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

SINGLE AUDIT REPORT
For the Year Ended June 30, 2010

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WATKINS UIBERALL

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Certified Public Accountants & Financial Advisors
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BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, (the "County") as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 8, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Shelby County Health Care Corporation, Agricenter International, Inc., and Shelby County Retirement System, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the County in a separate letter dated December 8, 2010.

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

Watkins Uiberall, PLLC

Banks, Finley, White & Co.

Memphis, Tennessee
December 8, 2010

WATKINS UIBERALL

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BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Compliance

We have audited the compliance of Shelby County, Tennessee (the "County") with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Shelby County Board of Education, which received $34,723,658 in federal awards that is not included in the schedule during the year ended June 30, 2010. Our audit, described below, did not include the operations of the Shelby County Board of Education because the component unit issues separate financial statements performed in accordance with OMB Circular A-133.

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

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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, 2010.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Wattrina Liberall, PLLC

Memphis Tennessee
December 8, 2010

Banks, Tinley, Whale & Co.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2010

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
10.557	GG-09-26648-00	WIC PROGRAM	TN DEPT OF HUMAN SERVICES	$ 2,604,184
10.557	GG-08-22746-00	WIC PROGRAM	TN DEPT OF HUMAN SERVICES	1,122,681
			Total special supplemental nutrition program for WIC	3,726,865
10.565	34353-02710 / HL00008160 / 71301000	CSFP	TN DEPT OF HUMAN SERVICES	315,840
10.565	GG-09-26647-00	CSFP	TN DEPT OF HUMAN SERVICES	114,939
			Total commodity supplemental food program	430,779
10.568	DG-10-29782-00	COMMODITIES DISTRIBUTION	DEPT OF AGRICULTURE	96,788
10.568	DG-10-29782-00	ARRA - COMMODITIES DISTRIBUTION	DEPT OF AGRICULTURE	1,651
10.568	Z-09-213332-00	COMMODITIES DISTRIBUTION	DEPT OF AGRICULTURE	34,421
			Total emergency food assistance program	132,860
14.218	B-04-UC-47-002	CDBG	DEPT OF HOUSING AND URBAN DEVELOPMENT	530,337
14.218	B-U6-UC-47-0002	COMMUNITY DEVELOPMENT BLOCK	DEPT OF HOUSING AND URBAN DEVELOPMENT	172,000
14.218	B-03-UC-47-002	COMMUNITY DEVELOPMENT BLOCK	DEPT OF HOUSING AND URBAN DEVELOPMENT	264,862
14.218	B-08-UN-47-0001	AFFORDABLE HOUSING	DEPT OF HOUSING AND URBAN DEVELOPMENT	943,126
			Total community development block grants	1,910,325
14.235	TN37B601001	SUPPORTIVE HOUSING PROGRAM	DEPT OF HOUSING AND URBAN DEVELOPMENT	130,725
14.235	TN0112B4J010901	SUPPORTIVE HOUSING PROGRAM	DEPT OF HOUSING AND URBAN DEVELOPMENT	72,070
			Total community planning and development grants	202,795
14.239	M-09-UC470205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	286,292
14.239	M-02-UC-47-0205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	52,239
14.239	M08UC470205	HOME ENTITLEMENT	DEPT OF HOUSING AND URBAN DEVELOPMENT	33,977
			Total home investment partnerships program	372,508
14.240	H3-92-TN-0004-I-A	HOPE 3	DEPT OF HOUSING AND URBAN DEVELOPMENT	31,172
14.900	TNLHB0442-09	LEAD HAZARD CONTROL	DEPT OF HOUSING AND URBAN DEVELOPMENT	241,444
14.900	CD90050/CA071794	CITY OF MEMPHIS - HOUSING & COMMUNITY DEVEL	CITY OF MEMPHIS - HOUSING & COMMUN DEVELOPMENT	70,149
14.900	TNLHB0342-06	LEAD BASE PAINT REDUCTION	DEPT OF HOUSING AND URBAN DEVELOPMENT	606,460
			Total lead based paint hazard control	918,053
16.202	2007-RE-CX-0023	SCDOC RE-ENTRY PROGRAM	TDOC	49,734
16.523	GG-09-26155-00	CHILD & FAMILY INTERVENTION	TN DEPT OF CHILDREN'S SERVICES	67,625
16.523	12130	PROSECUTING VIOLENT JUVENILE OFFENDERS	TN COMMISSION ON CHILDREN & YOUTH	80,588
16.523	GG-09-26434-00/CJABG-PT-03-08	JUVENILE ACCOUNTABILITY BLOCK GRANT	TN COMMISSION ON CHILDREN & YOUTH	65,614
			Total juvenile accountability block grants	213,827
16.540	DG-09-24074-00 / Z09-213583-00	TRUANCY MENTORING	TN COMMISSION ON CHILDREN & YOUTH	35,455
16.556	2008-DD-BX-0282	OPERATION SAFE COMMUNITY	US DOJ OJP	743,044
16.580	2007-DJ-BX-0640	EDWARD BYRNE JUSTICE ASSISTANCE GRANT	DOJ-OJP	19,765
16.580	Z-06-027530-00	SCHOOL RESOURCE DEPUTY INITIATIVE	TN DEPT OF FINANCE & ADMIN	100,000
16.580	2007-DD-BX-0655	SAFEWAYS PROJECT	USDOJ-OJP Bureau of Justice Assistance	1,211,324
			Total Edward Byrne justice assistance program	1,331,089
16.582	2004-WE-AX-0031	ARREST POLICIES	UDDOJ-OVW	7,616

