>232,120,856</u>	<u>1,140,289,440</u>	<u>1,372,410,296</u>
June 30, 2018	<u>\$ 259,971,374</u>	<u>\$ 1,191,573,647</u>	<u>\$ 1,451,545,021</u>

Shelby County, Tennessee

**County Charter Officers - General and Agency Funds  
Combined Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2018**

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Chancery Court</u>				
Assets:				
Cash and cash equivalents	\$ 16,655,659	\$ 45,133,761	\$ (46,973,248)	\$ 14,816,172
Total assets	<u>\$ 16,655,659</u>	<u>\$ 45,133,761</u>	<u>\$ (46,973,248)</u>	<u>\$ 14,816,172</u>
Liabilities:				
Funds held for others	\$ 16,350,353	\$ 44,796,570	\$ (46,616,317)	\$ 14,530,606
Due to other funds and departments	305,306	3,778,885	(3,798,625)	285,566
Total liabilities	<u>\$ 16,655,659</u>	<u>\$ 48,575,455</u>	<u>\$ (50,414,942)</u>	<u>\$ 14,816,172</u>
<u>Circuit Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 13,002,610	\$ 12,755,307	\$ (11,116,521)	\$ 14,641,396
Investments	1,000,000	---	---	1,000,000
Total assets	<u>\$ 14,002,610</u>	<u>\$ 12,755,307</u>	<u>\$ (11,116,521)</u>	<u>\$ 15,641,396</u>
Liabilities:				
Funds held for others	\$ 13,628,244	\$ 9,734,026	\$ (8,124,327)	\$ 15,237,943
Due to other governmental agencies	29,925	349,890	(352,925)	26,890
Due to other funds and departments	344,441	2,671,391	(2,639,269)	376,563
Total liabilities	<u>\$ 14,002,610</u>	<u>\$ 12,755,307</u>	<u>\$ (11,116,521)</u>	<u>\$ 15,641,396</u>
<u>Criminal Court Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 5,212,278	\$ 5,084,849	\$ (5,398,051)	\$ 4,899,076
Accounts receivable	1,535,000	513,286	---	2,048,286
Total assets	<u>\$ 6,747,278</u>	<u>\$ 5,598,135</u>	<u>\$ (5,398,051)</u>	<u>\$ 6,947,362</u>
Liabilities:				
Funds held for others	\$ 4,480,794	\$ 1,883,478	\$ (1,830,525)	\$ 4,533,747
Due to other governmental agencies	282,439	1,027,023	(1,620,467)	(311,005)
Due to other funds and departments	1,984,045	3,036,965	(2,296,390)	2,724,620
Total liabilities	<u>\$ 6,747,278</u>	<u>\$ 5,947,466</u>	<u>\$ (5,747,382)</u>	<u>\$ 6,947,362</u>

**Shelby County, Tennessee**

**County Charter Officers - General and Agency Funds  
 Combined Statement of Changes in Assets and Liabilities  
 For the Year Ended June 30, 2018**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>General Sessions Court Clerk</b>				
Assets:				
Cash and cash equivalents	\$ 13,924,185	\$ 120,089,511	\$ (121,116,343)	\$ 12,897,353
Investments	1,350,000	---	---	1,350,000
Total assets	<u>\$ 15,274,185</u>	<u>\$ 120,089,511</u>	<u>\$ (121,116,343)</u>	<u>\$ 14,247,353</u>
Liabilities:				
Funds held for others	\$ 10,287,769	\$ 104,160,009	\$ (102,298,975)	\$ 12,148,803
Due to other governmental agencies	510,046	2,398,620	(2,554,542)	354,124
Due to other funds and departments	4,476,370	13,530,882	(16,262,826)	1,744,426
Total liabilities	<u>\$ 15,274,185</u>	<u>\$ 120,089,511</u>	<u>\$ (121,116,343)</u>	<u>\$ 14,247,353</u>
<b>Probate Court Clerk</b>				
Assets:				
Cash and cash equivalents	\$ 24,346,705	\$ 11,536,724	\$ (12,362,590)	\$ 23,520,839
Total assets	<u>\$ 24,346,705</u>	<u>\$ 11,536,724</u>	<u>\$ (12,362,590)</u>	<u>\$ 23,520,839</u>
Liabilities:				
Funds held for others	\$ 24,260,357	\$ 10,687,221	\$ (11,519,613)	\$ 23,427,965
Due to other governmental agencies	4,959	57,955	(58,085)	4,829
Accounts payable and accrued expenses	18,365	16,440	(15,596)	19,209
Due to other funds and departments	63,024	775,108	(769,296)	68,836
Total liabilities	<u>\$ 24,346,705</u>	<u>\$ 11,536,724</u>	<u>\$ (12,362,590)</u>	<u>\$ 23,520,839</u>
<b>Juvenile Court Clerk</b>				
Assets:				
Cash and cash equivalents	\$ 4,937,656	\$ 7,166,309	\$ (7,053,939)	\$ 5,050,026
Accounts receivable	79,115	---	(79,115)	---
Total assets	<u>\$ 5,016,771</u>	<u>\$ 7,166,309</u>	<u>\$ (7,133,054)</u>	<u>\$ 5,050,026</u>
Liabilities:				
Funds held for others	\$ 4,820,186	\$ 1,451,569	\$ (1,332,308)	\$ 4,939,447
Due to other governmental agencies	---	67,310	---	67,310
Due to other funds and departments	196,585	463,412	(616,728)	43,269
Total liabilities	<u>\$ 5,016,771</u>	<u>\$ 1,982,291</u>	<u>\$ (1,949,036)</u>	<u>\$ 5,050,026</u>

Shelby County, Tennessee

**County Charter Officers - General and Agency Funds  
Combined Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2018**

	Beginning Balance	Additions	Deductions	Ending Balance
<b>County Clerk</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 11,134,451	\$ 130,142,115	\$ (130,081,134)	\$ 11,195,432
Investments	1,000,000	---	---	1,000,000
Accounts receivable	191,633	132,152	(191,633)	132,152
<b>Total assets</b>	<b>\$ 12,326,084</b>	<b>\$ 130,274,267</b>	<b>\$ (130,272,767)</b>	<b>\$ 12,327,584</b>
<b>Liabilities:</b>				
Funds held for others	\$ 7,054	\$ 80,738	\$ (80,271)	\$ 7,521
Due to other governmental agencies	5,524,377	69,847,645	(69,501,273)	5,870,749
Due to other funds and departments	6,794,653	60,345,884	(60,691,223)	6,449,314
<b>Total liabilities</b>	<b>\$ 12,326,084</b>	<b>\$ 130,274,267</b>	<b>\$ (130,272,767)</b>	<b>\$ 12,327,584</b>
<b>Register</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,510,523	\$ 30,292,825	\$ (29,819,329)	\$ 2,984,019
<b>Total assets</b>	<b>\$ 2,510,523</b>	<b>\$ 30,292,825</b>	<b>\$ (29,819,329)</b>	<b>\$ 2,984,019</b>
<b>Liabilities:</b>				
Due to other governmental agencies	\$ 2,146,162	\$ 26,334,411	\$ (25,779,466)	\$ 2,701,107
Due to other funds and departments	364,361	3,958,414	(4,039,863)	282,912
<b>Total liabilities</b>	<b>\$ 2,510,523</b>	<b>\$ 30,292,825</b>	<b>\$ (29,819,329)</b>	<b>\$ 2,984,019</b>
<b>Trustee</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 678,179,830	\$ 4,085,154,682	\$ (4,053,465,856)	\$ 709,868,656
Investments	300,000	---	---	300,000
Accounts receivable	101,446	2,002,361	(101,446)	2,002,361
<b>Total assets</b>	<b>\$ 678,581,276</b>	<b>\$ 4,087,157,043</b>	<b>\$ (4,053,567,302)</b>	<b>\$ 712,171,017</b>
<b>Liabilities:</b>				
Funds held for others	\$ 26,994,651	\$ 282,122,258	\$ (278,936,820)	\$ 30,180,089
Due to other governmental agencies	7,769,281	330,992,519	(335,612,615)	3,149,185
Due to component units	262,918,677	1,892,574,044	(1,873,026,687)	282,466,034
Due to other funds and departments	380,898,667	1,581,468,222	(1,565,991,180)	396,375,709
<b>Total liabilities</b>	<b>\$ 678,581,276</b>	<b>\$ 4,087,157,043</b>	<b>\$ (4,053,567,302)</b>	<b>\$ 712,171,017</b>

Shelby County, Tennessee

**County Charter Officers - General and Agency Funds  
Combined Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2018**

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Elimination of interdepartmental activity</u>				
Assets:				
Cash and cash equivalents	\$ (395,427,452)	\$ (1,670,029,163)	\$ 1,657,105,400	\$ (408,351,215)
Total assets	<u>\$ (395,427,452)</u>	<u>\$ (1,670,029,163)</u>	<u>\$ 1,657,105,400</u>	<u>\$ (408,351,215)</u>
Liabilities:				
Due to other funds and departments	\$ (395,427,452)	\$ (1,670,029,163)	\$ 1,657,105,400	\$ (408,351,215)
Total liabilities	<u>\$ (395,427,452)</u>	<u>\$ (1,670,029,163)</u>	<u>\$ 1,657,105,400</u>	<u>\$ (408,351,215)</u>
<u>Total</u>				
Assets:				
Cash and cash equivalents	\$ 374,476,445	\$ 2,777,326,920	\$ (2,760,281,611)	\$ 391,521,754
Investments	3,650,000	---	---	3,650,000
Accounts receivable	1,907,194	2,647,799	(372,194)	4,182,799
Total assets	<u>\$ 380,033,639</u>	<u>\$ 2,779,974,719</u>	<u>\$ (2,760,653,805)</u>	<u>\$ 399,354,553</u>
Liabilities:				
Funds held for others	\$ 100,829,408	\$ 454,915,869	\$ (450,739,156)	\$ 105,006,121
Due to other governmental agencies	16,267,189	431,075,373	(435,479,373)	11,863,189
Due to component units	262,918,677	1,892,574,044	(1,873,026,687)	282,466,034
Accounts payable and accrued expenses	18,365	16,440	(15,596)	19,209
Total liabilities	<u>\$ 380,033,639</u>	<u>\$ 2,778,581,726</u>	<u>\$ (2,759,260,812)</u>	<u>\$ 399,354,553</u>



# Shelby County, Tennessee

## Schedule of General Obligation Bonds & Loans-Except for School Purposes For the Year Ended June 30, 2018

	2009A General Obligation	2011A General Obligation	2011 Port Commission	2012A General Obligation	2015A General Obligation	2016A General Obligation
Date of Issuance	04/02/2009	03/30/2011	09/07/2011	03/01/2012	01/28/2015	02/26/2016
Total Issue	\$ 131,252,597	\$ 32,938,707	\$ 20,397,500	\$ 80,978,085	\$ 28,950,000	\$ 8,115,000
Interest Rate %	2.75-5.0	4.0-5.0	2.0-5.0	3.0-5.0	2.0-5.0	1.5-5.0
Fiscal Year						
2019	50,468	4,177,702	615,000	5,870,240	4,630,000	1,170,000
2020	1,733,135	4,611,716	645,000	6,385,447	4,460,000	1,230,000
2021	2,835,764	5,090,923	677,500	11,239,324	1,220,000	1,290,000
2022	4,205,000	5,646,423	705,000	12,104,247	910,000	1,360,000
2023	-	6,259,796	740,000	12,958,242	1,100,000	965,000
2024	-	-	780,000	9,801,427	1,090,000	-
2025	-	-	820,000	-	1,890,000	-
2026	-	-	865,000	1,982,767	1,010,000	-
2027	-	-	897,500	2,215,391	80,000	-
2028	-	-	935,000	2,476,117	-	-
2029	-	-	972,500	-	-	-
2030	-	-	1,010,000	-	-	-
2031	-	-	1,050,000	-	-	-
2032	-	-	1,102,500	-	-	-
2033	-	-	1,157,500	-	-	-
2034	-	-	1,217,500	-	-	-
2035	-	-	1,277,500	-	-	-
2036	-	-	1,340,000	-	-	-
2037	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 8,824,367</b>	<b>\$ 25,786,560</b>	<b>\$ 16,807,500</b>	<b>\$ 65,033,202</b>	<b>\$ 16,390,000</b>	<b>\$ 6,015,000</b>

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.

<hr/>	
2017A	
General	Non-School
Obligation	Total
<hr/>	<hr/>
06/21/2017	
\$ 17,340,000	
5.0	
540,000	17,053,410
570,000	19,635,298
600,000	22,953,511
630,000	25,560,670
660,000	22,683,038
700,000	12,371,427
730,000	3,440,000
770,000	4,627,767
800,000	3,992,891
850,000	4,261,117
890,000	1,862,500
930,000	1,940,000
980,000	2,030,000
1,030,000	2,132,500
1,080,000	2,237,500
1,130,000	2,347,500
1,190,000	2,467,500
1,250,000	2,590,000
1,310,000	1,310,000
<hr/>	<hr/>
\$ 16,640,000	155,496,629
<hr/>	<hr/>

# Shelby County, Tennessee

## Schedule of General Obligation Bonds & Loans-School Purposes For the Year Ended June 30, 2018

	2006B General Obligation	2009A General Obligation	2009B General Obligation	2009C General Obligation	2009 QSCB	2010 QSCB
Date of Issuance	02/22/2006	04/02/2009	09/30/2009	09/30/2009	12/01/2009	10/01/2010
Total Issue	\$ 159,590,000	\$ 83,442,403	\$ 60,000,000	\$ 60,000,000	\$ 55,120,000	\$ 67,260,000
Interest Rate %	(Variable)	2.75-5.0	2.25-5.0	5.625-5.75	1.515	1.515
Fiscal Year						
2019	-	20,464,532	4,425,000	-	3,439,402	4,196,919
2020	2,705,000	12,861,865	4,570,000	-	3,439,402	4,196,919
2021	8,505,000	7,534,236	4,755,000	-	3,439,402	4,196,919
2022	9,575,000	-	4,990,000	-	3,439,402	4,196,919
2023	7,130,000	-	5,240,000	-	3,439,402	4,196,919
2024	7,450,000	-	5,475,000	-	3,439,402	4,196,919
2025	23,900,000	-	-	4,995,000	3,439,402	4,196,919
2026	26,130,000	-	-	5,195,000	3,439,402	4,196,919
2027	20,110,000	-	-	5,400,000	376,185	4,196,919
2028	6,625,000	-	-	5,610,000	-	459,040
2029	12,680,000	-	-	5,830,000	-	-
2030	6,055,000	-	-	6,060,000	-	-
2031	19,280,000	-	-	6,315,000	-	-
2032	-	-	-	6,585,000	-	-
2033	-	-	-	6,860,000	-	-
2034	-	-	-	7,150,000	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
TOTAL	<u>\$ 150,145,000</u>	<u>\$ 40,860,633</u>	<u>\$ 29,455,000</u>	<u>\$ 60,000,000</u>	<u>\$ 27,891,401</u>	<u>\$ 38,231,310</u>

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.

<u>2011A</u> <u>General</u> <u>Obligation</u>	<u>2012A</u> <u>General</u> <u>Obligation</u>	<u>2012B</u> <u>GO Refunding</u> <u>(Rural Schools)</u>	<u>2015A</u> <u>General</u> <u>Obligation</u>	<u>2016A</u> <u>General</u> <u>Obligation</u>	<u>2017A</u> <u>General</u> <u>Obligation</u>
03/30/2011	03/01/2012	03/01/2012	01/28/2015	02/26/2016	06/21/2017
\$ 40,856,293	\$ 178,361,915	\$ 15,060,000	\$ 142,880,000	\$ 61,995,000	\$ 66,065,000
4.0-5.0	3.0-5.0	2.0-4.0	2.0-5.0	1.5-5.0	5.0
3,672,298	12,929,760	390,000	24,770,000	1,800,000	2,080,000
4,053,284	14,064,553	-	23,850,000	1,885,000	2,180,000
4,479,077	24,755,676	-	6,525,000	1,980,000	2,290,000
4,963,577	26,660,753	-	4,835,000	2,075,000	2,405,000
5,505,204	28,541,758	-	5,870,000	2,525,000	2,525,000
5,660,000	21,588,573	-	5,805,000	10,955,000	2,645,000
6,235,000	-	-	10,095,000	19,620,000	2,780,000
-	4,367,233	-	5,390,000	12,875,000	2,920,000
-	4,879,609	-	455,000	5,060,000	3,070,000
-	5,453,883	-	-	-	3,215,000
-	-	-	-	-	3,380,000
-	-	-	-	-	3,555,000
-	-	-	-	-	3,725,000
-	-	-	-	-	3,910,000
-	-	-	-	-	4,110,000
-	-	-	-	-	4,320,000
-	-	-	-	-	4,530,000
-	-	-	-	-	4,755,000
-	-	-	-	-	4,995,000
<u>\$ 34,568,440</u>	<u>\$ 143,241,798</u>	<u>\$ 390,000</u>	<u>\$ 87,595,000</u>	<u>\$ 58,775,000</u>	<u>63,390,000</u>

**Schedule of General Obligation Bonds & Loans-School Purposes (continued)**  
**For the Year Ended June 30, 2018**

	School Total	G. O. Bonds Total
Date of Issuance		
Total Issue		
Interest Rate %		
Fiscal Year		
2019	78,167,911	95,221,321
2020	73,806,023	93,441,321
2021	68,460,310	91,413,821
2022	63,140,651	88,701,321
2023	64,973,283	87,656,321
2024	67,214,894	79,586,321
2025	75,261,321	78,701,321
2026	64,513,554	69,141,321
2027	43,547,713	47,540,604
2028	21,362,923	25,624,040
2029	21,890,000	23,752,500
2030	15,670,000	17,610,000
2031	29,320,000	31,350,000
2032	10,495,000	12,627,500
2033	10,970,000	13,207,500
2034	11,470,000	13,817,500
2035	4,530,000	6,997,500
2036	4,755,000	7,345,000
2037	4,995,000	6,305,000
<b>TOTAL</b>	<u><u>734,543,582</u></u>	<u><u>\$ 890,040,211</u></u>

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.

# Shelby County, Tennessee

## Schedule of Defeased Bonds For the Year Ended June 30, 2018

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Defeased Bonds: \*\*

<u>Bond Series</u>	<u>Maturity Dates</u>	<u>Total Defeased Principal</u>
2009A Refunding Bonds	10/2012-04/2019	<u>12,360,000</u>
Total		12,360,000

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

## Other Budgetary Comparison Schedules

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

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

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

**Debt Service Fund**  
**Budgetary Comparison Schedule - Summary by Type**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 130,760,000	\$ 130,760,000	\$ 133,844,038	\$ 3,084,038
Other local taxes	14,729,000	14,729,000	14,594,741	(134,259)
Federal and local revenue	1,109,586	1,109,586	1,114,966	5,380
Charges for services	225,750	225,750	188,125	(37,625)
Other revenue	571,000	571,000	551,616	(19,384)
Investment income	400,000	400,000	2,088,513	1,688,513
Total revenues	147,795,336	147,795,336	152,381,999	4,586,663
Expenditures:				
Professional and contracted services	166,300	166,300	108,928	57,372
Debt service expenditures	149,812,459	149,812,459	147,950,001	1,862,458
Total expenditures	149,978,759	149,978,759	148,058,929	1,919,830
Excess (deficiency) of revenues over (under) expenditures	(2,183,423)	(2,183,423)	4,323,070	(6,506,493)
Other financing sources (uses):				
Planned change in fund balance	2,183,423	2,183,423	---	(2,183,423)
Total other financing sources (uses)	2,183,423	2,183,423	---	(2,183,423)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 4,323,070	\$ 4,323,070

**General Fund**  
**Budgetary Comparison Schedule - Summary by Type**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 270,997,000	\$ 270,997,000	\$ 276,604,440	\$ 5,607,440
Other local taxes	33,349,000	33,349,000	31,430,272	(1,918,728)
State revenue	23,426,820	23,426,820	22,424,187	(1,002,633)
Federal and local revenue	9,802,419	9,802,418	9,963,936	161,518
Charges for services	3,025,622	3,079,896	2,335,215	(744,681)
Fines, fees and permits	68,350,400	68,350,400	61,188,452	(7,161,948)
Other revenue	1,214,500	1,214,500	684,519	(529,981)
Investment income	1,218,500	1,218,500	2,190,483	971,983
Total revenues	411,384,261	411,438,534	406,821,504	(4,617,030)
<b>Expenditures:</b>				
Salaries	213,938,725	215,629,623	189,650,831	25,978,792
Other compensation	17,513,311	14,666,914	20,558,506	(5,891,592)
Fringe benefits	89,464,511	89,920,825	79,200,253	10,720,572
Salary restrictions	(22,970,430)	(23,809,578)	---	(23,809,578)
Supplies and materials	8,986,680	9,292,504	9,350,986	(58,482)
Services and other expenditures	10,513,580	11,043,798	9,799,579	1,244,219
Professional and contracted services	35,166,672	34,202,408	32,232,670	1,969,738
Rent, utilities and maintenance	17,472,222	18,509,658	15,150,455	3,359,203
Interfund services	(991,570)	(895,411)	(891,144)	(4,267)
Asset acquisitions	2,721,417	3,407,130	3,258,480	148,650
Affiliated organizations	30,358,729	30,441,106	30,441,104	2
Grants	4,950,000	6,655,280	6,155,280	500,000
Contingencies and restrictions	(7,832,774)	(8,444,122)	---	(8,444,122)
Total expenditures	399,291,073	400,620,135	394,907,000	5,713,135
Excess (deficiency) of revenues over (under) expenditures	12,093,188	10,818,399	11,914,504	(1,096,105)
<b>Other financing sources (uses):</b>				
Transfers in	1,136,514	1,136,514	857,930	(278,584)
Transfers out	(16,768,461)	(16,719,756)	(16,527,694)	192,062
Sale of capital assets	200,000	200,000	112,148	(87,852)
Planned change in fund balance	3,338,759	4,564,843	---	(4,564,843)
Total other financing sources (uses)	(12,093,188)	(10,818,399)	(15,557,616)	(4,739,217)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (3,643,112)	\$ (3,643,112)

**General Fund**  
**Budgetary Comparison Schedule - Summary by Department**  
**For the Year Ended June 30, 2018**

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	---	2,898	2,898
County Attorney	1,000	1,350	350
Central Operations	322,586,000	326,208,833	3,622,833
Human Resources	672,047	631,506	(40,541)
Purchasing	300	46	(254)
Chief Information Officer	280,902	250,793	(30,109)
Information Technology Operations	1,700,000	1,728,276	28,276
	<u>325,240,249</u>	<u>328,823,702</u>	<u>3,583,453</u>
Planning and Development			
Housing	5,000	---	(5,000)
	<u>5,000</u>	<u>---</u>	<u>(5,000)</u>
Public Works			
Environmental Programs	380,000	311,362	(68,638)
Parks and Grounds Maintenance	473,700	522,451	48,751
Support Services	1,930,805	2,381,345	450,540
	<u>2,784,505</u>	<u>3,215,158</u>	<u>430,653</u>
Health Services			
Forensic Services	980,000	589,212	(390,788)
Health Services Administration and Finance	1,432,716	1,036,069	(396,647)
Environmental Health Services	1,920,250	2,209,723	289,473
Community Health	878,000	601,411	(276,589)
Health Planning and Promotion	---	298	298
Public Health Safety	135,500	95,107	(40,393)
	<u>5,346,466</u>	<u>4,531,820</u>	<u>(814,646)</u>
Community Services			
Crime Victims Center	625,000	559,800	(65,200)
Pretrial Services	250,000	196,023	(53,977)
	<u>875,000</u>	<u>755,823</u>	<u>(119,177)</u>
Law Enforcement			
Sheriff's Office	5,813,000	5,464,154	(348,846)
	<u>5,813,000</u>	<u>5,464,154</u>	<u>(348,846)</u>
Judicial			
Chancery Court	3,395,000	3,600,511	205,511
Circuit Court	3,080,000	2,392,251	(687,749)
Criminal Court	4,505,400	1,039,700	(3,465,700)
General Sessions Court	9,663,000	7,688,627	(1,974,373)
Probate Court	609,000	654,801	45,801
Juvenile Court Judge	4,000	4,864	864
Juvenile Court Clerk	1,475,000	1,398,300	(76,700)
Public Defender	5,491,400	4,142,095	(1,349,305)
Divorce Referee	280,000	251,356	(28,644)
Attorney General	---	14,537	14,537
	<u>28,502,800</u>	<u>21,187,042</u>	<u>(7,315,758)</u>