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2010

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
16.588	3793	STOP VIOLENCE AGAINST WOMEN	OFFICE OF CRIMINAL JUSTICE PROGRAMS	14,596
16.588	3793	ARRA-STOP VIOLENCE AGAINST WOMEN	OFFICE OF CRIMINAL JUSTICE PROGRAMS	40,180
			Total office of criminal justice program	54,776
16.590	2008-WE-AX-0037	ARREST POLICIES	USDOJ-OVAW	467,960
16.592	2006-DJ-BX-0730	EDWARD BYRNE JUSTICE ASSISTANCE GRANT	USDOJ BUREAU OF JUSTICE ASSISTANCE	1,132
16.609	2007-GP-CX-0071	PROJECT SAFE NEIGHBORHOODS (PSN)	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	83,392
16.609	2008-GP-CX-0056	PROJECT SAFE NEIGHBORHOOD	UNITED STATE DEPT OF JUSTICE	38,000
			Total US department of justice	121,392
16.710	2007-CK-WX-0184	COPS IN SCHOOLS	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	63,859
16.738	2008-DJ-BX-0465	EDWARD BYRNE JUSTICE ASSISTANCE GRANT	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	269,680
16.738	2009-DJ-BX-0421	EDWARD BYRNE JUSTICE ASSISTANCE GRANT	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	970,031
16.738	4034	EDWARD BRYNE MEMORIAL JUSTICE ASST. GRANT	TN OFFICE OF CRIMINAL JUSTICE PROGRAMS	386,253
16.738	DG-06-01963-02	INMATE FOOD SERVICE TRAINING	TN OFFICE OF CRIMINAL JUSTICE PROGRAMS	38,442
			Total office of criminal justice programs	1,664,406
16.744	2007-PG-BX-0036	SHELBY COUNTY ANTI-GANG INITIATIVE	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	38,690
16.801	1290 / 79000 / 952-85	ARRA - ADJUNCT VICTIMS SERVICES	OFFICE OF CRIMINAL JUSTICE PROGRAM	42,656
16.801	704 / 79000 / 952-85	SENIOR VICTIM ADVOCATE	OFFICE OF CRIMINAL JUSTICE PROGRAM	35,838
16.801	704 / 79000 / 952-85	DOMESTI C VIOLENCE COURT ADVOCATE	OFFICE OF CRIMINAL JUSTICE PROGRAM	47,038
			Total office of criminal justice program	125,532
16.803	GG1028271 / GR1028045	ARRA-CRIMINAL JUSTICE/MENTAL HEALTH LIAISON	TN DMHDD	168,923
16.803	4222	ARRA-WEST TN INTERDICTION ENCHANCEMENT	TN OFFICE OF CRIMINAL JUSTICE PROGRAMS	106,377
16.803	2009-SB-B9-2466	JAG - ARRA	VOCA	3,822,040
16.803	3840-GG--08-10-09	ARRA-COLLABORATIVE RE-ENTRY INITIATIVE	US DEPT OF JUSTICE OFFICE OF JUSTICE PROGRAMS	101,634
			Total office of criminal justice program	4,198,974
17.274	09-A200-LBDU-4123-5YB00-000	YOUTHBUILD	US DEPT OF LABOR/ETA/OGCM	138,072
20.205	Z-07-036299-00	TRANSPORTATION PLANNING	DEPARTMENT OF TRANSPORTATION	229,081
20.205	Z-07-036299-00	TRANSPORTATION PLANNING	DEPARTMENT OF TRANSPORTATION	815,325
20.205	76008-0700410/105365/101000	MDOT PL GRANT	MDOT	172,105
20.205	17233	MDOT PL GRANT	MDOT	44,566
20.205	070148	COUNTY SCHOOLS RIDESHARE PROGRAM	DEPARTMENT OF TRANSPORTATION	3,999
20.205	080030/CA092843/111533.00	RIDESHARE PROGRAM	TN DEPT OF TRANSPORTATION	658,996
20.205	CM-NHE-7900-28	CMAQ INTERSECTION IMPVTS GRANT	TN DEPT OF TRANSPORTATION	594,888
20.205	080064 / 110689.00	SAFE ROUTES TO SCHOOL	DEPARTMENT OF TRANSPORTATION	22,500
20.205	GG-07-26824-00	TRANSIT PLANNING	TN DEPT OF TRANSPORTATION	60,852
			Total highway planning and construction	2,602,312
20.505	MX011	MDOT SECTION 8	MDOT MEMPHIS AREA RIDESHARE	29,473
20.600	Z-09-214402-00	TRAFFIC SATURATIONS & CHECKPOINTS	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFE	39,433
20.600	Z-10-220082-00	GHSO NETWORK COORDINATOR	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFE	13,496
20.600	Z-10-220083-00	TRAFFIC DIVISION SOFTWARE	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFE	161,850
20.600/20.613	Z-09-214401-00	VEHICHLE SAFETY AWARENESS COORDINATOR	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFE	4,116
			Total state and community highway safety	218,895
20.600-20.607	Z-09-214657-00	DUI CHECKPOINTS	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFE	22,143
20.607	Z-09-214711-00	CHILD PASSENGER SAFETY	TN DEPT OF TRANSPORTATION GOVERNOR'S HIGHWAY SAFE	64,001
			Total alcohol open container requirements	86,144
66.001	A-00408210-0	AIR POLLUTION	DEPT OF HEALTH & HUMAN SERVICES	1,277,105
66.001	A004082-08-2	AIR POLLUTION	ENVIRONMENTAL PROTECTION AGENCY	333,599
			Total air pollution program support	1,610,704