**Shelby County, Tennessee**

**General Fund  
Budgetary Comparison Schedule - Summary by Department  
For the Year Ended June 30, 2018**

<b>Other Elected Officials</b>			
Legislative Operations	---	252	252
Assessor	2,881,686	2,908,160	26,474
County Clerk	11,905,000	11,932,899	27,899
Register	4,010,000	3,700,571	(309,429)
Trustee	24,015,000	24,138,272	123,272
Election Commission	59,828	163,651	103,823
	<u>42,871,514</u>	<u>42,843,805</u>	<u>(27,709)</u>
Total revenues	<u>411,438,534</u>	<u>406,821,504</u>	<u>(4,617,030)</u>
<b>Expenditures:</b>			
<b>General Government</b>			
Mayor's Office	621,011	622,375	(1,364)
Public Affairs	523,799	463,544	60,255
Chief Administrative Officer	3,403,652	2,970,275	433,377
County Attorney	3,732,402	3,609,829	122,573
Director of Administration and Finance	928,702	745,251	183,451
Central Operations	20,939,086	29,181,597	(8,242,511)
County Grants	3,655,280	3,155,280	500,000
Human Resources	4,773,722	4,453,079	320,643
Purchasing	775,483	651,078	124,405
Finance	2,613,592	2,496,342	117,250
Board of Equalization	488,227	400,324	87,903
Chief Information Officer	466,095	362,161	103,934
Information Technology Operations	11,692,904	10,984,200	708,704
	<u>54,613,955</u>	<u>60,095,335</u>	<u>(5,481,380)</u>
<b>Planning and Development</b>			
Housing	391,579	340,223	51,356
	<u>391,579</u>	<u>340,223</u>	<u>51,356</u>
<b>Public Works</b>			
Director of Public Works	684,391	675,726	8,665
Environmental Programs	607,330	476,604	130,726
Parks and Grounds Maintenance	5,547,002	4,893,026	653,976
Support Services	18,434,870	17,870,044	564,826
	<u>25,273,593</u>	<u>23,915,400</u>	<u>1,358,193</u>
<b>Health Services</b>			
Director of Health Services	514,461	300,037	214,424
Forensic Services	3,967,183	3,867,220	99,963
Health Services Administration and Finance	1,410,441	1,221,832	188,609
Environmental Health Services	2,651,201	2,625,528	25,673
Community Health	2,352,618	3,288,708	(936,090)
Health Planning and Promotion	907,282	753,717	153,565
Inmate Medical Care	13,894,420	13,458,165	436,255
Public Health Safety	4,568,548	3,869,704	698,844
	<u>30,266,154</u>	<u>29,384,911</u>	<u>881,243</u>

**Shelby County, Tennessee**

**General Fund  
Budgetary Comparison Schedule - Summary by Department  
For the Year Ended June 30, 2018**

<b>Community Services</b>			
Director of Community Services	1,145,608	1,231,258	(85,650)
Community and Diversion Services	2,472,122	2,443,417	28,705
Crime Victims Center	1,532,947	1,445,304	87,643
Pretrial Services	4,178,616	3,906,616	272,000
	<u>9,329,293</u>	<u>9,026,595</u>	<u>302,698</u>
<b>Law Enforcement</b>			
Sheriff's Office	177,611,907	176,004,697	1,607,210
	<u>177,611,907</u>	<u>176,004,697</u>	<u>1,607,210</u>
<b>Judicial</b>			
Chancery Court	1,668,130	1,518,969	149,161
Circuit Court	2,917,681	2,722,261	195,420
Criminal Court	5,360,563	5,137,669	222,894
General Sessions Court	16,310,771	15,239,768	1,071,003
Probate Court	1,363,814	1,315,419	48,395
Juvenile Court Judge	11,181,530	10,737,601	443,929
Juvenile Court Clerk	3,941,366	3,743,783	197,583
Public Defender	14,133,001	13,279,409	853,592
Divorce Referee	719,290	697,204	22,086
Jury Commission	895,867	692,188	203,679
Attorney General	11,505,849	11,076,342	429,507
	<u>69,997,862</u>	<u>66,160,613</u>	<u>3,837,249</u>
<b>Other Elected Officials</b>			
Commissioner's Contingency	405,922	324,750	81,172
Legislative Operations	2,411,212	2,191,763	219,449
Equal Opportunity Compliance	1,224,748	942,956	281,792
Assessor	10,948,562	10,049,562	899,000
County Clerk	5,779,959	5,528,434	251,525
Register	1,793,241	1,726,221	67,020
Trustee	7,389,132	6,389,863	999,269
Election Commission	3,183,016	2,825,677	357,339
	<u>33,135,792</u>	<u>29,979,226</u>	<u>3,156,566</u>
<b>Total expenditures</b>	<u>400,620,135</u>	<u>394,907,000</u>	<u>5,713,135</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>10,818,399</u>	<u>11,914,504</u>	<u>(1,096,105)</u>
<b>Transfers in:</b>			
Human Resources	65,342	---	(65,342)
Director of Public Works	35,170	35,170	---
Health Services Administration and Finance	462,300	533,076	70,776
Public Health Safety	406,900	274,554	(132,346)
Sheriff's Office	131,481	---	(131,481)
Juvenile Court Clerk	35,321	15,130	(20,191)
	<u>1,136,514</u>	<u>857,930</u>	<u>(278,584)</u>

**Shelby County, Tennessee**

**General Fund  
Budgetary Comparison Schedule - Summary by Department  
For the Year Ended June 30, 2018**

Transfers out:			
Central Operations	(13,750,000)	(13,750,000)	---
Housing	(64,361)	(61,135)	3,226
Director of Public Works	(50,000)	(50,000)	---
Health Services Administration and Finance	---	(120)	(120)
Environmental Health Services	(1,457,940)	(1,254,465)	203,475
Community Health	(863,850)	(863,850)	---
Health Planning and Promotion	(4,300)	---	4,300
Crime Victims Center	(165,655)	(140,061)	25,594
Sheriff's Office	(13,560)	(13,560)	---
Juvenile Court Clerk	(350,090)	(394,503)	(44,413)
	<u>(16,719,756)</u>	<u>(16,527,694)</u>	<u>192,062</u>
Other financing sources (uses):			
Central Operations	4,564,843	---	(4,564,843)
Parks and Grounds Maintenance	100,000	---	(100,000)
Support Services	100,000	66,298	(33,702)
Sheriff's Office	---	45,850	45,850
	<u>4,764,843</u>	<u>112,148</u>	<u>(4,652,695)</u>
Net other financing sources (uses)	<u>(10,818,399)</u>	<u>(15,557,616)</u>	<u>(4,739,217)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ (3,643,112)</u>	<u>\$ (3,643,112)</u>

**Mayor's Office**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Salaries	454,888	462,242	464,112	(1,870)
Other compensation	546	5,431	5,430	1
Fringe benefits	149,428	152,838	152,833	5
Services and other expenditures	500	500	---	500
Total expenditures	<u>605,362</u>	<u>621,011</u>	<u>622,375</u>	<u>(1,364)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(605,362)</u>	<u>(621,011)</u>	<u>(622,375)</u>	<u>1,364</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (605,362)</u>	<u>\$ (621,011)</u>	<u>\$ (622,375)</u>	<u>\$ (1,364)</u>

**Public Affairs**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Salaries	350,270	350,270	316,424	33,846
Other compensation	4,248	10,648	10,647	1
Fringe benefits	123,929	123,929	119,177	4,752
Supplies and materials	4,250	4,250	174	4,076
Services and other expenditures	3,147	3,147	510	2,637
Interfund services	31,555	31,555	16,612	14,943
Total expenditures	<u>517,399</u>	<u>523,799</u>	<u>463,544</u>	<u>60,255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(517,399)</u>	<u>(523,799)</u>	<u>(463,544)</u>	<u>(60,255)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (517,399)</u>	<u>\$ (523,799)</u>	<u>\$ (463,544)</u>	<u>\$ 60,255</u>

**Chief Administrative Officer**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ ---	\$ ---	\$ 1,827	\$ 1,827
Other revenue	---	---	1,071	1,071
Total revenues	<u>---</u>	<u>---</u>	<u>2,898</u>	<u>2,898</u>
<b>Expenditures:</b>				
Salaries	1,567,403	1,569,427	1,344,348	225,079
Other compensation	49,534	68,734	68,731	3
Fringe benefits	563,843	563,202	504,076	59,126
Salary restrictions	(147,003)	(197,003)	---	(197,003)
Supplies and materials	119,492	106,954	83,267	23,687
Services and other expenditures	254,825	462,197	288,181	174,016
Professional and contracted services	621,310	520,050	434,517	85,533
Rent, utilities and maintenance	50,158	61,377	29,785	31,592
Interfund services	253,507	217,908	186,565	31,343
Asset acquisitions	---	30,806	30,805	1
Total expenditures	<u>3,333,069</u>	<u>3,403,652</u>	<u>2,970,275</u>	<u>433,377</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,333,069)</u>	<u>(3,403,652)</u>	<u>(2,967,377)</u>	<u>(436,275)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,333,069)</u>	<u>\$ (3,403,652)</u>	<u>\$ (2,967,377)</u>	<u>\$ 436,275</u>

**Shelby County, Tennessee**

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**County Attorney**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 1,000	\$ 1,000	\$ 1,350	\$ 350
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,350</u>	<u>350</u>
<b>Expenditures:</b>				
Salaries	2,476,852	2,476,851	2,055,707	421,144
Other compensation	20,354	20,354	9,719	10,635
Fringe benefits	939,258	939,258	742,973	196,285
Salary restrictions	(213,545)	(523,619)	---	(523,619)
Supplies and materials	22,750	22,750	22,160	590
Services and other expenditures	150,726	144,226	139,575	4,651
Professional and contracted services	491,680	598,180	598,150	30
Interfund services	43,374	54,402	41,545	12,857
Total expenditures	<u>3,931,449</u>	<u>3,732,402</u>	<u>3,609,829</u>	<u>122,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,930,449)</u>	<u>(3,731,402)</u>	<u>(3,608,479)</u>	<u>(122,923)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,930,449)</u>	<u>\$ (3,731,402)</u>	<u>\$ (3,608,479)</u>	<u>\$ 122,923</u>

**Director of Administration and Finance**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Salaries	658,956	659,864	500,972	158,892
Other compensation	3,582	4,382	4,334	48
Fringe benefits	243,244	243,513	184,513	59,000
Salary restrictions	---	(154,643)	---	(154,643)
Supplies and materials	4,154	4,154	3,465	689
Services and other expenditures	11,006	11,006	5,107	5,899
Professional and contracted services	149,572	149,572	37,874	111,698
Interfund services	8,760	10,854	8,986	1,868
Total expenditures	<u>1,079,274</u>	<u>928,702</u>	<u>745,251</u>	<u>183,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,079,274)</u>	<u>(928,702)</u>	<u>(745,251)</u>	<u>(183,451)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,079,274)</u>	<u>\$ (928,702)</u>	<u>\$ (745,251)</u>	<u>\$ 183,451</u>

**Central Operations**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 270,997,000	\$ 270,997,000	\$ 276,604,440	\$ 5,607,440
Other local taxes	32,939,000	32,939,000	31,030,567	(1,908,433)
State revenue	12,545,000	12,545,000	11,999,922	(545,078)
Federal and local revenue	3,050,000	3,050,000	3,041,034	(8,966)
Charges for services	50,000	50,000	60,544	10,544
Fines, fees and permits	1,005,000	1,005,000	1,526,692	521,692
Other revenue	1,000,000	1,000,000	413,124	(586,876)
Investment income	1,000,000	1,000,000	1,532,510	532,510
Total revenues	<u>322,586,000</u>	<u>322,586,000</u>	<u>326,208,833</u>	<u>3,622,833</u>
<b>Expenditures:</b>				
Other compensation	619,201	646,592	---	646,592
Fringe benefits	---	10	---	10
Salary restrictions	(2,899,530)	(2,492,356)	---	(2,492,356)
Services and other expenditures	736,538	654,161	594,417	59,744
Professional and contracted services	573,000	573,000	536,029	36,971
Rent, utilities and maintenance	2,000,000	2,000,000	---	2,000,000
Interfund services	(4,564,105)	(4,564,105)	(4,564,105)	---
Affiliated organizations	29,532,881	29,615,258	29,615,256	2
Grants	3,000,000	3,000,000	3,000,000	---
Contingencies and restrictions	(8,032,774)	(8,493,474)	---	(8,493,474)
Total expenditures	<u>20,965,211</u>	<u>20,939,086</u>	<u>29,181,597</u>	<u>(8,242,511)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>301,620,789</u>	<u>301,646,914</u>	<u>297,027,236</u>	<u>4,619,678</u>
<b>Other financing sources (uses):</b>				
Transfers out	(13,750,000)	(13,750,000)	(13,750,000)	---
Planned change in fund balance	3,338,759	4,564,843	---	(4,564,843)
Total other financing sources (uses)	<u>(10,411,241)</u>	<u>(9,185,157)</u>	<u>(13,750,000)</u>	<u>(4,564,843)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 291,209,548</u>	<u>\$ 292,461,757</u>	<u>\$ 283,277,236</u>	<u>\$ (9,184,521)</u>

Shelby County, Tennessee

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**County Grants**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Grants	1,950,000	3,655,280	3,155,280	500,000
Total expenditures	<u>1,950,000</u>	<u>3,655,280</u>	<u>3,155,280</u>	<u>500,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,950,000)</u>	<u>(3,655,280)</u>	<u>(3,155,280)</u>	<u>(500,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,950,000)</u>	<u>\$ (3,655,280)</u>	<u>\$ (3,155,280)</u>	<u>\$ 500,000</u>

**Human Resources**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal and local revenue	\$ 649,048	\$ 649,047	\$ 565,809	\$ (83,238)
Charges for services	500	500	548	48
Other revenue	22,500	22,500	65,149	42,649
Total revenues	<u>672,048</u>	<u>672,047</u>	<u>631,506</u>	<u>(40,541)</u>
Expenditures:				
Salaries	3,235,909	3,233,934	2,962,557	271,377
Other compensation	36,003	43,703	43,679	24
Fringe benefits	1,296,741	1,298,719	1,150,798	147,921
Salary restrictions	(255,040)	(255,040)	---	(255,040)
Supplies and materials	48,300	50,400	10,385	40,015
Services and other expenditures	133,195	97,795	77,716	20,079
Professional and contracted services	151,255	181,555	137,067	44,488
Rent, utilities and maintenance	24,000	24,000	5,050	18,950
Interfund services	95,656	98,656	65,827	32,829
Total expenditures	<u>4,766,019</u>	<u>4,773,722</u>	<u>4,453,079</u>	<u>320,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,093,971)</u>	<u>(4,101,675)</u>	<u>(3,821,573)</u>	<u>(280,102)</u>
Other financing sources (uses):				
Transfers in	65,342	65,342	---	(65,342)
Total other financing sources (uses)	<u>65,342</u>	<u>65,342</u>	<u>---</u>	<u>(65,342)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (4,028,629)</u>	<u>\$ (4,036,333)</u>	<u>\$ (3,821,573)</u>	<u>\$ 214,760</u>

Shelby County, Tennessee

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Purchasing**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 300	\$ 300	\$ 46	\$ (254)
Total revenues	300	300	46	(254)
Expenditures:				
Salaries	465,135	515,135	438,644	76,491
Other compensation	5,892	10,142	10,138	4
Fringe benefits	185,645	208,502	159,156	49,346
Salary restrictions	---	(18,214)	---	(18,214)
Supplies and materials	7,500	15,500	11,542	3,958
Services and other expenditures	24,900	20,900	9,108	11,792
Rent, utilities and maintenance	10,000	945	---	945
Interfund services	23,900	22,573	22,490	83
Total expenditures	722,972	775,483	651,078	124,405
Excess (deficiency) of revenues over (under) expenditures	(722,672)	(775,183)	(651,032)	(124,151)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (722,672)	\$ (775,183)	\$ (651,032)	\$ 124,151

**Finance**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	1,822,182	1,830,182	1,719,706	110,476
Other compensation	23,470	23,470	11,679	11,791
Fringe benefits	753,092	755,462	665,227	90,235
Salary restrictions	(140,403)	(140,403)	---	(140,403)
Supplies and materials	29,000	20,500	15,024	5,476
Services and other expenditures	61,500	55,000	44,206	10,794
Professional and contracted services	1,700	16,700	690	16,010
Rent, utilities and maintenance	700	700	---	700
Interfund services	38,500	51,981	39,810	12,171
Total expenditures	2,589,741	2,613,592	2,496,342	117,250
Excess (deficiency) of revenues over (under) expenditures	(2,589,741)	(2,613,592)	(2,496,342)	(117,250)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,589,741)	\$ (2,613,592)	\$ (2,496,342)	\$ 117,250

**Board of Equalization**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Salaries	367,473	367,473	316,900	50,573
Other compensation	3,702	3,702	1,753	1,949
Fringe benefits	63,444	63,444	59,003	4,441
Supplies and materials	8,000	18,000	9,510	8,490
Services and other expenditures	4,000	4,000	429	3,571
Professional and contracted services	17,458	7,458	---	7,458
Interfund services	21,500	24,150	12,729	11,421
Total expenditures	<u>485,577</u>	<u>488,227</u>	<u>400,324</u>	<u>87,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(485,577)</u>	<u>(488,227)</u>	<u>(400,324)</u>	<u>(87,903)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (485,577)</u>	<u>\$ (488,227)</u>	<u>\$ (400,324)</u>	<u>\$ 87,903</u>

**Chief Information Officer**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal and local revenue	\$ 186,777	\$ 186,777	\$ 181,722	\$ (5,055)
Charges for services	94,125	94,125	69,071	(25,054)
Total revenues	<u>280,902</u>	<u>280,902</u>	<u>250,793</u>	<u>(30,109)</u>
Expenditures:				
Salaries	266,531	268,792	233,390	35,402
Other compensation	546	2,221	2,216	5
Fringe benefits	93,436	92,430	73,499	18,931
Supplies and materials	1,000	235	231	4
Services and other expenditures	219,911	215,820	182,607	33,213
Interfund services	(115,328)	(113,403)	(129,782)	16,379
Total expenditures	<u>466,096</u>	<u>466,095</u>	<u>362,161</u>	<u>103,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,194)</u>	<u>(185,193)</u>	<u>(111,368)</u>	<u>(73,825)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (185,194)</u>	<u>\$ (185,193)</u>	<u>\$ (111,368)</u>	<u>\$ 73,825</u>

**Information Technology Operations**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines, fees and permits	\$ 1,700,000	\$ 1,700,000	\$ 1,725,164	\$ 25,164
Other revenue	---	---	3,112	3,112
Total revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,728,276</u>	<u>28,276</u>
<b>Expenditures:</b>				
Salaries	5,772,769	5,768,071	5,132,102	635,969
Other compensation	154,381	154,381	102,143	52,238
Fringe benefits	2,237,719	2,239,486	1,983,973	255,513
Salary restrictions	(541,911)	(538,980)	---	(538,980)
Supplies and materials	360,584	359,680	309,070	50,610
Services and other expenditures	1,857,942	2,215,129	2,159,194	55,935
Professional and contracted services	1,022,507	459,257	357,600	101,657
Rent, utilities and maintenance	511,748	553,588	500,950	52,638
Interfund services	223,231	277,422	255,527	21,895
Asset acquisitions	91,800	204,870	183,641	21,229
Total expenditures	<u>11,690,770</u>	<u>11,692,904</u>	<u>10,984,200</u>	<u>708,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,990,770)</u>	<u>(9,992,904)</u>	<u>(9,255,924)</u>	<u>(736,980)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (9,990,770)</u>	<u>\$ (9,992,904)</u>	<u>\$ (9,255,924)</u>	<u>\$ 736,980</u>

**Housing**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, fees and permits	\$ 5,000	\$ 5,000	\$ ---	\$ (5,000)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>---</u>	<u>(5,000)</u>
Expenditures:				
Salaries	231,880	231,880	200,268	31,612
Other compensation	4,668	4,668	3,108	1,560
Fringe benefits	93,796	93,796	80,231	13,565
Supplies and materials	7,700	7,700	6,898	802
Services and other expenditures	2,725	2,725	1,496	1,229
Interfund services	50,810	50,810	48,222	2,588
Total expenditures	<u>391,579</u>	<u>391,579</u>	<u>340,223</u>	<u>51,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(386,579)</u>	<u>(386,579)</u>	<u>(340,223)</u>	<u>(46,356)</u>
Other financing sources (uses):				
Transfers out	(64,361)	(64,361)	(61,135)	3,226
Total other financing sources (uses)	<u>(64,361)</u>	<u>(64,361)</u>	<u>(61,135)</u>	<u>3,226</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (450,940)</u>	<u>\$ (450,940)</u>	<u>\$ (401,358)</u>	<u>\$ 49,582</u>

**Director of Public Works**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	218,413	218,413	218,413	---
Other compensation	---	2,100	2,092	8
Fringe benefits	85,714	86,114	86,081	33
Salary restrictions	(169,646)	54	---	54
Supplies and materials	300	5,100	4,372	728
Services and other expenditures	4,360	1,027	633	394
Professional and contracted services	27,000	4,950	4,950	---
Interfund services	327,750	366,633	359,185	7,448
Asset acquisitions	16,000	---	---	---
Total expenditures	509,891	684,391	675,726	8,665
Excess (deficiency) of revenues over (under) expenditures	(509,891)	(684,391)	(675,726)	(8,665)
Other financing sources (uses):				
Transfers in	35,170	35,170	35,170	---
Transfers out	(50,000)	(50,000)	(50,000)	---
Total other financing sources (uses)	(14,830)	(14,830)	(14,830)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (524,721)	\$ (699,221)	\$ (690,556)	\$ 8,665

**Environmental Programs**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 380,000	\$ 380,000	\$ 311,362	\$ (68,638)
Total revenues	380,000	380,000	311,362	(68,638)
Expenditures:				
Salaries	168,685	168,684	134,321	34,363
Other compensation	2,673	2,873	2,846	27
Fringe benefits	61,173	61,172	56,990	4,182
Supplies and materials	25,531	28,881	17,979	10,902
Services and other expenditures	9,624	9,366	6,928	2,438
Professional and contracted services	16,848	13,648	5,500	8,148
Rent, utilities and maintenance	220,917	260,025	243,889	16,136
Interfund services	74,681	62,681	8,151	54,530
Total expenditures	580,132	607,330	476,604	130,726
Excess (deficiency) of revenues over (under) expenditures	(200,132)	(227,330)	(165,242)	(62,088)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (200,132)	\$ (227,330)	\$ (165,242)	\$ 62,088

**Parks and Grounds Maintenance**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 303,200	\$ 303,200	\$ 381,674	\$ 78,474
Fines, fees and permits	25,000	25,000	23,509	(1,491)
Other revenue	145,000	145,000	116,475	(28,525)
Investment income	500	500	793	293
Total revenues	<u>473,700</u>	<u>473,700</u>	<u>522,451</u>	<u>48,751</u>
<b>Expenditures:</b>				
Salaries	1,181,173	1,181,172	998,210	182,962
Other compensation	7,132	14,232	14,224	8
Fringe benefits	317,275	317,277	250,421	66,856
Salary restrictions	---	(169,700)	---	(169,700)
Supplies and materials	265,966	240,237	175,118	65,119
Services and other expenditures	53,532	73,082	65,827	7,255
Professional and contracted services	62,000	17,716	11,541	6,175
Rent, utilities and maintenance	2,528,843	2,397,504	1,965,311	432,193
Interfund services	225,012	251,772	235,187	16,585
Asset acquisitions	121,350	397,862	351,339	46,523
Affiliated organizations	825,848	825,848	825,848	---
Total expenditures	<u>5,588,131</u>	<u>5,547,002</u>	<u>4,893,026</u>	<u>653,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,114,431)</u>	<u>(5,073,302)</u>	<u>(4,370,575)</u>	<u>(702,727)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	100,000	100,000	---	(100,000)
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>---</u>	<u>(100,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (5,014,431)</u>	<u>\$ (4,973,302)</u>	<u>\$ (4,370,575)</u>	<u>\$ 602,727</u>

**Support Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Federal and local revenue	\$ 400,000	\$ 400,000	\$ 757,886	\$ 357,886
Charges for services	475,531	529,805	300,096	(229,709)
Fines, fees and permits	1,000,000	1,000,000	1,320,455	320,455
Other revenue	1,000	1,000	2,908	1,908
Total revenues	1,876,531	1,930,805	2,381,345	450,540
<b>Expenditures:</b>				
Salaries	6,933,479	6,933,479	6,598,345	335,134
Other compensation	155,406	196,506	196,184	322
Fringe benefits	2,950,247	2,899,345	2,838,097	61,248
Salary restrictions	(289,444)	(289,444)	---	(289,444)
Supplies and materials	1,091,133	784,120	570,640	213,480
Services and other expenditures	1,442,529	1,223,046	1,102,905	120,141
Professional and contracted services	226,027	100,756	60,373	40,383
Rent, utilities and maintenance	6,542,912	6,642,781	6,155,653	487,128
Interfund services	(305,979)	(139,320)	278,899	(418,219)
Asset acquisitions	47,536	83,601	68,948	14,653
Total expenditures	18,793,846	18,434,870	17,870,044	564,826
Excess (deficiency) of revenues over (under) expenditures	(16,917,315)	(16,504,065)	(15,488,699)	(1,015,366)
<b>Other financing sources (uses):</b>				
Sale of capital assets	100,000	100,000	66,298	(33,702)
Total other financing sources (uses)	100,000	100,000	66,298	(33,702)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (16,817,315)	\$ (16,404,065)	\$ (15,422,401)	\$ 981,664

**Director of Health Services**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Salaries	387,894	394,894	213,215	181,679
Other compensation	2,244	2,244	1,000	1,244
Fringe benefits	146,907	148,983	73,970	75,013
Salary restrictions	(46,660)	(46,660)	---	(46,660)
Supplies and materials	---	250	44	206
Services and other expenditures	3,500	14,750	11,808	2,942
Total expenditures	<u>493,885</u>	<u>514,461</u>	<u>300,037</u>	<u>214,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(493,885)</u>	<u>(514,461)</u>	<u>(300,037)</u>	<u>(214,424)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (493,885)</u>	<u>\$ (514,461)</u>	<u>\$ (300,037)</u>	<u>\$ 214,424</u>

**Forensic Services**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State revenue	\$ 150,000	\$ 150,000	\$ 137,848	\$ (12,152)
Federal and local revenue	560,000	560,000	283,284	(276,716)
Fines, fees and permits	270,000	270,000	168,080	(101,920)
Total revenues	<u>980,000</u>	<u>980,000</u>	<u>589,212</u>	<u>(390,788)</u>
Expenditures:				
Supplies and materials	30,000	21,900	18,602	3,298
Services and other expenditures	148,400	120,400	65,737	54,663
Professional and contracted services	3,430,183	3,427,583	3,422,606	4,977
Rent, utilities and maintenance	294,000	294,000	259,498	34,502
Interfund services	52,600	62,600	60,140	2,460
Asset acquisitions	12,000	40,700	40,637	63
Total expenditures	<u>3,967,183</u>	<u>3,967,183</u>	<u>3,867,220</u>	<u>99,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,987,183)</u>	<u>(2,987,183)</u>	<u>(3,278,008)</u>	<u>290,825</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,987,183)</u>	<u>\$ (2,987,183)</u>	<u>\$ (3,278,008)</u>	<u>\$ (290,825)</u>

**Health Services Administration and Finance**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 10,000	\$ 10,000	\$ 6,820	\$ (3,180)
Charges for services	117,716	117,716	59,539	(58,177)
Fines, fees and permits	1,300,000	1,300,000	949,700	(350,300)
Other revenue	5,000	5,000	20,010	15,010
Total revenues	<u>1,432,716</u>	<u>1,432,716</u>	<u>1,036,069</u>	<u>(396,647)</u>
<b>Expenditures:</b>				
Salaries	1,282,170	1,275,170	956,923	318,247
Other compensation	22,114	24,814	24,771	43
Fringe benefits	582,322	577,548	413,896	163,652
Salary restrictions	(128,422)	(128,422)	---	(128,422)
Supplies and materials	45,733	87,933	42,466	45,467
Services and other expenditures	152,096	90,296	89,522	774
Professional and contracted services	36,725	6,725	4,777	1,948
Rent, utilities and maintenance	279,081	312,881	292,048	20,833
Interfund services	(797,904)	(836,504)	(602,571)	(233,933)
Total expenditures	<u>1,473,915</u>	<u>1,410,441</u>	<u>1,221,832</u>	<u>188,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(41,199)</u>	<u>22,275</u>	<u>(185,763)</u>	<u>208,038</u>
<b>Other financing sources (uses):</b>				
Transfers in	462,300	462,300	533,076	70,776
Transfers out	---	---	(120)	(120)
Total other financing sources (uses)	<u>462,300</u>	<u>462,300</u>	<u>532,956</u>	<u>70,656</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 421,101</u>	<u>\$ 484,575</u>	<u>\$ 347,193</u>	<u>\$ (137,382)</u>

**Environmental Health Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,100,000	\$ 1,100,000	\$ 1,638,255	\$ 538,255
Charges for services	250	250	98	(152)
Fines, fees and permits	820,000	820,000	571,244	(248,756)
Other revenue	---	---	126	126
Total revenues	1,920,250	1,920,250	2,209,723	289,473
Expenditures:				
Salaries	1,823,008	1,821,338	1,688,681	132,657
Other compensation	48,412	48,412	45,084	3,328
Fringe benefits	800,779	800,284	736,947	63,337
Salary restrictions	(219,289)	(219,289)	---	(219,289)
Supplies and materials	34,725	36,225	29,052	7,173
Services and other expenditures	74,205	87,580	75,724	11,856
Professional and contracted services	13,505	5,130	2,550	2,580
Rent, utilities and maintenance	4,400	3,900	1,433	2,467
Interfund services	35,121	27,621	32,327	(4,706)
Asset acquisitions	40,000	40,000	13,730	26,270
Total expenditures	2,654,866	2,651,201	2,625,528	25,673
Excess (deficiency) of revenues over (under) expenditures	(734,616)	(730,951)	(415,805)	(315,146)
Other financing sources (uses):				
Transfers out	---	---	---	---
	(1,457,940)	(1,457,940)	(1,254,465)	203,475
Total other financing sources (uses)	(1,457,940)	(1,457,940)	(1,254,465)	203,475
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,192,556)	\$ (2,188,891)	\$ (1,670,270)	\$ 518,621

**Community Health**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 867,500	\$ 867,500	\$ 586,623	\$ (280,877)
Fines, fees and permits	10,500	10,500	14,788	4,288
Total revenues	878,000	878,000	601,411	(276,589)
Expenditures:				
Salaries	1,085,454	1,087,124	799,363	287,761
Other compensation	17,312	32,312	31,754	558
Fringe benefits	473,580	459,076	358,367	100,709
Salary restrictions	(130,820)	(130,820)	---	(130,820)
Supplies and materials	274,802	248,302	1,471,485	(1,223,183)
Services and other expenditures	36,600	71,200	55,499	15,701
Professional and contracted services	93,582	26,782	25,323	1,459
Rent, utilities and maintenance	384,992	378,742	384,381	(5,639)
Interfund services	102,250	104,850	102,580	2,270
Asset acquisitions	---	75,050	59,956	15,094
Total expenditures	2,337,752	2,352,618	3,288,708	(936,090)
Excess (deficiency) of revenues over (under) expenditures	(1,459,752)	(1,474,618)	(2,687,297)	1,212,679
Other financing sources (uses):				
Transfers out	(863,850)	(863,850)	(863,850)	---
Total other financing sources (uses)	(863,850)	(863,850)	(863,850)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,323,602)	\$ (2,338,468)	\$ (3,551,147)	\$ (1,212,679)

Shelby County, Tennessee

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Health Planning and Promotion**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 298	\$ 298
Total revenues	---	---	298	298
Expenditures:				
Salaries	467,111	466,006	339,874	126,132
Other compensation	1,578	8,578	8,466	112
Fringe benefits	200,325	194,337	136,672	57,665
Salary restrictions	(38,800)	(38,800)	---	(38,800)
Supplies and materials	17,800	13,813	11,638	2,175
Services and other expenditures	15,500	122,941	231,656	(108,715)
Professional and contracted services	6,000	116,807	2,379	114,428
Rent, utilities and maintenance	3,000	1,700	1,082	618
Interfund services	21,600	21,900	21,950	(50)
Total expenditures	694,114	907,282	753,717	153,565
Excess (deficiency) of revenues over (under) expenditures	(694,114)	(907,282)	(753,419)	(153,863)
Other financing sources (uses):				
Transfers out	(4,300)	(4,300)	---	4,300
Total other financing sources (uses)	(4,300)	(4,300)	---	4,300
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (698,414)	\$ (911,582)	\$ (753,419)	\$ 158,163

**Inmate Medical Care**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	263,894	263,894	263,828	66
Other compensation	---	---	546	(546)
Fringe benefits	99,159	99,159	99,066	93
Salary restrictions	(24,728)	(24,728)	---	(24,728)
Supplies and materials	8,700	8,700	288	8,412
Services and other expenditures	11,000	23,000	19,940	3,060
Professional and contracted services	13,514,295	13,502,295	13,060,719	441,576
Rent, utilities and maintenance	10,600	10,600	9,700	900
Interfund services	11,500	11,500	4,078	7,422
Total expenditures	13,894,420	13,894,420	13,458,165	436,255
Excess (deficiency) of revenues over (under) expenditures	(13,894,420)	(13,894,420)	(13,458,165)	(436,255)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (13,894,420)	\$ (13,894,420)	\$ (13,458,165)	\$ 436,255

**Public Health Safety**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 115,500	\$ 115,500	\$ 78,149	\$ (37,351)
Fines, fees and permits	15,000	15,000	16,443	1,443
Other revenue	5,000	5,000	515	(4,485)
Total revenues	135,500	135,500	95,107	(40,393)
Expenditures:				
Salaries	2,686,971	2,696,073	2,103,548	592,525
Other compensation	65,786	65,786	63,553	2,233
Fringe benefits	1,116,442	1,119,137	847,322	271,815
Salary restrictions	(313,688)	(313,688)	---	(313,688)
Supplies and materials	239,674	311,112	269,678	41,434
Services and other expenditures	110,863	128,963	95,966	32,997
Professional and contracted services	385,230	445,030	354,144	90,886
Rent, utilities and maintenance	43,000	41,900	41,361	539
Interfund services	113,773	64,235	94,132	(29,897)
Asset acquisitions	10,000	10,000	---	10,000
Total expenditures	4,458,051	4,568,548	3,869,704	698,844
Excess (deficiency) of revenues over (under) expenditures	(4,322,551)	(4,433,048)	(3,774,597)	(658,451)
Other financing sources (uses):				
Transfers in	406,900	406,900	274,554	(132,346)
Total other financing sources (uses)	406,900	406,900	274,554	(132,346)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,915,651)	\$ (4,026,148)	\$ (3,500,043)	\$ 526,105

**Director of Community Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	840,428	857,231	792,741	64,490
Other compensation	4,062	13,062	12,950	112
Fringe benefits	325,025	324,155	283,334	40,821
Salary restrictions	(121,076)	(121,076)	---	(121,076)
Supplies and materials	15,300	24,671	23,908	763
Services and other expenditures	55,525	32,525	31,771	754
Professional and contracted services	379,586	272,848	272,535	313
Rent, utilities and maintenance	---	8,370	7,945	425
Interfund services	(255,175)	(266,178)	(193,926)	(72,252)
Total expenditures	1,243,675	1,145,608	1,231,258	(85,650)
Excess (deficiency) of revenues over (under) expenditures	(1,243,675)	(1,145,608)	(1,231,258)	85,650
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,243,675)	\$ (1,145,608)	\$ (1,231,258)	\$ (85,650)

**Community and Diversion Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	46,579	46,579	31,053	15,526
Fringe benefits	21,843	21,843	9,201	12,642
Services and other expenditures	---	287	263	24
Professional and contracted services	2,070,000	2,403,413	2,402,900	513
Total expenditures	2,138,422	2,472,122	2,443,417	28,705
Excess (deficiency) of revenues over (under) expenditures	(2,138,422)	(2,472,122)	(2,443,417)	(28,705)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,138,422)	\$ (2,472,122)	\$ (2,443,417)	\$ 28,705

**Crime Victims Center**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
State revenue	\$ 425,000	\$ 425,000	\$ 396,970	\$ (28,030)
Federal and local revenue	75,000	75,000	113,471	38,471
Fines, fees and permits	125,000	125,000	49,359	(75,641)
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>559,800</u>	<u>(65,200)</u>
<b>Expenditures:</b>				
Salaries	762,377	785,904	731,000	54,904
Other compensation	50,921	56,921	56,791	130
Fringe benefits	254,692	255,665	242,091	13,574
Supplies and materials	41,588	52,043	39,066	12,977
Services and other expenditures	26,500	23,500	22,505	995
Professional and contracted services	248,200	235,700	234,730	970
Rent, utilities and maintenance	99,878	92,878	91,794	1,084
Interfund services	31,836	30,336	27,327	3,009
Total expenditures	<u>1,515,992</u>	<u>1,532,947</u>	<u>1,445,304</u>	<u>87,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(890,992)</u>	<u>(907,947)</u>	<u>(885,504)</u>	<u>(22,443)</u>
<b>Other financing sources (uses):</b>				
Transfers out	(152,110)	(165,655)	(140,061)	25,594
Total other financing sources (uses)	<u>(152,110)</u>	<u>(165,655)</u>	<u>(140,061)</u>	<u>25,594</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,043,102)</u>	<u>\$ (1,073,602)</u>	<u>\$ (1,025,565)</u>	<u>\$ 48,037</u>

Shelby County, Tennessee

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Pretrial Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 250,000	\$ 250,000	\$ 196,023	\$ (53,977)
Total revenues	250,000	250,000	196,023	(53,977)
Expenditures:				
Salaries	2,853,566	2,821,223	2,560,602	260,621
Other compensation	47,566	50,066	49,877	189
Fringe benefits	1,287,233	1,270,069	1,113,867	156,202
Salary restrictions	(147,570)	(147,570)	---	(147,570)
Supplies and materials	58,178	51,956	51,954	2
Services and other expenditures	52,001	67,373	67,324	49
Professional and contracted services	250	5,430	3,675	1,755
Rent, utilities and maintenance	4,000	5,605	5,601	4
Interfund services	70,399	54,464	53,716	748
Total expenditures	4,225,623	4,178,616	3,906,616	272,000
Excess (deficiency) of revenues over (under) expenditures	(3,975,623)	(3,928,616)	(3,710,593)	(218,023)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,975,623)	\$ (3,928,616)	\$ (3,710,593)	\$ 218,023

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Sheriff's Office**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
State revenue	\$ 2,885,000	\$ 2,885,000	\$ 3,096,502	\$ 211,502
Federal and local revenue	590,000	590,000	697,662	107,662
Charges for services	740,500	740,500	586,716	(153,784)
Fines, fees and permits	1,565,500	1,565,500	1,026,746	(538,754)
Other revenue	32,000	32,000	56,528	24,528
Total revenues	<u>5,813,000</u>	<u>5,813,000</u>	<u>5,464,154</u>	<u>(348,846)</u>
<b>Expenditures:</b>				
Salaries	108,557,398	110,097,714	94,083,011	16,014,703
Other compensation	15,180,132	12,098,534	18,936,529	(6,837,995)
Fringe benefits	47,076,027	47,645,401	41,389,340	6,256,061
Salary restrictions	(13,836,298)	(14,536,298)	---	(14,536,298)
Supplies and materials	4,839,381	5,398,489	5,108,649	289,840
Services and other expenditures	1,250,850	1,492,831	1,373,015	119,816
Professional and contracted services	8,462,625	7,794,537	7,639,960	154,577
Rent, utilities and maintenance	3,424,633	4,315,232	4,243,568	71,664
Interfund services	724,252	803,352	732,157	71,195
Asset acquisitions	2,373,558	2,502,115	2,498,468	3,647
Total expenditures	<u>178,052,558</u>	<u>177,611,907</u>	<u>176,004,697</u>	<u>1,607,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(172,239,558)</u>	<u>(171,798,907)</u>	<u>(170,540,543)</u>	<u>(1,258,364)</u>
<b>Other financing sources (uses):</b>				
Transfers in	131,481	131,481	---	(131,481)
Transfers out	(75,810)	(13,560)	(13,560)	---
Sale of capital assets	---	---	45,850	45,850
Total other financing sources (uses)	<u>55,671</u>	<u>117,921</u>	<u>32,290</u>	<u>(85,631)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (172,183,887)</u>	<u>\$ (171,680,986)</u>	<u>\$ (170,508,253)</u>	<u>\$ 1,172,733</u>

**Chancery Court**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Fines, fees and permits	\$ 3,350,000	\$ 3,350,000	\$ 3,434,589	\$ 84,589
Investment income	45,000	45,000	165,922	120,922
Total revenues	3,395,000	3,395,000	3,600,511	205,511
<b>Expenditures:</b>				
Salaries	1,085,037	1,085,453	980,577	104,876
Other compensation	8,928	8,928	7,030	1,898
Fringe benefits	449,231	448,814	400,570	48,244
Salary restrictions	(26,428)	(26,428)	---	(26,428)
Supplies and materials	17,251	23,527	20,127	3,400
Services and other expenditures	109,216	83,138	70,607	12,531
Professional and contracted services	104	1,466	1,413	53
Rent, utilities and maintenance	2,129	2,129	630	1,499
Interfund services	41,103	41,103	38,015	3,088
Total expenditures	1,686,571	1,668,130	1,518,969	149,161
Excess (deficiency) of revenues over (under) expenditures	1,708,429	1,726,870	2,081,542	(354,672)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,708,429	\$ 1,726,870	\$ 2,081,542	\$ 354,672

**Circuit Court**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ ---	\$ 275	\$ 275
Fines, fees and permits	3,040,000	3,040,000	2,343,347	(696,653)
Investment income	40,000	40,000	48,629	8,629
Total revenues	3,080,000	3,080,000	2,392,251	(687,749)
Expenditures:				
Salaries	1,941,925	1,944,524	1,794,012	150,512
Other compensation	25,583	25,583	21,539	4,044
Fringe benefits	799,172	796,571	708,478	88,093
Salary restrictions	(123,131)	(123,131)	---	(123,131)
Supplies and materials	54,542	54,542	26,253	28,289
Services and other expenditures	137,300	123,860	97,143	26,717
Professional and contracted services	1,950	1,950	1,632	318
Rent, utilities and maintenance	2,000	2,000	---	2,000
Interfund services	91,782	91,782	73,204	18,578
Total expenditures	2,931,123	2,917,681	2,722,261	195,420
Excess (deficiency) of revenues over (under) expenditures	148,877	162,319	(330,010)	492,329
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 148,877	\$ 162,319	\$ (330,010)	\$ (492,329)

Shelby County, Tennessee

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Criminal Court**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 4,500,400	\$ 4,500,400	\$ 1,017,654	\$ (3,482,746)
Investment income	5,000	5,000	22,046	17,046
Total revenues	4,505,400	4,505,400	1,039,700	(3,465,700)
Expenditures:				
Salaries	3,570,667	3,570,667	3,352,660	218,007
Other compensation	52,298	73,298	73,203	95
Fringe benefits	1,527,771	1,506,771	1,420,925	85,846
Salary restrictions	(121,097)	(121,097)	---	(121,097)
Supplies and materials	72,143	72,143	50,482	21,661
Services and other expenditures	92,585	92,485	88,583	3,902
Rent, utilities and maintenance	7,170	7,270	7,229	41
Interfund services	159,026	159,026	144,587	14,439
Total expenditures	5,360,563	5,360,563	5,137,669	222,894
Excess (deficiency) of revenues over (under) expenditures	(855,163)	(855,163)	(4,097,969)	3,242,806
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (855,163)	\$ (855,163)	\$ (4,097,969)	\$ (3,242,806)

**General Sessions Court**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local taxes	\$ 410,000	\$ 410,000	\$ 399,705	\$ (10,295)
Fines, fees and permits	9,200,000	9,200,000	7,101,170	(2,098,830)
Investment income	53,000	53,000	187,752	134,752
Total revenues	<u>9,663,000</u>	<u>9,663,000</u>	<u>7,688,627</u>	<u>(1,974,373)</u>
Expenditures:				
Salaries	10,804,333	10,835,566	10,129,710	705,856
Other compensation	207,506	207,506	114,450	93,056
Fringe benefits	4,435,335	4,446,931	4,021,346	425,585
Salary restrictions	(314,325)	(314,325)	---	(314,325)
Supplies and materials	153,014	137,486	95,650	41,836
Services and other expenditures	197,376	247,771	200,885	46,886
Professional and contracted services	374,973	379,973	368,414	11,559
Rent, utilities and maintenance	44,454	43,324	35,739	7,585
Interfund services	361,103	325,083	272,118	52,965
Asset acquisitions	4,173	1,456	1,456	---
Total expenditures	<u>16,267,942</u>	<u>16,310,771</u>	<u>15,239,768</u>	<u>1,071,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,604,942)</u>	<u>(6,647,771)</u>	<u>(7,551,141)</u>	<u>903,370</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (6,604,942)</u>	<u>\$ (6,647,771)</u>	<u>\$ (7,551,141)</u>	<u>\$ (903,370)</u>

**Probate Court**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 609,000	\$ 609,000	\$ 654,801	\$ 45,801
Total revenues	609,000	609,000	654,801	45,801
Expenditures:				
Salaries	925,774	925,774	906,579	19,195
Other compensation	3,462	4,062	4,037	25
Fringe benefits	360,335	359,735	350,038	9,697
Supplies and materials	13,090	13,090	8,788	4,302
Services and other expenditures	20,700	20,700	13,457	7,243
Professional and contracted services	1,264	1,264	1,264	---
Interfund services	39,189	39,189	31,256	7,933
Total expenditures	1,363,814	1,363,814	1,315,419	48,395
Excess (deficiency) of revenues over (under) expenditures	(754,814)	(754,814)	(660,618)	(94,196)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (754,814)	\$ (754,814)	\$ (660,618)	\$ 94,196