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2010

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
66.034	XA-964927-08-0	BARGE EMISSIONS	ENVIRONMENTAL PROTECTION AGENCY	229,484
66.034	PM-96497508-4	SPECIAL AIR POLLUTION	ENVIRONMENTAL PROTECTION AGENCY	120,983
			Total air pollution	350,467
81.042	Z-10-000413	WEATHERIZATION	DEPARTMENT OF HUMAN SERVICES	512,863
90.201	TN-3052	BRUNSWICK SEVER PROJECT	DELTA REGIONAL AUTHORITY	170,280
93.008	MRC-080150	MEDICAL RESERVE CORPS	NACCHO	2,600
93.036	959 / TEMA DA-022009	JUNE '09 STORMS	TEMA	7,629
93.042	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	52,600
93.043	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	66,000
93.044	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	1,545,554
93.044	GG-10-29077-00	AGING PROGRAM - ARRA	TENNESSEE COMMISSION ON AGING	210,640
93.045	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	1,379,414
93.052	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	536,778
93.053	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	328,000
93.069	34360-52310	H1N1 (SWINE FLU EMERGENCY REPSONSE)	DEPARTMENT OF HEALTH	1,849,007
93.086	90FR0067/02	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	352,666
93.086	90FR0095/03	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	175,463
93.086	90FR0067/02	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	386,279
93.086	90FR0067-03	PROJECT REACHH	PROMOTING RESPONSIBLE FATHERHOOD	152,753
			Total healthy marriage promotion	1,067,161
93.116	GG-09-26379-00	T.B OUTREACH	TN DEPARTMENT OF HEALTH	1,376,884
93.136	GG-11-3-09	MSARC - RAPE PREVENTION EDUCATION	TN DEPT OF HUMAN SERVICES	16,393
93.153	MAYAHMSCHD2007-1010/CA086413	METHODIST YOUTHCARE	METHODIST LEBONHEUR HEALTHCARE FOUNDATION	9,513
93.243	1H79TI021892-01	EAIT PROGRAM	SAMSHA	102,256
93.268	GG-08-23836-00	WIC IMMUNIZATION	TN DEPT OF HUMAN SERVICES	64,579
93.268	GG-09-28371-00	IMMUNIZATION	TN DEPT OF HUMAN SERVICES	210,956
93.268	2 H49MC00036-09-00	HEALTHY START INITIATIVE	DHHS SUBSTANCE ABUSE & MENTAL HEALTH SERVICES	654,035
93.268	2H49MC00036-10-00	HEALTHY START INITIATIVE	DHHS SUBSTANCE ABUSE & MENTAL HEALTH SERVICES	53,760
			Total immunizations grants	983,330

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2010

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
93.283	GG-08-21986-00	CENTRAL LAB/BIO TERRORISM	TN DEPT OF HUMAN SERVICES	111,396
93.283	GG-09-25771-00	CENTRAL LAB/BIO TERRORISM	TN DEPT OF HUMAN SERVICES	-
93.283	343 60-316-10	ENVIRONMENTAL HLTH SVCS	DEPARTMENT OF HEALTH	1,015,073