**Juvenile Court Judge**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ 4,000	\$ 4,000	\$ 4,864	\$ 864
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>4,864</u>	<u>864</u>
Expenditures:				
Salaries	7,166,197	7,166,197	6,769,280	396,917
Other compensation	96,740	96,740	89,699	7,041
Fringe benefits	2,925,204	2,925,205	2,751,523	173,682
Salary restrictions	(264,490)	(264,490)	---	(264,490)
Supplies and materials	149,923	108,423	102,682	5,741
Services and other expenditures	128,920	134,920	120,010	14,910
Professional and contracted services	791,421	871,921	797,262	74,659
Rent, utilities and maintenance	48,000	48,000	43,555	4,445
Interfund services	94,614	94,614	63,590	31,024
Total expenditures	<u>11,136,529</u>	<u>11,181,530</u>	<u>10,737,601</u>	<u>443,929</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,132,529)</u>	<u>(11,177,530)</u>	<u>(10,732,737)</u>	<u>(444,793)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (11,132,529)</u>	<u>\$ (11,177,530)</u>	<u>\$ (10,732,737)</u>	<u>\$ 444,793</u>

**Juvenile Court Clerk**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
State revenue	\$ 950,000	\$ 950,000	\$ 940,518	\$ (9,482)
Fines, fees and permits	525,000	525,000	457,782	(67,218)
Total revenues	1,475,000	1,475,000	1,398,300	(76,700)
<b>Expenditures:</b>				
Salaries	2,536,125	2,536,125	2,433,860	102,265
Other compensation	97,016	97,016	30,693	66,323
Fringe benefits	1,085,666	1,085,666	1,023,414	62,252
Salary restrictions	(138,012)	(138,012)	---	(138,012)
Supplies and materials	86,612	81,952	29,289	52,663
Services and other expenditures	48,717	48,717	29,373	19,344
Professional and contracted services	155,853	160,513	160,005	508
Rent, utilities and maintenance	24,219	24,219	1,562	22,657
Interfund services	45,170	45,170	35,587	9,583
Total expenditures	3,941,366	3,941,366	3,743,783	197,583
Excess (deficiency) of revenues over (under) expenditures	(2,466,366)	(2,466,366)	(2,345,483)	(120,883)
<b>Other financing sources (uses):</b>				
Transfers in	35,321	35,321	15,130	(20,191)
Transfers out	(350,090)	(350,090)	(394,503)	(44,413)
Total other financing sources (uses)	(314,769)	(314,769)	(379,373)	(64,604)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,781,135)	\$ (2,781,135)	\$ (2,724,856)	\$ 56,279

Shelby County, Tennessee

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Public Defender**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 5,331,400	\$ 5,331,400	\$ 4,040,633	\$ (1,290,767)
Fines, fees and permits	160,000	160,000	101,462	(58,538)
Total revenues	<u>5,491,400</u>	<u>5,491,400</u>	<u>4,142,095</u>	<u>(1,349,305)</u>
<b>Expenditures:</b>				
Salaries	10,401,203	10,440,148	9,220,074	1,220,074
Other compensation	56,664	70,264	70,103	161
Fringe benefits	3,885,341	3,854,941	3,462,086	392,855
Salary restrictions	(885,903)	(908,050)	---	(908,050)
Supplies and materials	71,405	100,405	32,786	67,619
Services and other expenditures	246,801	273,301	248,116	25,185
Professional and contracted services	148,542	85,372	68,684	16,688
Rent, utilities and maintenance	18,445	18,445	788	17,657
Interfund services	190,505	193,005	176,772	16,233
Asset acquisitions	---	5,170	---	5,170
Total expenditures	<u>14,133,003</u>	<u>14,133,001</u>	<u>13,279,409</u>	<u>853,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,641,603)</u>	<u>(8,641,601)</u>	<u>(9,137,314)</u>	<u>495,713</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (8,641,603)</u>	<u>\$ (8,641,601)</u>	<u>\$ (9,137,314)</u>	<u>\$ (495,713)</u>

**Divorce Referee**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines, fees and permits	\$ 280,000	\$ 280,000	\$ 251,356	\$ (28,644)
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>251,356</u>	<u>(28,644)</u>
<b>Expenditures:</b>				
Salaries	483,490	491,261	474,708	16,553
Other compensation	2,124	2,124	1,458	666
Fringe benefits	219,528	221,831	216,948	4,883
Supplies and materials	900	1,222	1,269	(47)
Services and other expenditures	1,322	340	340	---
Interfund services	1,852	2,512	2,481	31
Total expenditures	<u>709,216</u>	<u>719,290</u>	<u>697,204</u>	<u>22,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(429,216)</u>	<u>(439,290)</u>	<u>(445,848)</u>	<u>6,558</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (429,216)</u>	<u>\$ (439,290)</u>	<u>\$ (445,848)</u>	<u>\$ (6,558)</u>

Shelby County, Tennessee

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Jury Commission**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	226,440	226,440	199,076	27,364
Other compensation	3,402	3,402	2,462	940
Fringe benefits	116,575	116,575	84,214	32,361
Supplies and materials	2,724	2,824	2,464	360
Services and other expenditures	452,983	452,783	339,709	113,074
Professional and contracted services	37,450	37,450	29,990	7,460
Rent, utilities and maintenance	950	1,050	998	52
Interfund services	55,343	55,343	33,275	22,068
Total expenditures	895,867	895,867	692,188	203,679
Excess (deficiency) of revenues over (under) expenditures	(895,867)	(895,867)	(692,188)	(203,679)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (895,867)	\$ (895,867)	\$ (692,188)	\$ 203,679

**Attorney General**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ ---	\$ 14,537	\$ 14,537
Total revenues	---	---	14,537	14,537
Expenditures:				
Salaries	8,163,690	8,133,652	7,682,649	451,003
Other compensation	69,856	69,856	51,433	18,423
Fringe benefits	3,159,608	3,189,646	2,956,439	233,207
Salary restrictions	(303,526)	(303,526)	---	(303,526)
Supplies and materials	1,100	42,950	38,850	4,100
Services and other expenditures	92,223	49,873	47,861	2,012
Rent, utilities and maintenance	72,235	111,035	110,932	103
Interfund services	250,663	212,363	188,178	24,185
Total expenditures	11,505,849	11,505,849	11,076,342	429,507
Excess (deficiency) of revenues over (under) expenditures	(11,505,849)	(11,505,849)	(11,061,805)	(444,044)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (11,505,849)	\$ (11,505,849)	\$ (11,061,805)	\$ 444,044

**Commissioner's Contingency**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Salaries	236,418	324,188	301,212	22,976
Fringe benefits	19,504	32,382	23,538	8,844
Contingencies and restrictions	200,000	49,352	---	49,352
Total expenditures	<u>455,922</u>	<u>405,922</u>	<u>324,750</u>	<u>81,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(455,922)</u>	<u>(405,922)</u>	<u>(324,750)</u>	<u>(81,172)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (455,922)</u>	<u>\$ (405,922)</u>	<u>\$ (324,750)</u>	<u>\$ 81,172</u>

**Legislative Operations**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 252	\$ 252
Total revenues	<u>---</u>	<u>---</u>	<u>252</u>	<u>252</u>
Expenditures:				
Salaries	1,159,082	1,159,082	1,114,257	44,825
Other compensation	10,793	12,793	12,604	189
Fringe benefits	466,754	464,754	447,244	17,510
Supplies and materials	44,640	30,640	25,388	5,252
Services and other expenditures	245,873	245,873	239,592	6,281
Professional and contracted services	330,000	352,000	274,418	77,582
Rent, utilities and maintenance	22,700	22,700	---	22,700
Interfund services	123,370	123,370	78,260	45,110
Total expenditures	<u>2,403,212</u>	<u>2,411,212</u>	<u>2,191,763</u>	<u>219,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,403,212)</u>	<u>(2,411,212)</u>	<u>(2,191,511)</u>	<u>(219,701)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,403,212)</u>	<u>\$ (2,411,212)</u>	<u>\$ (2,191,511)</u>	<u>\$ 219,701</u>

**Equal Opportunity Compliance**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Salaries	753,815	753,815	609,567	144,248
Other compensation	11,349	14,849	14,363	486
Fringe benefits	295,569	292,069	226,305	65,764
Supplies and materials	32,900	32,900	26,942	5,958
Services and other expenditures	27,725	33,525	33,175	350
Professional and contracted services	19,823	64,023	20,500	43,523
Rent, utilities and maintenance	1,500	1,500	---	1,500
Interfund services	27,067	27,067	12,104	14,963
Asset acquisitions	5,000	5,000	---	5,000
Total expenditures	<u>1,174,748</u>	<u>1,224,748</u>	<u>942,956</u>	<u>281,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,174,748)</u>	<u>(1,224,748)</u>	<u>(942,956)</u>	<u>(281,792)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,174,748)</u>	<u>\$ (1,224,748)</u>	<u>\$ (942,956)</u>	<u>\$ 281,792</u>

**Assessor**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
Revenues:				
State revenue	\$ 12,420	\$ 12,420	\$ 13,712	\$ 1,292
Federal and local revenue	2,862,266	2,862,266	2,887,389	25,123
Charges for services	7,000	7,000	7,059	59
Total revenues	<u>2,881,686</u>	<u>2,881,686</u>	<u>2,908,160</u>	<u>26,474</u>
Expenditures:				
Salaries	7,110,836	7,110,836	6,164,805	946,031
Other compensation	122,829	122,829	119,753	3,076
Fringe benefits	3,025,695	3,025,694	2,591,267	434,427
Salary restrictions	(649,799)	(649,799)	---	(649,799)
Supplies and materials	89,455	77,455	66,635	10,820
Services and other expenditures	306,354	318,354	307,289	11,065
Professional and contracted services	454,127	443,627	335,599	108,028
Rent, utilities and maintenance	335,468	335,468	304,078	31,390
Interfund services	153,598	153,598	150,636	2,962
Asset acquisitions	---	10,500	9,500	1,000
Total expenditures	<u>10,948,563</u>	<u>10,948,562</u>	<u>10,049,562</u>	<u>899,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,066,877)</u>	<u>(8,066,876)</u>	<u>(7,141,402)</u>	<u>(925,474)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (8,066,877)</u>	<u>\$ (8,066,876)</u>	<u>\$ (7,141,402)</u>	<u>\$ 925,474</u>

**Shelby County, Tennessee**

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**County Clerk**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Fines, fees and permits	\$ 11,865,000	\$ 11,865,000	\$ 11,811,770	\$ (53,230)
Investment income	40,000	40,000	121,129	81,129
Total revenues	11,905,000	11,905,000	11,932,899	27,899
<b>Expenditures:</b>				
Salaries	3,596,274	3,596,274	3,372,923	223,351
Other compensation	87,074	98,574	98,236	338
Fringe benefits	1,636,197	1,624,697	1,504,982	119,715
Salary restrictions	(146,743)	(146,743)	---	(146,743)
Supplies and materials	93,618	118,168	113,684	4,484
Services and other expenditures	17,450	17,450	9,023	8,427
Professional and contracted services	700	700	152	548
Rent, utilities and maintenance	127,150	127,150	119,587	7,563
Interfund services	368,239	343,689	309,847	33,842
Total expenditures	5,779,959	5,779,959	5,528,434	251,525
Excess (deficiency) of revenues over (under) expenditures	6,125,041	6,125,041	6,404,465	(279,424)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 6,125,041	\$ 6,125,041	\$ 6,404,465	\$ 279,424

**Shelby County, Tennessee**

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Register**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 4,000,000	\$ 4,000,000	\$ 3,675,937	\$ (324,063)
Investment income	10,000	10,000	24,634	14,634
Total revenues	4,010,000	4,010,000	3,700,571	(309,429)
Expenditures:				
Salaries	1,256,141	1,160,172	1,131,153	29,019
Other compensation	12,343	12,343	10,487	1,856
Fringe benefits	552,790	508,471	483,393	25,078
Salary restrictions	(25,825)	---	---	---
Supplies and materials	34,545	32,545	32,438	107
Services and other expenditures	14,355	16,355	12,401	3,954
Rent, utilities and maintenance	19,775	17,575	16,339	1,236
Interfund services	43,580	45,780	40,010	5,770
Total expenditures	1,907,704	1,793,241	1,726,221	67,020
Excess (deficiency) of revenues over (under) expenditures	2,102,296	2,216,759	1,974,350	242,409
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 2,102,296	\$ 2,216,759	\$ 1,974,350	\$ (242,409)

**General Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Trustee**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,390,000	\$ 1,390,000	\$ 1,416,075	\$ 26,075
Fines, fees and permits	22,600,000	22,600,000	22,635,042	35,042
Other revenue	---	---	87	87
Investment income	25,000	25,000	87,068	62,068
Total revenues	24,015,000	24,015,000	24,138,272	123,272
Expenditures:				
Salaries	3,878,383	3,878,383	3,382,112	496,271
Other compensation	71,879	71,879	69,827	2,052
Fringe benefits	1,572,749	1,572,749	1,352,358	220,391
Salary restrictions	(287,278)	(287,278)	---	(287,278)
Supplies and materials	138,337	163,337	143,540	19,797
Services and other expenditures	1,205,791	1,143,791	939,466	204,325
Professional and contracted services	608,427	640,527	345,149	295,378
Rent, utilities and maintenance	119,394	124,294	81,711	42,583
Interfund services	81,450	81,450	75,700	5,750
Total expenditures	7,389,132	7,389,132	6,389,863	999,269
Excess (deficiency) of revenues over (under) expenditures	16,625,868	16,625,868	17,748,409	(1,122,541)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 16,625,868	\$ 16,625,868	\$ 17,748,409	\$ 1,122,541

**Election Commission**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
Revenues:				
State revenue	\$ 18,000	\$ 18,000	\$ 136,368	\$ 118,368
Federal and local revenue	39,328	39,328	19,604	(19,724)
Charges for services	2,500	2,500	7,679	5,179
Total revenues	<u>59,828</u>	<u>59,828</u>	<u>163,651</u>	<u>103,823</u>
Expenditures:				
Salaries	1,414,047	1,442,047	1,433,359	8,688
Other compensation	42,000	60,000	46,885	13,115
Fringe benefits	389,169	393,169	364,064	29,105
Salary restrictions	(20,000)	(40,000)	---	(40,000)
Supplies and materials	328,940	275,040	227,054	47,986
Services and other expenditures	259,889	271,789	182,980	88,809
Professional and contracted services	241,500	276,500	217,599	58,901
Rent, utilities and maintenance	189,771	216,771	188,258	28,513
Interfund services	337,700	287,700	165,478	122,222
Total expenditures	<u>3,183,016</u>	<u>3,183,016</u>	<u>2,825,677</u>	<u>357,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,123,188)</u>	<u>(3,123,188)</u>	<u>(2,662,026)</u>	<u>(461,162)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,123,188)</u>	<u>\$ (3,123,188)</u>	<u>\$ (2,662,026)</u>	<u>\$ 461,162</u>

Shelby County, Tennessee

**Grants Fund**  
**Budgetary Comparison Schedule - Summary by Type**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 79,892,743	\$ 83,366,554	\$ 51,162,453	\$ (32,204,101)
Federal and local revenue	27,737,844	38,063,007	18,135,923	(19,927,084)
Charges for services	1,553,000	1,553,000	(86,656)	(1,639,656)
Fines, fees and permits	405,444	405,444	172,672	(232,772)
Other revenue	822,097	1,340,351	769,981	(570,370)
Investment income	45,300	45,300	79,992	34,692
Total revenues	110,456,428	124,773,656	70,234,365	(54,539,291)
Expenditures:				
Salaries	25,596,004	26,069,981	20,569,864	5,500,117
Other compensation	1,429,663	1,794,342	686,986	1,107,356
Fringe benefits	10,697,041	10,820,172	8,638,315	2,181,857
Salary restrictions	(1,872,426)	(2,955,362)	---	(2,955,362)
Supplies and materials	2,189,514	3,592,107	756,906	2,835,201
Services and other expenditures	14,506,969	16,367,423	11,434,074	4,933,349
Professional and contracted services	23,592,575	31,410,285	18,955,361	12,454,924
Rent, utilities and maintenance	2,837,207	3,256,916	805,952	2,450,964
Interfund services	2,522,506	2,771,191	2,163,488	607,703
Asset acquisitions	33,300,886	36,117,039	8,963,989	27,153,050
Total expenditures	114,799,939	129,244,094	72,974,935	56,269,159
Excess (deficiency) of revenues over (under) expenditures	(4,343,511)	(4,470,438)	(2,740,570)	(1,729,868)
Other financing sources (uses):				
Transfers in	3,928,962	4,092,313	3,512,330	(579,983)
Transfers out	(765,356)	(857,507)	(723,065)	134,442
Sale of capital assets	62,500	62,500	---	(62,500)
Planned change in fund balance	1,117,405	1,173,132	---	(1,173,132)
Total other financing sources (uses)	4,343,511	4,470,438	2,789,265	(1,681,173)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 48,695	\$ 48,695

Shelby County, Tennessee

**Grants Fund**  
**Budgetary Comparison Schedule - Summary by Department**  
**For the Year Ended June 30, 2018**

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ 3,866,011	\$ 516,265	\$ (3,349,746)
	<u>3,866,011</u>	<u>516,265</u>	<u>(3,349,746)</u>
Planning and Development			
Local Planning	5,000	---	(5,000)
Economic and Resource Management	---	29,520	29,520
Housing	5,974,608	2,795,626	(3,178,982)
Regional Services	2,020,349	1,341,824	(678,525)
Resilience Department	16,359,893	3,571,658	(12,788,235)
	<u>24,359,850</u>	<u>7,738,628</u>	<u>(16,621,222)</u>
Public Works			
Environmental Programs	297,300	167,090	(130,210)
Fire Department	171,819	---	(171,819)
Roads and Bridges	24,240,779	6,473,398	(17,767,381)
Parks and Grounds Maintenance	40,000	22,374	(17,626)
Support Services	657,006	596,967	(60,039)
	<u>25,406,904</u>	<u>7,259,829</u>	<u>(18,147,075)</u>
Corrections			
Corrections Administration	668,672	326,245	(342,427)
	<u>668,672</u>	<u>326,245</u>	<u>(342,427)</u>
Health Services			
Health Services Administration and Finance	917,800	917,800	---
Environmental Health Services	1,801,026	1,323,347	(477,679)
Community Health	19,089,746	14,658,754	(4,430,992)
Health Planning and Promotion	1,164,050	658,844	(505,206)
Inmate Medical Care	85,820	---	(85,820)
Public Health Safety	1,943,009	1,163,578	(779,431)
Ryan White Programs	4,828,596	3,714,898	(1,113,698)
	<u>29,830,047</u>	<u>22,437,221</u>	<u>(7,392,826)</u>
Community Services			
Director of Community Services	170,000	87,826	(82,174)
Community Services Administration	13,296,192	10,709,023	(2,587,169)
Community and Diversion Services	883,858	678,309	(205,549)
Ryan White Programs	5,555,529	5,032,242	(523,287)
Crime Victims Center	924,022	732,846	(191,176)
Pretrial Services	57,091	1,796	(55,295)
Aging Commission of the Mid-South	8,514,319	6,781,220	(1,733,099)
	<u>29,401,011</u>	<u>24,023,262</u>	<u>(5,377,749)</u>
Law Enforcement			
Sheriff's Office	5,546,354	3,418,216	(2,128,138)
	<u>5,546,354</u>	<u>3,418,216</u>	<u>(2,128,138)</u>

**Shelby County, Tennessee**

**Grants Fund**  
**Budgetary Comparison Schedule - Summary by Department**  
**For the Year Ended June 30, 2018**

<b>Judicial</b>			
Criminal Court	113,220	---	(113,220)
General Sessions Court	1,097,747	904,870	(192,877)
Juvenile Court Judge	2,287,537	2,136,037	(151,500)
Juvenile Court Clerk	679,586	476,819	(202,767)
Public Defender	200,000	168,793	(31,207)
Attorney General	1,316,717	828,180	(488,537)
	<u>5,694,807</u>	<u>4,514,699</u>	<u>(1,180,108)</u>
Total revenues	<u>124,773,656</u>	<u>70,234,365</u>	<u>(54,539,291)</u>
<b>Expenditures:</b>			
<b>General Government</b>			
Chief Administrative Officer	3,866,011	508,809	3,357,202
	<u>3,866,011</u>	<u>508,809</u>	<u>3,357,202</u>
<b>Planning and Development</b>			
Local Planning	6,000	---	6,000
Economic and Resource Management	1,000,000	79,452	920,548
Housing	6,101,469	2,814,410	3,287,059
Regional Services	2,420,389	1,522,945	897,444
Resilience Department	16,359,893	3,571,658	12,788,235
	<u>25,887,751</u>	<u>7,988,465</u>	<u>17,899,286</u>
<b>Public Works</b>			
Environmental Programs	362,130	155,763	206,367
Fire Department	189,000	---	189,000
Roads and Bridges	24,639,356	6,569,093	18,070,263
Parks and Grounds Maintenance	40,000	29,831	10,169
Support Services	657,006	602,657	54,349
	<u>25,887,492</u>	<u>7,357,344</u>	<u>18,530,148</u>
<b>Corrections</b>			
Corrections Administration	944,976	592,013	352,963
	<u>944,976</u>	<u>592,013</u>	<u>352,963</u>
<b>Health Services</b>			
Health Services Administration and Finance	25,500	---	25,500
Environmental Health Services	3,278,966	2,602,407	676,559
Community Health	20,323,253	15,719,363	4,603,890
Health Planning and Promotion	1,167,350	665,468	501,882
Inmate Medical Care	85,820	---	85,820
Public Health Safety	1,936,509	1,334,087	602,422
Ryan White Programs	4,828,596	3,717,809	1,110,787
	<u>31,645,994</u>	<u>24,039,134</u>	<u>7,606,860</u>

**Shelby County, Tennessee**

**Grants Fund**  
**Budgetary Comparison Schedule - Summary by Department**  
**For the Year Ended June 30, 2018**

<b>Community Services</b>			
Director of Community Services	170,000	87,826	82,174
Community Services Administration	13,296,192	10,709,023	2,587,169
Community and Diversion Services	883,858	678,309	205,549
Ryan White Programs	5,562,029	5,032,242	529,787
Crime Victims Center	1,089,677	872,907	216,770
Pretrial Services	57,091	1,796	55,295
Aging Commission of the Mid-South	8,514,319	6,781,220	1,733,099
	<u>29,573,166</u>	<u>24,163,323</u>	<u>5,409,843</u>
<b>Law Enforcement</b>			
Sheriff's Office	5,428,433	3,431,776	1,996,657
	<u>5,428,433</u>	<u>3,431,776</u>	<u>1,996,657</u>
<b>Judicial</b>			
Criminal Court	113,220	---	113,220
General Sessions Court	1,097,747	904,870	192,877
Juvenile Court Judge	2,288,232	2,136,037	152,195
Juvenile Court Clerk	994,355	856,191	138,164
Public Defender	200,000	168,793	31,207
Attorney General	1,316,717	828,180	488,537
	<u>6,010,271</u>	<u>4,894,071</u>	<u>1,116,200</u>
<b>Total expenditures</b>	<u>129,244,094</u>	<u>72,974,935</u>	<u>56,269,159</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,470,438)</u>	<u>(2,740,570)</u>	<u>1,729,868</u>
<b>Transfers in:</b>			
Housing	64,361	61,135	(3,226)
Regional Services	400,040	181,121	(218,919)
Environmental Programs	50,000	50,000	---
Fire Department	17,181	---	(17,181)
Roads and Bridges	371,913	226,034	(145,879)
Corrections Administration	313,423	302,887	(10,536)
Health Services Administration and Finance	(450,000)	(408,415)	41,585
Environmental Health Services	1,477,940	1,279,060	(198,880)
Community Health	1,314,850	1,273,071	(41,779)
Health Planning and Promotion	3,300	(686)	(3,986)
Public Health Safety	(6,500)	---	6,500
Ryan White Programs	6,500	---	(6,500)
Crime Victims Center	165,655	140,061	(25,594)
Sheriff's Office	13,560	13,560	---
Juvenile Court Clerk	350,090	394,502	44,412
	<u>4,092,313</u>	<u>3,512,330</u>	<u>(579,983)</u>

**Shelby County, Tennessee**

**Grants Fund**  
**Budgetary Comparison Schedule - Summary by Department**  
**For the Year Ended June 30, 2018**

Transfers out:			
Environmental Programs	(35,170)	(35,170)	---
Roads and Bridges	(74,216)	(20,670)	53,546
Corrections Administration	(37,119)	(37,119)	---
Health Services Administration and Finance	(442,300)	(509,385)	(67,085)
Community Health	(101,900)	(105,591)	(3,691)
Sheriff's Office	(131,481)	---	131,481
Juvenile Court Clerk	(35,321)	(15,130)	20,191
	<u>(857,507)</u>	<u>(723,065)</u>	<u>134,442</u>
Other financing sources (uses):			
Local Planning	1,000	---	(1,000)
Economic and Resource Management	1,000,000	---	(1,000,000)
Housing	62,500	---	(62,500)
Environmental Programs	50,000	---	(50,000)
Roads and Bridges	100,880	---	(100,880)
Community Health	20,557	---	(20,557)
Juvenile Court Judge	695	---	(695)
	<u>1,235,632</u>	<u>---</u>	<u>(1,235,632)</u>
Net other financing sources (uses)	<u>4,470,438</u>	<u>2,789,265</u>	<u>(1,681,173)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ 48,695</u>	<u>\$ 48,695</u>

**Chief Administrative Officer**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 3,883,011	\$ 3,843,011	\$ 494,019	\$ (3,348,992)
Federal and local revenue	---	23,000	22,246	(754)
Total revenues	3,883,011	3,866,011	516,265	(3,349,746)
Expenditures:				
Salaries	199,891	208,280	196,714	11,566
Other compensation	1,002,304	1,002,304	(539)	1,002,843
Fringe benefits	85,728	88,213	85,477	2,736
Salary restrictions	---	(9,790)	---	(9,790)
Supplies and materials	284,054	268,066	99,193	168,873
Services and other expenditures	130,052	124,252	28,750	95,502
Professional and contracted services	59,496	58,904	---	58,904
Rent, utilities and maintenance	2,040,190	2,000,190	18,851	1,981,339
Interfund services	1,296	8,213	7,590	623
Asset acquisitions	80,000	117,379	72,773	44,606
Total expenditures	3,883,011	3,866,011	508,809	3,357,202
Excess (deficiency) of revenues over (under) expenditures	---	---	7,456	(7,456)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 7,456	\$ 7,456

**Local Planning**

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

**Economic and Resource Management**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Investment income	\$ ---	\$ ---	\$ 29,520	\$ 29,520
Total revenues	---	---	29,520	29,520
Expenditures:				
Services and other expenditures	50,000	50,000	49,452	548
Professional and contracted services	600,000	600,000	30,000	570,000
Asset acquisitions	350,000	350,000	---	350,000
Total expenditures	1,000,000	1,000,000	79,452	920,548
Excess (deficiency) of revenues over (under) expenditures	(1,000,000)	(1,000,000)	(49,932)	(950,068)
Other financing sources (uses):				
Planned change in fund balance	1,000,000	1,000,000	---	(1,000,000)
Total other financing sources (uses)	1,000,000	1,000,000	---	(1,000,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (49,932)	\$ (49,932)

**Housing**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 700,000	\$ 700,000	\$ 220,474	\$ (479,526)
Federal and local revenue	4,842,727	4,842,727	2,182,516	(2,660,211)
Fines, fees and permits	286,881	286,881	118,683	(168,198)
Other revenue	40,000	100,000	248,473	148,473
Investment income	45,000	45,000	25,480	(19,520)
Total revenues	5,914,608	5,974,608	2,795,626	(3,178,982)
Expenditures:				
Salaries	649,400	649,400	507,998	141,402
Other compensation	7,183	7,183	6,535	648
Fringe benefits	268,779	268,780	218,512	50,268
Supplies and materials	36,201	36,200	12,736	23,464
Services and other expenditures	3,702,226	3,762,226	1,790,297	1,971,929
Professional and contracted services	1,362,500	1,362,500	277,413	1,085,087
Rent, utilities and maintenance	4,680	4,680	---	4,680
Interfund services	5,500	5,500	919	4,581
Asset acquisitions	5,000	5,000	---	5,000
Total expenditures	6,041,469	6,101,469	2,814,410	3,287,059
Excess (deficiency) of revenues over (under) expenditures	(126,861)	(126,861)	(18,784)	(108,077)
Other financing sources (uses):				
Transfers in	64,361	64,361	61,135	(3,226)
Sale of capital assets	62,500	62,500	---	(62,500)
Total other financing sources (uses)	126,861	126,861	61,135	(65,726)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 42,351	\$ 42,351

Shelby County, Tennessee

**Grants Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

Regional Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,945,509	\$ 1,375,379	\$ 847,716	\$ (527,663)
Federal and local revenue	644,970	644,970	494,108	(150,862)
Total revenues	2,590,479	2,020,349	1,341,824	(678,525)
Expenditures:				
Salaries	736,864	736,864	560,213	176,651
Other compensation	3,336	3,836	3,762	74
Fringe benefits	292,929	292,429	243,473	48,956
Supplies and materials	32,000	32,000	4,742	27,258
Services and other expenditures	117,300	118,300	41,286	77,014
Professional and contracted services	1,624,493	1,053,363	546,007	507,356
Rent, utilities and maintenance	5,500	5,500	1,229	4,271
Interfund services	178,097	178,097	122,233	55,864
Total expenditures	2,990,519	2,420,389	1,522,945	897,444
Excess (deficiency) of revenues over (under) expenditures	(400,040)	(400,040)	(181,121)	(218,919)
Other financing sources (uses):				
Transfers in	400,040	400,040	181,121	(218,919)
Total other financing sources (uses)	400,040	400,040	181,121	(218,919)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Resilience Department**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
State revenue	\$ ---	\$ 547,295	\$ 137,819	\$ (409,476)
Federal and local revenue	6,141,007	15,812,598	3,433,839	(12,378,759)
Total revenues	6,141,007	16,359,893	3,571,658	(12,788,235)
<b>Expenditures:</b>				
Salaries	211,276	211,276	191,768	19,508
Other compensation	1,032	1,032	1,032	---
Fringe benefits	86,729	86,729	78,181	8,548
Supplies and materials	5,000	7,300	1,308	5,992
Services and other expenditures	8,600	32,350	31,739	611
Professional and contracted services	1,350,000	8,500,880	3,267,051	5,233,829
Rent, utilities and maintenance	1,620	1,620	---	1,620
Interfund services	1,750	2,750	579	2,171
Asset acquisitions	4,475,000	7,515,956	---	7,515,956
Total expenditures	6,141,007	16,359,893	3,571,658	12,788,235
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Environmental Programs**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 85,000	\$ 85,000	\$ ---	\$ (85,000)
Federal and local revenue	121,000	121,000	50,000	(71,000)
Charges for services	78,000	78,000	99,000	21,000
Other revenue	13,000	13,000	485	(12,515)
Investment income	300	300	17,605	17,305
Total revenues	297,300	297,300	167,090	(130,210)
Expenditures:				
Salaries	55,162	55,162	51,177	3,985
Other compensation	402	402	402	---
Fringe benefits	15,352	15,352	13,873	1,479
Supplies and materials	10,081	10,081	100	9,981
Services and other expenditures	4,610	4,610	1,881	2,729
Professional and contracted services	247,062	247,062	77,551	169,511
Rent, utilities and maintenance	22,411	22,411	5,959	16,452
Interfund services	7,050	7,050	4,820	2,230
Total expenditures	362,130	362,130	155,763	206,367
Excess (deficiency) of revenues over (under) expenditures	(64,830)	(64,830)	11,327	(76,157)
Other financing sources (uses):				
Transfers in	50,000	50,000	50,000	---
Transfers out	(35,170)	(35,170)	(35,170)	---
Planned change in fund balance	50,000	50,000	---	(50,000)
Total other financing sources (uses)	64,830	64,830	14,830	(50,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 26,157	\$ 26,157

**Fire Department**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 171,819	\$ ---	\$ (171,819)
Total revenues	---	171,819	---	(171,819)
Expenditures:				
Supplies and materials	---	189,000	---	189,000
Total expenditures	---	189,000	---	189,000
Excess (deficiency) of revenues over (under) expenditures	---	(17,181)	---	(17,181)
Other financing sources (uses):				
Transfers in	---	17,181	---	(17,181)
Total other financing sources (uses)	---	17,181	---	(17,181)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Roads and Bridges**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 23,677,154	\$ 24,240,779	\$ 6,473,398	\$ (17,767,381)
Total revenues	<u>23,677,154</u>	<u>24,240,779</u>	<u>6,473,398</u>	<u>(17,767,381)</u>
<b>Expenditures:</b>				
Salaries	146,766	146,766	127,176	19,590
Other compensation	1,848	1,848	1,303	545
Fringe benefits	69,416	69,416	53,381	16,035
Supplies and materials	11,409	50,131	14,822	35,309
Services and other expenditures	32,761	32,900	1,000	31,900
Professional and contracted services	130,000	829,500	213,937	615,563
Rent, utilities and maintenance	10,000	10,000	---	10,000
Interfund services	500	639	273,439	(272,800)
Asset acquisitions	23,498,156	23,498,156	5,884,035	17,614,121
Total expenditures	<u>23,900,856</u>	<u>24,639,356</u>	<u>6,569,093</u>	<u>18,070,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(223,702)</u>	<u>(398,577)</u>	<u>(95,695)</u>	<u>(302,882)</u>
<b>Other financing sources (uses):</b>				
Transfers in	197,038	371,913	226,034	(145,879)
Transfers out	(19,184)	(74,216)	(20,670)	53,546
Planned change in fund balance	45,848	100,880	---	(100,880)
Total other financing sources (uses)	<u>223,702</u>	<u>398,577</u>	<u>205,364</u>	<u>(193,213)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 109,669</u>	<u>\$ 109,669</u>

**Parks and Grounds Maintenance**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State revenue	\$ ---	\$ 40,000	\$ 22,374	\$ (17,626)
Total revenues	---	40,000	22,374	(17,626)
Expenditures:				
Rent, utilities and maintenance	---	40,000	29,831	10,169
Total expenditures	---	40,000	29,831	10,169
Excess (deficiency) of revenues over (under) expenditures	---	---	(7,457)	7,457
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (7,457)</u>	<u>\$ (7,457)</u>

**Support Services**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State revenue	\$ 538,443	\$ 538,443	\$ 535,591	\$ (2,852)
Fines, fees and permits	118,563	118,563	53,989	(64,574)
Investment income	---	---	7,387	7,387
Total revenues	657,006	657,006	596,967	(60,039)
Expenditures:				
Salaries	49,271	49,271	49,271	---
Other compensation	2,202	2,202	1,019	1,183
Fringe benefits	22,640	26,141	26,131	10
Supplies and materials	3,321	3,321	---	3,321
Professional and contracted services	577,672	574,171	526,236	47,935
Interfund services	1,900	1,900	---	1,900
Total expenditures	657,006	657,006	602,657	54,349
Excess (deficiency) of revenues over (under) expenditures	---	---	(5,690)	5,690
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (5,690)</u>	<u>\$ (5,690)</u>

**Corrections Administration**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 110,000	\$ 147,119	\$ 167,250	\$ 20,131
Federal and local revenue	324,625	479,664	158,995	(320,669)
Other revenue	---	41,889	---	(41,889)
Total revenues	434,625	668,672	326,245	(342,427)
Expenditures:				
Salaries	343,540	407,030	329,054	77,976
Other compensation	---	5,500	5,245	255
Fringe benefits	143,801	169,175	119,723	49,452
Supplies and materials	27,853	64,678	36,598	28,080
Services and other expenditures	90,879	148,617	59,004	89,613
Professional and contracted services	133,975	132,976	30,581	102,395
Interfund services	8,000	17,000	11,808	5,192
Total expenditures	748,048	944,976	592,013	352,963
Excess (deficiency) of revenues over (under) expenditures	(313,423)	(276,304)	(265,768)	(10,536)
Other financing sources (uses):				
Transfers in	313,423	313,423	302,887	(10,536)
Transfers out	---	(37,119)	(37,119)	---
Total other financing sources (uses)	313,423	276,304	265,768	(10,536)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Health Services Administration and Finance**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 917,800	\$ 917,800	\$ 917,800	\$ ---
Total revenues	917,800	917,800	917,800	---
Expenditures:				
Supplies and materials	25,500	25,500	---	25,500
Total expenditures	25,500	25,500	---	25,500
Excess (deficiency) of revenues over (under) expenditures	892,300	892,300	917,800	(25,500)
Other financing sources (uses):				
Transfers in	(450,000)	(450,000)	(408,415)	41,585
Transfers out	(442,300)	(442,300)	(509,385)	(67,085)
Total other financing sources (uses)	(892,300)	(892,300)	(917,800)	(25,500)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Environmental Health Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 550,000	\$ 640,000	\$ 553,551	\$ (86,449)
Federal and local revenue	1,161,026	1,161,026	769,796	(391,230)
Total revenues	1,711,026	1,801,026	1,323,347	(477,679)
Expenditures:				
Salaries	1,377,761	1,404,282	1,158,098	246,184
Other compensation	13,246	23,746	23,661	85
Fringe benefits	536,674	526,757	463,230	63,527
Salary restrictions	(144,733)	(144,733)	---	(144,733)
Supplies and materials	121,342	138,919	94,104	44,815
Services and other expenditures	156,150	203,076	150,520	52,556
Professional and contracted services	707,776	690,651	463,527	227,124
Rent, utilities and maintenance	45,450	59,450	25,213	34,237
Interfund services	281,300	289,500	185,472	104,028
Asset acquisitions	74,000	87,318	38,582	48,736
Total expenditures	3,168,966	3,278,966	2,602,407	676,559
Excess (deficiency) of revenues over (under) expenditures	(1,457,940)	(1,477,940)	(1,279,060)	(198,880)
Other financing sources (uses):				
Transfers in	1,457,940	1,477,940	1,279,060	(198,880)
Total other financing sources (uses)	1,457,940	1,477,940	1,279,060	(198,880)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Community Health**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 17,073,102	\$ 17,070,102	\$ 14,426,208	\$ (2,643,894)
Federal and local revenue	544,644	544,644	420,531	(124,113)
Charges for services	1,475,000	1,475,000	(187,985)	(1,662,985)
Total revenues	19,092,746	19,089,746	14,658,754	(4,430,992)
Expenditures:				
Salaries	13,002,687	13,002,034	10,040,852	2,961,182
Other compensation	250,816	304,062	303,150	912
Fringe benefits	5,542,373	5,515,547	4,300,969	1,214,578
Salary restrictions	(1,450,703)	(2,324,800)	---	(2,324,800)
Supplies and materials	869,081	1,358,660	(398,305)	1,756,965
Services and other expenditures	398,470	540,706	370,132	170,574
Professional and contracted services	412,067	514,867	199,466	315,401
Rent, utilities and maintenance	175,107	193,957	155,262	38,695
Interfund services	1,125,355	1,168,220	747,837	420,383
Asset acquisitions	---	50,000	---	50,000
Total expenditures	20,325,253	20,323,253	15,719,363	4,603,890
Excess (deficiency) of revenues over (under) expenditures	(1,232,507)	(1,233,507)	(1,060,609)	(172,898)
Other financing sources (uses):				
Transfers in	1,313,850	1,314,850	1,273,071	(41,779)
Transfers out	(101,900)	(101,900)	(105,591)	(3,691)
Planned change in fund balance	20,557	20,557	---	(20,557)
Total other financing sources (uses)	1,232,507	1,233,507	1,167,480	(66,027)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 106,871	\$ 106,871

**Health Planning and Promotion**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 690,100	\$ 1,114,050	\$ 656,515	\$ (457,535)
Federal and local revenue	50,000	50,000	---	(50,000)
Charges for services	---	---	2,329	2,329
Total revenues	<u>740,100</u>	<u>1,164,050</u>	<u>658,844</u>	<u>(505,206)</u>
<b>Expenditures:</b>				
Salaries	287,729	385,529	160,214	225,315
Other compensation	1,638	1,638	477	1,161
Fringe benefits	121,891	166,953	64,326	102,627
Salary restrictions	---	(140,497)	---	(140,497)
Supplies and materials	174,001	400,508	236,312	164,196
Services and other expenditures	109,550	192,750	105,797	86,953
Professional and contracted services	5,000	68,500	53,250	15,250
Rent, utilities and maintenance	8,000	37,000	18,726	18,274
Interfund services	36,591	54,969	26,366	28,603
Total expenditures	<u>744,400</u>	<u>1,167,350</u>	<u>665,468</u>	<u>501,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,300)</u>	<u>(3,300)</u>	<u>(6,624)</u>	<u>3,324</u>
<b>Other financing sources (uses):</b>				
Transfers in	4,300	3,300	(686)	(3,986)
Total other financing sources (uses)	<u>4,300</u>	<u>3,300</u>	<u>(686)</u>	<u>(3,986)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (7,310)</u>	<u>\$ (7,310)</u>

Shelby County, Tennessee

**Grants Fund  
Budgetary Comparison Schedules  
For the Year Ended June 30, 2018**

**Inmate Medical Care**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ 85,820	\$ ---	\$ (85,820)
Total revenues	---	85,820	---	(85,820)
Expenditures:				
Salaries	---	60,000	---	60,000
Fringe benefits	---	25,820	---	25,820
Total expenditures	---	85,820	---	85,820
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Public Health Safety**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,698,009	\$ 1,943,009	\$ 1,163,578	\$ (779,431)
Total revenues	1,698,009	1,943,009	1,163,578	(779,431)
Expenditures:				
Salaries	551,417	619,405	392,153	227,252
Other compensation	---	10,000	9,919	81
Fringe benefits	213,859	228,818	152,283	76,535
Salary restrictions	(17,553)	(89,710)	---	(89,710)
Supplies and materials	227,497	508,414	432,735	75,679
Services and other expenditures	177,089	149,289	93,750	55,539
Professional and contracted services	65,000	207,693	97,104	110,589
Rent, utilities and maintenance	8,800	78,800	62,290	16,510
Interfund services	104,400	127,400	93,853	33,547
Asset acquisitions	367,500	96,400	---	96,400
Total expenditures	1,698,009	1,936,509	1,334,087	602,422
Excess (deficiency) of revenues over (under) expenditures	---	6,500	(170,509)	177,009
Other financing sources (uses):				
Transfers in	---	(6,500)	---	6,500
Total other financing sources (uses)	---	(6,500)	---	6,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (170,509)	\$ (170,509)

**Ryan White Programs**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 2,373,026	\$ 1,828,082	\$ (544,944)
Federal and local revenue	---	2,455,570	1,886,816	(568,754)
Total revenues	---	4,828,596	3,714,898	(1,113,698)
Expenditures:				
Salaries	---	288,071	199,781	88,290
Other compensation	---	1,181	484	697
Fringe benefits	---	109,019	84,035	24,984
Salary restrictions	---	(27,621)	---	(27,621)
Supplies and materials	---	64,458	31,099	33,359
Services and other expenditures	---	74,267	26,282	47,985
Professional and contracted services	---	4,232,114	3,274,631	957,483
Rent, utilities and maintenance	---	15,400	---	15,400
Interfund services	---	71,707	101,497	(29,790)
Total expenditures	---	4,828,596	3,717,809	1,110,787
Excess (deficiency) of revenues over (under) expenditures	---	---	(2,911)	2,911
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (2,911)	\$ (2,911)