93.283	GG-09-25635-01	HOMELAND SECURITY BIOTERRORISM	DEPARTMENT OF HEALTH	183,256
			Total centers for disease control	1,309,725
93.563	GG-09-22206-00	TITLE IV-CHILD SUPPORT	DEPT OF HUMAN SERVICES	507,539
93.600	04CH3447/43	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	10,749,659
93.600	04CH3447/43	HEADSTART	DEPT OF HEALTH & HUMAN SERVICES	11,755,343
93.708	04CH3447/43	HEADSTART - ARRA	DEPT OF HEALTH & HUMAN SERVICES	800,241
93.709	04CH3447/42	HEADSTART -ARRA	DEPT OF HEALTH & HUMAN SERVICES	108,231
			Total preventive health and health services	23,413,474
93.667	CA075023	CSA-SPECIAL FUNDING	TN DEPARTMENT OF HUMAN SERVICES	25,000
93.705	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	69,487
93.707	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	139,068
93.778	GG-08-23550-01	INFANT MORTATILITY COORDINATOR	BUREAU of TENNCARE	62,342
93.779	GG-10-29077-00	AGING PROGRAM	TENNESSEE COMMISSION ON AGING	427,840
93.914	5 H3MHA08475-03-00	MINORITY AIDS INITIATIVE PART A	HRSA	407,927
93.914	2 H89HA11464-02-00	MINORITY AIDS INITIATIVE PART A	HRSA	581,639
93.914	PENDING	MINORITY AIDS INITIATIVE PART A	HRSA	24,216
93.914	6 H89HA07940-02-01	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	9,116
93.914	1 H89HA11464-01-00/6 H89HA11464-01-0	HIV EMERGENCY RELIEF PROJECT GRANT	HRSA	3,849,489
93.914	6 H3MHA08475-03-02	MINORITY AIDS INITIATIVE	DHHS-HRSA	398,062
93.914	6 H3MHA08475-02-03	MINORITY AIDS INITIATIVE	DHHS-HRSA	142,454
			Total HIV emergency relief projects	5,412,903
93.917	GG-08-24788-00	HIV/AIDS CASE MANAGEMENT	TN DEPT OF HUMAN SERVICES	169,769
93.940	GG-09-28912-00	HIV SURVEILLANCE	TN DEPT OF HUMAN SERVICES	904,374
93.940	GG-09-27048-00	HIV RAPID TESTING	TN DEPT OF HUMAN SERVICES	65,161
93.940	GG-6-10-9	HIV RAPID TESTING	TN DEPT OF HUMAN SERVICES	252,413
			Total HIV prevention activities	1,221,948
93.994	GG1030127	CHILDHOOD LEAD POISONING	HEALTH & HUMAN SERVICES	208,688
93.994	GG-09-25430-00	TOLL FREE BABIES HOTLINE	TN DEPARTMENT OF HEALTH	19,835
			Total maternal and child health services	228,523
94 002	10SRSTN007	RETIRED AND SENIOR VOLUNTEER PROGRAM	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	68,791
97.001	GG-011609/34101-00009	INTEROPERABLE EMERGENCY COMMUNICATIONS	TN EMERGENCY MANAGEMENT AGENCY	67,374
97.008	GG-05-11548-00	FY2003 UASI EQUIPMENT	TEMA	6,009
97.042	DG-09-24430-00/0000000057	EMERGENCY MANAGEMENT PERFORMANCE	TEMA	149,000
97.053	341-01-06310 / 2009-SS-T9-0086	CITIZEN CORPS PROGRAM	TENNESSEE COMMISSION ON AGING	7,227

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2010

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
97.067	2007-GE-T7-0051 / GG-08-24733-00	CITIZEN CORPS PROGRAM	TEMA	3,471,391
97.067	2008-GE-T8-0048	URBAN AREA SECURITY INITIATIVE	TEMA	739,050
97.067	2006-GE-T6-0011/GG-07-21350-00	URBAN AREA SECURITY INITIATIVE	TEMA	10,314
97.067	GG-08-24732-00	2007 MMRS	TEMA	248,809
			Total homeland security grant program	4,469,564
97.078	GG-08-24423-00	BUFFER ZONE PROTECTION PLAN	HOMELAND SECURITY	12,067
			Total Federal Awards	$ 69,863,461

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2010

Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
GG-09-27003-00	ENDOWMENT GRANT - REGIONAL MED CTR PRIMARY & INDIGENT CA	TN COMMISSION ON CHILDREN AND YOUTH	$ 4,250,000
CA-101078	STATE SUPPLEMENTAL GRANT	TN COMMISSION ON CHILDREN AND YOUTH	9,000
GG1030380 / 18322	TENDERCARE OUTREACH	TN DEPT OF HUMAN SERVICES	1,174,691
Verbal extention - TDFA/GG-07-12979	GOVENOR'S INITIATIVE GRANT	STATE OF TENNESSEE OCJP	56,101
GG-09-27482-00/343.47-326-09	FETAL INFANT MORTALITY REVIEW	TN DEPT OF HEALTH HAS	274,504
GG-10-29343-00	HOME VISIT	TN DEPT OF HUMAN SERVICES	464,492
N/A	CITY COURTS CHILD SAFETY SEATS	CITY OF MEMPHIS CITY COURTS	182,024
AMENDMENT 1	SHERIFF COMMINIC. CTR. GENERATOR	SHELBY COUNTY 911 DISTRICT	9,947
N/A	GENERATOR	SHELBY COUNTY 911 DISTRICT	42,151
Z-10-000115	CSBG	STATE OF TN DEPT OF HUMAN SVC	1,945,927
Z-10-000214 / DG-10-28193	LIHEAP	STATE OF TN DEPT OF HUMAN SVC	10,359,960
N/A	WIC IMMUNIZATIONS	TN DEPT OF HUMAN SERVICES	1,774,455
N/A	EPSDT	TN DEPT OF HUMAN SERVICES	41,232
PENDING	HIV CASE MGMNT	TN DEPT OF HUMAN SERVICES	54,157
GG-10-281130-00	TN CARE DENTAL PREVENTION	TN DEPT OF TRANSPORTATION	1,682,786
GG-10-31137-00	HIV SURVELLIANCE	TENNESSEE DEPARTMENT OF HEALTH	855,566
N/A	IMMUNIZATIONS	TN DEPT OF HUMAN SERVICES	231,679
3920	HOMICIDE RESPONSE PROGRAM	OFFICE OF CRIMINAL JUSTICE PROGRAMS	167,546
2007-GS-H7-0037	FY2007 PSIC GRANT PROGRAM	TEMA	442,168
4166	FIRST STEP TO SAFETY	OFFICE OF CRIMINAL JUSTICE PROGRAMS	64,149
4034	OUTPATIENT TREATMENT	TN DMHDD	18,200
CHECK # 2047	200 SMOKE DETECTORS	100 CLUB OF MEMPHIS	1,192
Edison ID # 4032	STOP VIOLENCE AGAINST WOMEN	TN OCJP	77,671
Z-09-217916	WAP-ARRA	STATE OF TN DEPT OF HUMAN SVC	4,370,109
Z0000485502	VICTIMS OF CRIME ACT	TN DEPT OF HUMAN SERVICES	226,993
Z0000143201	STOP VIOLENCE AGAINST WOMEN	TN DEPT OF HUMAN SERVICES	24,158
OP-10-03	W. TENN CHILD PASSENGER SAFETY	STATE OF TENNESSEE	223,197
Z-05-025540-00	MOTHER'S GRANT PROGRAM	STATE OF TENNESSEE	92,398
GG-10-29022	CHILD SUPPORT- IVD	TN DEPT OF HUMAN SERVICES	1,348,103
GG-10-29025	CHILD SUPPORT ADVOCACY TO NON-CUSTODIAL	TN DEPT OF HUMAN SERVICES	238,592
345-13-211-09	CHILD SUPPORT-AUTOMATED WORK FLOW	TN DEPT OF HUMAN SERVICES	257,667
Z-09-214657-00	STOP STIMULUS	TN DEPT OF TRANSPORTATION GOVERNOR'S HWY SAFETY	54,465
DMC-01-08/Z-09-213561-00	DISPROPORTIONATE MINORITY	TN COMMISSION ON CHILDREN AND YOUTH	18,999
CA100344	FAMILY PLANNING	TN DEPT OF HUMAN SERVICES	1,060,243
Z-09-217918	CSBG ARRA	STATE OF TN DEPT OF HUMAN SVC	2,262,384
GG-10-29520-00	HEALTH RISK REDUCTION	TN DEPT OF HUMAN SERVICES	113,471
GG-09-25584-00	HOME & COMMUNITY-BASED SERVICES	TENNESSEE COMMISSION ON AGING	4,379
GG-10-29077-00	HOME & COMMUNITY-BASED SERVICES	TENNESSEE COMMISSION ON AGING	2,651,063
GG092737601	RAPE PREVENTION EDUCATION SERVICES	TENNESSEE DEPARTMENT OF HEALTH	6,103
CA107279	COURT ADVOCATE GRANT	TN COALITION AGAINST DOMESTIC & SEXUAL VIOLENCE	17,827
GG-09-28604-00	TOBACCO USE PREVENTION	TN DEPT OF HUMAN SERVICES	44,246
Z0912356100	MPD TREATMENT FUND	CITY OF MEMPHIS POLICE DEPARTMENT	222,521
Z-05-020698-02	ENERGY SMART MEMPHIS INITIATIVE	MLGW	222,327
CHECK # 702	ASSISI FOUNDATION: YOUTH BUILDER	ASSISI FOUNDATION	10,000
40100-24510 / Z-10-220379-00	TDOT ROADSIDE LITTER GRANT	TN HIGHWAY BEAUTIFICATION OFFICE	220,644
GG-08-22581	METH LEBONHEUR RYAN/NAYAH	METH LEBONHEUR COMMUNITY OUTREACH	47,436
90175	STP	TN DEPT OF TRANSPORTATION	4,500,000
CA118176	CHILD SUPPORT MEDIATION	TN ADMIN OFFICE OF THE COURTS	13,811
FEMA1786-DR-LA	HURRICANE GUSTAV EVACUATION	TEMA	498,448
CN-NHE-7900-28	CSA SPECIAL FUNDING-WORLD OVERCOMERS	WORLD OVERCOMERS	44,539
GG-09-25635-01	CHILDREN SPECIAL SVCS	TN DEPT OF HUMAN SERVICES	441,389
Z-08-020268-00 / Z-08-212966	TIRE RECYCLING	TN DEPARTMENT OF ENVIRONMENT & CONSERVATION	518,220
GG-07-12743-00	HOUSEHOLD HAZARD WASTE FACILITY	CITY OF MEMPHIS	174,655
GG-10-28913-10	BREAST & CERVICAL CANCER	TN DEPT OF HUMAN SERVICES	125,087
GG-07-12619-00	STATE GRANT-N-AID	TN DEPT OF HUMAN SERVICES	780,100
2007-F5286-TN-AP	STATE CRIMINAL ALIENT ASSISTANCE	US DEPT OF JUSTICE	21,148
2005-CKWX084	STATE CRIMINAL ALIENT ASSISTANCE	US DEPT OF JUSTICE	7,607
2009-AP-BX-0443	STATE CRIMINAL ALIENT ASSISTANCE	US DEPT OF JUSTICE	48,573
03-47-64531-00-0	CHILD & ADULT CARE FOOD PROGRAM	TN DHS	1,145,116
03-47-64531-00-0	CHILD & ADULT CARE FOOD PROGRAM	TN DHS	265,176
GG-10-28916-00	CARE COORDINATION	TN DEPT OF HUMAN SERVICES	376,086
CA096143	CITY SCHOOL NURSES	CITY BOARD OF EDUCATION	46,727
N/A	AGING	TN Dept Of HS	31,793
N/A	FIRST RESPONDER	TDOT	56,224
090175-112845.00	CSX CORRIDOR	TN DEPT OF TRANSPORTATION	1,540,997
CA106211	COUNTY SCHOOLS NURSING	COUNTY BOARD OF EDUCATION	1,948,447
Z05025510-00	SHELBY COUNTY RESIDENTAL DRUG COURT PROJECT	TN OCJP	493,788

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

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2010

Contract Number	Program Name	Grantor or Pass-Through Agency	Total Expenditures Incurred
N/A	CHICHAWAW BASIN AUTHORITY OPERATIONS	STATE OF TENNESSEE	51,019
N/A	AT-RISK YOUTH	MEMPHIS CITY SCHOOLS	1,310,599
N/A	INDUSTRIAL DEVELOPMENT BOARD	INDUSTRIAL DEVELOPMENT BOARD	580,040
N/A	INDUSTRIAL DEVELOPMENT BOARD	INDUSTRIAL DEVELOPMENT BOARD	584,041
N/A	INTEGRATED DELIVERY SYSTEM	HEALTH LOOP-THE REGIONAL MED CENTER	1,103,078
		Total State awards	54,623,629
		Total Federal and State awards	$ 124,487,089

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2010

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of federal and state awards includes the transactions related to the receipt of federal funds by Shelby County, Tennessee (the "County"). The Shelby County Board of Education, a component unit of the County, issues a separate financial report under OMB Circular A-133 and is not included in this schedule.

The schedule of expenditures of federal and state awards is presented on the modified accrual basis of accounting, consistent with accounting for governmental type funds. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"), which is generally when the allowable program expenditures are incurred. Expenditures and transfers out are recorded when the related program liability is incurred, except for certain compensated absences.

NOTE 2 – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS TO THE FINANCIAL STATEMENTS

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

Totals per schedule of expenditures	$ 124,487,089
Add: Expenditures not shown on this schedule	1,203,932
Less: Expenditures shown in the general fund	(4,250,000)
Less: Transfers out	(2,730,543)
Total grant fund expenditures	$ 118,710,478

SHELBY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Shelby County, Tennessee.

2. No significant deficiencies related to the financial statements of Shelby County, Tennessee were disclosed during the audit.

3. No instances of noncompliance material to the financial statements of Shelby County, Tennessee were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs are reported.

5. The auditors' report on compliance for the major federal award programs for Shelby County, Tennessee expresses an unqualified opinion on all major federal programs.

6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7. The programs tested as major programs included:

   10.577 – Women, Infant, and Children
   14.218 – Community Development Block Grant
   16.738 – Justice Assistance Grant (Non ARRA)
   16.803 – Justice Assistance Grant (ARRA)
   93.044, 93.045, and 93.053 – Aging Commission Cluster
   93.600, 93.708, and 93.708 – Head Start Cluster
   93.069 – H1N1 Emergency Response

8. The threshold for distinguishing between Type A and B programs was $2,095,904.

9. Shelby County, Tennessee does not qualify as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported

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

None reported

SHELBY COUNTY, TENNESSEE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2010

2009-1 General Sessions Civil Court Bank Reconciliations

Condition: General Sessions Civil Court bank reconciliations were not completed in a timely manner. As a result of audit work performed, material adjustments of $3,291,538 were made to decrease the bank balance of General Sessions Civil Court. This bank account balance is included in the County's fiduciary funds and shown as part of the Constitutional Officers Agency Fund.

Recommendation: We recommend that all bank accounts be reconciled each month prior to preparation of the monthly financial reports.

Current Status: General Sessions Civil Court completed the bank reconciliations in a timely manner during the current year. No material adjustments were needed.

2009-2 Head Start – CFDA No. 93.600

Condition: Shelby County Head Start is in violation of the targeted 10% earmark for enrolling children with disabilities.

Recommendations: We recommend Shelby County, Head Start, adhere to the Office of Head Start, Department of Health and Human Services and enroll the proper number of children with disabilities.

Current Status: Head Start has devised a Risk Management Plan which was required to be submitted to the Regional Head Start to assist with the increase in the disability enrollment percentage. Head Start met the targeted 10% earmark for the fiscal year 2010 audit.

2009-3 Homeland Security – Urban Areas Security Initiative (UASI) – CFDA No. 97.067

Condition: Shelby County Office of Preparedness did not include the inventory control report with their final expenditure close out report according to the grant agreement.

Recommendations: We recommend the Shelby County Office of Preparedness adhere to the grant award document and perform an annual physical inventory and submit the required inventory control report to the State.

Current Status: The County performed an annual physical inventory and submitted the inventory report to the State.

2009-4 Center for Disease Control and Prevention, Investigations, and Technical Assistance – CFDA No. 93.283

Condition: Shelby County Office of Emergency Preparedness did not maintain evidence that reports were submitted by the Emergency Response Coordinator to the PHEEP Coordinator on or before July 29, 2008.

Recommendations: We recommend the Shelby County Office of Emergency Preparedness, adhere to requirements of the grant and maintain the required reports and documents.

Response: This recommendation was adopted during fiscal year 2010.

2009-5 Center for Disease Control and Prevention, Investigations, and Technical Assistance – CFDA No. 93.283

Condition: Satellite phones were not purchased; therefore, not operable or maintained.

Recommendations: We recommend Shelby County purchase the necessary equipment required under the grant.

Current Status: As of December 31, 2009, the County has purchased the satellite phones and is working to enable the phone system for use.

2009-6 Center for Disease Control and Prevention, Investigations, and Technical Assistance – No. 93.283

Condition: There was no supporting documentation regarding planning activities related to SNS Receiving Staging and Storage (RSS).

Recommendations: We recommend Shelby County PHEPP maintain necessary supporting documentation to remain in compliance with the grant contract requirements.

Current Status: This recommendation was adopted during fiscal year 2010.

2009-7 Center for Disease Control and Prevention, Investigations, and Technical Assistance – CFDA No. 93.283

Condition: There is no evidence of purchasing and maintenance records and logs for delivery upon request to the State for the Respiratory Protection Program (RPP).

Recommendations: We recommend that Shelby County Government adhere to the grant and maintain necessary records and logs to provide to the State upon request.

Current Status: The Regional Epidemiologist position has been filled and monthly maintenance records and logs are being maintained. PHEPP will work with the Regional Epidemiologist to develop a procedure to ensure there is a back-up to complete the required records and logs documentation in absence of the Regional Epidemiologist. PHEPP also will seek specific clarification from TDH within the grant guidance regarding the frequency of record-keeping and procurement of RPP related items.

2009-8 Center for Disease Control and Prevention, Investigations, and Technical Assistance – CFDA No. 93.283

Condition: There were no Public Health Investigation Team (PHIT) meeting minutes maintained.

Recommendations: We recommend Shelby County Government adhere to the grant agreement and hold meetings with the Public Health Investigation Team members and maintain minutes.

Current Status: The Public Health Investigation Team members held meetings per the grant requirements and maintained minutes for those meetings.