**Director of Community Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 80,000	\$ 170,000	\$ 87,826	\$ (82,174)
Total revenues	80,000	170,000	87,826	(82,174)
Expenditures:				
Salaries	---	50,000	52,147	(2,147)
Fringe benefits	---	22,857	14,750	8,107
Salary restrictions	---	(5,950)	---	(5,950)
Services and other expenditures	---	6,275	6,270	5
Professional and contracted services	80,000	96,818	14,659	82,159
Total expenditures	80,000	170,000	87,826	82,174
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Community Services Administration**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 11,512,360	\$ 13,266,192	\$ 10,703,023	\$ (2,563,169)
Other revenue	30,000	30,000	6,000	(24,000)
Total revenues	11,542,360	13,296,192	10,709,023	(2,587,169)
Expenditures:				
Salaries	1,359,789	1,410,903	1,302,115	108,788
Other compensation	21,858	25,009	21,817	3,192
Fringe benefits	568,183	595,387	529,731	65,656
Salary restrictions	(50,525)	(50,525)	---	(50,525)
Supplies and materials	62,985	112,958	49,877	63,081
Services and other expenditures	9,040,115	10,372,554	8,414,594	1,957,960
Professional and contracted services	127,657	62,041	2,127	59,914
Rent, utilities and maintenance	247,743	535,595	246,018	289,577
Interfund services	164,555	232,270	142,744	89,526
Total expenditures	11,542,360	13,296,192	10,709,023	2,587,169
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Community and Diversion Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 774,308	\$ 774,308	\$ 614,890	\$ (159,418)
Federal and local revenue	109,550	109,550	63,419	(46,131)
Total revenues	883,858	883,858	678,309	(205,549)
Expenditures:				
Salaries	167,943	164,822	164,048	774
Fringe benefits	76,144	75,218	67,431	7,787
Salary restrictions	(1,608)	(5,708)	---	(5,708)
Supplies and materials	20,093	47,693	41,033	6,660
Services and other expenditures	62,757	57,713	25,064	32,649
Professional and contracted services	543,829	508,570	356,717	151,853
Interfund services	14,700	35,550	24,016	11,534
Total expenditures	883,858	883,858	678,309	205,549
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Ryan White Programs**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 3,207,900	\$ 835,568	\$ 690,791	\$ (144,777)
Federal and local revenue	7,176,227	4,719,961	4,341,451	(378,510)
Total revenues	<u>10,384,127</u>	<u>5,555,529</u>	<u>5,032,242</u>	<u>(523,287)</u>
<b>Expenditures:</b>				
Salaries	776,514	447,451	320,811	126,640
Other compensation	3,516	7,335	7,247	88
Fringe benefits	293,119	158,612	136,230	22,382
Salary restrictions	(52,443)	(1,167)	---	(1,167)
Supplies and materials	126,425	84,802	30,037	54,765
Services and other expenditures	119,283	66,968	26,360	40,608
Professional and contracted services	8,908,516	4,631,497	4,419,165	212,332
Rent, utilities and maintenance	20,400	---	---	---
Interfund services	188,797	166,531	92,392	74,139
Total expenditures	<u>10,384,127</u>	<u>5,562,029</u>	<u>5,032,242</u>	<u>529,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>(6,500)</u>	<u>---</u>	<u>(6,500)</u>
<b>Other financing sources (uses):</b>				
Transfers in	---	6,500	---	(6,500)
Total other financing sources (uses)	<u>---</u>	<u>6,500</u>	<u>---</u>	<u>(6,500)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Crime Victims Center**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
State revenue	\$ 608,438	\$ 662,620	\$ 559,949	\$ (102,671)
Federal and local revenue	218,327	218,327	133,557	(84,770)
Other revenue	43,075	43,075	39,340	(3,735)
Total revenues	869,840	924,022	732,846	(191,176)
<b>Expenditures:</b>				
Salaries	691,025	731,549	580,392	151,157
Other compensation	4,614	4,614	3,431	1,183
Fringe benefits	283,268	309,119	241,691	67,428
Salary restrictions	(26,217)	(26,217)	---	(26,217)
Supplies and materials	22,030	22,622	8,938	13,684
Services and other expenditures	19,239	20,019	10,590	9,429
Rent, utilities and maintenance	25,622	25,622	25,622	---
Interfund services	2,369	2,349	2,243	106
Total expenditures	1,021,950	1,089,677	872,907	216,770
Excess (deficiency) of revenues over (under) expenditures	(152,110)	(165,655)	(140,061)	(25,594)
<b>Other financing sources (uses):</b>				
Transfers in	152,110	165,655	140,061	(25,594)
Total other financing sources (uses)	152,110	165,655	140,061	(25,594)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Pretrial Services**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
Other revenue	\$ ---	\$ 57,091	\$ 1,796	\$ (55,295)
Total revenues	---	57,091	1,796	(55,295)
<b>Expenditures:</b>				
Salaries	---	37,838	1,385	36,453
Fringe benefits	---	19,253	411	18,842
Total expenditures	---	57,091	1,796	55,295
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Aging Commission of the Mid-South**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
State revenue	\$ 7,962,061	\$ 8,070,305	\$ 6,497,745	\$ (1,572,560)
Federal and local revenue	242,731	242,731	179,646	(63,085)
Other revenue	149,918	201,283	103,829	(97,454)
Total revenues	8,354,710	8,514,319	6,781,220	(1,733,099)
<b>Expenditures:</b>				
Salaries	2,019,598	2,034,677	1,634,904	399,773
Other compensation	19,537	23,535	23,384	151
Fringe benefits	911,294	908,414	741,360	167,054
Salary restrictions	(76,051)	(76,051)	---	(76,051)
Supplies and materials	88,492	94,847	28,376	66,471
Services and other expenditures	105,090	162,165	54,894	107,271
Professional and contracted services	4,923,720	5,002,002	3,980,387	1,021,615
Rent, utilities and maintenance	219,850	220,350	212,444	7,906
Interfund services	143,180	144,380	105,471	38,909
Total expenditures	8,354,710	8,514,319	6,781,220	1,733,099
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Sheriff's Office**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 165,623	\$ 388,623	\$ 266,638	\$ (121,985)
Federal and local revenue	4,641,873	4,770,219	3,084,767	(1,685,452)
Other revenue	180,423	387,512	66,811	(320,701)
Total revenues	4,987,919	5,546,354	3,418,216	(2,128,138)
Expenditures:				
Salaries	103,477	103,477	94,424	9,053
Other compensation	67,791	314,075	220,740	93,335
Fringe benefits	14,591	14,591	12,061	2,530
Supplies and materials	10,000	29,000	12,856	16,144
Services and other expenditures	41,273	103,166	25,455	77,711
Professional and contracted services	274,586	490,687	93,134	397,553
Rent, utilities and maintenance	---	4,507	4,507	---
Asset acquisitions	4,420,530	4,368,930	2,968,599	1,400,331
Total expenditures	4,932,248	5,428,433	3,431,776	1,996,657
Excess (deficiency) of revenues over (under) expenditures	55,671	117,921	(13,560)	131,481
Other financing sources (uses):				
Transfers in	75,810	13,560	13,560	---
Transfers out	(131,481)	(131,481)	---	131,481
Total other financing sources (uses)	(55,671)	(117,921)	13,560	131,481
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, 2018**

**Criminal Court**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 113,220	\$ 113,220	\$ ---	\$ (113,220)
Total revenues	<u>113,220</u>	<u>113,220</u>	<u>---</u>	<u>(113,220)</u>
<b>Expenditures:</b>				
Salaries	77,469	77,469	---	77,469
Fringe benefits	42,765	42,765	---	42,765
Salary restrictions	(7,014)	(7,014)	---	(7,014)
Total expenditures	<u>113,220</u>	<u>113,220</u>	<u>---</u>	<u>113,220</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**General Sessions Court**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 550,000	\$ 550,000	\$ 550,000	\$ ---
Federal and local revenue	547,747	547,747	354,870	(192,877)
Total revenues	<u>1,097,747</u>	<u>1,097,747</u>	<u>904,870</u>	<u>(192,877)</u>
<b>Expenditures:</b>				
Salaries	112,832	112,832	102,271	10,561
Other compensation	666	866	861	5
Fringe benefits	40,086	43,687	43,591	96
Supplies and materials	1,900	1,900	997	903
Services and other expenditures	11,000	11,000	7,662	3,338
Professional and contracted services	929,463	925,662	747,949	177,713
Interfund services	1,800	1,800	1,539	261
Total expenditures	<u>1,097,747</u>	<u>1,097,747</u>	<u>904,870</u>	<u>192,877</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Juvenile Court Judge**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,145,238	\$ 2,145,238	\$ 2,085,261	\$ (59,977)
Federal and local revenue	127,299	127,299	50,776	(76,523)
Other revenue	---	15,000	---	(15,000)
Total revenues	2,272,537	2,287,537	2,136,037	(151,500)
Expenditures:				
Salaries	1,416,374	1,416,374	1,329,738	86,636
Other compensation	11,334	11,334	11,329	5
Fringe benefits	555,774	555,774	515,889	39,885
Salary restrictions	(24,712)	(24,712)	---	(24,712)
Supplies and materials	12,000	17,000	7,572	9,428
Services and other expenditures	68,000	71,695	60,033	11,662
Professional and contracted services	74,821	81,821	53,533	28,288
Interfund services	158,946	158,946	157,943	1,003
Total expenditures	2,272,537	2,288,232	2,136,037	152,195
Excess (deficiency) of revenues over (under) expenditures	---	(695)	---	(695)
Other financing sources (uses):				
Planned change in fund balance	---	695	---	(695)
Total other financing sources (uses)	---	695	---	(695)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

**Juvenile Court Clerk**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State revenue	\$ 679,586	\$ 679,586	\$ 476,819	\$ (202,767)
Total revenues	<u>679,586</u>	<u>679,586</u>	<u>476,819</u>	<u>(202,767)</u>
<b>Expenditures:</b>				
Salaries	563,654	563,654	497,004	66,650
Other compensation	5,165	6,465	6,364	101
Fringe benefits	261,382	260,082	234,271	25,811
Supplies and materials	11,749	11,749	5,526	6,223
Services and other expenditures	55,075	55,075	52,299	2,776
Rent, utilities and maintenance	1,834	1,834	---	1,834
Interfund services	95,496	95,496	60,727	34,769
Total expenditures	<u>994,355</u>	<u>994,355</u>	<u>856,191</u>	<u>138,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(314,769)</u>	<u>(314,769)</u>	<u>(379,372)</u>	<u>64,603</u>
<b>Other financing sources (uses):</b>				
Transfers in	350,090	350,090	394,502	44,412
Transfers out	(35,321)	(35,321)	(15,130)	20,191
Total other financing sources (uses)	<u>314,769</u>	<u>314,769</u>	<u>379,372</u>	<u>64,603</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**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal and local revenue	\$ 200,000	\$ 200,000	\$ 168,793	\$ (31,207)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>168,793</u>	<u>(31,207)</u>
<b>Expenditures:</b>				
Professional and contracted services	200,000	200,000	168,793	31,207
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>168,793</u>	<u>31,207</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Attorney General**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 305,881	\$ 305,881	\$ 272,962	\$ (32,919)
Federal and local revenue	564,091	650,155	251,971	(398,184)
Other revenue	360,681	360,681	303,247	(57,434)
Total revenues	1,230,653	1,316,717	828,180	(488,537)
Expenditures:				
Salaries	695,565	695,565	526,156	169,409
Other compensation	11,175	36,175	35,363	812
Fringe benefits	250,264	225,264	197,305	27,959
Salary restrictions	(20,867)	(20,867)	---	(20,867)
Supplies and materials	500	6,300	6,250	50
Services and other expenditures	7,450	7,450	963	6,487
Professional and contracted services	254,942	338,006	62,143	275,863
Interfund services	924	924	---	924
Asset acquisitions	30,700	27,900	---	27,900
Total expenditures	1,230,653	1,316,717	828,180	488,537
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---



# Shelby County, Tennessee

## Statistical Section Index For the Year Ended June 30, 2018

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

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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	
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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
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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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (a)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (b)</u>
Governmental activities:										
Net investment in capital assets	\$ 204,190,463	\$ 240,569,297	\$ 328,687,913	\$ 293,284,276	\$ 346,532,271	\$ 382,836,247	\$ 328,439,765	\$ 412,812,239	\$ 441,217,120	\$ 463,208,433
Restricted	87,310,795	207,993,719	148,784,078	75,271,215	21,081,203	42,862,828	42,020,008	40,532,614	43,196,013	50,984,968
Unrestricted	(1,253,600,239)	(1,287,263,343)	(1,228,588,491)	(1,053,237,423)	(995,432,343)	(930,057,071)	(1,010,487,540)	(1,000,519,548)	(936,955,060)	(1,020,867,393)
Total governmental activities net position	<u>\$ (962,098,981)</u>	<u>\$ (838,700,327)</u>	<u>\$ (751,116,500)</u>	<u>\$ (684,681,932)</u>	<u>\$ (627,818,869)</u>	<u>\$ (504,357,996)</u>	<u>\$ (640,027,767)</u>	<u>\$ (547,174,695)</u>	<u>\$ (452,541,927)</u>	<u>\$ (506,673,992)</u>
Business-type activities:										
Net investment in capital assets	\$ 25,324,668	\$ 24,388,818	\$ 24,274,150	\$ 24,482,158	\$ 24,854,525	\$ 24,169,229	\$ 23,583,102	\$ 24,878,501	\$ 23,335,305	\$ 24,381,097
Unrestricted	13,288,503	11,950,335	12,276,642	13,376,374	15,115,556	18,447,979	(27,498,232)	(24,556,121)	(35,276,622)	(53,622,096)
Total business-type activities net position	<u>\$ 38,613,171</u>	<u>\$ 36,339,153</u>	<u>\$ 36,550,792</u>	<u>\$ 37,858,532</u>	<u>\$ 39,970,081</u>	<u>\$ 42,617,208</u>	<u>\$ (3,915,130)</u>	<u>\$ 322,380</u>	<u>\$ (11,941,317)</u>	<u>\$ (29,240,999)</u>
Total Shelby County Government:										
Net investment in capital assets	\$ 229,515,131	\$ 264,958,115	\$ 352,962,063	\$ 317,766,434	\$ 371,386,796	\$ 407,005,476	\$ 352,022,867	\$ 437,690,740	\$ 464,552,425	\$ 487,589,530
Restricted	87,310,795	207,993,719	148,784,078	75,271,215	21,081,203	42,862,828	42,020,008	40,532,614	43,196,013	50,984,968
Unrestricted	(1,240,311,736)	(1,275,313,008)	(1,216,311,849)	(1,039,861,049)	(980,316,787)	(911,609,092)	(1,037,985,772)	(1,025,075,669)	(972,231,682)	(1,074,489,489)
Total Shelby County net position	<u>\$ (923,485,810)</u>	<u>\$ (802,361,174)</u>	<u>\$ (714,565,708)</u>	<u>\$ (646,823,400)</u>	<u>\$ (587,848,788)</u>	<u>\$ (461,740,788)</u>	<u>\$ (643,942,897)</u>	<u>\$ (546,852,315)</u>	<u>\$ (464,483,244)</u>	<u>\$ (535,914,991)</u>

(a) In fiscal year 2015 the County implemented GASB 68 - Accounting and Financial Reporting for Pensions. The cumulative effect of change in accounting principle resulted in a reduction of unrestricted net position of \$ 271,926,374 for governmental activities and \$ 53,843,317 for business-type activities.

(b) In fiscal year 2018 the County implemented GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The cumulative effect of change in accounting principle resulted in a reduction of unrestricted net position of \$88,959,790 for governmental activities and \$15,846,785 for business-type activities.



Shelby County, Tennessee

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

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 50,130,743	\$ 60,757,119	\$ 65,168,733	\$ 58,405,542	\$ 44,292,037	\$ 46,824,367	\$ 43,713,313	\$ 49,498,317	\$ 58,915,452	\$ 60,449,802
Hospital	27,491,667	38,816,666	36,816,000	26,816,000	26,816,000	26,815,406	26,816,000	27,408,000	28,408,000	35,408,000
Planning and Development	6,060,521	5,151,177	6,061,205	6,392,108	7,170,335	8,468,651	7,907,742	8,161,874	6,584,020	8,692,185
Public Works	46,238,481	47,783,453	47,909,770	46,738,284	43,418,152	42,948,647	43,737,574	42,627,074	40,891,577	52,392,536
Corrections	1,318,182	1,481,007	1,608,821	1,435,580	1,343,313	1,041,443	1,058,422	861,727	1,009,258	1,191,335
Health Services	59,570,012	56,818,691	52,391,485	52,205,826	51,375,837	53,411,088	50,765,349	54,693,350	58,867,774	60,219,310
Community Services	59,954,415	73,390,258	83,537,889	69,605,001	78,939,717	69,437,121	40,742,530	36,559,794	39,447,369	32,341,610
Law Enforcement	150,228,384	149,883,692	153,074,368	156,465,979	158,763,769	162,063,175	156,314,046	166,408,318	191,292,866	190,921,619
Judicial	77,826,817	66,108,459	67,809,546	68,815,715	71,503,814	72,191,634	69,221,549	69,577,458	77,119,835	80,096,606
Other Elected Officials	31,550,764	29,387,200	30,661,447	28,671,292	31,562,849	29,052,577	28,753,179	31,238,977	34,686,605	32,882,982
Education	420,351,443	363,281,302	387,692,028	420,187,895	401,285,011	387,263,290	385,396,412	428,358,249	442,353,584	474,284,405
Interest on debt	86,882,448	70,146,945	71,559,500	90,654,296	88,473,435	66,185,593	76,735,064	63,166,615	47,567,862	46,880,271
Total governmental activities expenses	<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>	<u>931,161,180</u>	<u>978,559,753</u>	<u>1,027,144,202</u>	<u>1,075,760,661</u>
Business-type activities:										
Codes Enforcement	11,274,089	10,472,229	10,394,909	9,687,934	9,578,276	9,209,429	8,729,775	9,747,174	10,942,221	10,848,381
Fire Services	17,636,732	18,938,445	19,733,109	19,565,511	19,490,379	17,940,652	17,783,763	18,170,987	22,714,271	26,318,287
Corrections Center	50,891,358	53,963,382	56,737,346	55,149,724	57,916,008	59,111,101	57,480,542	56,957,843	56,725,927	53,562,419
Total business-type activities expenses	<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>	<u>83,994,080</u>	<u>84,876,004</u>	<u>90,382,419</u>	<u>90,729,087</u>
Total Shelby County Government expenses	<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>	<u>\$ 1,015,155,260</u>	<u>\$ 1,063,435,757</u>	<u>\$ 1,117,526,621</u>	<u>\$ 1,166,489,748</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 3,853,372	\$ 5,598,893	\$ 23,884,206	\$ 25,176,227	\$ 26,441,272	\$ 24,825,384	\$ 24,726,512	\$ 25,909,720	\$ 27,502,089	\$ 23,349,442
Health Services	8,988,169	18,243,100	12,350,842	10,736,876	9,895,282	10,061,350	10,017,842	10,709,606	10,823,283	8,819,127
Judicial	24,032,927	27,679,015	28,356,402	27,975,343	26,986,596	28,801,146	27,986,043	27,845,080	24,987,093	23,979,206
Other Elected Officials	35,913,152	35,998,913	36,100,895	37,211,110	37,529,086	39,677,738	38,801,366	41,261,947	40,562,249	42,072,752
Other governmental activities	9,402,118	20,713,862	14,463,418	20,723,747	16,762,726	14,516,272	15,967,192	14,701,441	16,535,007	9,821,069
Operating grants and contributions	136,145,188	114,570,324	116,897,799	95,184,769	115,132,290	97,596,210	62,656,592	64,477,734	65,387,691	65,797,135
Capital grants and contributions	1,126,464	710,000	15,901,708	4,353,916	8,046,883	5,126,100	10,340,712	16,598,389	49,320,234	11,748,750
Total governmental activities program revenues	<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>	<u>190,496,259</u>	<u>201,503,917</u>	<u>235,117,646</u>	<u>185,587,481</u>

<b>Business-type activities:</b>										
Charges for services										
Codes Enforcement	10,066,844	8,749,266	7,251,123	7,954,287	8,373,459	8,013,914	8,404,486	8,298,636	9,049,157	9,109,537
Fire Services	19,058,865	19,109,260	19,228,630	19,259,093	18,918,824	19,120,500	19,243,880	19,693,292	22,393,008	26,273,400
Corrections Center	47,205,050	44,894,303	48,279,566	47,447,969	51,206,938	53,579,468	53,470,671	44,203,056	39,524,862	38,916,181
Operating grants and contributions	81,000	75,600	1,736,920	1,204,618	738,725	871,967	1,414,323	1,503,168	1,503,345	1,653,563
Capital grants and contributions	---	---	---	2,000	456,000	---	---	287,387	---	---
Total business-type activities program revenues	<u>76,411,759</u>	<u>72,828,429</u>	<u>76,496,239</u>	<u>75,867,967</u>	<u>79,693,946</u>	<u>81,585,849</u>	<u>82,533,360</u>	<u>73,985,539</u>	<u>72,470,372</u>	<u>75,952,681</u>
Total Shelby County Government program revenues	<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>	<u>\$ 273,029,619</u>	<u>\$ 275,489,456</u>	<u>\$ 307,588,018</u>	<u>\$ 261,540,162</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (798,142,487)	\$ (739,491,862)	\$ (756,335,522)	\$ (805,031,530)	\$ (764,150,134)	\$ (745,098,792)	\$ (740,664,921)	\$ (777,055,836)	\$ (792,026,556)	\$ (890,173,180)
Business-type activities	<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>	<u>(1,460,720)</u>	<u>(10,890,465)</u>	<u>(17,912,047)</u>	<u>(14,776,406)</u>
Total Shelby County Government net expense	<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>	<u>\$ (742,125,641)</u>	<u>\$ (787,946,301)</u>	<u>\$ (809,938,603)</u>	<u>\$ (904,949,586)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 724,765,511	\$ 773,832,412	\$ 755,877,920	\$ 754,061,310	\$ 741,808,593	\$ 784,897,520	\$ 790,149,240	\$ 785,510,158	\$ 793,849,791	\$ 826,365,642
Sales taxes	25,739,847	22,028,916	22,983,679	11,191,681	11,903,445	11,821,135	12,462,086	11,173,006	11,915,471	14,876,219
Business taxes	11,671,674	11,428,545	12,208,730	12,940,493	14,151,056	13,915,537	15,484,672	17,035,526	18,212,626	18,165,415
Hotel/Motel/Car rental taxes	14,969,068	13,550,421	13,701,394	14,220,558	15,095,906	15,781,995	17,008,151	18,577,780	19,362,586	20,039,712
Wheel taxes	29,053,746	29,429,162	29,090,186	28,531,929	29,922,077	31,589,131	32,269,372	33,058,105	33,873,450	33,659,197
Other taxes	13,287,647	17,198,939	16,994,422	15,107,316	15,669,960	15,898,580	16,161,978	16,657,934	16,568,905	18,298,804
Investment earnings	6,307,051	2,950,625	3,703,351	6,939,244	1,829,437	1,929,552	2,117,748	2,987,126	2,796,271	6,668,211
Transfers	(6,806,798)	(7,683,295)	(10,557,785)	(9,808,915)	(9,367,277)	(7,273,785)	(9,166,673)	(15,090,727)	(9,919,776)	(13,072,295)
Other sources/(uses)	281,072	154,791	---	(33,207,518)	---	---	---	---	---	---
Special item	---	---	---	71,490,000	---	---	---	---	---	---
Extraordinary item	---	---	(82,548)	---	---	---	---	---	---	---
Total governmental activities	<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>	<u>876,486,574</u>	<u>869,908,908</u>	<u>886,659,324</u>	<u>925,000,905</u>
Business-type activities:										
Investment earnings	207,994	48,728	22,979	34,027	34,989	48,675	39,976	37,248	160,759	251,214
Transfers	6,806,798	7,683,295	10,557,785	9,808,915	9,367,277	7,273,785	9,166,673	15,090,727	9,919,776	13,072,295
Other sources/(uses)	(6,796)	---	---	---	---	---	---	---	---	---
Total business-type activities	<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>	<u>9,206,649</u>	<u>15,127,975</u>	<u>10,080,535</u>	<u>13,323,509</u>
Total Shelby County Government	<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>	<u>\$ 885,693,223</u>	<u>\$ 885,036,883</u>	<u>\$ 896,739,859</u>	<u>\$ 938,324,414</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 21,126,331	\$ 123,398,654	\$ 87,583,827	\$ 66,434,568	\$ 56,863,063	\$ 123,460,873	\$ 135,821,653	\$ 92,853,072	\$ 94,632,768	\$ 34,827,725
Business-type activities	<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>	<u>7,745,929</u>	<u>4,237,510</u>	<u>(7,831,512)</u>	<u>(1,452,897)</u>
Total Shelby County Government	<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>	<u>\$ 143,567,582</u>	<u>\$ 97,090,582</u>	<u>\$ 86,801,256</u>	<u>\$ 33,374,828</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									
	2009	2010 (b)	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Assigned (a)	\$ 772,147	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Unrestricted	74,392,811	---	---	---	---	---	---	---	---	---
Restricted	---	567,558	737,713	933,228	---	23,247	32,508	30,702	48,612	64,492
Committed	---	799,402	278,675	328,309	368,368	81,307	61,811	9,138,061	4,331,110	9,062,102
Assigned (a)	---	1,096,493	215,871	47,919	479,046	813,270	876,297	634,321	1,376,907	2,346,261
Unassigned	---	75,694,460	85,635,125	91,590,535	94,912,625	102,469,929	107,772,795	105,793,431	109,849,713	100,490,374
<b>Total General Fund</b>	<b>\$ 75,164,958</b>	<b>\$ 78,157,913</b>	<b>\$ 86,867,384</b>	<b>\$ 92,899,991</b>	<b>\$ 95,760,039</b>	<b>\$ 103,387,753</b>	<b>\$ 108,743,411</b>	<b>\$ 115,596,515</b>	<b>\$ 115,606,342</b>	<b>\$ 111,963,229</b>
All other governmental funds										
Reserved	\$ 1,190,788	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Unreserved, reported in:										
Debt Service Fund	74,646,920	---	---	---	---	---	---	---	---	---
Capital Projects Fund	(84,323,603)	---	---	---	---	---	---	---	---	---
Grants Fund	(10,138,135)	---	---	---	---	---	---	---	---	---
Nonmajor Governmental Fund	30,243,434	---	---	---	---	---	---	---	---	---
Restricted, reported in:										
Debt Service Fund	---	7,486,042	8,193,886	1,589,794	4,000,169	7,605,692	8,359,523	5,998,600	3,203,200	405,600
Capital Projects Fund	---	56,613,022	92,826,243	37,879,122	221,513	84,515	85,001	84,587	85,939	88,123
Education Fund	---	9,136,859	---	---	---	---	---	---	---	---
Grants Fund	---	14,313,849	5,438,738	6,400,154	10,494,734	16,459,728	16,180,606	16,065,012	16,300,785	16,349,480
Nonmajor Governmental Fund	---	17,549,023	15,153,766	15,577,420	16,153,985	16,167,849	17,914,849	18,487,829	23,744,991	34,678,684
Committed, reported in:										
Debt Service Fund	---	95,043,193	99,621,072	89,481,609	80,767,489	79,665,910	83,053,923	57,214,357	57,528,284	64,648,954
Capital Projects Fund	---	8,234,947	4,425,564	24,762,356	33,915,863	34,098,546	38,625,488	22,104,293	33,954,124	10,843,800
Education Fund	---	---	---	---	---	---	---	---	---	6,472,908
Nonmajor Governmental Fund	---	984,685	1,574,304	10,242,902	5,647,119	5,674,041	5,648,544	5,675,371	4,781,932	4,619,749
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)	---	---	---	---	---	---
<b>Total all other governmental funds</b>	<b>\$ 11,619,404</b>	<b>\$ 216,010,805</b>	<b>\$ 248,547,216</b>	<b>\$ 204,202,693</b>	<b>\$ 164,124,400</b>	<b>\$ 159,756,281</b>	<b>\$ 169,867,934</b>	<b>\$ 125,630,049</b>	<b>\$ 139,599,255</b>	<b>\$ 138,107,298</b>

(a) For fiscal years 2008 - 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>										
Property taxes	\$ 696,817,677	\$ 736,681,436	\$ 731,508,709	\$ 722,068,728	\$ 722,145,559	\$ 748,889,804	\$ 762,162,261	\$ 757,552,261	\$ 764,259,944	\$ 795,913,270
Other local taxes	96,908,922	93,671,585	93,391,143	87,643,901	95,327,539	106,044,536	105,964,977	106,717,882	109,137,254	117,780,091
State revenue	100,728,176	104,668,855	104,339,217	89,278,432	91,168,902	82,818,413	83,885,594	96,423,644	95,452,238	87,348,011
Federal and local revenue	56,759,545	61,664,406	61,914,188	66,418,403	63,098,998	54,343,494	28,004,291	26,417,894	23,531,327	30,115,174
Charges for services	5,657,780	8,906,272	8,907,877	9,010,486	5,529,577	5,873,744	5,855,441	5,290,216	5,329,134	4,189,764
Fines, fees and permits	67,243,639	67,642,736	71,275,465	70,756,123	70,018,979	70,956,345	70,730,668	72,374,710	70,662,534	67,469,274
Other revenue	6,542,242	16,036,573	5,101,809	4,984,954	16,952,794	9,576,155	4,749,892	6,197,341	5,350,482	5,186,442
Investment income	5,868,121	1,855,056	1,565,544	1,423,487	1,598,412	1,753,731	1,958,630	2,648,473	2,175,339	5,282,946
<b>Total revenues</b>	<b>1,036,526,102</b>	<b>1,091,126,919</b>	<b>1,078,003,952</b>	<b>1,051,584,514</b>	<b>1,065,840,760</b>	<b>1,080,256,222</b>	<b>1,063,311,754</b>	<b>1,073,622,421</b>	<b>1,075,898,252</b>	<b>1,113,284,972</b>
<b>Expenditures (a)</b>										
General Government	47,488,395	57,190,923	45,852,358	41,508,583	48,505,330	42,784,442	43,744,271	48,171,327	47,536,504	54,940,250
Hospital (b)	27,491,667	38,816,666	36,816,000	26,816,000	26,816,000	26,816,000	26,816,000	27,408,000	28,408,000	28,408,000
Planning and Development	6,019,995	6,994,026	6,698,102	6,840,109	7,263,711	7,796,219	7,719,866	7,841,671	5,549,679	8,328,688
Public Works	31,940,435	41,067,276	40,666,685	36,661,009	33,281,016	35,252,458	39,313,866	45,789,381	46,966,954	45,915,540
Corrections	1,261,813	1,384,904	1,458,284	1,388,314	1,285,105	971,686	1,380,175	809,010	412,503	592,013
Health Services	59,832,315	57,569,310	53,055,020	52,586,968	50,754,512	53,586,661	52,435,614	54,315,204	54,216,303	57,647,848
Community Services	60,217,711	73,258,904	83,229,822	70,077,171	78,269,418	69,276,258	36,628,294	36,348,381	38,085,358	33,189,918
Law Enforcement	145,718,901	145,326,022	148,217,763	153,549,971	156,974,542	159,541,072	160,189,601	165,545,266	167,884,145	181,020,311
Judicial	74,985,231	64,415,801	65,161,460	67,520,667	67,949,640	71,016,743	72,573,972	66,623,266	68,337,084	72,052,846
Other Elected Officials	30,397,906	29,057,073	29,863,328	28,438,507	30,725,965	28,556,139	29,457,449	29,853,015	31,106,260	29,979,226
Education (c)	361,288,000	361,288,000	361,288,000	361,288,000	361,288,000	384,764,432	383,088,000	391,288,000	417,010,516	419,471,000
Debt service:										
Interest	84,749,327	70,146,945	75,477,158	88,258,323	85,844,646	69,103,136	66,632,870	63,475,437	57,492,065	47,992,087
Principal	95,310,990	102,104,384	187,533,833	422,635,229	88,600,728	98,339,316	311,846,172	217,652,899	192,084,052	100,066,842
Capital outlay: capital projects	68,988,598	7,848,475	37,035,762	79,800,460	63,864,946	19,352,761	26,545,178	56,800,345	47,739,224	83,654,719
<b>Total expenditures</b>	<b>1,095,691,284</b>	<b>1,056,468,709</b>	<b>1,172,353,575</b>	<b>1,437,369,311</b>	<b>1,101,423,559</b>	<b>1,067,157,323</b>	<b>1,258,371,328</b>	<b>1,211,921,202</b>	<b>1,202,828,647</b>	<b>1,163,259,288</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(59,165,182)</b>	<b>34,658,210</b>	<b>(94,349,623)</b>	<b>(385,784,797)</b>	<b>(35,582,799)</b>	<b>13,098,899</b>	<b>(195,059,574)</b>	<b>(138,298,781)</b>	<b>(126,930,395)</b>	<b>(49,974,316)</b>

<b>Other financing sources (uses)</b>										
Transfers in	31,276,257	31,145,888	22,849,510	17,532,055	26,787,968	20,045,350	19,145,985	12,346,272	14,251,821	5,871,746
Transfers out	(38,802,576)	(39,197,809)	(33,668,744)	(27,705,386)	(35,938,941)	(31,385,761)	(28,348,292)	(27,439,721)	(24,184,527)	(17,501,387)
General obligation bonds issued	---	120,000,000	---	---	---	---	---	---	83,405,000	---
Refunding bonds issued	214,695,000	---	73,795,000	274,400,000	---	---	171,830,000	70,110,000	---	---
Premium on bonds issued	19,821,655	4,162,154	6,892,922	58,055,757	---	---	27,093,527	15,709,811	17,243,257	---
Payment to refunding bond escrow agent	(231,005,000)	---	---	(68,426,081)	---	---	---	---	---	---
Long term debt proceeds other than bonds	---	55,120,000	67,260,000	20,397,500	6,883,614	---	---	---	---	---
Bond anticipation notes	---	---	---	---	---	---	20,000,000	30,000,000	50,000,000	51,000,000
Other sources (uses)	690,849	511,228	434,050	1,729,036	631,913	1,501,107	805,665	187,638	193,877	185,550
<b>Total other financing sources (uses)</b>	<b>(3,323,815)</b>	<b>171,741,461</b>	<b>137,562,738</b>	<b>275,982,881</b>	<b>(1,635,446)</b>	<b>(9,839,304)</b>	<b>210,526,885</b>	<b>100,914,000</b>	<b>140,909,428</b>	<b>39,555,909</b>
Special item	---	---	---	71,490,000	---	---	---	---	---	---
Extraordinary item	---	---	(982,548)	---	---	---	---	---	---	---
<b>Net change in fund balances</b>	<b>\$ (62,488,997)</b>	<b>\$ 206,399,671</b>	<b>\$ 42,230,567</b>	<b>\$ (38,311,916)</b>	<b>\$ (37,218,245)</b>	<b>\$ 3,259,595</b>	<b>\$ 15,467,311</b>	<b>\$ (37,384,781)</b>	<b>\$ 13,979,033</b>	<b>\$ (10,418,407)</b>
Debt service as a percentage of non capital expenditures	16.67%	16.62%	22.82%	35.83%	16.30%	16.07%	30.89%	23.94%	21.45%	13.17%

(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 various municipal school districts 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 (b)	Commercial Property (b)	Personal Property (b)	Public Utilities (a)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (c)
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%
2015	2014	9,553,959,920	5,650,054,415	1,473,774,000	1,289,100,925	17,966,889,260	4.37	59,884,233,964	30.00%
2016	2015	9,595,800,610	5,701,519,115	1,426,582,015	1,215,978,130	17,939,879,870	4.37	59,897,289,027	29.95%
2017	2016	9,658,521,795	5,751,939,895	1,461,401,325	1,230,992,434	18,102,855,449	4.37	60,418,966,162	29.96%
2018 (d)	2017	10,678,297,610	6,763,926,870	1,521,169,795	1,284,144,752	20,247,539,027	4.11	67,338,526,740	30.07%

(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 April 20 prior to the beginning of each fiscal year.

(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 2010, 2014 and 2018 amounts.

**Shelby County, Tennessee**

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>County Direct Rates</b>										
General Fund	\$ 1.22	\$ 1.23	\$ 1.33	\$ 1.36	\$ 1.36	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.99
Education (a)	2.02	1.98	1.90	1.91	1.91	2.14	2.14	2.14	2.14	1.43
Debt Service	0.80	0.81	0.79	0.75	0.75	0.79	0.78	0.78	0.78	0.69
<b>Total Direct Rate</b>	<b>4.04</b>	<b>4.02</b>	<b>4.02</b>	<b>4.02</b>	<b>4.02</b>	<b>4.38</b>	<b>4.37</b>	<b>4.37</b>	<b>4.37</b>	<b>4.11</b>
<b>Rural School Bonds (b)</b>	<b>0.05</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	---	---	---	---
<b>City &amp; Town Rates</b>										
Memphis (c)	3.25	3.20	3.20	3.19	3.11	3.40	3.40	3.40	3.40	3.27
Arlington	1.00	1.00	1.00	1.00	1.15	1.15	1.15	1.15	1.15	1.15
Bartlett	1.54	1.49	1.49	1.49	1.49	1.62	1.62	1.62	1.62	1.83
Collierville	1.28	1.18	1.18	1.43	1.43	1.53	1.53	1.78	1.78	1.63
Germantown	1.54	1.43	1.43	1.49	1.49	1.93	1.93	1.93	1.93	1.97
Lakeland (d)	---	---	---	---	0.85	0.85	0.85	1.40	1.40	1.25
Millington	1.23	1.23	1.23	1.23	1.23	1.53	1.53	1.53	1.53	1.53

Rates are applicable to fiscal years ending June 30.

- (a) The portion of property taxes designated for education is allocated among the Shelby County Board of Education and the municipal school districts based on the average daily attendance.
- (b) Beginning in calendar year 2003 an additional tax rate was established to fund Rural School Bonds and is applied only to taxpayers living outside the City of Memphis. As of fiscal year 2015, this additional tax is repealed.
- (c) Over two-thirds (69.61%) of the County's population resides in the City of Memphis.
- (d) Prior to 2013 the City of Lakeland did not have a property tax.

**Shelby County, Tennessee**

**Revenue Capacity Information**  
**Principal Property Tax Payers - Current and Nine Years Ago**  
**June 30, 2018**

Name of Taxpayer	Fiscal 2018 Assessments			Fiscal 2009 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 (and related divs)	\$ 720,952,520	1	3.56%	\$ 581,036,901	1	3.21%
Bellsouth Telecommunications Inc.	85,010,205	2	0.42%	140,919,098	2	0.78%
G&I VII Retail Carriage LLC (and related divs)	74,068,520	3	0.37%			
Kroger Companies	72,939,095	4	0.36%			
Lightman Michael A (and affiliated LPs)	71,813,210	5	0.35%			
AT&T Mobility LLC	70,715,839	6	0.35%	45,521,635	8	0.25%
Galleria at Wolfchase, LLC	64,822,570	7	0.32%	52,120,760	6	0.29%
AMISUB (SFH) Inc.	63,509,110	8	0.31%			
Baptist Memorial Hospital	52,536,535	9	0.26%			
Highwoods Realty LP	51,506,670	10	0.25%			
Belz Enterprises				107,616,040	3	0.59%
ProLogis				67,199,360	4	0.37%
Sharp				59,613,261	5	0.33%
Smith & Nephew Inc.				48,619,377	7	0.27%
Pinnacle Airlines				42,185,635	9	0.23%
International Paper				41,567,250	10	0.23%
Total Assessed Valuation of Top Ten Taxpayers	1,327,874,274		6.56%	1,186,399,317		6.56%
Balance of Assessed Valuation	18,919,664,753		93.44%	16,902,904,812		93.44%
Total Assessed Valuation	<u>\$ 20,247,539,027</u>		<u>100.00%</u>	<u>\$ 18,089,304,129</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
2009	2008	736,461,361	684,698,542	92.97%	45,600,215	730,825,997	730,298,757	99.93%	99.16%
2010	(a) 2009	791,055,910	719,276,815	90.93%	34,602,482	755,375,587	753,879,297	99.80%	95.30%
2011	2010	776,865,051	713,667,892	91.87%	29,901,124	746,458,748	743,569,016	99.61%	95.71%
2012	2011	764,302,988	710,934,070	93.02%	30,284,600	745,929,752	741,218,670	99.37%	96.98%
2013	2012	760,525,341	713,245,234	93.78%	27,529,133	745,211,280	740,774,367	99.40%	97.40%
2014	(a) 2013	798,327,814	741,958,610	92.94%	24,464,957	770,506,815	766,423,567	99.47%	96.00%
2015	2014	783,507,158	750,097,124	95.74%	20,115,064	775,147,167	770,212,188	99.36%	98.30%
2016	2015	784,554,974	754,081,040	96.12%	18,683,210	779,210,554	772,764,250	99.17%	98.50%
2017	2016	791,094,783	761,608,732	96.27%	16,390,759	787,771,708	777,999,491	98.76%	98.34%
2018	(a) 2017	832,173,142	797,712,672	95.86%	N/A	823,187,542	797,712,672	96.91%	95.86%

(a) The effect of property reappraisals are reflected in FY 2010, 2014, and 2018 amounts.

Source: Shelby County 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual local taxes	\$ 34,785,952	\$ 32,278,259	\$ 36,481,924	\$ 28,298,234	\$ 30,987,178	\$ 34,048,774	\$ 32,350,888	\$ 32,605,263	\$ 32,530,119	\$ 31,430,273
Annual local revenue	27,690,488	17,846,319	8,228,640	7,651,586	11,006,243	14,631,502	11,011,637	12,284,914	10,403,246	12,299,150
Annual State revenues	22,959,928	21,144,826	17,585,648	17,552,358	19,448,536	19,588,987	20,557,390	23,143,769	23,874,375	22,424,187
Annual fees of elected officials	59,473,620	62,044,010	64,386,433	65,071,272	63,598,248	64,612,993	64,200,149	65,979,565	64,529,688	61,188,448
Other revenues	3,776,017	1,026,701	1,475,590	825,499	785,818	644,093	1,197,991	2,441,336	2,558,854	2,875,001
Total non-ad valorem revenues	<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>	<u>\$ 129,318,055</u>	<u>\$ 136,454,847</u>	<u>\$ 133,896,282</u>	<u>\$ 130,217,059</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 tax.

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, 2018**

	Net Debt Outstanding	Estimated Percentage Applicable (d)	Estimated Share of Overlapping Debt
Direct Debt (a)			
<u>Governmental Activities</u>			
General obligation debt	\$ 890,040,212	100.00%	\$ 890,040,212
Premium on general obligation debt	52,157,337	100.00%	52,157,337
		Total direct bonded debt (b)	942,197,549
Capital lease obligations	5,036,947	100.00%	5,036,947
		Total debt of governmental activities	947,234,496
Overlapping Debt (c)			
City of Memphis	1,476,685,000	100.00%	1,476,685,000
City of Germantown	57,300,000	100.00%	57,300,000
City of Bartlett	79,339,593	100.00%	90,846,335
City of Collierville	117,630,000	100.00%	117,630,000
City of Lakeland	14,203,151	100.00%	14,203,151
Town of Arlington	16,742,000	100.00%	16,742,000
City of Millington	11,943,087	100.00%	11,943,087
		Total overlapping debt	1,785,349,573
		Total direct and overlapping debt	\$ 2,732,584,069

- (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	Accumulated Restricted Resources for Debt Repayment	Net G.O. Bonded Debt	Net G.O. Bonded Debt Percent Of Actual Value (b)	Net 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							
2009	2008	1,747,860,459	---	906,177	1,748,766,636	74,646,920	1,673,213,539	2.73%	1,817	1,899	4.66%
2010	2009	1,707,260,182	---	766,064	1,708,026,246	118,987,524	1,588,272,658	2.39%	1,722	1,851	4.78%
2011	2010	1,665,674,209	---	619,240	1,666,293,449	8,295,149	1,657,379,060	2.54%	1,784	1,794	4.50%
2012	2011	1,493,946,286	---	465,383	1,494,411,669	1,697,206	1,492,249,080	2.32%	1,596	1,598	3.92%
2013	2012	1,388,093,168	6,883,614	304,156	1,395,280,938	4,016,782	1,384,076,386	2.17%	1,471	1,483	3.50%
2014	2013	1,285,056,456	6,505,735	135,206	1,291,697,397	10,006,059	1,275,050,397	2.10%	1,357	1,375	3.18%
2015	2014	1,243,750,510	6,131,862	69,152	1,249,951,524	8,410,624	1,235,339,886	2.06%	1,316	1,331	3.08%
2016	2015	1,123,495,190	5,762,440	---	1,129,257,630	6,016,320	1,117,478,870	1.87%	1,191	1,204	2.69%
2017	2016	1,057,871,012	5,397,468	---	1,063,268,480	3,203,200	1,054,667,812	1.75%	1,128	1,138	2.51%
2018	2017	942,197,548	5,036,947	---	947,234,495	405,600	941,791,948	1.40%	1,006	1,011	2.19%

(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 ? for Estimated Actual and Assessed Property Values and page ? for Population Amounts and Personal Income Values.

(c) Personal Income Data not available for FY2018. Data for FY2017 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>
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	40,594,551	43,210	9.7%
2014	938,803	41,968,752	44,705	7.9%
2015	938,069	42,356,302	45,153	6.6%
2016	934,603	43,210,184	46,234	5.5%
2017	936,961	N/A	N/A	3.7%

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 November 2017.

**Shelby County, Tennessee**

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
FedEx Corp	30,000	1	4.89%	32,000	1	5.81%
Tennessee State Government	14,500	2	2.36%	9,000	4	1.63%
United States Government	13,400	3	2.19%	14,600	3	2.65%
Methodist Le Bonheur Healthcare	12,923	4	2.11%	8,260	5	1.50%
Shelby County Schools (a)	11,500	5	1.88%	5,200	10	0.94%
Baptist Memorial Health Care Corp.	7,405	6	1.21%	6,470	7	1.17%
City of Memphis	7,000	7	1.14%	7,080	6	1.29%
The Kroger Company	6,560	8	1.07%	-		0.00%
Naval Support Activity Mid-South	6,500	9	1.06%	-		0.00%
Wal-Mart Stores Inc.	6,280	10	1.02%	6,000	9	1.09%
Memphis City Schools (a)				16,184	2	2.94%
Shelby County Government				6,110	8	1.11%
<b>Total</b>	<b>116,068</b>		<b>18.93%</b>	<b>110,904</b>		<b>20.14%</b>

(a) In 2013 Shelby County Schools and Memphis City Schools merged into a single school district that is now Shelby County Schools.

Sources:

Largest employer data for 2009 and 2018 comes from Memphis Business Journal Book of Lists for each year.

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 TN Department of Labor & Workforce Development-Employment Security Division are for the Memphis Metropolitan Statistical Area. Total employment for 2017, from the TN Department of Labor & Workforce Development-Employment Security Division, is used as a surrogate for the 2018 figure, which is not expected to be available until 2019.

Total Employment:	2017	613,110
	2009	550,640

**Shelby County, Tennessee**

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

Function/Program:	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	294	284	281	282	297	287	248	243	241	258
Planning and Development	180	165	148	140	134	139	133	132	130	133
Public Works	453	441	434	424	418	423	422	408	448	482
Corrections	610	671	659	643	677	682	639	622	514	502
Health Services	619	624	550	534	495	501	483	479	472	469
Community Services (b)	544	569	533	513	507	514	190	187	182	196
Law Enforcement	1,883	1,919	1,937	1,929	1,920	1,927	1,944	1,922	1,865	1,902
Judicial	1,057	891	877	875	831	899	780	789	886	854
Other Elected Officials	376	365	365	355	358	360	353	351	252	362
<b>Total Full-time Equivalent Employees</b>	<b>6,016</b>	<b>5,929</b>	<b>5,784</b>	<b>5,695</b>	<b>5,637</b>	<b>5,732</b>	<b>5,192</b>	<b>5,133</b>	<b>4,990</b>	<b>5,158</b>

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

(b) The Head Start program was not renewed by Shelby County Government at the end of calendar year 2014. The Head Start operations transitioned to Shelby County Board of Education, a component unit.

Data source: Shelby County Human Resource Department.

**Shelby County, Tennessee**

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

Function/Program:	Fiscal Year										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
<b>General Government:</b>											
Election Commission											
Polling Locations (a)	275	236	236	220	220	220	166	166	166	166	
Assessor											
Offices	2	2	2	2	2	2	2	2	2	1	
Public Works											
Bridges (b)	189	192	192	182	179	179	178	179	182	182	
Health Services											
Public Health Clinics	8	9	9	8	8	8	8	8	8	7	
Law Enforcement											
Jail Capacity											
Male	2,825	2,825	2,818	2,813	2,813	2,800	2,800	2,800	2,800	2,800	
Female	382	382	382	382	382	381	381	381	381	381	
Average daily population	2,765	2,750	2,680	2,667	2,431	2,456	2,391	2,562	2,607	2,863	
Judicial											
Courts	41	41	41	41	41	41	41	41	41	41	
<b>Enterprise Funds:</b>											
Fire Services											
Engine Companies	9	9	9	9	9	9	9	9	9	9	
Ambulances (c)									12	12	
Corrections Center											
Facility Capacity	3,464	3,536	3,536	3,706	3,706	3,706	3,706	3,706	3,401	3,401	
Average daily population	3,178	3,016	2,663	2,498	2,410	2,257	2,156	2,050	1,888	1,992	

(a) The number of polling locations was reduced in 2015 by county resolution to improve efficiency, make all locations similar in size, better utilize staff, and eliminate problem polling locations

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

(c) Ambulance services were incorporated into Fire Department operations in FY17, eliminating the contracted services used in previous years.

Data Sources: Shelby County Election Commission, Assessor's Office, County Engineer, Health Services division, Sheriff's Jail Operations, Judicial Division, Fire Services, and Department of Corrections.



# Shelby County, Tennessee

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

Function/Program:	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government:										
Pretrial Services										
Misdemeanor interviews	27,470	25,170	27,869	22,280	19,897	21,273	16,773	17,076	16,550	14,176
Misdemeanor arraignments (a)	66,595	68,813	82,728	79,221	80,927	95,554	73,308	81,133	77,570	70,580
Felony interviews	10,679	10,171	12,581	11,969	10,676	11,327	8,792	10,637	10,906	10,443
Felony arraignments	11,549	11,316	11,791	13,014	9,962	13,153	7,841	10,864	9,508	9,807
Election Commission										
Number of elections	3	4	5	4	2	5	3	4	5	2
Public Works (h):										
Linear road miles	775	776	778	780	750	750	750	779	780	783
Public buildings	7	7	7	7	7	7	7	7	7	7
Community Services (i):										
Head Start										
Students (b)	4,192	4,292	3,771	4,346	4,219	4,030	---	---	---	---
Housing										
Loans outstanding	333	612	778	869	1,041	1,085	1,200	1,289	1,465	1,518
Ryam White Program										
Unduplicated clients served	2,907	3,008	3,787	4,611	4,123	3,914	4,236	4,791	4,752	5,121
Law Enforcement (j):										
Sheriff's Office Inmate days	1,009,222	1,003,886	978,248	973,495	887,459	896,504	872,831	941,800	959,286	1,024,189
Average daily population	2,765	2,750	2,680	2,667	2,431	2,456	2,391	2,562	2,629	2,801
Judicial (c):										
Chancery Court										
Filings	2,638	2,498	2,318	2,237	2,063	2,229	2,206	2,228	1,955	2,029
Dispositions	2,581	2,849	2,469	2,562	2,425	1,316	2,077	2,886	1,793	2,975
Circuit Court										
Filings	6,087	6,220	6,060	5,988	5,212	5,704	5,770	5,241	5,425	5,456
Dispositions	7,035	6,968	6,297	6,016	5,732	6,157	6,238	6,274	7,618	5,463
Criminal Court (a)										
Filings	23,626	28,092	26,218	24,081	20,252	21,535	26,383	24,331	19,885	20,739
Dispositions	26,277	28,221	28,436	29,015	24,107	21,402	24,824	27,180	34,884	19,613
General Sessions Criminal Court										
Filings	203,143	215,020	211,899	206,510	214,996	226,389	193,293	189,578	140,661	165,060
Dispositions	187,607	205,944	205,398	195,610	206,362	219,865	198,679	194,735	174,335	145,799

General Sessions Civil Court										
Filings	73,154	75,637	70,628	65,164	65,276	63,207	62,251	72,677	73,215	74,617
Dispositions (d)	62,277	115,415	111,734	102,264	49,745	45,908	44,003	57,340	59,007	62,041
Juvenile Court (c)										
Disposed/Adjusted	18,436	17,522	17,276	16,764	15,541	15,057	11,857	9,938	9,119	6,116
Children affected	13,721	13,206	12,903	12,577	11,976	11,455	9,355	8,063	7,366	4,953
Probate Court										
Filings	3,539	3,482	3,404	3,377	3,207	2,752	2,612	2,632	2,658	2,553
Dispositions	3,654	3,539	3,478	3,432	3,230	2,812	2,731	2,741	2,703	2,742
Other Elected Officials (k):										
Register										
New documents filed	154,137	160,788	128,739	108,755	154,350	141,074	127,251	133,538	133,669	130,903
Assessor										
Parcels Assessed										
Real property	351,727	351,605	351,595	351,156	351,089	351,325	351,242	351,067	351,581	351,905
Personal property	38,311	36,654	37,253	36,445	35,576	34,864	35,839	36,989	38,356	40,968
Attorney General (e)										
Criminal Court indictments	9,388	8,196	9,267	9,272	9,527	7,232	6,538	7,482	5,967	7,852
New juvenile delinquency cases	6,500	4,610	4,282	4,243	5,689	8,543	6,666	5,635	4,009	3,670
Enterprise Funds:										
Codes Enforcement										
Building inspections	39,443	34,362	33,343	32,730	31,179	29,299	25,324	25,957	26,622	30,338
Building permits	5,686	6,875	6,154	5,931	7,050	6,572	6,677	6,517	7,047	6,931
Fire Services (f)										
Fire responses	7,889	7,911	8,448	8,172	8,222	4,323	3,965	3,815	3,847	4,865
Ambulance calls	11,538	11,014	11,508	11,607	12,278	9,637	10,139	10,742	11,242	11,723
Corrections:										
Inmate days	1,160,027	1,100,798	971,882	911,778	879,537	823,874	786,850	750,284	689,286	710,115
Average daily population	3,178	3,016	2,663	2,498	2,410	2,257	2,156	2,050	1,888	1,946
Boards of Education/Schools										
Attendance (g)										
Shelby County Board of Education (component unit)	56,503	56,905	56,162	54,823	54,887	179,437	141,916	139,755	134,203	135,366
City of Memphis Board of Education	127,073	124,691	125,369	123,400	121,907	---	---	---	---	---
Municipal School Districts	---	---	---	---	---	---	37,164	37,997	38,026	38,966
Total attendance	<u>183,576</u>	<u>181,596</u>	<u>181,531</u>	<u>178,223</u>	<u>176,794</u>	<u>179,437</u>	<u>179,080</u>	<u>177,752</u>	<u>172,229</u>	<u>174,332</u>

Notes/Sources:

- (a) Beginning with FY2011, data is reported by Court Operations staff. In prior years, data was reported by the Information Technology Department.
- (b) Oversight of the Head Start program was transferred from Shelby County Government to the Shelby County Board of Education, a component unit, August 2014.
- (c) Except for Juvenile Court, data was provided by Shelby County Court Clerks. Juvenile Court data taken from reports of the Tennessee Administrative Office of the Courts.
- (d) Beginning with FY2010, data includes orders needing a Judge's signature being placed on the court's dockets.
- (e) 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.
- (f) 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. Source: Shelby County Fire Department Dispatch.
- (g) The Board of Education attendance is weighted full-time equivalency of average daily attendance. The City of Memphis Board of Education merged with the Shelby County Board of Education in FY2014. In FY2015 six municipalities (Arlington, Bartlett, Collierville, Germantown, Lakeland, and Millington) each created their own school systems separate from the Shelby County Board of Education. Source: Office of the Superintendent
- (h) Source: County Engineering Department
- (i) Source: Shelby County Housing and Community Services Departments
- (j) Source: Shelby County Criminal Justice Coordinator
- (k) Source: Shelby County Elected Officials' offices.

**Shelby County, Tennessee**

**Schedule of Salaries and Fidelity Bonds**

**June 30, 2018**

<u>Official</u>	<u>Designation</u>	<u>Base Salary Amounts</u>	<u>Bond Expiration Date</u>	<u>Bond Amount</u>
<b>Mayor and Staff</b>				
Mark H. Luttrell, Jr.	Mayor	\$ 142,500	09/01/18	\$ 100,000
Harvey Kennedy	Chief Administrative Officer	150,055	09/01/18	100,000
Wanda Richards	Director of Administration and Finance	138,940	09/01/18	100,000
Thomas E. Needham	Director of Public Works	138,940	09/01/18	100,000
Dorcas Young Griffin	Director of Community Services	138,940	09/01/18	100,000
William L. Gupton, Jr.	Director of Corrections	138,940	09/01/18	100,000
John Zeanah	Director of Planning and Development	138,940	09/01/18	100,000
Dr. Alisa Haushalter	Director of Health Services	138,940	09/01/18	100,000
Janice Holmes	Purchasing Agent	108,150	09/01/18	100,000
<b>Court Clerks</b>				
Donna L. Russell	Chancery Court Clerk and Master	127,858	01/03/18	1,060,000
James L. Moore	Circuit Court Clerk	127,858	09/01/18	110,000
Richard L. DeSaussure, III	Criminal Court Clerk	127,858	09/01/18	110,000
Edward L. Stanton, Jr.	General Sessions Court Clerk	127,858	09/01/18	100,000
Paul C. Boyd	Probate Court Clerk	127,858	09/01/18	110,000
Eftehia Joy Touliatos	Juvenile Court Clerk	127,858	09/01/18	110,000
<b>Others</b>				
William Patrick Oldham	Sheriff	113,549	09/01/18	100,000
Richard Wayne Mashburn	County Clerk	166,612	09/01/18	110,000
Thomas F. Leatherwood	Register	106,612	09/01/18	100,000
David C. Lenoir	Trustee	106,612	09/01/18	51,344,292
Cheyenne Johnson	Assessor	107,246	09/01/18	50,000
Scott B. Peatross	Public Administrator	(a)	06/06/18	500,000
All Employees	Crime insurance		11/01/18	1,000,000 per loss

(a) Compensated from assigned cases.





**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, the statements of budgetary comparison for the general fund, education fund, and grants fund, and the aggregate remaining fund information of Shelby County, Tennessee, (the "County") as of and for the year ended June 30, 2018, 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 21, 2018. Our report includes a reference to other auditors who audited the financial statements of the Shelby County Health Care Corporation, Agricenter International, Inc., and Emergency Communications District of Shelby County, Tennessee, 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 and other matters that are required to be reported under *Government Auditing Standards*. A schedule of cash shortages and thefts has been filed with the State of Tennessee Division of County Audit. The schedule includes all cash shortages and theft, and any investigative audits being performed. 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.

*Watkins Mikusall, PLLC Banks, Jolley, White & Co.*

Memphis, Tennessee  
December 21, 2018



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2018. 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 \$3,985,520 and \$230,776,641 in federal awards, respectively, which are not included in the schedule of expenditures of federal awards and state financial assistance for the year ended June 30, 2018. Our audit, described below, 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 the Uniform Guidance. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 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, 2018.

## 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 of compliance, 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Watkins Mikusall, PLLC Banks, Jolley, White & Co.*

Memphis, Tennessee  
December 21, 2018

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2018

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
<b>Department of Agriculture</b>					
TN Department of Health	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-15-438885-02	\$ -	\$ 5,368,336
TN Department of Health	Commodity Supplemental Food Program	10.565	GG-15-438885-02	-	398,629
Total Department of Agriculture				-	5,766,965
<b>Department of Housing and Urban Development</b>					
Direct Award	Community Development Block Grants	14.218	B16UC470002	190,250	1,066,634
Direct Award	Home Investment Partnership Program	14.239	M17UC47002	-	237,680
Direct Award	Home Investment Partnership Program	14.239	H-3TN-004-1A	-	46,507
				-	284,187
Direct Award	National Disaster Resilience Competition	14.272	B-13BIS-47-0002	-	3,433,839
Direct Award	Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TNLHB06116	-	831,695
Direct Award	Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	33791	-	105,533
				-	937,228
Total Department of Housing and Urban Development				190,250	5,721,888
<b>Department of Justice</b>					
Direct Award	Law Enforcement Assistance - Narcotics and Dangerous Drugs - Laboratory Analysis	16.001	TN0790000	-	200,050
TN Office of Violence Against Women	Crime Victim Assistance	16.575		-	1,877
TN Office of Violence Against Women	Violence Against Women Formula Grants	16.588	260703	-	40,679

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
Direct Award	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX-0049	\$ -	\$ 93,097
Direct Award	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	32441	-	3,362
				<hr/>	96,459
Direct Award	Reduction and Prevention of Children's Exposure to Violence	16.730	2011MV-MU-K005	-	32,636
Direct Award	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0910	-	82,002
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	28640	-	149,870
Direct Award	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0559	-	188,477
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0590	-	110,024
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	26631	-	39,594
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	27219	-	64,482
				<hr/>	634,449
Direct Award	Support for Adam Walsh Act Implementation Grant Program	16.750	Various	-	677,328
Direct Award	Second Chance Act Reentry Initiative	16.812		-	158,995
Total Department of Justice				<hr/>	1,842,473

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
<b>Department of Transportation</b>					
MS Dept of Transportation	Highway Planning and Construction	20.205	GG-1237135-2	\$ -	\$ 709,861
TN Dept of Transportation	Highway Planning and Construction	20.205	150174-77	-	341,194
TN Dept of Transportation	Highway Planning and Construction	20.205	CA1417424	-	306,679
TN Dept of Transportation	Highway Planning and Construction	20.205	CA1615972	-	49,341
TN Dept of Transportation	Highway Planning and Construction	20.205	CA1620428	-	160,335
TN Dept of Transportation	Highway Planning and Construction	20.205	Various	-	6,346,816
				-	7,914,226
<i>Highway Safety Cluster</i>					
TN Dept of Transportation	State and Community Highway Safety	20.600	PT-18-32	-	120,631
TN Dept of Transportation	State and Community Highway Safety	20.600	PT-17-52	-	6,044
<i>Total Highway Safety Cluster</i>				-	126,675
Direct Award	Alcohol Open Container Requirements	20.607	154AL-17-215	-	42,354
Direct Award	Alcohol Open Container Requirements	20.607	154AL-18-048	-	17,335
				-	59,689
<b>Total Department of Transportation</b>				-	8,100,590
<b>Environmental Protection Agency</b>					
Direct Award	Air Pollution Control Program Support	66.001	A00408215	-	436,542
Direct Award	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-00D42616	-	250,080
Direct Award	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM96497515	-	79,199
				-	329,279
<b>Total Environmental Protection Agency</b>				-	765,821

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

<b>Federal Grantor/Pass-through</b>	<b>Grantor/Program or Cluster Title</b>	<b>CFDA Number</b>	<b>Contract Number</b>	<b>Passed to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>Department of Health and Human Services</b>					
National Association of County and City Health Organizations	Medical Reserve Corps Small Grant Program	93.008	MRC16-0150	\$ -	\$ 3,975
TN Commission on Aging and Disability	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		7,423	13,500
TN Commission on Aging and Disability	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042		47,800	47,800
TN Commission on Aging and Disability	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043		54,494	54,494
<i>Aging Cluster</i>					
TN Commission on Aging and Disability	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		750,167	970,283
TN Commission on Aging and Disability	Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045		1,436,026	2,133,480
TN Commission on Aging and Disability	Nutrition Services Incentive Program	93.053		189,214	189,214
<i>Total Aging Cluster</i>				<u>2,375,407</u>	<u>3,292,977</u>
TN Commission on Aging and Disability	National Family Caregiver Support, Title III, Part E	93.052		247,512	362,128
TN Department of Health	Public Health Emergency Preparedness	93.069	GG-18-54814-00	-	734,116
TN Department of Health	Medicare Enrollment Assistance Program	93.071		-	5,925

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
TN Department of Health	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	GG-18-57447	\$ -	\$ 18,240
TN Department of Health	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	GG-18-54816-00	-	1,339,787
TN Department of Mental Health	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	52536	-	355,243
TN Department of Health	Immunization Cooperative Agreements	93.268	GG17-541180	-	457,664
TN Department of Health	Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG-18-57381-00	52,500	400,285
TN Department of Health	Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG17-53555-00	-	41,596
				52,500	441,881
TN Department of Health	State Health Insurance Assistance Program	93.324		-	96,704
TN Department of Human Services	Child Support Enforcement	93.563	CA1820853	-	1,155,849
TN Department of Human Services	Child Support Enforcement	93.563	CA187845	-	214,483
				-	1,370,332
TN Department of Human Services	Low-Income Home Energy Assistance	93.568	LIHEAP-17-14	-	8,489,407
TN Department of Human Services	Community Services Block Grant	93.569	Various	-	2,195,464
TN Department of Human Services	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	GG-17-53739-00	-	109,353

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
TN Department of Health	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	GE-18-56910	\$ -	\$ 879,675
TN Department of Health	National Bioterrorism Hospital Preparedness Program	93.889	GE-15-44347-00	-	354,720
Direct Award	HIV Emergency Relief Project Grants	93.914	CA171064	401,706	488,760
Direct Award	HIV Emergency Relief Project Grants	93.914	CA181064	1,662,116	1,982,549
Direct Award	HIV Emergency Relief Project Grants	93.914	CA161064	3,440,702	4,062,034
				<u>5,504,524</u>	<u>6,533,343</u>
TN Department of Health	HIV Care Formula Grants	93.917	CA 34360-30518	727,312	758,234
TN Department of Health	HIV Care Formula Grants	93.917	CA34360-30518	243,745	273,774
TN Department of Health	HIV Care Formula Grants	93.917	GG-17-53556-00	-	238,543
TN Department of Health	HIV Care Formula Grants	93.917	GG-18-57222	-	112,867
TN Department of Health	HIV Care Formula Grants	93.917	GG-18-57964-00	-	77,285
				<u>971,057</u>	<u>1,460,703</u>
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	CA1720484	-	110,814
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	CA1720485	752,427	928,290
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	CA1720689	234,968	250,630
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	CA34349-76518	181,862	197,130
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	GG/1856922-00	-	393,136
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	GG-1752230-00	-	418,638
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	GG-18-55398-00	-	132,459
				<u>1,169,257</u>	<u>2,431,097</u>
TN Department of Health	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	GG/1856922-00	-	127,940
TN Department of Health	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	GG-1752230-00	-	109,835
				<u>-</u>	<u>237,775</u>

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

<b>Federal Grantor/Pass-through</b>	<b>Grantor/Program or Cluster Title</b>	<b>CFDA Number</b>	<b>Contract Number</b>	<b>Passed to Subrecipients</b>	<b>Total Federal Expenditures</b>
TN Department of Health	Assistance Programs for Chronic Disease Prevention and Control	93.945	GG-14-41730-00	\$ -	\$ 52,281
TN Department of Health	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	GU154576500	-	7,000
TN Department of Health	Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG/1856922-00	-	286,803
TN Department of Health	Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG-1752230-00	-	311,421
				-	598,224
TN Department of Health	Maternal and Child Health Services Block Grant to the States	93.994	GG-17-49528	-	665,025
TN Department of Health	Maternal and Child Health Services Block Grant to the States	93.994	GG-18-54862	-	125,000
				-	790,025
Total Department of Health and Human Services				10,429,974	32,733,833
<b>Office of National Drug Control Policy</b>					
Direct Award	High Intensity Drug Trafficking Areas Program	95.001	G16GC0005A	5,819	91,307
Direct Award	High Intensity Drug Trafficking Areas Program	95.001	G17GC0005A	26,744	134,925
Total Office of National Drug Control Policy				32,563	226,232
<b>Department of Homeland Security</b>					
TN Emergency Management Agency	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	CA186492-2	-	26,388
TN Emergency Management Agency	Emergency Management Performance Grants	97.042	CA186317	-	149,000
TN Emergency Management Agency	Port Security Grant Program	97.056	EMW-2016-PU-00388-S01	-	22,246

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

<b>Federal Grantor/Pass-through</b>	<b>Grantor/Program or Cluster Title</b>	<b>CFDA Number</b>	<b>Contract Number</b>	<b>Passed to Subrecipients</b>	<b>Total Federal Expenditures</b>
TN Emergency Management Agency	Homeland Security Grant Program	97.067	Various	\$ -	\$ 337,561
Total Department of Homeland Security				-	535,195
Total federal awards				10,652,787	55,692,997

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

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**(Continued)**  
For the Year Ended June 30, 2018

Grantor Agency	Program Name	Contract Number	Total Expenditures
<i>State Financial Assistance:</i>			
TN Commission on Aging & Disability	Aging Program	31602-18031	\$ 2,622,344
TN Department of Children's Services	Court Appointed Spec Advocates	CA-171078	9,000
TN Department of Corrections	Offender Re-Entry Program	32901-31258	65,650
TN Department of Environment and Conservation	Waste Reduction	32701-02639	37,119
TN Department of Environment and Conservation	Tire Recycling		535,591
TN Department of Health	Prenatal Presumptive Eligibility Expansion	GU-18-5440-00	53,000
TN Department of Health	Title IV-D Process Paper Grant	CA150373	476,819
TN Department of Health	Fetal Infant Mortality Review	GG-18-54144-00	575,794
TN Department of Health	Home Visiting Services	GG15-43704	559,557
TN Department of Health	TennCare Dental Prevention	GG17-51348-00	727,158
TN Department of Health	TDH Laboratory & Bioterrorism	GG-18-57447	167,883
TN Department of Health	Tenndercare Outreach	GG17-51803-00	1,155,992
TN Department of Health	Family Planning	GG-15-472610-00	375,220
TN Department of Health	Direct Appropriation	CA1713500	18,153
TN Department of Health	HIV	GG-1752230-00	89,617
TN Department of Health	HIV	GG/1856922-00	89,764
TN Department of Health	Childhood Lead Paint Prevention	GU16-46720	152,475
TN Department of Health	BCS Enrollments and Deferrals	DA-18-53592-00	5,320
TN Department of Health	AEDES and CULEX Surveillance	Z-18-168404	90,000
TN Department of Health	Child Support Services	CA1820853	595,438
TN Department of Health	Children's Special Services	GG-17-49528	51,688
TN Department of Health	Advocacy Services	CA187845	110,491
TN Department of Health	Residential Drug Treatment	CA184499	550,001
TN Department of Housing and Urban Development	Down Payment Assistance		160,474
TN Department of Housing and Urban Development	Resilience Grant		137,819
TN Department of Mental Health	Mentally Ill Inmate Services	54916	179,646
TN Department of Mental Health	Mental Health Court	54891	80,000
TN Department of Transportation	Rideshare	170017	66,932
TN Department of Transportation	Rideshare	160014	396,619
TN Department of Transportation	Roadside Grant	Z18LIT079	196,680
TN Department of Transportation	State Aid Program	B-13-US-47-001	148,971
TN Department of Transportation	State Aid Road and Bridge Maintenance	CA1820702	2,031,479
TN District of Finance & Administration	VOCA DAG Gang and Hispanic Victims	DAGVOC30VW	49,427
TN District of Finance & Administration	Victim Coordinator Grant	30158	73,665
TN District of Finance & Administration	Direct Appropriation		
TN Emergency Management Agency	May 2017 Storm	CA186492-2	3,443
TN Housing Development Agency	MAAG THDA Emergency Repair Grant		60,000
Total state financial assistance			<u>12,699,229</u>
Total federal awards and state financial assistance			<u>\$ 68,392,226</u>

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

**SHELBY COUNTY, TENNESSEE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2018

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) includes the federal and state grant activity of Shelby County, Tennessee (the “County”) under programs of the federal and state government for the year ended June 30, 2018 (the Shelby County Health Care Corporation and the Shelby County Board of Education, component units of the County, issue separate financial reports and are not included in the Schedule). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 1) The Schedule 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. Such expenditures are recognized following the cost principles contained in the OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, or the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts reflected in the schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.
- 2) Pass-through entity identifying numbers are presented where available.
- 3) The County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS**

The following is a reconciliation of expenditures per the schedule of expenditures of federal awards and state financial assistance to the revenues in the grant fund, per the County’s financial statements:

Totals per schedule of expenditures	\$	68,392,226
Less: Grant revenues in non-grant funds		(2,679,690)
Add: Local grants not shown on this schedule		3,495,878
Add: Other revenues in grant fund		1,025,951
Total grant fund revenues		\$ 70,234,365

**SHELBY COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2018

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**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Shelby County, Tennessee, were prepared in accordance with accounting principles generally accepted in the United States of America.
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, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported.
5. The auditors' report on compliance for the major federal award programs for Shelby County, Tennessee expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs included:
  - CFDA 14.272 – Natural Disaster Resilience Competition
  - CFDA 93.568 – Low-Income Home Energy Assistance
  - CFDA 93.569 – Community Services Block Grant
8. The threshold for distinguishing between Type A and B programs was \$1,670,790.
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**  
For the Year Ended June 30, 2018

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**FINDINGS – FINANCIAL STATEMENT AUDIT**

NONE

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE