

2017



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2017

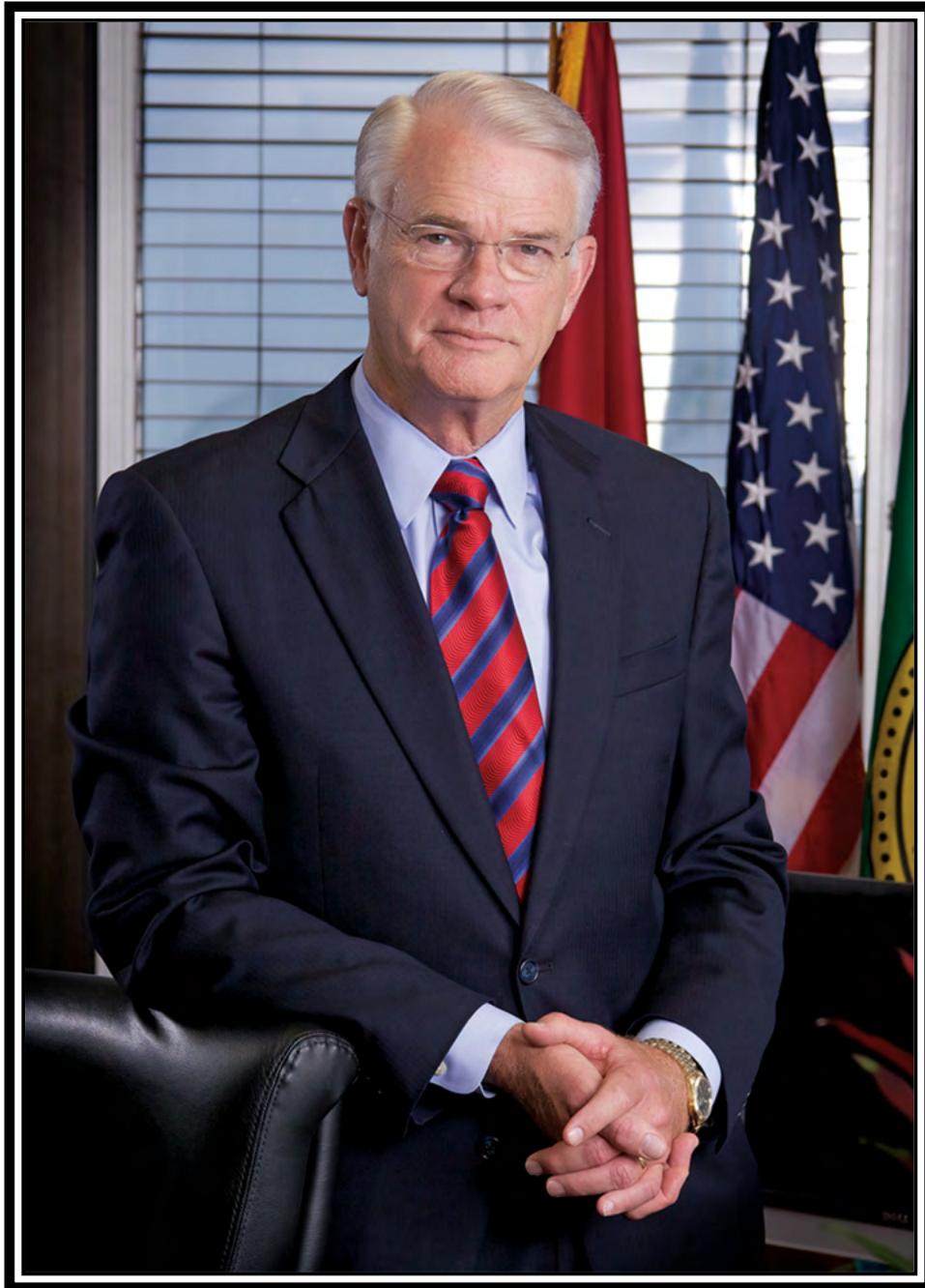


Shelby County, Tennessee

**Comprehensive
Annual Financial Report
Of
Shelby County, Tennessee
For The Year Ended
June 30, 2017**

Prepared by the Department of Finance

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Shelby County Mayor Mark Luttrell



Shelby County Government

MARK H. LUTTRELL, JR.

MAYOR

December 18, 2017

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, 2017, 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 unqualified opinion on Shelby County's financial statements for the fiscal year ended June 30, 2017. 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.

Profile of Shelby County, Tennessee

Shelby County, established in 1819, is the largest county in the State of Tennessee with Memphis as the County seat. The County is located in the extreme southwest corner of Tennessee on the eastern bank of the Mississippi River and is the hub of the 105 county Mid-South region. Contained within the County's 783 square miles are the seven incorporated municipalities of Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The population of the County is 934,603. 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 judicial systems, jail and corrections facilities, health and community services, fire protection and recreational activities. Shelby County is also financially accountable for a legally separate school district, public hospital, agricultural center and emergency communications district, which are reported separately within the Shelby County financial statements. Additional information on these entities can be found in Note I. A. in the notes to the financial statements.

The annual budget serves as the foundation for Shelby County's financial planning and control. All departments and elected officials submit their requested budget to the County Mayor by late February. After a series of 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 since the post-recession period. This stabilization and growth in commercial and residential property values is clearly reflected in the 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 the services, government, and wholesale and retail trade. The southeastern region and the United States overall show a heavier concentration in manufacturing than does the County, but they also display lower employment in transportation and public utilities. According to the Tennessee Department of Labor, the unemployment rate for Shelby County as of October 31, 2017 was 3.7%, as compared to the state's rate of 3.0% and the national rate of 3.9%.

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.

During the past ten years total governmental revenue has increased by only .5%. Revenue growth from property (10.2%) and other local taxes (11.1%) has been partially offset by reductions in Federal and local revenue resulting from moving the Head Start program to another entity (61.3%), various State grant revenues (10.4%) and investment income due to lower interest rates (83.7). During this period, local taxes have increased as a percent of total revenue from 74% to 81.2% because the areas of relative increase in expenditures are primarily supported by local taxes. Property taxes have increased from 64.8% to 71.0% of total revenue. Most fees and fines as well as many other revenues are set 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 4.0%. The core functions of education, law enforcement, judicial, health and debt service now account for 79.6% of total expenditures compared to 70.7% ten years ago. Education increased by 15.4% (\$55.7 million) and law enforcement increased by 18.6% (\$26.3 million). The significant reduction of 66.6% (\$95 million) in capital outlay reflects continued adherence to the debt reduction plan along with reduced allocations for schools during a period of organizational transition.

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 has increased annually for ten consecutive years and is 28.4% as of June 30, 2017.

As part of the annual budget process the County also adopts a five year capital improvements plan. Several years ago we recognized the need to control growth in both our outstanding debt and our annual debt service payments. We have aggressively reduced the local funding of our capital plan from \$142.8 million in 2008 to an average of \$45 million annually since 2009 to stop the growth of debt. In December 2006, our general obligation debt, excluding accretion, peaked at \$1.85 billion and has declined to less than \$1.0 billion as of June 30, 2017. Our debt policy sets the maximum annual local capital funding at \$75 million. At that amount, outstanding debt balances will continue to slowly decline in future years.

Major initiatives

The Administration has identified a number of priorities designed to strengthen the long-term financial position of the County. The following initiatives 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 ensure aggressive growth and promote high quality long-term job opportunities. Smarter regulations have been adopted to curtail suburban sprawl and to facilitate business development. In addition, a joint entity with the City of Memphis has been created called the Economic Development Growth Engine (EDGE) 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 four years during a period of structural transition from one unified district to seven independent districts. Capital funding has also been provided 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 by this Administration is focused on minimizing the size of government while maintaining 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** – A training office has been established to enhance skills and foster professionalism in the employee workforce through improved training programs and succession planning. 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, 2016. 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

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, 2016, which is the eighth consecutive year to receive this award.

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

Sincerely,



Mark H. Luttrell, Jr.
County Mayor



Harvey Kennedy
Chief Administrative Officer



Wanda Richards
Director, Division of Administration and Finance

**Shelby County, Tennessee
County Officials
As of June 30, 2017**

Shelby County Board of Commissioners

**Melvin Burgess, Jr., Chairman
Heidi Shafer, Chairman Pro Tempore**

**Walter L. Bailey, Jr.
Steve Basar
Mark Billingsley
Willie F. Brooks, Jr.**

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

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

Publicly Elected Officials

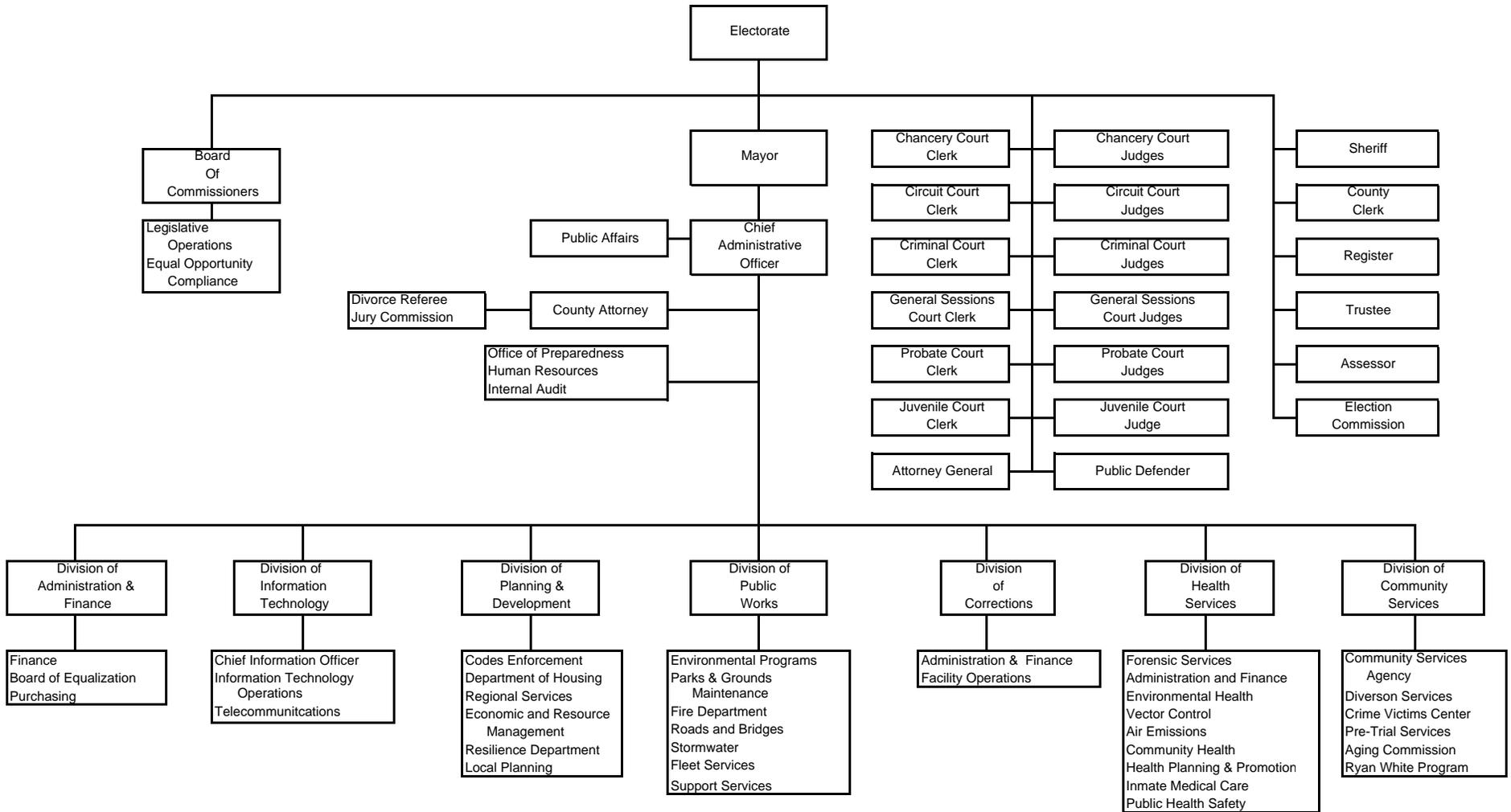
**Assessor of Property – Cheyenne Johnson
Attorney General – Amy P. Weirich
County Clerk – Wayne Mashburn
County Mayor – Mark H. Luttrell, Jr.
County Register – Tom Leatherwood
County Trustee – David Lenoir
Juvenile Court Clerk – Joy Touliatos
Chancery Court Clerk and Master – Donna L. Russell
Circuit 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
Richard S. Copeland - Director of Planning and Development
Tom Needham - Director of Public Works
William Gupton - Director of Corrections
Dr. Alisa Haushalter - Director of Health Services
Martha Lott - Director of Community Services
Kathryn Pascover – County Attorney**

Shelby County Government Organizational Chart

As of June 30, 2017





Government Finance Officers Association

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

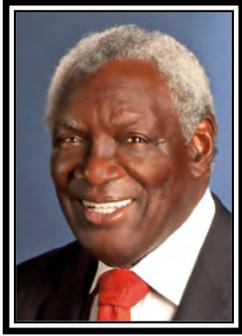
Presented to

**Shelby County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



Walter Bailey



Steve Basar



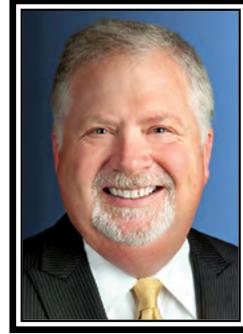
Mark Billingsley



Willie F. Brooks, Jr.



Melvin Burgess



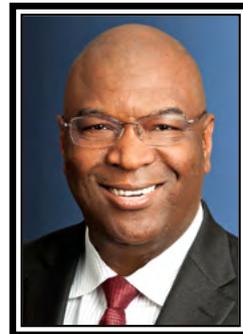
George B. Chism, Sr.



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, 2017, 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 \$391,862,412, \$273,264,788, and \$453,572,263, 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, 2017, 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.

Emphasis of a Matter

As described in Note IV(Q) to the financial statements, a prior period adjustment was made to decrease an estimated receivable and revenue and to record a liability for compensated absences. Accordingly, the comparative information presented herein as of and for the year ended June 30, 2016, has been restated to reflect the correction of these errors. Our opinion is not modified with respect to these matters.

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 and state awards 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 and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and other statements and schedules, other budgetary comparison schedules, and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017, 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 Mikunall, PLLC Banks, Jolley, White & Co.

Memphis, Tennessee
December 15, 2017



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, 2017. 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, 2017 the unassigned fund balance for the General Fund was \$109.8 million, 28.4% of total General Fund revenue, an increase of \$4.0 million during the year. The unassigned fund balance at the end of the previous year was \$105.8 million, or 27.3% of General Fund revenue. Although the unassigned fund balance increased, the committed fund balance decreased by \$4.8 million; this decrease was primarily due to a reduction in the amount of budgeted planned use of fund balance for FY 2018. While the FY 2017 budget called for use of \$7.8 million of the fund balance, the FY 2018 budget only plans a reduction of \$3.3 million. The General Fund in total had a positive net change in fund balance of \$9,827 for FY 2017.
- Fund balance for the Debt Service Fund decreased \$2.5 million to \$60.7 million, which is 39.8% 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 \$82.0 million to \$76.8 million, and revenues correspondingly decreased from \$78.9 million to \$75.3 million primarily due to decreases in housing and infrastructure related grant funding. Fund balance increased slightly from \$16.1 million to \$16.3 million.
- The change in net position for Business-type activities – enterprise funds was a decrease of \$8.6 million during the year, reducing the net position to a negative \$11.0 million.
- Total government-wide net position increased \$86.8 million as a result of activity for the fiscal year, with an increase of \$94.6 million from governmental activities and a decrease of \$7.8 million from business-type activities. After the positive results for the year the County's negative net position at June 30, 2017 was \$464.5 million.
- Total long-term liabilities of governmental activities increased \$108.7 million to \$1,596.1 million. The increase was primarily due to an increase of \$172.1 in the net unfunded pension obligation offset by a net decrease of \$65.0 million in bonds and notes payable. 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing

decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

Proprietary funds. Shelby County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Shelby County uses enterprise funds to account for Consolidated Codes Enforcement, Fire Services and Correction Center. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Shelby County's various functions. Shelby County uses internal service funds to account for its Central Services, Group Health, Tort Liability and Employer Insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements. The Corrections Center is reported as a major enterprise 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 and the Shelby County OPEB Trust.

COMBINING AND OTHER STATEMENTS AND SCHEDULES

Combining fund statements for the non-major enterprise funds, non-major special revenue funds, and internal service funds are included in this section of the report. Supplemental schedules include budgetary comparisons, 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, 2017). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2017 and as of June 30, 2016.

Property taxes receivable is by far the largest portion of Shelby County’s assets and deferred outflows (38.4% at June 30, 2017 and 42.1% at June 30, 2016). The June 30, 2017 property taxes receivable includes \$781.7 million, offset by an equal unavailable revenue amount in deferred inflows of resources, which became a property lien on January 1, 2017 but are levied for next fiscal year’s operations. The similar amount at June 30, 2016 was \$766.7 million. Total assets and deferred outflows of resources increased by \$221.6 million. This includes increases in deferred outflows of \$140.8 million, \$50.9 million in capital assets, and \$14.1 million in property taxes receivable.

Deferred inflows increased by \$3.6 million during the year and other liabilities decreased by \$8.0 million. Increases of \$139.3 million in long-term liabilities occurred during the year.

Table 1
Condensed Statement of Net Position
As of June 30, 2017 and June 30, 2016

	June 30, 2017	June 30, 2016*	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 822,980,524	\$ 808,828,306	\$ 14,152,218
Current and other assets	372,788,863	354,857,963	17,930,900
Capital assets	603,894,356	553,737,921	50,156,435
Total assets	1,799,663,743	1,717,424,190	82,239,553
Deferred outflows of resources	250,713,368	133,925,232	116,788,136
Total deferred outflows of resources	250,713,368	133,925,232	116,788,136
Total assets and deferred outflows	2,050,377,111	1,851,349,422	199,027,689
Long-term liabilities	1,596,108,397	1,487,379,582	108,728,815
Other liabilities	84,541,844	92,149,278	(7,607,434)
Total liabilities	1,680,650,241	1,579,528,860	101,121,381
Deferred inflows of resources	822,268,797	818,995,257	3,273,540
Total deferred inflows of resources	822,268,797	818,995,257	3,273,540
Total liabilities and deferred inflows	2,502,919,038	2,398,524,117	104,394,921
Net investment in capital assets	441,217,120	412,812,239	28,404,881
Restricted	43,196,013	40,532,614	2,663,399
Unrestricted	(936,955,060)	(1,000,519,548)	63,564,488
Total net position	(452,541,927)	(547,174,695)	94,632,768
<u>Business-Type Activities</u>			
Current and other assets	24,955,690	27,017,834	(2,062,144)
Capital assets	25,585,305	24,878,501	706,804
Total assets	50,540,995	51,896,335	(1,355,340)
Deferred outflows of resources	40,874,035	16,905,546	23,968,489
Total deferred inflows of resources	40,874,035	16,905,546	23,968,489
Total assets and deferred outflows	91,415,030	68,801,881	22,613,149
Long-term liabilities	99,960,828	69,344,996	30,615,832
Other liabilities	2,203,619	2,677,047	(473,428)
Total liabilities	102,164,447	72,022,043	30,142,404
Deferred inflows of resources	1,191,900	889,643	302,257
Total deferred inflows of resources	1,191,900	889,643	302,257
Total liabilities and deferred inflows	103,356,347	72,911,686	30,444,661
Net investment in capital assets	23,335,305	24,878,501	(1,543,196)
Unrestricted	(35,276,622)	(28,988,306)	(6,288,316)
Total net position	(11,941,317)	(4,109,805)	(7,831,512)

Table 1 (continued)
Condensed Statement of Net Position
As of June 30, 2017 and June 30, 2016

	June 30, 2017	June 30, 2016*	Change
<u>Total Primary Government</u>			
Property taxes receivable	822,980,524	808,828,306	14,152,218
Current and other assets	397,744,553	381,875,797	15,868,756
Capital assets	629,479,661	578,616,422	50,863,239
Total assets	1,850,204,738	1,769,320,525	80,884,213
Deferred outflows of resources	291,587,403	150,830,778	140,756,625
Total deferred outflows of resources	291,587,403	150,830,778	140,756,625
Total assets and deferred outflows	2,141,792,141	1,920,151,303	221,640,838
Long-term liabilities	1,696,069,225	1,556,724,578	139,344,647
Other liabilities	86,745,463	94,826,325	(8,080,862)
Total liabilities	1,782,814,688	1,651,550,903	131,263,785
Deferred inflows of resources	823,460,697	819,884,900	3,575,797
Total deferred inflows of resources	823,460,697	819,884,900	3,575,797
Total liabilities and deferred inflows	2,606,275,385	2,471,435,803	134,839,582
Net investment in capital assets	464,552,425	437,690,740	26,861,685
Restricted	43,196,013	40,532,614	2,663,399
Unrestricted	(972,231,682)	(1,029,507,854)	57,276,172
Total net position	\$ (464,483,244)	\$ (551,284,500)	\$ 86,801,256

*FY 2016 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 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 30,2017	June 30,2016
Shelby County and Municipal Public School Systems	\$ 817,008,700	\$ 824,234,883
Shelby County Health Care Corp. (Regional One)	25,108,448	31,118,413
Memphis and Shelby County Port Commission	17,407,500	17,980,000
Other	20,663,497	26,454,898
Total	<u>\$ 880,188,145</u>	<u>\$ 899,788,194</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 \$94.6 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 deferred outflows and deferred inflows of resources 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 increased by 16.7% or \$33.6 million, due to a 197.1% increase or \$32.7 million in capital grants and contributions, and an increase of 1.4% or \$0.9 million in grant funding. The increase in capital grants is 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. Total general revenues increased 1.3% or \$11.6 million. Property taxes increased \$8.3 million (1.1%) and other taxes increased \$3.4 million (3.6%).

Total expenses for the year in governmental activities increased \$48.6 million (5.0%). Significant increases occurred in General Government (\$9.4 million, 19.0%), Education (\$14.0 million, 3.3%), and Law Enforcement (\$24.9 million or 15.0%). Debt expenses decreased \$15.6 million (or 24.7%). The increase in Education expenditures is a result of increased capital funding provided to schools through the Capital Projects fund. The increase in Law Enforcement is primarily driven by an increase in the pension costs and liability while the increase in General Government is made up of a combination of the increase in pension cost and additional payments from the Capital Project Fund for joint City-County economic development projects. The reduction in Debt expenses is the result of prior year refinancing efforts to reduce the interest incurred on outstanding debt.

Table 2 summarizes the financial activity for the County as a whole for the fiscal year ended June 30, 2017, with comparative amounts for the fiscal year ended June 30, 2016.

Table 2
Shelby County Changes in Net Position
Fiscal Years Ended June 30, 2017 and 2016

	FY 2017	FY 2016	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 120,409,721	\$ 120,427,794	\$ (18,073)
Operating grants and contributions	65,387,691	64,477,734	909,957
Capital grants and contributions	49,320,234	16,598,389	32,721,845
Total program revenues	<u>235,117,646</u>	<u>201,503,917</u>	<u>33,613,729</u>
General revenues:			
Property taxes	793,849,791	785,510,158	8,339,633
Other taxes	99,933,038	96,502,351	3,430,687
Other	2,796,271	2,987,126	(190,855)
Total general revenues	<u>896,579,100</u>	<u>884,999,635</u>	<u>11,579,465</u>
Total revenues-governmental activities	<u>1,131,696,746</u>	<u>1,086,503,552</u>	<u>45,193,194</u>
<u>Expenses:</u>			
General Government	58,915,452	49,498,317	9,417,135
Hospital	28,408,000	27,408,000	1,000,000
Planning and Development	6,584,020	8,161,874	(1,577,854)
Public Works	40,891,577	42,627,074	(1,735,497)
Corrections	1,009,258	861,727	147,531
Health Services	58,867,774	54,693,350	4,174,424
Community Services	39,447,369	36,559,794	2,887,575
Law Enforcement	191,292,866	166,408,318	24,884,548
Judicial	77,119,835	69,577,458	7,542,377
Other Elected Officials	34,686,605	31,238,977	3,447,628
Education	442,353,584	428,358,249	13,995,335
Debt interest and swap termination cost	47,567,862	63,166,615	(15,598,753)
Total expenses-governmental activities	<u>1,027,144,202</u>	<u>978,559,753</u>	<u>48,584,449</u>
Increase (decrease) in net position before transfers	104,552,544	107,943,799	(3,391,255)
Transfers	(9,919,776)	(15,090,727)	5,170,951
Increase (decrease) in net position	94,632,768	92,853,072	1,779,696
Net position - beginning of year	(547,174,695)	(640,027,767)	92,853,072
Net position - end of year	<u>(452,541,927)</u>	<u>(547,174,695)</u>	<u>94,632,768</u>

Table 2 (continued)
Shelby County Changes in Net Position
Fiscal Years Ended June 30, 2017 and 2016

	FY 2017	FY 2016*	Change
Business-type activities:			
<u>Revenues:</u>			
Operating revenues:			
Charges for services	\$ 70,967,027	\$ 68,356,064	\$ 2,610,963
Operating grants and contributions	1,503,345	1,503,168	177
Capital grants and contributions	---	287,387	(287,387)
Total operating revenues	<u>72,470,372</u>	<u>70,146,619</u>	<u>2,323,753</u>
Non-operating revenues	<u>160,759</u>	<u>37,248</u>	<u>123,511</u>
Total revenues	<u>72,631,131</u>	<u>70,183,867</u>	<u>2,447,264</u>
<u>Expenses:</u>			
Operating expenses	<u>90,382,419</u>	<u>85,469,269</u>	<u>4,913,150</u>
Total expenses	<u>90,382,419</u>	<u>85,469,269</u>	<u>4,913,150</u>
Increase (decrease) in net position before transfers	(17,751,288)	(15,285,402)	(2,465,886)
Transfers	9,919,776	15,090,727	(5,170,951)
Increase (decrease) in net position	(7,831,512)	(194,675)	(7,636,837)
Net position - beginning of year	(4,109,805)	(3,915,130)	(194,675)
Net position - end of year	<u>(11,941,317)</u>	<u>(4,109,805)</u>	<u>(7,831,512)</u>
Total primary government:			
Increase (decrease) in net position	86,801,256	92,658,397	(7,636,837)
Net position - beginning of year	(551,284,500)	(643,942,897)	(194,675)
Net position - end of year	<u>\$ (464,483,244)</u>	<u>\$ (551,284,500)</u>	<u>\$ (7,831,512)</u>

*FY 2016 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 by only \$2.3 million or 3.3%. Operating expenses increased by \$4.9 million (5.7%) with the increase coming primarily from the Fire Services Fund. Fire Services expenses increased \$4.5 million (25.0%). This is a result of the termination of the contracted ambulance service in December 2016. The Fire Services Fund acquired additional ambulance vehicles and increased personnel to begin providing the ambulance services in-house for the remainder of the fiscal year and going forward.

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 \$86.8 million. The County's governmental activities operated with an increase in net position of \$94.6 million. The business-type activities had a net decrease of \$7.8 million. This resulted in the County's overall net position changing from a deficit balance of \$551.3 million to a deficit balance of \$464.4 million.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Shelby County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing Shelby County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Governmental accounting standards prescribe fund balance categories in a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The categories, in order of the constraints, are nonspendable, restricted, committed, assigned and unassigned. More details on these classifications are presented in the Notes to Financial Statements I(E) under "Net 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 \$255,205,597. The components of the balances are:

	June 30, 2017	June 30, 2016
General Fund	\$ 115,606,342	\$ 115,596,515
Debt Service Fund	60,731,484	63,212,957
Special Revenue Funds	44,827,708	40,228,212
Total, except Capital Projects Fund	221,165,534	219,037,684
Capital Projects Fund	34,040,063	22,188,880
Total all governmental funds	<u>\$ 255,205,597</u>	<u>\$ 241,226,564</u>

There was a \$2.1 million net increase in fund balance, excluding capital projects. There was an increase of \$9,827 in the General Fund and \$4.6 million in special revenue funds. There was a decrease of \$2.5 million in the Debt Service Fund. There was also an increase of \$11.9 million in the Capital Projects Fund. Each of these changes is discussed below.

The *General Fund* is the chief operating fund of Shelby County and operated with a net increase in fund balance of only \$9,827, compared to an increase of \$6.85 million in the previous year. The General Fund revenue in total remained constant with a decrease of only \$29,247 from the prior year. Property taxes increased \$2.5 million (1.0%). Other local taxes remained constant, State revenue increased slightly by \$0.7 million (3.2%) and federal and local revenue were \$1.2 million lower (13.8%). Charges for services, fines, fees, and other revenues decreased in the aggregate \$2.2 million (3.1%). Total revenues in FY 2017 exceed expenditures by \$14.1 million compared to revenues over expenditures of \$24.1 million in FY 2016. General Fund expenditures increased \$9.96 million (2.7%) and net other financing uses decreased \$3.1 million. Significant increases were \$3.7 million (2.3%) in law enforcement, primarily for vehicle fleet replacement costs, \$1.5 million (7.1%) in public works, and \$1.3 million (5.2%) in health services, primarily for inmate medical care. Net transfers out

decreased by \$3.2 million. \$5.25 million in support from the General Fund to the Correction Center (a major enterprise fund) were not needed in the current year. Offsetting that reduction in transfers out was a \$2.5 million Commission approved transfer to the Education Fund for school operations in the current year. The General Fund unassigned fund balance increased \$4.0 million to \$109.8 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 28.4% 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 increase in unassigned fund balance results from a reduction in the budgeted planned use of fund balance from \$7.8 million in the FY 2017 budget to only \$3.3 million in the FY18 budget.

The *Debt Service Fund* total fund balance decreased \$2.5 million during the year to \$60.7 million, all restricted or committed for the payment of debt service. Tax revenue decreased \$20.4 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. Bond anticipation notes totaling \$100 million issued over the past two years were refinanced in the Debt Service Fund by a new general obligation bond issue. Debt Service expenditures decreased by \$32.2 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 increased \$11.8 million during the year, from \$22.2 million to \$34.0 million. Expenditures for various capital projects were \$47.7 million and net transfers in of \$6.7 million were received. Short term debt of \$50 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; the fund balance at June 30, 2017 was zero. Total appropriated expenditures, and corresponding revenues, increased in the Education Fund by \$23.2 million (5.9%). As noted above this increase in expenditures was funded by increasing the allocation of wheel tax and a \$2.5 million transfer in from General Fund.

The *Grants Fund* fund balance increased slightly from \$16.1 at June 30, 2016 to \$16.3 million at June 30, 2017. Total revenue decreased \$3.6 million to \$75.3 million. Total expenditures also decreased \$5.2 million during the year. Net transfers in decreased by \$1.2 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

\$4.4 million in fund balances during the year. Significant changes in individual fund balances were increases of \$1,969,787 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 \$1,510,352 in the Hotel Motel Tax Fund, and \$1,461,398 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 an decrease of \$8.6 million in net position during the year. Total net position balances at year-end are a deficit of \$11.0 million, of which a negative \$34.3 million is unrestricted and a positive \$23.3 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.

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. The prior year's estimated receivable from the State was overstated, thus inflating the revenues and ending total net position. Therefore beginning net position was restated accordingly as disclosed in Notes IV(Q) of the Notes to the Financial Statements. Taking into consideration the restatement, operating revenues remained consistent with prior year; within 2%. Operating expenses also remained constant with prior year. Net transfers to cover the cost of non-State prisoners were \$8.6 million, a \$14.1 million decrease from prior year. Thus overall net position decreased \$8.8 million to a negative \$6.5 million.

Consolidated Codes Enforcement Fund. Operating revenue increased \$0.75 million to \$9.0 million and operating expenses increased \$1.4 million to \$11.1 million. The County's general fund and the City of Memphis contributed \$1.5 million each to support operations, consistent with the previous year. The change in net position was a positive \$760,704. The negative net position at June 30, 2017 of \$1.3 million consists of a positive \$1.6 million investment in capital assets and a negative unrestricted balance of \$2.9 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 \$20.2 million, an increase of \$1.4 million and other operating revenue was \$2.2 million, an increase of \$1.3 million. Operating expenses increased \$4.8 million from \$18.2 million to \$23.0 million. Net operating loss was \$596,326. 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 man these vehicles so as to provide the needed services to the unincorporated County. The change in net position for the year

was a negative \$575,529. Total net position changed from a negative \$2.6 million at June 30, 2016 to a negative \$3.2 million at June 30, 2017.

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, 2017, these funds combined had net position of \$31.7 million, an increase of \$6.8 million. The Group Health Insurance Fund had an increase of \$6.3 million to a total net position of \$13.1 million. While revenues remained constant there was a significant decline in the amount of health claims in the current year. The Employer Insurance Fund had an increase of \$752,578 to a net position of \$7.3 million. The Tort Liability Fund had a decrease of \$1.1 million to a net position of \$4.1 million. The Central Services Fund had a net increase of \$819,278 to a net position of \$7.2 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, 2017 was 63.8% of the currently calculated actuarial accrued liability. The County provides funding as required each year for the increased liability for benefits being earned by current employees. At June 30, 2017 the Retirement System had net position held in trust of \$1,140 million, an increase of \$88.2 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, 2017 the Trust had net position held in trust of \$232.1 million, an increase of \$33.4 million for the year. Investment income for the year was a net gain of \$26.6 million compared to net loss of \$7.9 million in the prior year. The ratio of current funding to the actuarial liability was 83.3% at the latest actuarial valuation (June 30, 2017), an improvement from 65.6% 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 \$.5 (.1%) million from original to amended.
- The original budget for expenditures was increased by about \$1 million (.3%) in total during the year, including amounts carried forward from prior year for open encumbrances. Budget amendments were also approved by the County Commission with the use of General Fund balance for various staffing needs identified during the year. These recurring costs were included in the FY18 Budget.

-
- Actual revenues exceeded the amended budget by \$.6 million in total (.2%), largely due to State reimbursements to the Sheriff for the jail population. Current property taxes were slightly below budget by \$1.2 million (.5%). Delinquent taxes have declined as the current tax collection rate increased over the past several years.
 - Actual total expenditures were \$8.2 million (2.2%) less than the amended budget, attributed almost entirely to personnel savings resulting from vacancies and attrition. Significant favorable variances were recorded for the Sheriff and several offices within the Judicial and Other Elected Official divisions. These actual savings exceeded the planned salary restriction budgeted for the General Fund.
 - Planned use of fund balance of \$9.4 million in the adopted budget was completely absorbed by the operating surplus for the year.

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, 2017 amounts to \$629.5 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 \$80.6 million and depreciation was \$29.3 million. Construction in progress as of the end of the current fiscal year was \$25.9 million. Additional information on Shelby County Government's capital assets can be found in Note IV (E) of the Notes to Financial Statements of this report.

Major capital asset events during the current fiscal year included the following:

- Expenditures of \$4.0 million were made for continued work on the Fite Road project.
- Expenditures of \$4.9 million were made for the Crosstown Development project a joint City-County economic development project.
- Expenditures of \$1.1 million were made for the relocation of Fleet Services facilities.
- Electronic court case management system projects totaling \$8.5 million were completed and placed in service during the fiscal year.
- Several road and bridge replacement projects including Houston Levee Road, Raleigh-Millington Bridge, and Sledge Road Bridge, all totaling \$20.2 million were completed and placed in service during the fiscal year.
- Building and park improvements of \$37.8 million were completed at Shelby Farms Park.
- Expenditures of \$26.1 million were made for the continued renovation projects of the Shelby County Schools. Appropriations of an additional \$23.4 million were approved for the local school systems based on the average daily attendance for specific projects of which \$5 million was expended in the fiscal year.
- 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 \$7.3 million.

Long-term debt. At June 30, 2017 Shelby County’s general obligation bonded debt (bonds payable) totaled \$989.7 million, which represented approximately 5.5% of assessed value of taxable property. The County’s bonds, notes, and loans payable decreased by approximately \$15.6 million (1.6%) 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 December 2014 the Shelby County Board of Commissioners authorized the issuance of Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes, 2015 Series A Program in an aggregate amount not to exceed \$120 million. The actual bond anticipation notes totaled \$100 million and were refinanced by June 30, 2017 by the General Obligation Public Improvement and School Bonds 2017 Series A issue. See Note IV (H) for more detailed information on this bond issue.

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 \$5,397,468 at June 30, 2017. 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, 2017 the County’s principal obligation was \$17.4 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 & 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.

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 31, 2017 was 3.7%, as compared to the state's rate of 3.0% and the national rate of 3.9%. (All rates are seasonally adjusted.)

Next Year's Budgets and Rates.

- A property reappraisal conducted in 2017 confirmed substantial increases in property values throughout the county. As a result, the certified property tax rate for FY18 was reduced from \$4.37 to \$4.137. The County Commission voted to further reduce the tax rate to \$4.11. The budget includes estimated growth of about 2.0% in property taxes over prior year collections.
- A higher share of the tax rate was allocated to the General Fund for increased services. The allocation to Education was reduced, although the Maintenance of Effort funding level of \$419.5 million was maintained due to overall property tax growth and allocation of all wheel tax revenue. A lower allocation to Debt Service reflects significant reductions to outstanding debt achieved over the past decade.
- Total general fund revenue is budgeted at \$24.5 million (6.3%) more than the prior year level, primarily due to the expected property tax growth as well as strong collections of fines and fees by elected officials and the courts.
- Total general fund expenditures for FY18 are budgeted at \$17.3 million (4.5%) more than the prior year. That amount includes a 3.0% general salary raise, 26 new positions, increased support for the Corrections, full funding for the actuarial pension rate increase, and \$3.3 million for non-recurring expenditures approved with the use of fund balance.
- General Fund reserves will remain within the level specified by County policy at about 28%. Debt Service reserves are currently higher than the required 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.

Basic Financial Statements

	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Cash and equivalents	\$ 135,510,808	\$ 18,971,352	\$ 154,482,160	\$ 92,614,423
Investments	176,795,427	---	176,795,427	329,183,041
Accrued interest receivable	1,079,441	---	1,079,441	62,905
Property taxes receivable, net of allowance for uncollectibles	822,980,524	---	822,980,524	---
Accounts receivable and accrued revenues	6,767,833	2,164,883	8,932,716	114,796,651
Internal balances	3,192,007	(3,192,007)	---	---
Due from other governmental entities	28,409,170	5,446,455	33,855,625	75,149,200
Due from primary government	---	---	---	29,163,710
Inventories	208,245	---	208,245	13,757,154
Prepays	261,707	34,065	295,772	5,309,918
Deposits held by others	1,476,743	---	1,476,743	---
Notes receivable	4,717,849	---	4,717,849	19,221,600
Net OPEB asset	14,369,633	1,530,942	15,900,575	---
Net pension asset	---	---	---	30,842,717
Restricted and other assets	---	---	---	22,368,200
Land	54,158,555	5,300	54,163,855	49,916,638
Artwork collection	23,340	---	23,340	---
Construction in progress	25,845,206	72,589	25,917,795	13,598,147
Depreciable capital assets, net	523,867,255	25,507,416	549,374,671	1,004,216,630
Total assets	1,799,663,743	50,540,995	1,850,204,738	1,800,200,934
Deferred outflows of resources:				
Pension related deferred outflows	216,491,810	40,874,035	257,365,845	154,508,867
Deferred derivative outflows	34,221,558	---	34,221,558	---
Total deferred outflows of resources	250,713,368	40,874,035	291,587,403	154,508,867
Liabilities:				
Accounts payable and accrued liabilities	22,165,237	1,524,323	23,689,560	122,135,712
Accrued interest payable	9,398,911	9,375	9,408,286	---
Due to other governmental entities	9,139,602	81,638	9,221,240	---
Due to component units	29,163,710	---	29,163,710	---
Claims payable	5,039,285	52,000	5,091,285	12,070,364
Unearned revenue	4,902,029	144,598	5,046,627	3,577,630
Deposits held for others	4,733,070	391,685	5,124,755	52,830
Long-term liabilities				
Due within one year	133,633,651	3,589,316	137,222,967	39,143,743
Net postemployment benefit obligation	---	---	---	960,000
Net unfunded pension obligation	501,704,825	94,889,331	596,594,156	71,300,949
Due in more than one year	960,769,921	1,482,181	962,252,102	500,521,364
Total liabilities	1,680,650,241	102,164,447	1,782,814,688	749,762,592
Deferred inflows of resources:				
Next year property tax assessment	781,720,638	---	781,720,638	---
Pension related deferred inflows	6,326,601	1,191,900	7,518,501	168,293,446
Derivative instruments fair value	34,221,558	---	34,221,558	---
Total deferred inflows of resources	822,268,797	1,191,900	823,460,697	168,293,446
Net position:				
Net investment in capital assets	441,217,120	23,335,305	464,552,425	1,040,760,103
Restricted for:				
Debt service	3,203,200	---	3,203,200	---
Capital improvement projects	85,939	---	85,939	8,365,804
Roads and bridges	11,099,994	---	11,099,994	---
Law enforcement	3,241,002	---	3,241,002	---
Special revenue activities	25,565,878	---	25,565,878	65,135,300
Unrestricted	(936,955,060)	(35,276,622)	(972,231,682)	(77,607,444)
Total net position	\$ (452,541,927)	\$ (11,941,317)	\$ (464,483,244)	\$ 1,036,653,763

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General Government	\$ 58,915,452	\$ 27,502,089	\$ 509,406	\$ 35,800
Hospital	28,408,000	---	---	---
Planning and Development	6,584,020	295,226	4,504,667	---
Public Works	40,891,577	5,878,034	4,672,505	48,807,261
Corrections	1,009,258	---	139,203	---
Health Services	58,867,774	10,823,283	20,483,223	31,923
Community Services	39,447,369	709,085	29,708,474	---
Law Enforcement	191,292,866	9,652,662	1,003,159	434,410
Judicial	77,119,835	24,987,093	4,339,136	---
Other Elected Officials	34,686,605	40,562,249	27,918	10,840
Education	442,353,584	---	---	---
Interest on debt	47,567,862	---	---	---
Total governmental activities	<u>1,027,144,202</u>	<u>120,409,721</u>	<u>65,387,691</u>	<u>49,320,234</u>
Business-type activities:				
Codes Enforcement	10,942,221	9,049,157	1,500,000	---
Fire Services	22,714,271	22,393,008	3,345	---
Corrections Center	56,725,927	39,524,862	---	---
Total business-type activities	<u>90,382,419</u>	<u>70,967,027</u>	<u>1,503,345</u>	<u>---</u>
Total primary government	<u>\$ 1,117,526,621</u>	<u>\$ 191,376,748</u>	<u>\$ 66,891,036</u>	<u>\$ 49,320,234</u>
Component units:				
Board of Education	\$ 1,264,632,520	\$ 4,184,952	\$ 769,464,200	\$ 21,415,501
Shelby County Health Care Corporation	448,956,231	336,614,844	72,444,000	---
Agricenter International	3,937,914	4,015,858	---	---
Emergency Communications District	13,768,765	10,502,125	---	---
Total component units	<u>\$ 1,731,295,430</u>	<u>\$ 355,317,779</u>	<u>\$ 841,908,200</u>	<u>\$ 21,415,501</u>

General revenues:
 Property taxes - levied for education
 Property taxes - levied for debt service
 Property taxes - levied for general government
 Sales taxes
 Business taxes
 Hotel/Motel/Car Rental taxes
 Wheel taxes
 Litigation taxes
 Beverage taxes
 Severance, Income, and Privilege taxes
 Gasoline taxes
 Grants and contributions not restricted for specific programs
 Payments from Shelby County
 Other local sources
 Unrestricted investment earnings
 Transfers, net
 Special item - capital asset impairment
 Total revenues and transfers
 Change in net position

Net position - June 30, 2016
 Restatement
 Net position - June 30, 2016, restated
 Net position - June 30, 2017

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
\$ (30,868,157)	\$ ---	\$ (30,868,157)	\$ ---
(28,408,000)	---	(28,408,000)	---
(1,784,127)	---	(1,784,127)	---
18,466,223	---	18,466,223	---
(870,055)	---	(870,055)	---
(27,529,345)	---	(27,529,345)	---
(9,029,810)	---	(9,029,810)	---
(180,202,635)	---	(180,202,635)	---
(47,793,606)	---	(47,793,606)	---
5,914,402	---	5,914,402	---
(442,353,584)	---	(442,353,584)	---
(47,567,862)	---	(47,567,862)	---
<u>(792,026,556)</u>	<u>---</u>	<u>(792,026,556)</u>	<u>---</u>
---	(393,064)	(393,064)	---
---	(317,918)	(317,918)	---
---	<u>(17,201,065)</u>	<u>(17,201,065)</u>	---
---	<u>(17,912,047)</u>	<u>(17,912,047)</u>	---
<u>(792,026,556)</u>	<u>(17,912,047)</u>	<u>(809,938,603)</u>	---
---	---	---	(469,567,867)
---	---	---	(39,897,387)
---	---	---	77,944
---	---	---	<u>(3,266,640)</u>
---	---	---	<u>(512,653,950)</u>
393,102,439	---	393,102,439	---
147,748,827	---	147,748,827	---
252,998,525	---	252,998,525	---
11,915,471	---	11,915,471	120,757,018
18,212,626	---	18,212,626	---
19,362,586	---	19,362,586	---
33,873,450	---	33,873,450	---
3,045,489	---	3,045,489	---
2,245,793	---	2,245,793	---
1,277,485	---	1,277,485	---
10,000,138	---	10,000,138	---
---	---	---	362,754,944
---	---	---	11,722,571
2,796,271	160,759	2,957,030	3,231,719
(9,919,776)	9,919,776	---	---
---	---	---	<u>(10,165,449)</u>
<u>886,659,324</u>	<u>10,080,535</u>	<u>896,739,859</u>	<u>488,300,803</u>
<u>94,632,768</u>	<u>(7,831,512)</u>	<u>86,801,256</u>	<u>(24,353,147)</u>
(547,174,695)	322,380	(546,852,315)	1,061,006,910
---	<u>(4,432,185)</u>	<u>(4,432,185)</u>	---
<u>(547,174,695)</u>	<u>(4,109,805)</u>	<u>(551,284,500)</u>	<u>1,061,006,910</u>
\$ <u>(452,541,927)</u>	\$ <u>(11,941,317)</u>	\$ <u>(464,483,244)</u>	\$ <u>1,036,653,763</u>

Shelby County, Tennessee

**Governmental Funds
Balance Sheet
June 30, 2017**

	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 29,559,154	\$ 9,829,574	\$ 6,368,172
Investments	92,001,742	50,058,902	34,734,783
Accrued interest receivable	688,465	4,759	---
Property taxes receivable, net of allowance for uncollectibles	296,419,381	135,836,603	---
Accounts receivable and accrued revenues	2,532,481	143,607	---
Due from other funds	95	122,371	---
Advances to other funds	2,250,000	---	---
Due from other governmental entities	8,225,477	258,439	230,089
Deposits held by others	38,808	---	---
Notes receivable	22,244	1,413,892	---
Total assets	\$ 431,737,847	\$ 197,668,147	\$ 41,333,044
Liabilities:			
Accounts payable and accrued liabilities	\$ 8,483,158	\$ 135,197	\$ 2,083,726
Accrued interest payable	---	102,138	---
Due to other funds	5,333,408	---	---
Due to other governmental entities	23,753	---	---
Due to component units	---	---	2,049,435
Claims payable	143,109	---	---
Unearned revenue	---	---	80,657
Deposits held for others	600,172	---	2,888,839
Total liabilities	14,583,600	237,335	7,102,657
Deferred inflows of resources:			
Unavailable revenue	301,547,905	136,699,328	190,324
Total deferred inflows of resources	301,547,905	136,699,328	190,324
Fund balances:			
Restricted	48,612	3,203,200	85,939
Committed	4,331,110	57,528,284	33,954,124
Assigned	1,376,907	---	---
Unassigned	109,849,713	---	---
Total fund balances	115,606,342	60,731,484	34,040,063
Total liabilities, deferred inflows, and fund balances	\$ 431,737,847	\$ 197,668,147	\$ 41,333,044

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 12,058,241	\$ 7,398,766	\$ 25,359,009	\$ 90,572,916
---	---	---	176,795,427
---	---	---	693,224
390,724,540	---	---	822,980,524
---	1,657,645	2,373,550	6,707,283
3,035,954	---	2,175,083	5,333,503
---	---	---	2,250,000
---	16,754,528	2,842,239	28,310,772
---	340	1,237,595	1,276,743
---	3,281,713	---	4,717,849
<u>\$ 405,818,735</u>	<u>\$ 29,092,992</u>	<u>\$ 33,987,476</u>	<u>\$ 1,139,638,241</u>
\$ 6,000	\$ 7,282,147	\$ 3,600,553	\$ 21,590,781
---	---	---	102,138
---	---	95	5,333,503
3,722,258	1,248,956	95,827	5,090,794
12,826,090	---	---	14,875,525
---	---	---	143,109
---	982,100	---	1,062,757
---	6,464	1,237,595	4,733,070
<u>16,554,348</u>	<u>9,519,667</u>	<u>4,934,070</u>	<u>52,931,677</u>
389,264,387	3,272,540	526,483	831,500,967
<u>389,264,387</u>	<u>3,272,540</u>	<u>526,483</u>	<u>831,500,967</u>
---	16,300,785	23,744,991	43,383,527
---	---	4,781,932	100,595,450
---	---	---	1,376,907
---	---	---	109,849,713
<u>---</u>	<u>16,300,785</u>	<u>28,526,923</u>	<u>255,205,597</u>
<u>\$ 405,818,735</u>	<u>\$ 29,092,992</u>	<u>\$ 33,987,476</u>	<u>\$ 1,139,638,241</u>

**Reconciliation of Fund Balances of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund balance - total governmental funds (page C-5)	\$	255,205,597
<p>Amounts reported for the governmental activities in the Statement of Net Position (page C-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		601,607,533
Receivables not available to pay for current expenditures are reported as deferred inflows of resources in the funds.		49,780,329
Accrued interest receivables in the Statement of Activities that do not provide current financial resources are not reported in the funds.		386,217
Certain types of services paid for in advance and reported as prepaid are reported as expenditures in the funds under the purchases method		260,199
Excess contributions to the OPEB trust fund are not reported in the funds.		14,342,350
Amounts payable to schools from receivables not available to pay current expenditures, reported as deferred inflows of resources in the funds.		(18,336,993)
Interest on long-term debt is not payable with current financial resources and therefore is not reported in the funds.		(9,296,773)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. See Note II (A).		(1,088,700,077)
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.		209,369,143
Net pension liability is not payable with current financial resources and therefore is not reported in the funds.		(499,836,964)
Internal service funds are used by management to charge the costs of central services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. This includes \$1,752,003 related to "look-back" adjustments for internal service funds.		32,677,512
Net position of governmental activities (page C-1)	\$	(452,541,927)

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, 2017

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues			
Property taxes	\$ 253,574,154	\$ 136,445,315	\$ ---
Other local taxes	32,530,119	13,752,784	---
State revenue	23,874,375	---	2,936,633
Federal and local revenue	7,650,925	1,113,771	259,092
Charges for services	2,752,321	206,938	---
Fines, fees and permits	64,529,688	---	---
Other revenue	1,460,135	576,879	---
Investment income	1,098,719	514,673	303,239
Total revenues	<u>387,470,436</u>	<u>152,610,360</u>	<u>3,498,964</u>
Expenditures:			
Current			
General Government	28,590,124	---	---
Hospital	28,408,000	---	---
Planning and Development	340,323	---	---
Public works	22,067,024	---	---
Corrections	---	---	---
Health Services	27,170,751	---	---
Community Services	8,048,223	119,563	---
Law Enforcement	164,753,429	---	---
Judicial	63,052,461	---	---
Other Elected Officials	30,930,316	---	---
Education	---	---	---
Debt service and related costs	---	248,940,527	635,590
Capital outlay: capital projects	---	---	47,739,224
Total expenditures	<u>373,360,651</u>	<u>249,060,090</u>	<u>48,374,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,109,785</u>	<u>(96,449,730)</u>	<u>(44,875,850)</u>
Other financing sources (uses):			
Transfers in	1,521,066	---	6,727,033
Transfers out	(15,735,001)	(6,680,000)	---
Bond anticipation notes	---	---	50,000,000
Long term debt issued	---	83,405,000	---
Premium on bonds issued	---	17,243,257	---
Sale of capital assets	113,977	---	---
Total other financing sources (uses)	<u>(14,099,958)</u>	<u>93,968,257</u>	<u>56,727,033</u>
Net change in fund balances	9,827	(2,481,473)	11,851,183
Fund balances:			
June 30, 2016	<u>115,596,515</u>	<u>63,212,957</u>	<u>22,188,880</u>
June 30, 2017	<u>\$ 115,606,342</u>	<u>\$ 60,731,484</u>	<u>\$ 34,040,063</u>

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

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 374,240,475	\$ ---	\$ ---	\$ 764,259,944
40,270,041	---	22,584,310	109,137,254
---	58,638,968	10,002,262	95,452,238
---	14,440,140	67,399	23,531,327
---	1,205,719	1,164,156	5,329,134
---	122,144	6,010,702	70,662,534
---	818,825	2,494,643	5,350,482
---	52,689	206,019	2,175,339
<u>414,510,516</u>	<u>75,278,485</u>	<u>42,529,491</u>	<u>1,075,898,252</u>
---	474,395	18,471,985	47,536,504
---	---	---	28,408,000
---	5,209,356	---	5,549,679
---	12,206,663	12,693,267	46,966,954
---	412,503	---	412,503
---	22,535,946	4,509,606	54,216,303
---	29,917,572	---	38,085,358
---	1,411,434	1,719,282	167,884,145
---	4,587,653	696,970	68,337,084
---	---	175,944	31,106,260
417,010,516	---	---	417,010,516
---	---	---	249,576,117
---	---	---	47,739,224
<u>417,010,516</u>	<u>76,755,522</u>	<u>38,267,054</u>	<u>1,202,828,647</u>
<u>(2,500,000)</u>	<u>(1,477,037)</u>	<u>4,262,437</u>	<u>(126,930,395)</u>
2,500,000	3,246,049	257,673	14,251,821
---	(1,533,239)	(236,287)	(24,184,527)
---	---	---	50,000,000
---	---	---	83,405,000
---	---	---	17,243,257
---	---	79,900	193,877
<u>2,500,000</u>	<u>1,712,810</u>	<u>101,286</u>	<u>140,909,428</u>
---	235,773	4,363,723	13,979,033
---	16,065,012	24,163,200	241,226,564
<u>\$ ---</u>	<u>\$ 16,300,785</u>	<u>\$ 28,526,923</u>	<u>\$ 255,205,597</u>

**Reconciliation of Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net change in fund balance - total governmental funds (page C-9) \$ 13,979,033

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). 49,489,479

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. 2,503,807

Increase in accrued interest receivable. 187,101

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. (2,084,222)

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. 110,532

Excess contributions to the OPEB trust fund are reported as increases to the net OPEB asset in the Statement of Net Position. 1,533,681

Changes in amounts payable to schools from receivables not available in the funds. 728,079

Decrease in interest payable on long-term debt. 911,051

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 transaction, however, has any effect on the net position. 50,000,000

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). 15,989,150

Change in other long-term liabilities other than internal service funds. See Note II(B). (1,329,816)

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. 128,002,232

Change in unfunded pension obligation. (171,353,302)

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. 5,965,963

Change in net position of governmental activities (page C-3) \$ 94,632,768

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

Shelby County, Tennessee

**Budgetary Comparison Statement
General Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 254,833,000	\$ 254,753,000	\$ 253,574,154	\$ (1,178,846)
Other local taxes	33,989,000	34,069,000	32,530,119	(1,538,881)
State revenue	21,687,200	22,047,200	23,874,375	1,827,175
Federal and local revenue	7,619,417	7,619,417	7,650,925	31,508
Charges for services	3,326,941	3,320,224	2,752,321	(567,903)
Fines, fees and permits	64,161,000	64,336,031	64,529,688	193,657
Other revenue	303,200	303,200	1,460,135	1,156,935
Investment income	398,500	398,500	1,098,719	700,219
Total revenues	386,318,258	386,846,572	387,470,436	623,864
Expenditures:				
General Government	22,449,227	23,244,178	28,590,124	(5,345,946)
Hospital	28,408,000	28,408,000	28,408,000	---
Planning and Development	366,953	364,384	340,323	24,061
Public Works	24,386,796	24,418,634	22,067,024	2,351,610
Health Services	27,302,785	28,263,355	27,170,751	1,092,604
Community Services	8,811,156	8,723,856	8,048,223	675,633
Law Enforcement	170,460,813	169,321,586	164,753,429	4,568,157
Judicial	65,695,929	65,728,963	63,052,461	2,676,502
Other Elected Officials	32,629,792	33,092,594	30,930,316	2,162,278
Total expenditures	380,511,451	381,565,550	373,360,651	8,204,899
Excess (deficiency) of revenues over (under) expenditures	5,806,807	5,281,022	14,109,785	8,828,763
Other financing sources (uses):				
Transfers in	1,789,545	1,721,857	1,521,066	(200,791)
Transfers out	(16,096,352)	(16,184,224)	(15,735,001)	449,223
Sale of capital assets	700,000	700,000	113,977	(586,023)
Planned change in fund balance	7,800,000	8,481,345	---	(8,481,345)
Total other financing sources (uses):	(5,806,807)	(5,281,022)	(14,099,958)	(8,818,936)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 9,827	\$ 9,827

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 376,081,000	\$ 375,981,000	\$ 374,240,475	\$ (1,740,525)
Other local taxes	40,890,000	40,990,000	40,270,041	(719,959)
Total revenues	<u>416,971,000</u>	<u>416,971,000</u>	<u>414,510,516</u>	<u>(2,460,484)</u>
Expenditures:				
Arlington Public Schools	14,807,326	15,142,903	15,054,080	88,823
Bartlett Public Schools	24,539,054	25,461,890	25,312,538	149,352
Collierville Public Schools	23,112,852	24,329,317	24,186,610	142,707
Germantown Public Schools	17,114,417	17,408,047	17,305,937	102,110
Lakeland Public Schools	2,516,826	2,726,562	2,710,568	15,994
Millington Public Schools	7,592,425	7,550,478	7,506,189	44,289
Shelby County Public Schools	329,788,100	326,851,803	324,934,594	1,917,209
Total expenditures	<u>419,471,000</u>	<u>419,471,000</u>	<u>417,010,516</u>	<u>2,460,484</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	2,500,000	2,500,000	2,500,000	---
Total other financing sources (uses):	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

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

Shelby County, Tennessee

**Budgetary Comparison Statement
Grants Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 67,109,583	\$ 84,194,635	\$ 58,638,968	\$ (25,555,667)
Federal and local revenue	24,415,074	27,044,198	14,440,140	(12,604,058)
Charges for services	1,553,000	1,553,000	1,205,719	(347,281)
Fines, fees and permits	399,040	399,040	122,144	(276,896)
Other revenue	3,298,901	3,718,888	818,825	(2,900,063)
Investment income	45,300	45,300	52,689	7,389
Total revenues	<u>96,820,898</u>	<u>116,955,061</u>	<u>75,278,485</u>	<u>(41,676,576)</u>
Expenditures:				
General Government	1,938,026	1,961,026	474,395	1,486,631
Planning and Development	11,218,321	12,649,123	5,209,356	7,439,767
Public Works	18,702,705	31,160,611	12,206,663	18,953,948
Corrections	511,333	744,998	412,503	332,495
Health Services	27,285,974	27,839,367	22,535,946	5,303,421
Community Services	30,312,317	34,647,076	29,917,572	4,729,504
Law Enforcement	5,593,625	6,405,960	1,411,434	4,994,526
Judicial	5,094,872	5,823,786	4,587,653	1,236,133
Total expenditures	<u>100,657,173</u>	<u>121,231,947</u>	<u>76,755,522</u>	<u>44,476,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,836,275)</u>	<u>(4,276,886)</u>	<u>(1,477,037)</u>	<u>2,799,849</u>
Other financing sources (uses):				
Transfers in	3,861,468	4,234,391	3,246,049	(988,342)
Transfers out	(1,428,079)	(1,597,143)	(1,533,239)	63,904
Sale of capital assets	80,000	80,000	---	(80,000)
Planned change in fund balance	1,322,886	1,559,638	---	(1,559,638)
Total other financing sources (uses):	<u>3,836,275</u>	<u>4,276,886</u>	<u>1,712,810</u>	<u>(2,564,076)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 235,773</u>	<u>\$ 235,773</u>

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

Shelby County, Tennessee

**Proprietary Funds
Statement of Net Position
June 30, 2017**

	Business-type Activities - Enterprise Funds			Governmental
	Corrections Center Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Assets:				
Current assets				
Cash and cash equivalents	\$ 9,977,987	\$ 8,993,365	\$ 18,971,352	\$ 44,937,892
Accounts receivable and accrued revenues	369,833	1,795,050	2,164,883	60,550
Due from other governmental entities	5,268,000	178,455	5,446,455	98,398
Inventories	---	---	---	208,245
Prepays	26,146	7,919	34,065	1,508
Total current assets	<u>15,641,966</u>	<u>10,974,789</u>	<u>26,616,755</u>	<u>45,306,593</u>
Noncurrent assets				
Deposits held by others	---	---	---	200,000
Net OPEB asset	945,830	585,112	1,530,942	27,283
Land	---	5,300	5,300	---
Construction in progress	72,589	---	72,589	---
Depreciable capital assets, net	15,399,852	10,107,564	25,507,416	2,286,823
Total noncurrent assets	<u>16,418,271</u>	<u>10,697,976</u>	<u>27,116,247</u>	<u>2,514,106</u>
Total assets	<u>32,060,237</u>	<u>21,672,765</u>	<u>53,733,002</u>	<u>47,820,699</u>
Deferred outflows of resources:				
Pension related deferred outflows	24,526,939	16,347,096	40,874,035	819,529
Total deferred outflows of resources	<u>24,526,939</u>	<u>16,347,096</u>	<u>40,874,035</u>	<u>819,529</u>
Liabilities:				
Current liabilities				
Accounts payable and accrued liabilities	1,258,507	265,816	1,524,323	574,456
Due to other governmental entities	---	81,638	81,638	---
Claims payable	52,000	---	52,000	5,566,691
Compensated absences payable	2,228,856	1,360,460	3,589,316	61,642
Advance from other funds - current portion	---	450,000	450,000	---
Accrued interest payable	---	9,375	9,375	---
Unearned revenue	---	144,598	144,598	3,839,272
Deposits held for others	387,185	4,500	391,685	---
Total current liabilities	<u>3,926,548</u>	<u>2,316,387</u>	<u>6,242,935</u>	<u>10,042,061</u>
Noncurrent liabilities				
Advance from other funds - long term	---	1,800,000	1,800,000	---
Claims payable, long-term	---	---	---	4,940,651
Accrued sick leave payable	855,384	626,797	1,482,181	30,687
Unfunded net pension obligation	57,600,124	37,289,207	94,889,331	1,867,861
Total noncurrent liabilities	<u>58,455,508</u>	<u>39,716,004</u>	<u>98,171,512</u>	<u>6,839,199</u>
Total liabilities	<u>62,382,056</u>	<u>42,032,391</u>	<u>104,414,447</u>	<u>16,881,260</u>
Deferred inflows of resources:				
Pension related deferred inflows	723,512	468,388	1,191,900	23,463
Total deferred inflows of resources	<u>723,512</u>	<u>468,388</u>	<u>1,191,900</u>	<u>23,463</u>
Net position:				
Net investment in capital assets	15,472,441	7,862,864	23,335,305	2,286,823
Unrestricted	(21,990,833)	(12,343,782)	(34,334,615)	29,448,682
Total net position	<u>\$ (6,518,392)</u>	<u>\$ (4,480,918)</u>	<u>\$ (10,999,310)</u>	<u>\$ 31,735,505</u>
Total Net Position	\$ (6,518,392)	\$ (4,480,918)	\$ (10,999,310)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
	(752,423)	(189,584)	(942,007)	
Net position of business-type activities on Statement of Net Position (page C-1)	<u>\$ (7,270,815)</u>	<u>\$ (4,670,502)</u>	<u>\$ (11,941,317)</u>	

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, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Corrections Center Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating revenues:				
State revenue	\$ 38,613,218	\$ 82,200	\$ 38,695,418	\$ ---
Federal and local revenue	9,800	1,178,158	1,187,958	---
Charges for services	850,645	966,935	1,817,580	7,376,762
Fines, fees and permits	47,979	29,209,746	29,257,725	---
Other revenue	3,220	8,471	11,691	232,657
Premium revenue	---	---	---	50,640,781
Total operating revenues	<u>39,524,862</u>	<u>31,445,510</u>	<u>70,970,372</u>	<u>58,250,200</u>
Operating expenses:				
Salaries	21,272,511	16,700,306	37,972,817	852,146
Other compensation	5,598,556	2,121,147	7,719,703	16,760
Fringe benefits	12,467,057	9,536,046	22,003,103	608,226
Supplies and materials	1,585,122	1,027,931	2,613,053	1,850,680
Services and other expenses	333,295	216,752	550,047	619,563
Professional and contracted services	9,679,325	1,271,631	10,950,956	3,392,160
Rent, utilities and maintenance	1,947,132	666,308	2,613,440	2,533,960
Interfund services	3,020,828	2,045,679	5,066,507	22,552
Depreciation	1,163,494	549,369	1,712,863	242,446
Claims incurred	29,355	240	29,595	41,502,426
Total operating expenses	<u>57,096,675</u>	<u>34,135,409</u>	<u>91,232,084</u>	<u>51,640,919</u>
Operating income (loss)	<u>(17,571,813)</u>	<u>(2,689,899)</u>	<u>(20,261,712)</u>	<u>6,609,281</u>
Nonoperating revenues (expenses)				
Intergovernmental	---	1,500,000	1,500,000	---
Investment income	95,570	65,189	160,759	137,026
Interest expense	---	(9,375)	(9,375)	---
Insurance recoveries	---	5,109	5,109	---
Gain (loss) on asset disposal	22,860	21,075	43,935	(37,341)
Net nonoperating revenues (expenses)	<u>118,430</u>	<u>1,581,998</u>	<u>1,700,428</u>	<u>99,685</u>
Income (loss) before capital contributions and transfers	<u>(17,453,383)</u>	<u>(1,107,901)</u>	<u>(18,561,284)</u>	<u>6,708,966</u>
Capital contributions	---	---	---	54,063
Transfers:				
Transfers in	8,900,000	1,500,000	10,400,000	258,430
Transfers out	(273,300)	(206,924)	(480,224)	(245,500)
Net transfers	<u>8,626,700</u>	<u>1,293,076</u>	<u>9,919,776</u>	<u>12,930</u>
Change in net position	<u>(8,826,683)</u>	<u>185,175</u>	<u>(8,641,508)</u>	<u>6,775,959</u>
Net position:				
June 30, 2016	6,740,476	(4,666,093)	2,074,383	24,959,546
Restatement	<u>(4,432,185)</u>	---	<u>(4,432,185)</u>	---
June 30, 2016, restated	<u>2,308,291</u>	<u>(4,666,093)</u>	<u>(2,357,802)</u>	<u>24,959,546</u>
June 30, 2017	<u>\$ (6,518,392)</u>	<u>\$ (4,480,918)</u>	<u>\$ (10,999,310)</u>	<u>\$ 31,735,505</u>
Change in net position	<u>\$ (8,826,683)</u>	<u>\$ 185,175</u>	<u>\$ (8,641,508)</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>347,888</u>	<u>462,108</u>	<u>809,996</u>	
Change in net position of business-type activities on Statement of Activities (page C-3)	<u>\$ (8,478,795)</u>	<u>\$ 647,283</u>	<u>\$ (7,831,512)</u>	

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

Shelby County, Tennessee

**Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2017**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Corrections	Nonmajor	Total	
	Center Fund	Enterprise Funds	Enterprise Funds	
Cash flows from operating activities:				
Receipts from customers	\$ 41,719,760	\$ 31,135,852	\$ 72,855,612	\$ 161,796
Receipts for special programs	---	82,200	82,200	---
Receipts from interfund services provided	173,795	23,128	196,923	7,235,116
Premiums received	---	---	---	50,511,565
Refunds received from suppliers	233	3,915	4,148	229,222
Refunds paid to customers	(2,406,190)	(120,079)	(2,526,269)	(16,042)
Cash payments to suppliers	(13,496,584)	(3,201,583)	(16,698,167)	(8,470,814)
Cash payments to employees	(36,297,126)	(25,253,756)	(61,550,882)	(1,239,130)
Claims paid	(71,355)	(240)	(71,595)	(41,230,242)
Payments for interfund services used	(3,020,828)	(2,045,679)	(5,066,507)	(22,552)
Net cash provided by (used in) operating activities	<u>(13,398,295)</u>	<u>623,758</u>	<u>(12,774,537)</u>	<u>7,158,919</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	8,900,000	1,500,000	10,400,000	250,000
Transfers to other funds	(273,300)	(198,494)	(471,794)	(245,500)
Payments from City of Memphis	---	1,500,000	1,500,000	---
Net cash provided by (used in) noncapital financing activities	<u>8,626,700</u>	<u>2,801,506</u>	<u>11,428,206</u>	<u>4,500</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(160,926)	(2,272,198)	(2,433,124)	(760,030)
Proceeds from sale of capital assets	27,760	21,200	48,960	100
Advance from other fund	---	2,250,000	2,250,000	---
Insurance recoveries	---	5,109	5,109	7,687
Net cash provided by (used in) capital and related financing activities	<u>(133,166)</u>	<u>4,111</u>	<u>(129,055)</u>	<u>(752,243)</u>
Cash flows from investing activities:				
Interest and investment earnings	95,570	65,189	160,759	137,026
Net cash provided by (used in) investing activities	<u>95,570</u>	<u>65,189</u>	<u>160,759</u>	<u>137,026</u>
Net increase (decrease) in cash and cash equivalents	(4,809,191)	3,494,564	(1,314,627)	6,548,202
Cash and cash equivalents, June 30, 2016	<u>14,787,178</u>	<u>5,498,801</u>	<u>20,285,979</u>	<u>38,389,690</u>
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>

(continued)

Shelby County, Tennessee

**Proprietary Funds
Statement of Cash Flows (continued)
For the Year Ended June 30, 2017**

	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)	\$ (17,571,813)	\$ (2,689,899)	\$ (20,261,712)	\$ 6,609,281
Adjustments:				
Depreciation	1,163,494	549,369	1,712,863	242,446
Changes in assets and liabilities				
Accounts receivable and accrued revenues	(316,131)	(152,394)	(468,525)	94,741
Due from other governmental entities	241,039	(165,407)	75,632	(96,112)
Inventories	---	---	---	103,935
Prepays	(3,846)	(7,022)	(10,868)	(240)
Deferred outflows	(14,061,584)	(9,906,905)	(23,968,489)	(515,683)
Accounts payable and accrued liabilities	115,923	(24,080)	91,843	(177,456)
Due to other governmental entities	---	25,718	25,718	---
Claims payable	(42,000)	---	(42,000)	272,184
Compensated absences payable	(501,375)	166,262	(335,113)	(7,469)
Unearned revenue	---	(3,892)	(3,892)	(127,811)
Deposits held for others	37,595	1,200	38,795	---
Net postemployment benefit obligations	17,369,269	12,699,685	30,068,954	752,924
Deferred inflows	171,134	131,123	302,257	8,179
Total adjustments	4,173,518	3,313,657	7,487,175	549,638
Net cash provided by (used in) operating activities	\$ (13,398,295)	\$ 623,758	\$ (12,774,537)	\$ 7,158,919
Noncash investing capital and financing activities:				
Transfers of capital assets between funds		\$ (8,430)	\$ (8,430)	\$ 8,430
Accrued interest payable		\$ (9,375)	\$ (9,375)	
Non-cas residual on disposal of assets	\$ (4,900)	\$ (125)	\$ (5,025)	\$ (16,260)
Capital assets transferred from governmental funds			\$ ---	\$ 54,063
Capital assets transferred to governmental funds			\$ ---	\$ (28,868)

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, 2017**

	Postemployment Benefits Trust Fund	County Charter Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 61,691,537	\$ 374,476,445
Investments		
Domestic equity	386,521,767	---
International equity	224,800,503	---
Fixed Income	246,528,694	---
Global low-volatility equity	66,054,428	---
Hedge funds	132,620,471	---
Private real estate and infrastructure	24,864,521	---
Alternative investments	21,353,379	---
Limited partnership interests	95,156,885	---
Master limited partnerships	114,250,020	---
Certificates of deposit	---	3,650,000
Accounts receivable and accrued revenues	39,882	1,907,194
Accrued interest and dividends receivable	2,024,226	---
Due from brokers - investment sales	1,576,266	---
Total investments	1,315,791,042	5,557,194
Deferred outflows of resources:		
Fair value of hedging derivatives	410,185	---
Total deferred outflows of resources	410,185	---
Liabilities:		
Accounts payable	1,553,587	18,365
Due to brokers and others	3,928,881	100,829,408
Due to other governmental entities	---	16,267,189
Due to component units	---	262,918,677
Total liabilities	5,482,468	380,033,639
Net position held in trust for other postemployment and pension benefits	\$ 1,372,410,296	\$ ---

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

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	Postemployment Benefits Trust Fund
Additions:	
Contributions	
Employer contributions	\$ 57,761,128
Member contributions	21,997,845
Total contributions	79,758,973
Investment income	
Net change in fair value of investments	117,318,303
Interest income	6,221,504
Dividend income	24,552,627
Other income	348,740
Total investment income	148,441,174
Less investment management expenses	(4,023,025)
Net investment income (loss)	144,418,149
Security lending activities	
Securities lending income	496,413
Securities lending expenses	(148,828)
Net securities lending activities	347,585
Net additions	224,524,707
Deductions:	
Benefit payments	93,417,060
Administrative expenses	1,779,060
Refund of member contributions	7,732,918
Total deductions	102,929,038
Change in net position	121,595,669
Net position held in trust for benefits:	
June 30, 2016	1,250,814,627
June 30, 2017	\$ 1,372,410,296

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, 2017

	Shelby County Board of Education	Shelby County Health Care Corporation	Agricenter International	Emergency Communications District	Total
Assets:					
Cash and cash equivalents	\$ 84,227,833	\$ 5,811,761	\$ 982,736	\$ 1,592,093	\$ 92,614,423
Investments	154,794,124	138,562,566	---	35,826,351	329,183,041
Accrued interest receivable	---	---	---	62,905	62,905
Accounts receivable and accrued revenues	44,539,107	70,128,920	127,708	916	114,796,651
Due from other governmental entities	70,537,903	4,094,452	---	516,845	75,149,200
Due from primary government	29,163,710	---	---	---	29,163,710
Inventories	9,835,193	3,863,685	58,276	---	13,757,154
Prepays	247,153	4,774,762	14,274	273,729	5,309,918
Notes receivable	---	19,221,600	---	---	19,221,600
Net pension asset	30,842,717	---	---	---	30,842,717
Restricted and other assets	---	22,368,200	---	---	22,368,200
Land	45,603,360	4,313,278	---	---	49,916,638
Construction in progress	8,954,642	4,598,155	45,350	---	13,598,147
Depreciable capital assets, net	929,592,780	70,727,575	2,176,614	1,719,661	1,004,216,630
Total assets	1,408,338,522	348,464,954	3,404,958	39,992,500	1,800,200,934
Deferred outflows of resources:					
Pension related deferred outflows	154,365,153	---	---	143,714	154,508,867
Total deferred outflows of resources	154,365,153	---	---	143,714	154,508,867
Liabilities:					
Accounts payable and accrued liabilities	72,859,919	47,361,767	321,013	1,593,013	122,135,712
Claims payable	9,708,364	2,362,000	---	---	12,070,364
Unearned revenue	2,082,492	777,058	718,080	---	3,577,630
Deposits held for others	---	---	52,830	---	52,830
Long-term liabilities					
Due within one year	1,356,690	37,634,871	152,182	---	39,143,743
Net post employment benefit obligation	---	960,000	---	---	960,000
Net unfunded pension obligation	71,180,937	---	---	120,012	71,300,949
Due in more than one year	473,846,766	26,550,000	124,598	---	500,521,364
Total liabilities	631,035,168	115,645,696	1,368,703	1,713,025	749,762,592
Deferred inflows of resources:					
Pension related deferred inflows	168,279,532	---	---	13,914	168,293,446
Total deferred inflows of resources	168,279,532	---	---	13,914	168,293,446
Net position:					
Net investment in capital assets	984,006,250	53,089,008	1,945,184	1,719,661	1,040,760,103
Restricted for:					
Capital improvement projects	6,218,216	2,147,588	---	---	8,365,804
Other purposes	63,639,504	1,495,796	---	---	65,135,300
Unrestricted	(290,474,995)	176,086,866	91,071	36,689,614	(77,607,444)
Total net position	\$ 763,388,975	\$ 232,819,258	\$ 2,036,255	\$ 38,409,275	\$ 1,036,653,763

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, 2017**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Board of Education	\$ 1,264,632,520	\$ 4,184,952	\$ 769,464,200	\$ 21,415,501
Shelby County Health Care Corporation	448,956,231	336,614,844	72,444,000	---
Agricenter International	3,937,914	4,015,858	---	---
Emergency Communications District	13,768,765	10,502,125	---	---
Total component units	\$ 1,731,295,430	\$ 355,317,779	\$ 841,908,200	\$ 21,415,501

General revenues:
 Local option and state sales taxes
 Payments from Shelby County
 Other local sources
 Unrestricted investment earnings
 Special item - capital asset impairment
 Total revenues and transfers
 Change in net position
 Net position - June 30, 2016
 Net position - June 30, 2017

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

Net (Expenses) Revenues and
Changes in Net Position

Shelby County Board of Education	Shelby County Healthcare Corporation	Agricenter International	Emergency Communications District	Total Component Units
\$ (469,567,867)	\$ ---	\$ ---	\$ ---	\$ (469,567,867)
---	(39,897,387)	---	---	(39,897,387)
---	---	77,944	---	77,944
---	---	---	(3,266,640)	(3,266,640)
<u>(469,567,867)</u>	<u>(39,897,387)</u>	<u>77,944</u>	<u>(3,266,640)</u>	<u>(512,653,950)</u>
120,757,018	---	---	---	120,757,018
334,346,944	28,408,000	---	---	362,754,944
11,722,571	---	---	---	11,722,571
1,644,283	1,360,751	15,656	211,029	3,231,719
(10,165,449)	---	---	---	(10,165,449)
<u>458,305,367</u>	<u>29,768,751</u>	<u>15,656</u>	<u>211,029</u>	<u>488,300,803</u>
(11,262,500)	(10,128,636)	93,600	(3,055,611)	(24,353,147)
<u>774,651,475</u>	<u>242,947,894</u>	<u>1,942,655</u>	<u>41,464,886</u>	<u>1,061,006,910</u>
<u>\$ 763,388,975</u>	<u>\$ 232,819,258</u>	<u>\$ 2,036,255</u>	<u>\$ 38,409,275</u>	<u>\$ 1,036,653,763</u>



**Notes to Financial Statements &
Required Supplementary Information**

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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.
- *Sheriff Forfeitures Fund* accounts for the proceeds from seizure and forfeiture of properties related to certain drug cases and property acquired and accumulated as a result of other criminal offenses. These funds are used to support law enforcement efforts, drug investigation enforcement, and certain non-recurring purposes.

-
- Data Processing Fund accounts for a separate computerization fee charged by the Courts and the County Register restricted by State statute. The funds are to be used for the purchase of computer equipment, upgrades, imaging systems, and other related supplies and maintenance to support their data processing needs.
 - Car Rental Tax Fund accounts for the tax proceeds on car rentals levied by the County. The proceeds are used only to help retire debt on bonds issued by the Memphis and Shelby County Sports Authority, Inc. for construction of the FedEx Forum.
 - Health Services Restricted Fees Fund accounts for proceeds received from pollution control permits and fees for specific industries. There are also fees received for vector control services as a component of the fees collected through the City 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.
 - 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. As of

June 30, 2017, the County had net overpayments for the OPEB obligation. These overpayments are reported in the assets section.

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 several interest rate swap agreements to modify interest rates on outstanding debt. Amounts received to enter swap agreements are recorded as revenue in the Debt Service Fund. In the government-wide financial statements, such amounts are amortized over the life of the swap agreement. These agreements provide for net interest payments to or from the County which are also recorded in the Debt Service Fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net position or fund balances. Estimates also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**(A) Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." Internal service funds include \$(7,571,356) of long-term liabilities and are not part of this reconciling amount.

The details of this \$(1,088,700,077) are as follows:

Bonds and loans payable	\$ (989,746,532)
Net premium on bonds issued	(68,124,480)
Compensated absences	(23,024,997)
Landfill postclosure	(2,146,447)
Claims and judgments	(260,153)
Capital lease obligation	<u>(5,397,468)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (1,088,700,077)</u></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 \$819,529 of deferred outflows of resources and \$(23,463) of deferred inflows of resources and are not part of this reconciling amount. The details of this \$209,369,143 are as follows:

Deferred outflows of resources:	
Current year pension contributions	\$ 35,145,294
Changes in assumptions	88,373,704
Difference between projected and actual experience on investments of the plan	92,153,283
Deferred inflows of resources:	
Difference between expected and actual experience on investments of the plan	<u>(6,303,138)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ 209,369,143</u></u>

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net change in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of this \$49,489,479 difference are as follows:

Capital outlay	\$ 39,417,426
Loss on asset disposals	(362,498)
Capital contributions	37,781,679
Depreciation expense	<u>(27,347,128)</u>
Net adjustment to increase <i>net change in fund balance – total governmental funds to arrive at change in net position of governmental activities</i>	<u>\$ 49,489,479</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 \$15,989,150 difference are as follows:

Debt issued or incurred:	
Issuance of bonds	\$ (83,405,000)
Premium on bonds issued	(17,243,257)
Amortization of bond premiums	17,265,296
Accretion of zero coupon bonds	7,288,059
Principal repayments on debt	<u>92,084,052</u>
Net adjustment to increase <i>net change in fund balance – total governmental funds to arrive at change in net position of governmental activities</i>	<u>\$ 15,989,150</u>

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

The details of this \$(1,329,816) difference are as follows:

Landfill post closure costs	\$ 212,286
Claims and judgements	75,802
Sick and annual leave	<u>(1,617,904)</u>
Net adjustment to decrease <i>net change in fund balance – total governmental funds to arrive at change in net position of governmental activities</i>	<u>\$ (1,329,816)</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*. Without the effect of GASB 68 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	\$ (1,323,106)	\$ (3,157,812)	\$ (6,518,392)
Unfunded pension obligation	14,335,775	22,953,432	57,600,124
Pension related deferred inflows	180,071	288,317	723,512
Pension related deferred outflows	(6,199,781)	(10,147,315)	(24,526,939)
	<u>\$ 6,992,959</u>	<u>\$ 9,936,622</u>	<u>\$ 27,278,305</u>

(D) Tax Abatements

The County is subject to property tax abatements granted by 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), by one related organization, Health, Housing and Education Facilities Board, and by Industrial Development Boards of various municipal governments in Shelby County.

Finance Corporation Tax Abatements

County property tax revenue was reduced by \$8,996,604 under agreements entered into by Finance Corporation for the tax year 2016.

EDGE Tax Abatements

County property tax revenue was reduced by \$25,162,294 under agreements entered into by EDGE for the tax year 2016.

Health, Housing and Education Facilities Board Tax Abatements

County property tax revenue was reduced by \$4,083,352 under agreements entered into by Health, Housing, and Education Facilities Board for the tax year 2016.

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

<u>Industrial Development Board Municipality</u>	<u>Amount of Tax Abated for the Tax Year 2016</u>
Industrial Development Board of Arlington	\$ 329,041
Industrial Development Board of Bartlett	1,327,232
Industrial Development Board of Collierville	2,233,012
Industrial Development Board of Germantown	78,150
Industrial Development Board of Millington	252,251

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, 2017; of the total investments per financial reports, \$176,795,427 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, 2017 was \$31,316,167 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, 2017, the County had the following fair value measurements:

	Level 1	Level 2	Level 3	Total
CDARS	\$ 22,429,940	\$ ---	\$ ---	\$ 22,429,940
CDs	30,528,084	---	---	30,528,084
Agencies	---	77,494,877	---	77,494,877
Commercial paper	---	---	44,333,756	44,333,756
Pass through securities	---	2,008,770	---	2,008,770
Total investments at fair value	<u>\$ 52,958,024</u>	<u>\$ 79,503,647</u>	<u>\$ 44,333,756</u>	<u>\$ 176,795,427</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, 2017 the Retirement System had deposits of \$51,936,932 in money-market mutual funds that were not insured and were uncollateralized. At June 30, 2017 the Retirement System reported the following investments with carrying amounts as shown:

Domestic equity	\$ 296,020,349
International equity	191,866,686
Fixed income	206,552,259
Global low-volatility equity	51,336,801
Hedge funds	132,620,471
Private real estate and infrastructure	19,754,010
Limited partnership interest	95,156,885
Master limited partnership	94,850,896
Total investments	<u>\$ 1,088,158,357</u>

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

Current to one year	\$ 8,106,790
One to two years	20,795,713
Two to three years	9,448,344
Three to four years	8,553,639
Four to five years	2,931,047
Five years or more	156,716,726
Total	<u>\$ 206,552,259</u>

At June 30, 2017, 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	\$ 46,438,525	\$ ---	\$ ---	\$ 46,438,525
Consumer staples	10,619,224	---	---	10,619,224
Energy	6,038,764	---	---	6,038,764
Financials	21,136,653	---	---	21,136,653
Health care	24,698,320	---	---	24,698,320
Industrial	37,447,849	---	---	37,447,849
Information technology	36,618,586	---	---	36,618,586
Materials	8,431,119	---	---	8,431,119
Real estate	3,805,761	---	---	3,805,761
Telecommunication services	3,372,541	---	---	3,372,541
Utilities	740,930	---	---	740,930
Miscellaneous	56,949,806	231,520,712	51,405,046	339,875,564
Total equity securities	<u>256,298,078</u>	<u>231,520,712</u>	<u>51,405,046</u>	<u>539,223,836</u>
Fixed Income				
Asset backed securities	---	1,011,975	---	1,011,975
Commercial mortgage-backed securities	---	38,177	---	38,177
Corporate bonds	---	38,934,716	40,713,599	79,648,315
Funds - other fixed income	---	38,004,105	---	38,004,105
Government agencies	---	12,814,247	---	12,814,247
Government bonds	---	68,594,632	---	68,594,632
Government mortgage-backed securities	---	397,323	---	397,323
Municipal/provincial bonds	---	4,382,240	---	4,382,240
Non-government backed C.M.O.s	---	1,661,245	---	1,661,245
Total fixed income	<u>---</u>	<u>165,838,660</u>	<u>40,713,599</u>	<u>206,552,259</u>
Hedge funds	---	62,540,358	70,080,113	132,620,471
Real estate	---	---	19,754,010	19,754,010
Master limited partnerships	94,850,896	---	---	94,850,896
Venture capital and partnerships	---	---	95,156,885	95,156,885
Total investments measured at fair value	<u>\$ 351,148,974</u>	<u>\$ 459,899,730</u>	<u>\$ 277,109,653</u>	<u>\$1,088,158,357</u>

At June 30, 2017 the Retirement System had \$99,524,375 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, 2017. 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, 2017 the OPEB Trust had no deposits that were not insured and were uncollateralized. At June 30, 2017 the OPEB Trust reported the following investments with carrying amounts as shown:

Domestic equity	\$	90,501,418
Fixed income		39,976,435
International equity		32,933,817
Private real estate		5,110,511
Alternative investments		21,353,379
Global low-volatility equity		14,717,627
Master limited partnership		19,399,124
Total investments	\$	<u>223,992,311</u>

At June 30, 2017, the investments of the OPEB Trust within the fair value hierarchy were as follows:

	Level 1	Level 2	Level 3	Total
Equities				
Consumer discretionary	\$ 1,738,552	\$ ---	\$ ---	\$ 1,738,552
Consumer staples	1,541,100	---	---	1,541,100
Energy	881,837	---	---	881,837
Financials	2,199,287	---	---	2,199,287
Health care	1,161,192	---	---	1,161,192
Industrial	2,427,020	---	---	2,427,020
Information technology	616,240	---	---	616,240
Materials	481,038	---	---	481,038
Real estate	383,408	---	---	383,408
Telecommunication services	552,214	---	---	552,214
Utilities	122,341	---	---	122,341
Miscellaneous	---	54,542,558	71,506,075	126,048,633
Total equities	<u>12,104,229</u>	<u>54,542,558</u>	<u>71,506,075</u>	<u>138,152,862</u>
Fixed income				
Corporate bond	---	7,527,419	13,438,309	20,965,728
Government bond	---	---	10,819,241	10,819,241
Other fixed income funds	---	---	8,191,466	8,191,466
Total investment funds	---	<u>7,527,419</u>	<u>32,449,016</u>	<u>39,976,435</u>
Alternative investments	---	---	21,353,379	21,353,379
Real estate	---	---	5,110,511	5,110,511
Master limited partnership	---	19,399,124	---	19,399,124
Total investments measured at fair value	<u>\$ 12,104,229</u>	<u>\$ 81,469,101</u>	<u>\$ 130,418,981</u>	<u>\$ 223,992,311</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 2017 tax bills were based was \$18,102,855,449. The estimated market value was \$60,418,966,162, making the overall assessed value 29.96% 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 96.27% of the original tax levy and 96.71% of the adjusted tax levy. The property tax levy has no legal limit. The rate, as permitted by Tennessee state law and County charter, is set annually on or after July 1 by the County Board of Commissioners and collected by the County Trustee.

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

General Fund	\$ 1.45
Debt Service Funds	.78
Education Fund	<u>2.14</u>
Countywide tax rate	<u>\$ 4.37</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	Total
Property taxes receivable	\$ 313,500,749	\$ 144,299,281	\$ 414,483,884	\$ 872,283,914
Less allowance for uncollectibles	<u>(17,081,368)</u>	<u>(8,462,678)</u>	<u>(23,759,344)</u>	<u>(49,303,390)</u>
	<u>\$ 296,419,381</u>	<u>\$ 135,836,603</u>	<u>\$ 390,724,540</u>	<u>\$ 822,980,524</u>

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

(C) Notes Receivable

Notes receivable consist of the following:

	<u>Amount</u>	<u>Collateral</u>
<i>General Fund</i>		
Property loans receivable due in various installments at 6.5% interest	<u>\$ 22,244</u>	Land & Building
<i>Debt Service Fund</i>		
Mortgage loans receivable due in various monthly installments at interest rates ranging from 3.125% to 8.125% through 2020	<u>\$ 1,413,892</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5% interest through 2021	<u>\$ 3,281,713</u>	Land & Building

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

(D) Leases Receivable

The County leases certain real property described as Butcher Shop, LLC for the sum of \$225,750 annually. The term of the lease commenced on May 1, 2013. There are two additional option terms of five years each available. The option term currently in effect will expire in 2018. The rental income is recognized as revenue in the Debt Service Fund.

The County leases certain real property described as 150 Washington Avenue to the Shelby County Federal Credit Union for the sum of \$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. There is one additional option term of five years. The rental income is recognized as revenue in the General Fund.

The County leases certain real property 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, 2017:

<u>Fiscal Year</u>	<u>Minimum Rental</u>
2018	\$ 242,125
2019	54,000
2020	31,500
2021	24,000
2022	6,000
Total	<u>\$ 357,625</u>

(E) Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2017 is detailed below.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 25,981,649	\$ 28,176,906	\$ ---	\$ ---	\$ 54,158,555
Artwork collection	---	23,340	---	---	23,340
Construction in progress	42,539,599	13,254,572	(3,000)	(29,945,965)	25,845,206
Total not being depreciated	<u>68,521,248</u>	<u>41,454,818</u>	<u>(3,000)</u>	<u>(29,945,965)</u>	<u>80,027,101</u>
Capital assets being depreciated:					
Land improvements	25,059,795	912,073	---	---	25,971,868
Buildings	289,165,165	10,223,483	---	849,566	300,238,214
Equipment	118,433,402	6,542,855	(3,600,230)	9,233,006	130,609,033
Infrastructure	535,783,017	18,985,150	---	20,564,856	575,333,023
Total being depreciated	<u>968,441,379</u>	<u>36,663,561</u>	<u>(3,600,230)</u>	<u>30,647,428</u>	<u>1,032,152,138</u>
Less accumulated depreciation:					
Land improvements	8,465,796	684,347	---	---	9,150,143
Buildings	150,140,882	8,734,390	---	---	158,875,272
Equipment	77,561,590	6,613,047	(3,222,430)	693,033	81,645,240
Infrastructure	247,056,438	11,557,790	---	---	258,614,228
Total accumulated depreciation	<u>483,224,706</u>	<u>27,589,574</u>	<u>(3,222,430)</u>	<u>693,033</u>	<u>508,284,883</u>
Total capital assets being depreciated, net	<u>485,216,673</u>	<u>9,073,987</u>	<u>(377,800)</u>	<u>29,954,395</u>	<u>523,867,255</u>
Governmental activities capital assets, net	<u>\$ 553,737,921</u>	<u>\$ 50,528,805</u>	<u>\$ (380,800)</u>	<u>\$ 8,430</u>	<u>\$ 603,894,356</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	---	339,179	---	(266,590)	72,589
Total not being depreciated	<u>5,300</u>	<u>339,179</u>	<u>---</u>	<u>(266,590)</u>	<u>77,889</u>
Capital assets being depreciated:					
Land improvements	127,111	---	---	---	127,111
Buildings	50,140,284	6,200	---	266,590	50,413,074
Equipment	<u>13,195,794</u>	<u>2,087,744</u>	<u>(249,778)</u>	<u>(701,463)</u>	<u>14,332,297</u>
Total being depreciated	<u>63,463,189</u>	<u>2,093,944</u>	<u>(249,778)</u>	<u>(434,873)</u>	<u>64,872,482</u>
Less accumulated depreciation:					
Land improvements	33,676	11,646	---	---	45,322
Buildings	31,937,719	1,171,769	---	---	33,109,488
Equipment	<u>6,618,593</u>	<u>529,448</u>	<u>(244,752)</u>	<u>(693,033)</u>	<u>6,210,256</u>
Total accumulated depreciation	<u>38,589,988</u>	<u>1,712,863</u>	<u>(244,752)</u>	<u>(693,033)</u>	<u>39,365,066</u>
Total capital assets being depreciated, net	<u>24,873,201</u>	<u>381,081</u>	<u>(5,026)</u>	<u>258,160</u>	<u>25,507,416</u>
Business-type activities capital assets, net	<u>\$ 24,878,501</u>	<u>\$ 720,260</u>	<u>\$ (5,026)</u>	<u>\$ (8,430)</u>	<u>\$ 25,585,305</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	\$ 14,566,898	\$ 1,787,599
Planning and Development	58,065	33,043
Public Works	406,613,612	14,788,039
Corrections	1,385,934	110,882
Health Services	15,841,090	792,027
Community Services	73,164	230,223
Law Enforcement	68,205,767	5,859,935
Judicial	13,954,820	2,247,095
Other Elected Officials	<u>3,167,905</u>	<u>1,740,731</u>
Depreciable assets total	<u>523,867,255</u>	<u>27,589,574</u>
Non-depreciable assets:		
Land	54,158,555	---
Artwork collection	23,340	---
Construction in progress	<u>25,845,206</u>	<u>---</u>
Non-depreciable assets total	<u>80,027,101</u>	<u>---</u>
Governmental activities total	<u>\$ 603,894,356</u>	<u>\$ 27,589,574</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, 2017 was \$2,850,628 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 \$5,397,468.

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, 2017:

Fiscal Year	Operating Leases	Capital Leases
2018	\$ 724,798	\$ 471,724
2019	632,794	455,868
2020	469,149	440,012
2021	91,928	424,155
2022	23,705	411,470
2023-2027	---	1,952,699
2028-2032	---	1,748,550
2033-2037	---	321,882
Total minimum lease payments	1,942,374	6,226,360
Less: amount representing interest	---	(828,892)
Present value of minimum lease payments	<u>\$ 1,942,374</u>	<u>\$ 5,397,468</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	Capital Projects Fund	Education Fund	Grants Fund	Nonmajor Governmental Fund	Totals
Fiscal year 2018 property tax assessment	\$ 282,180,228	\$ 128,613,016	\$ ---	\$ 370,927,394	\$ ---	\$ ---	\$ 781,720,638
Current and prior years' property taxes receivable	13,246,629	6,672,420	---	18,336,993	---	---	38,256,042
Due from Federal Government	17,373	---	---	---	---	419,387	436,760
Due from State	1,400,909	---	190,324	---	---	---	1,591,233
Due from City of Memphis	2,639,610	---	---	---	---	---	2,639,610
Due from other local governments	684,131	---	---	---	---	71,669	755,800
Notes receivable	22,244	1,413,892	---	---	3,272,540	---	4,708,676
Other receivables	1,356,781	---	---	---	---	35,427	1,392,208
	<u>\$ 301,547,905</u>	<u>\$ 136,699,328</u>	<u>\$ 190,324</u>	<u>\$ 389,264,387</u>	<u>\$ 3,272,540</u>	<u>\$ 526,483</u>	<u>\$ 831,500,967</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 June 2017, the County issued General Obligation Public Improvement and School Bonds 2017 Series A in a principal amount of \$83,405,000. The bonds were issued to refinance \$100,000,000 of the County’s outstanding Capital Outlay Extendible Municipal Commercial Paper (EMCP bond anticipation) Notes, 2015 Series A Program.

Changes in long-term liabilities:

Changes in long-term liabilities for the year were:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Governmental activities:					
Bonds and loans payable	\$ 1,005,348,672	\$ 83,405,000	\$ (99,007,140)	\$ 989,746,532	\$ 99,706,321
Capital lease obligations	5,762,440	---	(364,972)	5,397,468	360,521
Net premium of bonds issued	68,146,518	17,243,257	(17,265,295)	68,124,480	15,967,143
Bond anticipation notes	50,000,000	50,000,000	(100,000,000)	---	---
Claims and judgments	4,664,048	1,933,161	(725,890)	5,871,319	687,126
Landfill postclosure care costs	2,358,733	---	(212,286)	2,146,447	233,043
Sick and annual leave	21,506,891	8,444,207	(6,833,772)	23,117,326	16,679,497
Net unfunded pension obligation	329,592,280	172,112,545	---	501,704,825	---
Total governmental activities	<u>\$ 1,487,379,582</u>	<u>\$ 333,138,170</u>	<u>\$ (224,409,355)</u>	<u>\$ 1,596,108,397</u>	<u>\$ 133,633,651</u>
Business-type activities:					
Sick and annual leave	\$ 4,813,344	\$ 6,196,977	\$ (5,938,824)	\$ 5,071,497	\$ 3,589,316
Net unfunded pension obligation	64,531,652	30,357,679	---	94,889,331	---
Total business-type activities	<u>\$ 69,344,996</u>	<u>\$ 36,554,656</u>	<u>\$ (5,938,824)</u>	<u>\$ 99,960,828</u>	<u>\$ 3,589,316</u>

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, \$92,329 of sick and annual leave payable, and \$5,611,166 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	152,165,000	03/01/2031
2009A Refunding Issue (b)	04/02/2009	2.75 - 5.0	68,975,000	04/01/2022
2009B Public Imp/Schools (b)	09/30/2009	2.25-5.0	33,670,000	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	31,330,803	09/01/2026
2010 Qualified School Construction Loans	10/01/2010	1.515	42,428,230	09/15/2027
2011A Refunding Bonds (b)	03/30/2011	4.00-5.00	67,410,000	03/01/2025
2011 Port Commission Loan	09/07/2011	2.00-5.00	17,407,500	04/01/2036
2012A Refunding Bonds (b)	03/01/2012	3.00-5.00	222,624,999	03/01/2028
2012B GO Refunding (Rural Schools) (b)	03/01/2012	2.00-4.00	3,065,000	03/01/2019
2015A Refunding Bonds (b)	01/28/2015	2.00-5.00	139,620,000	04/01/2027
2016A Refunding Bonds (b)	02/26/2016	1.50-5.00	67,645,000	04/01/2027
2017A Public Imp/Schools (b)	06/21/2017	5.00	83,405,000	04/01/2037
Total bonds and loans payable			<u>\$ 989,746,532</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	\$ 172,737,832
Education	<u>817,008,700</u>
	<u>\$ 989,746,532</u>

Interest expense in the governmental funds during the fiscal year ended June 30, 2017 was \$55,766,974 (current financial resources measurement focus and modified accrual basis of accounting). Entity wide interest was \$47,567,862 (economic resources measurement focus and accrual basis of accounting) which includes interest paid for the Debt Service Fund and interest paid on the loans.

The County is indebted for serial bonds and capital appreciation bonds and notes and variable bonds with interest rates varying from 1.515% to 5.00%. In the Debt Service Fund the County accrued interest on the variable rate bonds only. All fixed rate unmatured interest is recognized as an expenditure when due.

All unmatured interest which is due in future years is disclosed in the table below. The County has no legal debt limit. Debt service requirements for principal and interest in future years, using the actual rate on fixed rate bonds and 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
2018	\$ 99,706,321	\$ 46,588,351	\$ 146,294,672
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
2023-2027	362,625,888	100,664,307	463,290,195
2028-2032	110,964,039	27,510,826	138,474,865
2033-2037	47,672,500	6,262,200	53,934,700
Total long-term debt	<u>\$ 989,746,532</u>	<u>\$ 328,790,325</u>	<u>\$ 1,318,536,857</u>

Interest rate swap agreements:

As of June 30, 2017 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, 2017		Notional Amount
	Classification	Amount	Classification	Amount	
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ (3,375,297)	Derivative instruments	\$ (8,577,368)	\$ 38,138,980
Pay-fixed interest rate swap	Deferred outflow	(10,091,296)	Derivative instruments	(25,644,190)	114,026,020
		<u>\$(13,466,593)</u>		<u>\$(34,221,558)</u>	<u>\$ 152,165,000</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	\$152,165,000	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 6/30/2017 the notional amounts of the 2006B Goldman swap and the 2006B MKFP swap are \$114,026,020 and \$38,138,980 respectively.

Fair Value of Swap: The swaps, as of 6/30/2017 have a net value of (\$32,077,233). The fair value was (\$34,221,558) of which approximately (\$2,144,325) is accrued interest from 6/01/2017 to the valuation date, 6/30/2017. 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 6/30/2017 of 0.91%. Interest and net swap payments will fluctuate as SIFMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2018	\$ 2,020,000	\$ 1,374,157	\$ 5,356,208	\$ 8,750,365
2019	---	1,355,926	5,285,104	6,641,030
2020	2,705,000	1,355,926	5,281,361	9,342,287
2021	8,505,000	1,331,378	5,189,888	15,026,266
2022	9,575,000	1,254,619	4,890,512	15,720,131
2023	7,130,000	1,168,202	4,553,472	12,851,674
2024	7,450,000	1,103,853	4,299,449	12,853,302
2025	23,900,000	1,036,243	4,040,256	28,976,499
2026	26,130,000	820,541	3,198,976	30,149,517
2027	20,110,000	584,712	2,279,200	22,973,912
2028	6,625,000	403,216	1,570,215	8,598,431
2029	12,680,000	343,093	1,338,128	14,361,221
2030	6,055,000	228,654	891,792	7,175,446
2031	19,280,000	174,006	678,656	20,132,662
Total	\$ 152,165,000	\$ 12,534,526	\$ 48,853,217	\$ 213,552,743

Credit Risk: Because the swap has a negative value on 6/30/2017, 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 of \$5,871,319 in accordance with its accounting policy explained in Note I(E). The liabilities are based on property damage and personal injury lawsuits arising in the course of operations. The County believes this is a reasonable measure of the ultimate settlement of these matters.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected may

constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(I) Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	General Fund	Debt Service Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total
Fund balances:						
Restricted for:						
Road and construction projects	\$ ---	\$ ---	\$ ---	\$ 266,178	\$ 11,099,994	\$ 11,366,172
Economic and cultural projects	---	---	---	2,304,147	4,895,740	7,199,887
Law enforcement activities	---	---	---	---	3,280,327	3,280,327
Data and forms processing activities	48,612	---	---	---	1,085,082	1,133,694
Environmental and health activities	---	---	---	2,074,917	371,725	2,446,642
Rehabilitation and community service programs	---	---	---	995,066	1,303,879	2,298,945
Debt on school construction	---	3,203,200	---	---	---	3,203,200
Conservation projects	---	---	85,939	589,319	1,708,244	2,383,502
Other grants and sponsored projects	---	---	---	10,071,158	---	10,071,158
Committed to:						
Approved carryforward appropriation:	926,102	---	33,954,124	---	---	34,880,226
Subsequent year operations	3,338,759	---	---	---	---	3,338,759
Economic and cultural projects	---	---	---	---	3,753,748	3,753,748
Environmental activities	66,249	---	---	---	1,028,184	1,094,433
Debt on public improvement and educational projects	---	57,528,284	---	---	---	57,528,284
Assigned to:						
Purchase order encumbrances	1,376,907	---	---	---	---	1,376,907
Unassigned	109,849,713	---	---	---	---	109,849,713
Total fund balances	<u>\$115,606,342</u>	<u>\$ 60,731,484</u>	<u>\$ 34,040,063</u>	<u>\$ 16,300,785</u>	<u>\$ 28,526,923</u>	<u>\$ 255,205,597</u>

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

(J) Interfund Receivables, Payables and Transfers

Interfund receivables and payables consist of the following:

Due to/from other funds consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 95
Debt Service Fund	General Fund	122,371
Education Fund	General Fund	3,035,954
Nonmajor Governmental Funds	General Fund	2,175,083
Total		<u>\$ 5,333,503</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	\$ 2,250,000
Total		<u>\$ 2,250,000</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	\$ 2,049,435
	Education Fund	12,826,090
Total		<u>\$ 14,875,525</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 two payments of \$450,000 principal plus accrued interest and one final payment of \$1,350,000 plus accrued interest due in January 2020.

The amount payable to the Board of Education (component unit) from the Education Fund represents property and wheel taxes accrued at year-end but not yet paid to the Shelby County Board of Education.

The total due to component units disclosed here, \$14,875,525, is less than the amount disclosed on the Statement of Net Position due to \$14,288,185 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	\$ 2,585,001
	Corrections Center Fund	8,900,000
	Nonmajor Enterprise Funds	1,500,000
	Internal Service Funds	250,000
	Education Fund	2,500,000
Debt Service Fund	Capital Projects Fund	6,680,000
Grants Fund	General Fund	1,275,566
	Nonmajor Governmental Funds	257,673
Nonmajor Governmental Funds	Grants Fund	189,254
	Capital Projects Fund	47,033
		<hr/>
	Total transfers out of governmental fund types	24,184,527
		<hr/>
Corrections Center Fund	Grants Fund	273,300
Nonmajor Enterprise Funds	Grants Fund	198,494
	Internal Service Funds	8,430
Internal Service Funds	General Fund	245,500
		<hr/>
	Total transfers out of proprietary fund types	725,724
		<hr/>
	Total all fund types	\$ 24,910,251
		<hr/> <hr/>

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, 2017 is detailed below:

	General Fund	Debt Service Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Private donor grants	\$ 218	\$ ---	\$ 589,593	\$ ---	\$ 589,811
Miscellaneous income	1,459,917	---	1,361	13,093	1,474,371
Forfeitures and seizures	---	---	---	2,481,550	2,481,550
Housing principal & interest	---	576,879	227,871	---	804,750
Total other revenue	<u>\$ 1,460,135</u>	<u>\$ 576,879</u>	<u>\$ 818,825</u>	<u>\$ 2,494,643</u>	<u>\$ 5,350,482</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:

	2017	2016
Insurance claims liabilities at the beginning of the fiscal year	\$ 3,968,034	\$ 3,589,444
Incurred claims and claim adjustment expenses	38,587,114	42,511,470
Payment of claims and claim adjustment expenses	(39,118,378)	(42,132,880)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 3,436,770</u>	<u>\$ 3,968,034</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:

	2017	2016
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 1,867,896	\$ 1,147,112
Incurred claims and claim adjustment expenses	1,881,272	1,307,169
Payment of claims and claim adjustment expenses	(530,755)	(586,385)
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 3,218,413</u>	<u>\$ 1,867,896</u>

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, 2017 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.

The County maintains a self-insured Employer Insurance Fund for on-the-job injuries and unemployment compensation, funded by premiums paid by County departments based on a percentage of salary costs. Claims liabilities of the Employer Insurance Fund were estimated based on prior year’s claims expense and current year’s actual claims incurred. The schedule below presents the changes in claims liabilities for the past two years for the Employer Insurance Fund:

	<u>2017</u>	<u>2016</u>
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 4,399,228	\$ 4,479,293
Incurred claims and claim adjustment expenses	1,034,040	2,043,047
Payment of claims and claim adjustment expenses	<u>(1,581,109)</u>	<u>(2,123,112)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 3,852,159</u>	<u>\$ 4,399,228</u>

The total of claims liability disclosed here, \$10,507,342, 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 \$143,109 of claims in General Fund and \$52,000 in the Corrections Fund that are solely short term in nature and a \$260,153 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
\$ 926,102	\$ 11,710,279	\$ 23,424,681	\$ 983,001	\$ 37,044,063

The Capital Projects Fund had additional commitments specific to capital projects of \$46,698,846 as of June 30, 2017.

The Memphis and Shelby County Sports Authority, Inc. is a joint venture organization that has issued revenue bonds for construction of a sports and entertainment facility. Although the City of Memphis and Shelby County are not legally liable for the debt, they have agreed to share equally in the payment of the debt if the Authority is unable to pay. See further explanations in Note IV(N).

(N) Joint Ventures, Jointly Governed Organizations and Related Organizations***Joint Ventures:***

Joint ventures are defined in generally accepted accounting principles as organizations owned, operated or governed by two or more participants where no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. Participants must maintain an ongoing financial responsibility for, or financial interest in, the joint venture. The following organizations qualify as joint ventures of Shelby County. References to the appointment of members of boards or commissions include both those appointed and those serving ex officio. Appointment usually includes confirmation by the appropriate legislative body.

Memphis and Shelby County Sports Authority, Inc. (the Authority)

The Authority was chartered in 1997 under a State statute that permits sports authorities to receive certain sales taxes generated by major league sports franchises. In 2001 the City of Memphis and Shelby County entered into the "Memphis Arena Project Agreement" to bring 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 \$184,230,678, net of discounted bond issuance, owed as of December 31, 2016. 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, 2017 the County transferred to the Sports Authority for debt service purposes the amount of \$2,249,924 from car rental taxes and \$6,884,181 from hotel/motel taxes. Financial statements for the Memphis and Shelby County Sports Authority, Inc. may be obtained from the Administrator of Finance, Shelby County Government, 160 N. Main Street, Suite 800, Memphis, Tennessee 38103.

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

	Memphis and Shelby County Sports Authority, Inc. (December 31, 2016)
Assets	\$ 67,102,619
Liabilities	191,110,728
Net position	(124,008,109)
Operating expenses	13,801,047
General revenues	24,784,282
Change in net position	10,983,235

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 \$141,178 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 project and the Highland Row project. Three board members are appointed by the City mayor with approval of the City Council, three members are appointed by the County mayor with approval of the County Commission and one member is jointly appointed by the City and County mayors with joint approval by the City Council and County Commission. All board member terms are for four years. Financial Statements for the Community Redevelopment Agency may be obtained from the City of Memphis Division of Planning and Development, 125 N. Main, Suite 468, Memphis, Tennessee 38103.

Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (EDGE) was created in 2011 by joint resolutions of the City of Memphis and Shelby County Government to have a single entity perform economic development activities on behalf of the governments. EDGE has its own nine-member Board of Directors and Certificate of Incorporation; board members are jointly appointed by the City and the County. EDGE replaced the Industrial Development Board of Memphis and Shelby County, the Depot Redevelopment Corporation of Memphis and Shelby County, Foreign Trade Zone 77, the Memphis and Shelby County Port Commission and the Office of Economic Development of Memphis and Shelby County; inasmuch as all these entities could not immediately be terminated for various reasons, all the entities now have a common governing board so they all essentially operate as one entity. Memphis and Shelby County have no ongoing financial responsibility for EDGE or the related entities now operated under the EDGE umbrella, but may voluntarily agree to such. During FY 2012, at the request of Shelby County, EDGE agreed to issue through the Port Commission their bonds in the amount of \$20,397,500; these funds were loaned to the County to partially finance a new manufacturing facility for a newly recruited business. The County agreed to provide to EDGE/Port Commission the funds necessary to repay the debt. This obligation is reported as long-term debt in the County's Statement of Net Position (see also Note IV(H)).

The *Memphis and Shelby County Center City Commission* is responsible for promotion and redevelopment of the Memphis Center City area. The mayors of the City and County appoint the twenty board members for three-year terms, with approval by the City Council and the County Commission.

The *Memphis and Shelby County Center City Downtown Parking Authority* manages five downtown parking garages and establishes and coordinates uniform parking policies and parking management in the downtown Memphis area. The mayors of the City and County appoint the seven-member board.

The *Memphis Center City Revenue Finance Corporation (Finance Corporation)* is a nonprofit corporation established jointly by the City and the County under the laws of the State of Tennessee. The Finance Corporation provides various forms of financial assistance to development projects. The City appoints four board members, the County appoints four members and one is jointly appointed by the City and County for six-year terms, with approval by the City Council and the County Commission.

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

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

Related Organizations:

The *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.

Annual OPEB Cost and Net OPEB Obligations

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

Annual Required Contribution (ARC)	\$ 13,717,466
Interest on Net OPEB Obligation	(738,772)
Adjustment to ARC	1,065,873
Annual OPEB Cost	<u>14,044,567</u>
Contributions made	<u>(15,873,291)</u>
Decrease in net OPEB Obligation	(1,828,724)
Net OPEB Obligation beginning of year	<u>(14,071,851)</u>
Net OPEB Obligation end of year	<u><u>\$ (15,900,575)</u></u>

The OPEB Trust has been in existence for ten years. Note that a special, one-time employer contribution of \$23,892,191 was made in FY 2008.

Fiscal Year Ended	Annual OPEB Costs (AOC)	Actual Contributions	Percentage of AOC Contributed	Net OPEB Obligation/(Asset)
June 30, 2017	\$ 14,044,566	\$ 15,873,291	113.0%	\$ (15,900,575)
June 30, 2016	13,110,694	21,265,925	162.2%	(14,071,851)
June 30, 2015	15,616,829	31,445,399	201.4%	(5,916,620)
June 30, 2014	28,942,589	36,731,249	126.9%	9,912,490
June 30, 2013	32,983,377	29,265,521	88.7%	17,667,548
June 30, 2012	26,928,000	31,914,109	118.5%	13,950,693
June 30, 2011	30,122,000	24,850,458	82.5%	18,936,802
June 30, 2010	29,007,000	20,611,575	71.1%	13,665,260
June 30, 2009	31,600,000	18,329,123	58.0%	5,269,835
June 30, 2008	34,227,000	42,228,042	123.4%	(8,001,042)

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

Funded Status and Funding Progress:

As of June 30, 2017, the most recent actuarial valuation date, the plan was 84.1% funded. The actuarial accrued liability for benefits was \$279 million, and the actuarial value of assets was \$232 million, resulting in an unfunded actuarial accrued liability; (UAAL) of \$47 million. The covered payroll (annual payroll of active employees covered by the plan) was \$245 million and the ratio of the UAAL to the covered payroll was 19.0%.

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

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

Actuarial Valuation, Method and Assumptions

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	20 years
Asset valuation method	Market value of assets
Rate of inflation	2.75%
Rate of investment return	5.25%
Projected salary increases	2.75% - 5.75%

	<u>Pre Medicare</u>	<u>Medicare</u>
Healthcare cost trend rate	7.75%	5.75%
Ultimate trend rate	5.00%	5.00%
Year of Ultimate trend rate	2023	2020

(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 administered 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, 2016, 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	1,876	979	853	---	3,708
Inactive employees and beneficiaries entitled to but not yet receiving benefits	155	---	53	1	209
Inactive participants entitled to a refund of contributions	23	---	79	112	214
County to City transfers	165	---	12	2	179
Active participants	<u>1,446</u>	<u>8</u>	<u>2,272</u>	<u>1,382</u>	<u>5,108</u>
Total	<u><u>3,665</u></u>	<u><u>987</u></u>	<u><u>3,269</u></u>	<u><u>1,497</u></u>	<u><u>9,418</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 2017 were based on the actuarial report as of June 30, 2015.

In accordance with the actuarial valuation as of June 30, 2015, the System employer rate required was 15.87% 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 \$57,575,356 (\$41,887,837 employer contributions and \$15,687,519 of employee contributions).

The net pension liability for all plans was measured as of June 30, 2016, 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, 2015 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, 2016 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, 2016 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 2117.

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	Current Discount Rate	1% Increase
Net pension liability (\$ thousands)	\$ 805,654	\$ 596,532	\$ 422,347

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, 2015	\$ 1,509,225	\$ 1,115,134	\$ 394,091
Changes for the year:			
Service cost	24,763	---	24,763
Interest	110,121	---	110,121
Difference between expected and actual experience	(4,524)	---	(4,524)
Changes in assumptions	90,986	---	90,986
Contributions - employer	---	35,864	(35,864)
Contributions - employee	---	15,599	(15,599)
Net investment income	---	(30,836)	30,836
Benefits payments, including refunds of employee contributions	(81,902)	(81,902)	---
Administrative expense	---	(1,722)	1,722
Net change	<u>139,444</u>	<u>(62,997)</u>	<u>202,441</u>
Balances at June 30, 2016	<u>\$ 1,648,669</u>	<u>\$ 1,052,137</u>	<u>\$ 596,532</u>

For the year ended June 30, 2017, Shelby County Government recognized pension expense of \$92,329,000 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, 2016:

	(\$ in thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ 7,493
Changes in assumptions	105,483	---
Net difference between projected and actual earnings on Plan investments	109,934	---
Employer contributions subsequent to the measurement date	41,888	---
Total	<u>\$ 257,305</u>	<u>\$ 7,493</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>
2018	\$ 53,773
2019	64,841
2020	35,537
2021	---
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.

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 2nd of July of the previous year. The COLS 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, 2016, 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, 2017, employer contributions for Shelby County Government were \$10,479 based on 9.47% of covered payroll.

The net pension liability was measured as of June 30, 2016, 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	3.0	percent
Salary Increases	3.71 - 8.97	percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.50	percent, net of pension plan investment expense, including inflation
Cost-of-Living Adjustment	2.50	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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2012. The TCRS discount rate used to measure the total pension liability was 7.5%. 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, 2012 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 3 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	33.0 %	6.5 %
Developed Market International Equity	17.0	6.3
Emerging Market International Equity	5.0	6.4
Private Equity and Strategic Lending	8.0	4.6
US Fixed Income	29.0	1.0
Real Estate	7.0	4.7
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
	6.50%	7.50%	8.50%
Net pension liability	\$ 135,263	\$ 62,156	\$ (1,773)

Changes to the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	\$ 819,947	\$ 787,015	\$ 32,932
Changes for the year:			
Service cost	9,846	---	9,846
Interest	60,244	---	60,244
Difference between expected and actual experience	(4,558)	---	(4,558)
Changes in assumptions	---	---	---
Contributions - employer	---	10,479	(10,479)
Contributions - employee	---	5,524	(5,524)
Net investment income	---	20,381	(20,381)
Benefits payments, including refunds of employee contributions	(53,067)	(53,067)	---
Administrative expense	---	(76)	76
Net change	<u>12,465</u>	<u>(16,759)</u>	<u>29,224</u>
Balances at June 30, 2016	<u>\$ 832,412</u>	<u>\$ 770,256</u>	<u>\$ 62,156</u>

For the year ended June 30, 2017, Shelby County Government recognized pension expense of \$4,059 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, 2016:

	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	25,027	---
Employer contributions subsequent to the measurement date	10,479	---
Total	<u>\$ 35,506</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,	
2018	\$ 1,608
2019	1,608
2020	14,358
2021	7,450
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, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0203 or can be accessed at www.treasury.state.tn.us.

All non-teachers employed by the Board of Education are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by TCRS. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

Shelby County Health Care Corporation (Regional One Health)

Effective July 1, 1985 Regional One Health established the Regional Medical Center at Memphis Retirement Investment Plan, a defined contribution pension plan. In a defined contribution plan benefits depend solely on amounts contributed to the plan plus investment earnings. Financial statements of the Regional Medical Center at Memphis Retirement Investment Plan are available from Shelby County Health Care Corporation, 877 Jefferson Avenue, Memphis, Tennessee 38103.

More details about all plans of component units are available in the separately issued financial reports of the component units and in the separately issued financial reports of the retirement plans as noted above.

(Q) Restatement of Net Position

In fiscal year 2016 the Correction Center Fund (a major enterprise fund) estimated a higher reimbursement rate from the State than what was honored for year-end receivables. The difference in the estimated rate and the actual rate received was \$3,838,920.

In fiscal year 2017 the Correction Center Fund also fully implemented a new time tracking system which allowed them to more accurately maintain compensated absences for employees. A portion of the compensated absences

balance for fiscal year 2017 is attributable to prior year accumulated balances. The amount attributed to prior year compensatory time is \$593,265.

These adjustments affect both the Proprietary Fund Statement of Net Position and the Business-type Activities on the government-wide Statement of Net Position.

Beginning net position for the Corrections Center Fund (a major enterprise fund) has been restated as follows:

	Net Position	Adjustment for		Net Position as of
	As previously reported June 30, 2016	Difference in estimated and actual receivables FY16	Prior periods' accumulated compensatory time accrued	June 30, 2016 Restated
Proprietary funds net position	\$ 2,074,383	\$ (3,838,920)	\$ (593,265)	\$ (2,357,802)
Business-type activities net position	\$ 322,380	\$ (3,838,920)	\$ (593,265)	\$ (4,109,805)

(R) Subsequent Events

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.

**Required Supplementary Information
Other Postemployment (OPEB) Trust Fund
For the Year Ended June 30, 2017**

Schedule of Funding Progress
(amounts rounded to thousands)

Actuarial Valuation Date of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability/(Surplus)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability/(Surplus) as a Percentage of Covered Payroll
2007	\$ ---	\$ 319,685	\$ 319,685	0.0%	\$ 218,583	146.3%
2008	36,770	310,527	273,757	11.8%	256,191	106.9%
2009	45,847	303,390	257,543	15.1%	248,298	103.7%
2010	61,592	322,954	261,362	19.1%	253,977	102.9%
2011	88,232	320,558	232,326	27.5%	252,878	91.9%
2012	105,472	410,938	305,466	25.7%	241,767	126.3%
2013	133,454	389,781	256,327	34.2%	249,504	102.7%
2014	177,595	312,692	135,097	56.8%	239,752	56.3%
2015	197,900	299,697	101,797	66.0%	243,155	41.9%
2016	199,169	303,456	104,287	65.6%	244,518	42.7%
2017	232,121	278,796	46,675	83.3%	245,415	19.0%

Schedule of Employer Contributions
(amounts rounded to thousands)

Fiscal Year Actuarial Valuation Date of Applied	Actuarial Valuation Date of June 30	Annual Required Contribution (ARC)	Annual Required Contribution Percent	Contribution Made In Fiscal Year Applied	% of ARC Contributed In Year Applied
2009	2007	\$ 31,477	15.7%	\$ 18,329	58.2%
2010	2008	29,093	12.3%	20,612	70.8%
2011	2009	30,363	11.7%	24,850	81.8%
2012	2010	27,285	12.0%	31,914	117.0%
2013	2011	33,215	10.8%	29,233	88.0%
2014	2012	29,262	13.7%	36,731	125.5%
2015	2013	15,811	11.7%	31,445	198.9%
2016	2014	12,984	6.6%	21,266	163.8%
2017	2015	13,717	5.3%	15,873	115.7%

Required Supplementary Information
Shelby County Retirement System and Tennessee Consolidated Retirement System
For the Year Ended June 30, 2017

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	2014	2015	2016
Total Pension Liability						
Service cost	\$ 23,641	\$ 25,533	\$ 24,763	\$ 5,465	\$ 12,846	\$ 9,846
Interest	104,504	108,830	110,121	60,595	59,034	60,244
Changes of benefit terms	---	---	---	---	---	---
Differences between expected and actual experience	---	(6,934)	(4,524)	(41,875)	145	(4,558)
Changes in assumptions	---	59,700	90,986	---	---	---
Benefit payments, including refunds of employee contributions	(71,577)	(76,562)	(81,902)	(52,056)	(52,699)	(53,067)
Net change in total pension liability	56,568	110,567	139,444	(27,871)	19,326	12,465
Total Pension Liability - beginning	1,342,090	1,398,658	1,509,225	828,492	800,621	819,947
Total Pension Liability - ending	<u>\$ 1,398,658</u>	<u>\$ 1,509,225</u>	<u>\$ 1,648,669</u>	<u>\$ 800,621</u>	<u>\$ 819,947</u>	<u>\$ 832,412</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 31,976	\$ 34,213	\$ 35,864	\$ 9,480	\$ 10,225	\$ 10,479
Contributions - employee	13,917	15,235	15,599	5,399	5,399	5,524
Net investment income	156,598	6,327	(30,836)	116,422	24,071	20,381
Benefit payments, including refunds of employee contributions	(71,577)	(76,562)	(81,902)	(52,056)	(52,699)	(53,067)
Administrative expenses	(1,337)	(1,705)	(1,722)	(85)	(51)	(76)
Net change in Plan Fiduciary Net Position	129,577	(22,492)	(62,997)	79,160	(13,055)	(16,759)
Plan Fiduciary Net Position - beginning	1,008,049	1,137,626	1,115,134	720,910	800,070	787,015
Plan Fiduciary Net Position - ending	<u>\$ 1,137,626</u>	<u>\$ 1,115,134</u>	<u>\$ 1,052,137</u>	<u>\$ 800,070</u>	<u>\$ 787,015</u>	<u>\$ 770,256</u>
Net Pension Liability - ending	<u>\$ 261,032</u>	<u>\$ 394,091</u>	<u>\$ 596,532</u>	<u>\$ 551</u>	<u>\$ 32,932</u>	<u>\$ 62,156</u>
Plan Fiduciary Net Position as a percent of Total Pension Liability	81.34%	73.89%	63.82%	99.93%	95.98%	92.53%
Covered Payroll	\$ 240,466	\$ 243,655	\$ 244,818	\$ 107,975	\$ 107,975	\$ 110,593
Net Pension Liability as a percent of Covered Payroll	108.55%	161.74%	243.66%	0.51%	30.50%	56.20%

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.

Required Supplementary Information
Shelby County Retirement System and Tennessee Consolidated Retirement System
For the Years Ended June 30

Schedule of Employer Contributions

<u>Shelby County Retirement System</u> (\$ in thousands)										
	<u>2008</u>	<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>
Actuarially determined employer contributions*	\$ 12,956	\$ 15,261	\$ 16,652	\$ 18,571	\$ 23,402	\$ 31,826	\$ 32,983	\$ 33,220	\$ 32,113	\$ 38,668
Actual employer contributions	18,744	18,733	19,390	18,788	23,402	30,170	31,976	34,213	35,864	41,888
Annual contribution deficiency/(excess)	\$ (5,788)	\$ (3,472)	\$ (2,738)	\$ (217)	\$ ---	\$ 1,656	\$ 1,007	\$ (993)	\$ (3,751)	\$ (3,220)
Covered payroll	\$ 260,108	\$ 271,888	\$ 266,559	\$ 265,137	\$ 258,670	\$ 250,367	\$ 240,466	\$ 243,655	\$ 244,818	\$ 245,415
Actual contributions as a percent of covered payroll	7.21%	6.89%	7.27%	7.09%	9.05%	12.05%	13.30%	14.04%	14.65%	17.07%

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

Note: Although 2013 and 2014 show a deficiency in contribution dollars, the Retirement System contributed the full actuarial determined contribution as a percentage of payroll.

<u>Tennessee Consolidated Retirement System</u>										
	<u>2008</u>	<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>
Actuarially determined employer contributions							\$ 9,480	\$ 10,225	\$ 10,479	\$ 10,479
Actual employer contributions							9,480	10,225	10,479	10,479
Annual contribution deficiency/(excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$ ---	\$ ---	\$ ---	\$ ---
Covered payroll							\$ 107,975	\$ 107,975	\$ 110,593	\$ 110,663
Actual contributions as a percent of covered payroll							8.78%	9.47%	9.48%	9.47%

I. OPEB Trust Fund

(A) The Trust was established July 1, 2007 and has been active for only ten fiscal years. The reason for the significant change in the funded ratio between the first two years is that in FY 2008 an initial, special, one-time employer contribution of \$23,892,191 was made.

(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.

II. Shelby County Retirement System

Changes of benefit terms: None

Changes of assumptions: The actuarial demographic assumptions used in the June 30, 2016 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, 2016 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.

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, 2017 were based on the results of the June 30, 2015 actuarial valuation. The following actuarial methods and assumptions were used to determine the most recent contributions reported in the schedule:

Shelby County Retirement System

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Single equivalent amortization period	22 years
Asset valuation method	10 - year smoothed within a 20 percent corridor to market value
Inflation	3.00 percent
Salary increases	3.00 - 6.00 percent, including inflation
Investment rate of return	8.00 percent, net of investment related expense
Cost of living adjustments	1.00% per year, compounded for Plan B 3.00% 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, 2017 are based on the results of the July 1, 2015 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, Sheriff Forfeitures, Data Processing, Car Rental Tax, 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.



**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017**

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel Motel Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Assets:				
Cash and cash equivalents	\$ 10,021,906	\$ 2,878,969	\$ 3,466,779	\$ 1,049,523
Accounts receivable and accrued revenues	1,540	1,606,321	49,200	---
Due from other funds	---	1,869,764	1,524	62,698
Due from other governmental entities	2,770,515	---	71,669	---
Deposits held by others	---	---	1,237,595	---
Total assets	<u>\$ 12,793,961</u>	<u>\$ 6,355,054</u>	<u>\$ 4,826,767</u>	<u>\$ 1,112,221</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,259,087	\$ 1,459,314	\$ 122,214	\$ 27,139
Due to other funds	---	---	95	---
Due to other governmental entities	14,563	---	80,370	---
Deposits held for others	---	---	1,237,595	---
Total liabilities	<u>1,273,650</u>	<u>1,459,314</u>	<u>1,440,274</u>	<u>27,139</u>
Deferred inflows of resources:				
Unavailable revenue	420,317	---	106,166	---
Total deferred inflows of resources	<u>420,317</u>	<u>---</u>	<u>106,166</u>	<u>---</u>
Fund balances:				
Restricted	11,099,994	4,895,740	3,280,327	1,085,082
Committed	---	---	---	---
Total fund balances	<u>11,099,994</u>	<u>4,895,740</u>	<u>3,280,327</u>	<u>1,085,082</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 12,793,961</u>	<u>\$ 6,355,054</u>	<u>\$ 4,826,767</u>	<u>\$ 1,112,221</u>

Car Rental Tax Fund	Health Services Restricted Fees Fund	Storm Water Fees Fund	Economic Development Fund	Restricted Court Fees Fund	Total
\$ 181,112	\$ 1,162,492	\$ 1,648,493	\$ 3,769,893	\$ 1,179,842	\$ 25,359,009
223,295	304,490	61,637	---	127,067	2,373,550
212,685	---	---	---	28,412	2,175,083
---	55	---	---	---	2,842,239
---	---	---	---	---	1,237,595
<u>\$ 617,092</u>	<u>\$ 1,467,037</u>	<u>\$ 1,710,130</u>	<u>\$ 3,769,893</u>	<u>\$ 1,335,321</u>	<u>\$ 33,987,476</u>
\$ 617,092	\$ 66,234	\$ 1,886	\$ 16,145	\$ 31,442	\$ 3,600,553
---	---	---	---	---	95
---	894	---	---	---	95,827
---	---	---	---	---	1,237,595
<u>617,092</u>	<u>67,128</u>	<u>1,886</u>	<u>16,145</u>	<u>31,442</u>	<u>4,934,070</u>
---	---	---	---	---	526,483
---	---	---	---	---	526,483
---	371,725	1,708,244	---	1,303,879	23,744,991
---	1,028,184	---	3,753,748	---	4,781,932
---	1,399,909	1,708,244	3,753,748	1,303,879	28,526,923
<u>\$ 617,092</u>	<u>\$ 1,467,037</u>	<u>\$ 1,710,130</u>	<u>\$ 3,769,893</u>	<u>\$ 1,335,321</u>	<u>\$ 33,987,476</u>

Shelby County, Tennessee

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2017

	Special Revenue Funds			
	Roads and Bridges Fund	Hotel Motel Taxes Fund	Sheriff Forfeitures Fund	Data Processing Fund
Revenues:				
Other local taxes	\$ 3,221,724	\$ 17,112,662	\$ ---	\$ ---
State revenue	10,002,262	---	---	---
Federal and local revenue	---	---	67,399	---
Charges for services	534,579	---	625,308	4,229
Fines, fees and permits	44,656	---	10,899	546,862
Other revenue	39,000	---	2,455,643	---
Investment income	73,157	37,753	21,431	8,392
Total revenue	<u>13,915,378</u>	<u>17,150,415</u>	<u>3,180,680</u>	<u>559,483</u>
Expenditures:				
General Government	---	15,640,063	---	---
Public Works	12,125,472	---	---	---
Health Services	---	---	---	---
Law Enforcement	---	---	1,719,282	---
Judicial	---	---	---	339,808
Other Elected Officials	---	---	---	175,944
Total expenditures	<u>12,125,472</u>	<u>15,640,063</u>	<u>1,719,282</u>	<u>515,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,789,906</u>	<u>1,510,352</u>	<u>1,461,398</u>	<u>43,731</u>
Other financing sources (uses):				
Transfers in	257,673	---	---	---
Transfers out	(157,692)	---	---	(10,438)
Sale of capital assets	79,900	---	---	---
Total other financing sources (uses)	<u>179,881</u>	<u>---</u>	<u>---</u>	<u>(10,438)</u>
Net change in fund balance	1,969,787	1,510,352	1,461,398	33,293
Fund balances:				
June 30, 2016	<u>9,130,207</u>	<u>3,385,388</u>	<u>1,818,929</u>	<u>1,051,789</u>
June 30, 2017	<u>\$ 11,099,994</u>	<u>\$ 4,895,740</u>	<u>\$ 3,280,327</u>	<u>\$ 1,085,082</u>

Car Rental Tax Fund	Health Services Restricted Fees Fund	Storm Water Fees Fund	Economic Development Fund	Restricted Court Fees Fund	Total
\$ 2,249,924	\$ ---	\$ ---	\$ ---	\$ ---	\$ 22,584,310
---	---	---	---	---	10,002,262
---	---	---	---	---	67,399
---	40	---	---	---	1,164,156
---	4,329,400	731,047	---	347,838	6,010,702
---	---	---	---	---	2,494,643
---	7,867	12,962	34,178	10,279	206,019
<u>2,249,924</u>	<u>4,337,307</u>	<u>744,009</u>	<u>34,178</u>	<u>358,117</u>	<u>42,529,491</u>
2,249,924	---	---	581,998	---	18,471,985
---	---	567,795	---	---	12,693,267
---	4,509,606	---	---	---	4,509,606
---	---	---	---	---	1,719,282
---	---	---	---	357,162	696,970
---	---	---	---	---	175,944
<u>2,249,924</u>	<u>4,509,606</u>	<u>567,795</u>	<u>581,998</u>	<u>357,162</u>	<u>38,267,054</u>
---	(172,299)	176,214	(547,820)	955	4,262,437
---	---	---	---	---	257,673
---	(31,562)	(36,595)	---	---	(236,287)
---	---	---	---	---	79,900
---	<u>(31,562)</u>	<u>(36,595)</u>	<u>---</u>	<u>---</u>	<u>101,286</u>
---	(203,861)	139,619	(547,820)	955	4,363,723
---	1,603,770	1,568,625	4,301,568	1,302,924	24,163,200
<u>\$ ---</u>	<u>\$ 1,399,909</u>	<u>\$ 1,708,244</u>	<u>\$ 3,753,748</u>	<u>\$ 1,303,879</u>	<u>\$ 28,526,923</u>

Shelby County, Tennessee

Nonmajor Governmental Funds
 Budgetary Comparison Schedules
 For the Year Ended June 30, 2017

Roads and Bridges Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 3,160,000	\$ 3,160,000	\$ 3,221,724	\$ 61,724
State revenue	9,375,000	9,375,000	10,002,262	627,262
Charges for services	829,765	819,265	534,579	(284,686)
Fines, fees and permits	36,000	36,000	44,656	8,656
Other revenue	---	---	39,000	39,000
Investment income	20,000	20,000	73,157	53,157
Total revenues	<u>13,420,765</u>	<u>13,410,265</u>	<u>13,915,378</u>	<u>505,113</u>
Expenditures:				
Salaries	4,078,799	4,084,942	3,919,554	165,388
Other compensation	238,010	238,010	117,787	120,223
Fringe benefits	1,552,682	1,546,539	1,452,252	94,287
Salary restriction	(93,067)	(93,067)	---	(93,067)
Supplies and materials	1,679,762	1,502,694	728,761	773,933
Services and other expenditures	155,785	153,091	118,540	34,551
Professional and contracted services	143,500	133,500	60,963	72,537
Rent, utilities and maintenance	222,385	322,385	132,262	190,123
Interfund services	1,613,736	1,621,886	1,404,593	217,293
Asset acquisitions	4,790,500	6,026,916	4,190,760	1,836,156
Total expenditures	<u>14,382,092</u>	<u>15,536,896</u>	<u>12,125,472</u>	<u>3,411,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(961,327)</u>	<u>(2,126,631)</u>	<u>1,789,906</u>	<u>3,916,537</u>
Other financing sources (uses):				
Transfers in	---	236,752	257,673	20,921
Transfers out	(175,701)	(394,397)	(157,692)	236,705
Sale of capital assets	20,000	20,000	79,900	59,900
Planned change in fund balance	1,117,028	2,264,276	---	(2,264,276)
Total other financing sources (uses):	<u>961,327</u>	<u>2,126,631</u>	<u>179,881</u>	<u>(1,946,750)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,969,787</u>	<u>\$ 1,969,787</u>

Shelby County, Tennessee

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Hotel Motel Taxes Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 16,100,000	\$ 16,100,000	\$ 17,112,662	\$ 1,012,662
Investment income	---	---	37,753	37,753
Total revenues	<u>16,100,000</u>	<u>16,100,000</u>	<u>17,150,415</u>	<u>1,050,415</u>
Expenditures:				
Affiliated organizations	<u>17,621,100</u>	<u>17,621,100</u>	<u>15,640,063</u>	<u>1,981,037</u>
Total expenditures	<u>17,621,100</u>	<u>17,621,100</u>	<u>15,640,063</u>	<u>1,981,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,521,100)</u>	<u>(1,521,100)</u>	<u>1,510,352</u>	<u>3,031,452</u>
Other financing sources (uses):				
Planned change in fund balance	<u>1,521,100</u>	<u>1,521,100</u>	<u>---</u>	<u>(1,521,100)</u>
Total other financing sources (uses):	<u>1,521,100</u>	<u>1,521,100</u>	<u>---</u>	<u>(1,521,100)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,510,352</u>	<u>\$ 1,510,352</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Sheriff Forfeitures Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 40,000	\$ 40,000	\$ 67,399	\$ 27,399
Charges for services	195,000	195,000	625,308	430,308
Fines, fees and permits	26,000	26,000	10,899	(15,101)
Other revenue	1,934,000	1,934,000	2,455,643	521,643
Investment income	13,000	13,000	21,431	8,431
Total revenues	<u>2,208,000</u>	<u>2,208,000</u>	<u>3,180,680</u>	<u>972,680</u>
Expenditures:				
Other compensation	378,000	378,000	9,565	368,435
Supplies and materials	383,500	408,076	259,991	148,085
Services and other expenditures	344,000	334,365	261,453	72,912
Professional and contracted services	188,000	288,000	259,306	28,694
Rent, utilities and maintenance	478,560	461,424	396,257	65,167
Interfund services	117,200	119,780	103,195	16,585
Asset acquisitions	675,000	641,651	429,515	212,136
Total expenditures	<u>2,564,260</u>	<u>2,631,296</u>	<u>1,719,282</u>	<u>912,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(356,260)</u>	<u>(423,296)</u>	<u>1,461,398</u>	<u>1,884,694</u>
Other financing sources (uses):				
Planned change in fund balance	356,260	423,296	---	(423,296)
Total other financing sources (uses):	<u>356,260</u>	<u>423,296</u>	<u>---</u>	<u>(423,296)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,461,398</u>	<u>\$ 1,461,398</u>

Shelby County, Tennessee

Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2017

Data Processing Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 10,845	\$ 10,845	\$ 4,229	\$ (6,616)
Fines, fees and permits	603,455	603,455	546,862	(56,593)
Investment income	3,050	3,050	8,392	5,342
Total revenues	<u>617,350</u>	<u>617,350</u>	<u>559,483</u>	<u>(57,867)</u>
Expenditures:				
Supplies and materials	59,260	85,260	26,760	58,500
Services and other expenditures	635,674	603,795	348,522	255,273
Professional and contracted services	107,634	53,134	26,230	26,904
Rent, utilities and maintenance	117,030	110,316	55,638	54,678
Interfund services	58,109	64,050	58,602	5,448
Asset acquisitions	45,095	45,095	---	45,095
Total expenditures	<u>1,022,802</u>	<u>961,650</u>	<u>515,752</u>	<u>445,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(405,452)</u>	<u>(344,300)</u>	<u>43,731</u>	<u>388,031</u>
Other financing sources (uses):				
Transfers out	---	(10,438)	(10,438)	---
Planned change in fund balance	405,452	354,738	---	(354,738)
Total other financing sources (uses):	<u>405,452</u>	<u>344,300</u>	<u>(10,438)</u>	<u>(354,738)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 33,293</u>	<u>\$ 33,293</u>

Car Rental Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 2,200,000	\$ 2,200,000	\$ 2,249,924	\$ 49,924
Total revenues	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,249,924</u>	<u>49,924</u>
Expenditures:				
Affiliated organizations	2,200,000	2,200,000	2,249,924	(49,924)
Total expenditures	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,249,924</u>	<u>(49,924)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Health Services Restricted Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 750	\$ 750	\$ 40	\$ (710)
Fines, fees and permits	4,470,000	4,470,000	4,329,400	(140,600)
Investment income	6,500	6,500	7,867	1,367
Total revenues	<u>4,477,250</u>	<u>4,477,250</u>	<u>4,337,307</u>	<u>(139,943)</u>
Expenditures:				
Salaries	2,934,445	2,934,445	2,690,960	243,485
Other compensation	144,809	148,809	147,422	1,387
Fringe benefits	1,008,920	1,004,920	940,626	64,294
Salary restriction	(25,000)	(25,000)	---	(25,000)
Supplies and materials	272,563	255,063	158,135	96,928
Services and other expenditures	41,851	67,651	62,217	5,434
Professional and contracted services	80,300	80,300	40,000	40,300
Rent, utilities and maintenance	90,780	94,980	27,322	67,658
Interfund services	338,430	338,430	314,875	23,555
Asset acquisitions	224,000	211,500	128,049	83,451
Total expenditures	<u>5,111,098</u>	<u>5,111,098</u>	<u>4,509,606</u>	<u>601,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(633,848)</u>	<u>(633,848)</u>	<u>(172,299)</u>	<u>461,549</u>
Other financing sources (uses):				
Transfers out	(71,992)	(71,992)	(31,562)	40,430
Planned change in fund balance	705,840	705,840	---	(705,840)
Total other financing sources (uses):	<u>633,848</u>	<u>633,848</u>	<u>(31,562)</u>	<u>(665,410)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (203,861)</u>	<u>\$ (203,861)</u>

**Nonmajor Governmental Funds
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Storm Water Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 720,000	\$ 720,000	\$ 731,047	\$ 11,047
Investment income	---	---	12,962	12,962
Total revenues	<u>720,000</u>	<u>720,000</u>	<u>744,009</u>	<u>24,009</u>
Expenditures:				
Salaries	148,549	148,349	115,881	32,468
Other compensation	530	730	653	77
Fringe benefits	40,617	40,617	40,617	---
Supplies and materials	41,930	41,930	10,884	31,046
Services and other expenditures	21,935	20,935	14,045	6,890
Professional and contracted services	395,019	388,620	114,912	273,708
Rent, utilities and maintenance	17,800	17,800	2,488	15,312
Interfund services	230,200	231,200	168,315	62,885
Asset acquisitions	300,000	453,326	100,000	353,326
Total expenditures	<u>1,196,580</u>	<u>1,343,507</u>	<u>567,795</u>	<u>775,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(476,580)</u>	<u>(623,507)</u>	<u>176,214</u>	<u>799,721</u>
Other financing sources (uses):				
Transfers out	---	(36,595)	(36,595)	---
Planned change in fund balance	476,580	660,102	---	(660,102)
Total other financing sources (uses):	<u>476,580</u>	<u>623,507</u>	<u>(36,595)</u>	<u>(660,102)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 139,619</u>	<u>\$ 139,619</u>

Shelby County, Tennessee

Nonmajor Governmental Funds
 Budgetary Comparison Schedules
 For the Year Ended June 30, 2017

Economic Development Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Investment income	\$ ---	\$ ---	\$ 34,178	\$ 34,178
Total revenues	---	---	34,178	34,178
Expenditures:				
Professional and contracted services	2,000,000	2,000,000	581,998	1,418,002
Affiliated organizations	1,000,000	1,000,000	---	1,000,000
Total expenditures	3,000,000	3,000,000	581,998	2,418,002
Excess (deficiency) of revenues over (under) expenditures	(3,000,000)	(3,000,000)	(547,820)	2,452,180
Other financing sources (uses):				
Planned change in fund balance	3,000,000	3,000,000	---	(3,000,000)
Total other financing sources (uses):	3,000,000	3,000,000	---	(3,000,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (547,820)	\$ (547,820)

Restricted Court Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 470,000	\$ 470,000	\$ 347,838	\$ (122,162)
Investment income	3,500	3,500	10,279	6,779
Total revenues	473,500	473,500	358,117	(115,383)
Expenditures:				
Salaries	215,132	224,192	204,604	19,588
Other compensation	3,409	3,409	1,842	1,567
Fringe benefits	76,215	78,586	76,315	2,271
Supplies and materials	750	22,550	7,616	14,934
Services and other expenditures	6,500	10,655	10,592	63
Professional and contracted services	394,452	356,466	51,888	304,578
Rent, utilities and maintenance	2,850	2,950	2,908	42
Interfund services	1,250	1,750	1,397	353
Total expenditures	700,558	700,558	357,162	343,396
Excess (deficiency) of revenues over (under) expenditures	(227,058)	(227,058)	955	228,013
Other financing sources (uses):				
Planned change in fund balance	227,058	227,058	---	(227,058)
Total other financing sources (uses):	227,058	227,058	---	(227,058)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 955	\$ 955

Shelby County, Tennessee

**Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2017**

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
Assets:			
Current assets			
Cash and cash equivalents	\$ 6,064,353	\$ 2,929,012	\$ 8,993,365
Accounts receivable and accrued revenues	34,518	1,760,532	1,795,050
Due from other governmental entities	282	178,173	178,455
Prepays	4,721	3,198	7,919
Total current assets	<u>6,103,874</u>	<u>4,870,915</u>	<u>10,974,789</u>
Noncurrent assets			
Net OPEB asset	136,030	449,082	585,112
Land	---	5,300	5,300
Depreciable capital assets, net	1,577,008	8,530,556	10,107,564
Total noncurrent assets	<u>1,713,038</u>	<u>8,984,938</u>	<u>10,697,976</u>
Total assets	<u>7,816,912</u>	<u>13,855,853</u>	<u>21,672,765</u>
Deferred outflows of resources:			
Pension related deferred outflows	6,199,781	10,147,315	16,347,096
Total deferred outflows of resources	<u>6,199,781</u>	<u>10,147,315</u>	<u>16,347,096</u>
Liabilities:			
Current liabilities			
Accounts payable and accrued liabilities	11,484	254,332	265,816
Due to other governmental entities	61,288	20,350	81,638
Compensated absences payable	428,880	931,580	1,360,460
Advance from other funds - current portion	---	450,000	450,000
Accrued interest payable	---	9,375	9,375
Unearned revenue	124,940	19,658	144,598
Deposits held for others	4,500	---	4,500
Total current liabilities	<u>631,092</u>	<u>1,685,295</u>	<u>2,316,387</u>
Noncurrent liabilities			
Advance from other funds - long term	---	1,800,000	1,800,000
Accrued sick leave payable	192,861	433,936	626,797
Unfunded net pension obligation	14,335,775	22,953,432	37,289,207
Total noncurrent liabilities	<u>14,528,636</u>	<u>25,187,368</u>	<u>39,716,004</u>
Total liabilities	<u>15,159,728</u>	<u>26,872,663</u>	<u>42,032,391</u>
Deferred inflows of resources:			
Pension related deferred inflows	180,071	288,317	468,388
Total deferred inflows of resources	<u>180,071</u>	<u>288,317</u>	<u>468,388</u>
Net position:			
Net investment in capital assets	1,577,008	6,285,856	7,862,864
Unrestricted	(2,900,114)	(9,443,668)	(12,343,782)
Total net position	<u>\$ (1,323,106)</u>	<u>\$ (3,157,812)</u>	<u>\$ (4,480,918)</u>

Shelby County, Tennessee

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2017

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
Operating revenues:			
State revenue	\$ ---	\$ 82,200	\$ 82,200
Federal and local revenue	---	1,178,158	1,178,158
Charges for services	18,909	948,026	966,935
Fines, fees and permits	9,027,011	20,182,735	29,209,746
Other revenue	3,237	5,234	8,471
Total operating revenues	<u>9,049,157</u>	<u>22,396,353</u>	<u>31,445,510</u>
Operating expenses:			
Salaries	6,037,528	10,662,778	16,700,306
Other compensation	91,309	2,029,838	2,121,147
Fringe benefits	3,572,229	5,963,817	9,536,046
Supplies and materials	131,657	896,274	1,027,931
Services and other expenses	114,871	101,881	216,752
Professional and contracted services	137,270	1,134,361	1,271,631
Rent, utilities and maintenance	58,276	608,032	666,308
Interfund services	871,016	1,174,663	2,045,679
Depreciation	128,574	420,795	549,369
Claims incurred	---	240	240
Total operating expenses	<u>11,142,730</u>	<u>22,992,679</u>	<u>34,135,409</u>
Operating income (loss)	<u>(2,093,573)</u>	<u>(596,326)</u>	<u>(2,689,899)</u>
Nonoperating revenues (expenses)			
Intergovernmental	1,500,000	---	1,500,000
Investment income	50,542	14,647	65,189
Interest expense	---	(9,375)	(9,375)
Insurance recoveries	5,109	---	5,109
Gain (loss) on asset disposal	5,550	15,525	21,075
Net nonoperating revenues (expenses)	<u>1,561,201</u>	<u>20,797</u>	<u>1,581,998</u>
Transfers:			
Transfers in	1,500,000	---	1,500,000
Transfers out	(206,924)	---	(206,924)
Net transfers	<u>1,293,076</u>	<u>---</u>	<u>1,293,076</u>
Change in net position	760,704	(575,529)	185,175
Net position:			
June 30, 2016	<u>(2,083,810)</u>	<u>(2,582,283)</u>	<u>(4,666,093)</u>
June 30, 2017	<u>\$ (1,323,106)</u>	<u>\$ (3,157,812)</u>	<u>\$ (4,480,918)</u>

Shelby County, Tennessee

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2017**

	Consolidated Codes		Total
	Enforcement Fund	Fire Services Fund	
Cash flows from operating activities:			
Receipts from customers	\$ 9,192,122	\$ 21,943,730	\$ 31,135,852
Receipts for special programs	---	82,200	82,200
Receipts from interfund services provided	---	23,128	23,128
Refunds received from suppliers	2,092	1,823	3,915
Refunds paid to customers	(120,079)	---	(120,079)
Cash payments to suppliers	(490,778)	(2,710,805)	(3,201,583)
Cash payments to employees	(8,499,389)	(16,754,367)	(25,253,756)
Claims paid	---	(240)	(240)
Payments for interfund services used	(871,016)	(1,174,663)	(2,045,679)
Net cash provided by (used in) operating activities	<u>(787,048)</u>	<u>1,410,806</u>	<u>623,758</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	1,500,000	---	1,500,000
Transfers to other funds	(198,494)	---	(198,494)
Payments from City of Memphis	1,500,000	---	1,500,000
Net cash provided by (used in) noncapital financing activities	<u>2,801,506</u>	<u>---</u>	<u>2,801,506</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(60,184)	(2,212,014)	(2,272,198)
Proceeds from sale of capital assets	5,550	15,650	21,200
Advance from other fund	---	2,250,000	2,250,000
Insurance recoveries	5,109	---	5,109
Net cash provided by (used in) capital and related financing activities	<u>(49,525)</u>	<u>53,636</u>	<u>4,111</u>
Cash flows from investing activities:			
Interest and investment earnings	50,542	14,647	65,189
Net cash provided by (used in) investing activities	<u>50,542</u>	<u>14,647</u>	<u>65,189</u>
Net increase (decrease) in cash and cash equivalents	2,015,475	1,479,089	3,494,564
Cash and cash equivalents, June 30, 2016	<u>4,048,878</u>	<u>1,449,923</u>	<u>5,498,801</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 6,064,353</u>	<u>\$ 2,929,012</u>	<u>\$ 8,993,365</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ (2,093,573)</u>	<u>\$ (596,326)</u>	<u>\$ (2,689,899)</u>
Adjustments:			
Depreciation	128,574	420,795	549,369
Changes in assets and liabilities			
Accounts receivable and accrued revenues	(15,161)	(137,233)	(152,394)
Due from other governmental entities	10	(165,417)	(165,407)
Prepays	(4,579)	(2,443)	(7,022)
Deferred outflows	(3,701,982)	(6,204,923)	(9,906,905)
Accounts payable and accrued liabilities	(70,572)	46,492	(24,080)
Due to other governmental entities	26,573	(855)	25,718
Compensated absences payable	(30,989)	197,251	166,262
Unearned revenue	38,930	(42,822)	(3,892)
Deposits held for others	1,200	---	1,200
Net postemployment benefit obligations	4,884,139	7,815,546	12,699,685
Deferred inflows	50,382	80,741	131,123
Total adjustments	<u>1,306,525</u>	<u>2,007,132</u>	<u>3,313,657</u>
Net cash provided by (used in) operating activities	<u>\$ (787,048)</u>	<u>\$ 1,410,806</u>	<u>\$ 623,758</u>
Noncash investing capital and financing activities:			
Transfers of capital assets to internal service funds	\$ (8,430)		\$ (8,430)
Accrued interest payable		\$ (9,375)	\$ (9,375)
Non-cash residual on disposal of assets		\$ (125)	\$ (125)

Shelby County, Tennessee

**Internal Service Funds
Combining Statement of Net Position
June 30, 2017**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Assets:					
Current assets					
Cash and cash equivalents	\$ 6,301,783	\$ 20,316,738	\$ 7,330,593	\$ 10,988,778	\$ 44,937,892
Accounts receivable and accrued revenues	20,787	39,763	---	---	60,550
Due from other governmental entities	4,489	93,909	---	---	98,398
Inventories	208,245	---	---	---	208,245
Prepays	1,508	---	---	---	1,508
Total current assets	<u>6,536,812</u>	<u>20,450,410</u>	<u>7,330,593</u>	<u>10,988,778</u>	<u>45,306,593</u>
Noncurrent assets					
Deposits held by others	---	---	---	200,000	200,000
Net OPEB asset	27,283	---	---	---	27,283
Depreciable capital assets, net	2,286,823	---	---	---	2,286,823
Total noncurrent assets	<u>2,314,106</u>	<u>---</u>	<u>---</u>	<u>200,000</u>	<u>2,514,106</u>
Total assets	<u>8,850,918</u>	<u>20,450,410</u>	<u>7,330,593</u>	<u>11,188,778</u>	<u>47,820,699</u>
Deferred outflows of resources:					
Pension related deferred outflows	819,529	---	---	---	819,529
Total deferred outflows of resources	<u>819,529</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>819,529</u>
Liabilities:					
Current liabilities					
Accounts payable and accrued liabilities	503,449	59,897	---	11,110	574,456
Claims payable	---	3,436,770	528,413	1,601,508	5,566,691
Compensated absences payable	61,642	---	---	---	61,642
Unearned revenue	---	3,839,272	---	---	3,839,272
Total current liabilities	<u>565,091</u>	<u>7,335,939</u>	<u>528,413</u>	<u>1,612,618</u>	<u>10,042,061</u>
Noncurrent liabilities					
Claims payable, long-term	---	---	2,690,000	2,250,651	4,940,651
Accrued sick leave payable	30,687	---	---	---	30,687
Unfunded net pension obligation	1,867,861	---	---	---	1,867,861
Total noncurrent liabilities	<u>1,898,548</u>	<u>---</u>	<u>2,690,000</u>	<u>2,250,651</u>	<u>6,839,199</u>
Total liabilities	<u>2,463,639</u>	<u>7,335,939</u>	<u>3,218,413</u>	<u>3,863,269</u>	<u>16,881,260</u>
Deferred inflows of resources:					
Pension related deferred inflows	23,463	---	---	---	23,463
Total deferred inflows of resources	<u>23,463</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>23,463</u>
Net position:					
Net investment in capital assets	2,286,823	---	---	---	2,286,823
Unrestricted	4,896,522	13,114,471	4,112,180	7,325,509	29,448,682
Total net position	<u>\$ 7,183,345</u>	<u>\$ 13,114,471</u>	<u>\$ 4,112,180</u>	<u>\$ 7,325,509</u>	<u>\$ 31,735,505</u>

Shelby County, Tennessee

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2017

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Operating revenues:					
Charges for services	\$ 7,376,762	\$ ---	\$ ---	\$ ---	\$ 7,376,762
Other revenue	4,077	217,638	2,123	8,819	232,657
Premium revenue	---	48,101,445	571,107	1,968,229	50,640,781
Total operating revenues	<u>7,380,839</u>	<u>48,319,083</u>	<u>573,230</u>	<u>1,977,048</u>	<u>58,250,200</u>
Operating expenses:					
Salaries	852,146	---	---	---	852,146
Other compensation	16,760	---	---	---	16,760
Fringe benefits	608,226	---	---	---	608,226
Supplies and materials	1,836,852	---	---	13,828	1,850,680
Services and other expenses	364,868	254,695	---	---	619,563
Professional and contracted services	108,903	3,054,843	51,812	176,602	3,392,160
Rent, utilities and maintenance	2,533,960	---	---	---	2,533,960
Interfund services	22,552	---	---	---	22,552
Depreciation	242,446	---	---	---	242,446
Claims incurred	---	38,587,114	1,881,272	1,034,040	41,502,426
Total operating expenses	<u>6,586,713</u>	<u>41,896,652</u>	<u>1,933,084</u>	<u>1,224,470</u>	<u>51,640,919</u>
Operating income (loss)	<u>794,126</u>	<u>6,422,431</u>	<u>(1,359,854)</u>	<u>752,578</u>	<u>6,609,281</u>
Nonoperating revenues (expenses)					
Investment income	---	137,026	---	---	137,026
Gain (loss) on asset disposal	(37,341)	---	---	---	(37,341)
Net nonoperating revenues (expenses)	<u>(37,341)</u>	<u>137,026</u>	<u>---</u>	<u>---</u>	<u>99,685</u>
Income (loss) before capital contributions and transfers	<u>756,785</u>	<u>6,559,457</u>	<u>(1,359,854)</u>	<u>752,578</u>	<u>6,708,966</u>
Capital contributions	<u>54,063</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>54,063</u>
Transfers:					
Transfers in	8,430	---	250,000	---	258,430
Transfers out	---	(245,500)	---	---	(245,500)
Net transfers	<u>8,430</u>	<u>(245,500)</u>	<u>250,000</u>	<u>---</u>	<u>12,930</u>
Change in net position	819,278	6,313,957	(1,109,854)	752,578	6,775,959
Net position:					
June 30, 2016	<u>6,364,067</u>	<u>6,800,514</u>	<u>5,222,034</u>	<u>6,572,931</u>	<u>24,959,546</u>
June 30, 2017	<u>\$ 7,183,345</u>	<u>\$ 13,114,471</u>	<u>\$ 4,112,180</u>	<u>\$ 7,325,509</u>	<u>\$ 31,735,505</u>

Shelby County, Tennessee

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2017**

	Central Services Fund	Group Health Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
Cash flows from operating activities:					
Receipts from customers	\$ 161,796	\$ ---	\$ ---	\$ ---	\$ 161,796
Receipts from interfund services provided	7,235,116	---	---	---	7,235,116
Premiums received	---	47,972,229	571,107	1,968,229	50,511,565
Refunds received from suppliers	642	217,638	2,123	8,819	229,222
Refunds paid to customers	(16,042)	---	---	---	(16,042)
Cash payments to suppliers	(4,908,577)	(3,313,315)	(54,492)	(194,430)	(8,470,814)
Cash payments to employees	(1,239,130)	---	---	---	(1,239,130)
Claims paid	---	(39,118,378)	(530,755)	(1,581,109)	(41,230,242)
Payments for interfund services used	(22,552)	---	---	---	(22,552)
Net cash provided by (used in) operating activities	<u>1,211,253</u>	<u>5,758,174</u>	<u>(12,017)</u>	<u>201,509</u>	<u>7,158,919</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	---	---	250,000	---	250,000
Transfers to other funds	---	(245,500)	---	---	(245,500)
Net cash provided by (used in) noncapital financing activities	<u>---</u>	<u>(245,500)</u>	<u>250,000</u>	<u>---</u>	<u>4,500</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(760,030)	---	---	---	(760,030)
Proceeds from sale of capital assets	100	---	---	---	100
Insurance recoveries	7,687	---	---	---	7,687
Net cash provided by (used in) capital and related financing activities	<u>(752,243)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(752,243)</u>
Cash flows from investing activities:					
Interest and investment earnings	---	137,026	---	---	137,026
Net cash provided by (used in) investing activities	<u>---</u>	<u>137,026</u>	<u>---</u>	<u>---</u>	<u>137,026</u>
Net increase (decrease) in cash and cash equivalents	459,010	5,649,700	237,983	201,509	6,548,202
Cash and cash equivalents, June 30, 2016	<u>5,842,773</u>	<u>14,667,038</u>	<u>7,092,610</u>	<u>10,787,269</u>	<u>38,389,690</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 6,301,783</u>	<u>\$ 20,316,738</u>	<u>\$ 7,330,593</u>	<u>\$ 10,988,778</u>	<u>\$ 44,937,892</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 794,126	\$ 6,422,431	\$ (1,359,854)	\$ 752,578	\$ 6,609,281
Adjustments:					
Depreciation	242,446	---	---	---	242,446
Changes in assets and liabilities					
Accounts receivable and accrued revenues	2,235	92,506	---	---	94,741
Due from other governmental entities	(2,203)	(93,909)	---	---	(96,112)
Inventories	103,935	---	---	---	103,935
Prepays	(240)	---	---	---	(240)
Deferred outflows	(515,683)	---	---	---	(515,683)
Accounts payable and accrued liabilities	(166,997)	(3,779)	(2,680)	(4,000)	(177,456)
Claims payable	---	(531,264)	1,350,517	(547,069)	272,184
Compensated absences payable	(7,469)	---	---	---	(7,469)
Unearned revenue	---	(127,811)	---	---	(127,811)
Net postemployment benefit obligations	752,924	---	---	---	752,924
Deferred inflows	8,179	---	---	---	8,179
Total adjustments	<u>417,127</u>	<u>(664,257)</u>	<u>1,347,837</u>	<u>(551,069)</u>	<u>549,638</u>
Net cash provided by (used in) operating activities	<u>\$ 1,211,253</u>	<u>\$ 5,758,174</u>	<u>\$ (12,017)</u>	<u>\$ 201,509</u>	<u>\$ 7,158,919</u>
Noncash investing capital and financing activities:					
Transfers of capital assets from enterprise funds	\$ 8,430	---	---	---	\$ 8,430
Non-cash residual on disposal of assets	\$ (16,260)	---	---	---	\$ (16,260)
Capital assets transferred from governmental funds	\$ 54,063	---	---	---	\$ 54,063
Capital assets transferred to governmental funds	\$ (28,868)	---	---	---	\$ (28,868)

Shelby County, Tennessee

Fiduciary Funds
Postemployment Benefit Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2017

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Assets:			
Cash and cash equivalents	\$ 8,835,125	\$ 52,856,412	\$ 61,691,537
Investments			
Domestic equity	90,501,418	296,020,349	386,521,767
International equity	32,933,817	191,866,686	224,800,503
Fixed income	39,976,435	206,552,259	246,528,694
Global low-volatility equity	14,717,627	51,336,801	66,054,428
Hedge funds	---	132,620,471	132,620,471
Private real estate and infrastructure	5,110,511	19,754,010	24,864,521
Alternative investments	21,353,379	---	21,353,379
Limited partnership interests	---	95,156,885	95,156,885
Master limited partnerships	19,399,124	94,850,896	114,250,020
Accounts receivable and accrued revenues	39,882	---	39,882
Accrued interest and dividends receivable	---	2,024,226	2,024,226
Due from brokers - investment sales	---	1,576,266	1,576,266
Total investments	<u>224,032,193</u>	<u>1,091,758,849</u>	<u>1,315,791,042</u>
Deferred outflows of resources:			
Fair value of hedging derivatives	---	410,185	410,185
Total deferred outflows of resources	<u>---</u>	<u>410,185</u>	<u>410,185</u>
Liabilities:			
Accounts payable	746,462	807,125	1,553,587
Due to brokers and others	---	3,928,881	3,928,881
Total liabilities	<u>746,462</u>	<u>4,736,006</u>	<u>5,482,468</u>
Net position held in trust for other postemployment and pension benefits	<u>\$ 232,120,856</u>	<u>\$ 1,140,289,440</u>	<u>\$ 1,372,410,296</u>

Shelby County, Tennessee

Fiduciary Funds
Postemployment Benefit Trust Funds Combining
Statement of Changes in Fiduciary Net Position
June 30, 2017

	Other Postemployment Benefits Trust Fund	Shelby County Retirement System	Total
Additions:			
Contributions			
Employer contributions	\$ 15,873,291	\$ 41,887,837	\$ 57,761,128
Member contributions	6,310,326	15,687,519	21,997,845
Total contributions	<u>22,183,617</u>	<u>57,575,356</u>	<u>79,758,973</u>
Investment income			
Net change in fair value of investments	22,508,308	94,809,995	117,318,303
Interest income	72,897	6,148,607	6,221,504
Dividend income	4,500,525	20,052,102	24,552,627
Other income	22,231	326,509	348,740
Total investment income	<u>27,103,961</u>	<u>121,337,213</u>	<u>148,441,174</u>
Less investment management expenses	(441,897)	(3,581,128)	(4,023,025)
Net investment income (loss)	<u>26,662,064</u>	<u>117,756,085</u>	<u>144,418,149</u>
Security lending activities			
Securities lending income	---	496,413	496,413
Securities lending expenses	---	(148,828)	(148,828)
Net securities lending activities	<u>---</u>	<u>347,585</u>	<u>347,585</u>
Net additions	<u>48,845,681</u>	<u>175,679,026</u>	<u>224,524,707</u>
Deductions:			
Benefit payments	14,865,282	78,551,778	93,417,060
Administrative expenses	536,864	1,242,196	1,779,060
Refund of member contributions	---	7,732,918	7,732,918
Total deductions	<u>15,402,146</u>	<u>87,526,892</u>	<u>102,929,038</u>
Change in net position	33,443,535	88,152,134	121,595,669
Net position held in trust for benefits:			
June 30, 2016	<u>198,677,321</u>	<u>1,052,137,306</u>	<u>1,250,814,627</u>
June 30, 2017	<u>\$ 232,120,856</u>	<u>\$ 1,140,289,440</u>	<u>\$ 1,372,410,296</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, 2017**

	Beginning Balance	Additions	Deductions	Ending Balance
Chancery Court				
Assets:				
Cash and cash equivalents	\$ 14,268,019	\$ 34,188,702	\$ (31,801,062)	\$ 16,655,659
Total assets	<u>\$ 14,268,019</u>	<u>\$ 34,188,702</u>	<u>\$ (31,801,062)</u>	<u>\$ 16,655,659</u>
Liabilities:				
Funds held for others	\$ 14,040,447	\$ 27,490,933	\$ (25,181,027)	\$ 16,350,353
Due to other funds and departments	227,572	3,865,350	(3,787,616)	305,306
Total liabilities	<u>\$ 14,268,019</u>	<u>\$ 31,356,283</u>	<u>\$ (28,968,643)</u>	<u>\$ 16,655,659</u>
Circuit Court Clerk				
Assets:				
Cash and cash equivalents	\$ 15,259,056	\$ 10,004,313	\$ (12,260,759)	\$ 13,002,610
Investments	1,000,000	---	---	1,000,000
Total assets	<u>\$ 16,259,056</u>	<u>\$ 10,004,313</u>	<u>\$ (12,260,759)</u>	<u>\$ 14,002,610</u>
Liabilities:				
Funds held for others	\$ 15,669,052	\$ 6,550,267	\$ (8,591,075)	\$ 13,628,244
Due to other governmental agencies	25,418	361,437	(356,930)	29,925
Due to other funds and departments	564,586	3,092,609	(3,312,754)	344,441
Total liabilities	<u>\$ 16,259,056</u>	<u>\$ 10,004,313</u>	<u>\$ (12,260,759)</u>	<u>\$ 14,002,610</u>
Criminal Court Clerk				
Assets:				
Cash and cash equivalents	\$ 4,859,492	\$ 7,437,694	\$ (7,084,908)	\$ 5,212,278
Accounts receivable	1,318,138	216,862	---	1,535,000
Total assets	<u>\$ 6,177,630</u>	<u>\$ 7,654,556</u>	<u>\$ (7,084,908)</u>	<u>\$ 6,747,278</u>
Liabilities:				
Funds held for others	\$ 3,727,314	\$ 1,133,353	\$ (379,873)	\$ 4,480,794
Due to other governmental agencies	218,826	2,069,524	(2,005,911)	282,439
Due to other funds and departments	2,231,490	4,590,008	(4,837,453)	1,984,045
Total liabilities	<u>\$ 6,177,630</u>	<u>\$ 7,792,885</u>	<u>\$ (7,223,237)</u>	<u>\$ 6,747,278</u>
General Sessions Court Clerk				
Assets:				
Cash and cash equivalents	\$ 10,331,265	\$ 121,539,175	\$ (117,946,255)	\$ 13,924,185
Investments	1,350,000	---	---	1,350,000
Total assets	<u>\$ 11,681,265</u>	<u>\$ 121,539,175</u>	<u>\$ (117,946,255)</u>	<u>\$ 15,274,185</u>
Liabilities:				
Funds held for others	\$ 10,299,320	\$ 103,471,544	\$ (103,483,095)	\$ 10,287,769
Due to other governmental agencies	247,878	2,948,322	(2,686,154)	510,046
Due to other funds and departments	1,134,067	15,119,309	(11,777,006)	4,476,370
Total liabilities	<u>\$ 11,681,265</u>	<u>\$ 121,539,175</u>	<u>\$ (117,946,255)</u>	<u>\$ 15,274,185</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, 2017**

	Beginning Balance	Additions	Deductions	Ending Balance
Probate Court Clerk				
Assets:				
Cash and cash equivalents	\$ 24,661,332	\$ 10,246,157	\$ (10,560,784)	\$ 24,346,705
Total assets	<u>\$ 24,661,332</u>	<u>\$ 10,246,157</u>	<u>\$ (10,560,784)</u>	<u>\$ 24,346,705</u>
Liabilities:				
Funds held for others	\$ 24,578,050	\$ 9,455,859	\$ (9,773,552)	\$ 24,260,357
Due to other governmental agencies	5,051	58,748	(58,840)	4,959
Due to other funds and departments	60,557	716,801	(714,334)	63,024
Accounts payable and accrued expenses	17,674	14,749	(14,058)	18,365
Total liabilities	<u>\$ 24,661,332</u>	<u>\$ 10,246,157</u>	<u>\$ (10,560,784)</u>	<u>\$ 24,346,705</u>
Juvenile Court Clerk				
Assets:				
Cash and cash equivalents	\$ 5,027,068	\$ 8,010,344	\$ (8,099,756)	\$ 4,937,656
Accounts receivable	177,256	79,385	(177,526)	79,115
Total assets	<u>\$ 5,204,324</u>	<u>\$ 8,089,729</u>	<u>\$ (8,277,282)</u>	<u>\$ 5,016,771</u>
Liabilities:				
Funds held for others	\$ 4,912,240	\$ 1,187,983	\$ (1,280,037)	\$ 4,820,186
Due to other funds and departments	292,084	1,504,444	(1,599,943)	196,585
Total liabilities	<u>\$ 5,204,324</u>	<u>\$ 2,692,427</u>	<u>\$ (2,879,980)</u>	<u>\$ 5,016,771</u>
County Clerk				
Assets:				
Cash and cash equivalents	\$ 8,822,357	\$ 122,647,562	\$ (120,335,468)	\$ 11,134,451
Investments	1,250,000	---	(250,000)	1,000,000
Accounts receivable	340,132	191,633	(340,132)	191,633
Total assets	<u>\$ 10,412,489</u>	<u>\$ 122,839,195</u>	<u>\$ (120,925,600)</u>	<u>\$ 12,326,084</u>
Liabilities:				
Funds held for others	\$ 8,964	\$ 99,212	\$ (101,122)	\$ 7,054
Due to other governmental agencies	3,736,738	64,166,440	(62,378,801)	5,524,377
Due to other funds and departments	6,666,787	58,573,543	(58,445,677)	6,794,653
Total liabilities	<u>\$ 10,412,489</u>	<u>\$ 122,839,195</u>	<u>\$ (120,925,600)</u>	<u>\$ 12,326,084</u>
Register				
Assets:				
Cash and cash equivalents	\$ 2,532,505	\$ 29,370,315	\$ (29,392,297)	\$ 2,510,523
Total assets	<u>\$ 2,532,505</u>	<u>\$ 29,370,315</u>	<u>\$ (29,392,297)</u>	<u>\$ 2,510,523</u>
Liabilities:				
Due to other governmental agencies	\$ 2,150,305	\$ 25,146,903	\$ (25,151,046)	\$ 2,146,162
Due to other funds and departments	382,200	4,223,412	(4,241,251)	364,361
Total liabilities	<u>\$ 2,532,505</u>	<u>\$ 29,370,315</u>	<u>\$ (29,392,297)</u>	<u>\$ 2,510,523</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, 2017**

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Trustee</u>				
Assets:				
Cash and cash equivalents	\$ 650,468,700	\$ 3,979,383,816	\$ (3,951,672,686)	\$ 678,179,830
Investments	300,000	---	---	300,000
Accounts receivable	671,976	101,446	(671,976)	101,446
Total assets	<u>\$ 651,440,676</u>	<u>\$ 3,979,485,262</u>	<u>\$ (3,952,344,662)</u>	<u>\$ 678,581,276</u>
Liabilities:				
Funds held for others	\$ 23,858,224	\$ 490,784,502	\$ (487,648,075)	\$ 26,994,651
Due to other governmental agencies	3,167,886	315,148,528	(310,547,133)	7,769,281
Due to component units	264,660,962	1,650,356,939	(1,652,099,224)	262,918,677
Due to other funds and departments	359,753,604	1,523,195,293	(1,502,050,230)	380,898,667
Total liabilities	<u>\$ 651,440,676</u>	<u>\$ 3,979,485,262</u>	<u>\$ (3,952,344,662)</u>	<u>\$ 678,581,276</u>
<u>Elimination of interdepartmental activity</u>				
Assets:				
Cash and cash equivalents	\$ (371,312,947)	\$ (1,614,880,769)	\$ 1,590,766,264	\$ (395,427,452)
Investments	---	---	---	---
Accounts receivable	---	---	---	---
Total assets	<u>\$ (371,312,947)</u>	<u>\$ (1,614,880,769)</u>	<u>\$ 1,590,766,264</u>	<u>\$ (395,427,452)</u>
Liabilities:				
Due to other funds and departments	<u>\$ (371,312,947)</u>	<u>\$ (1,614,880,769)</u>	<u>\$ 1,590,766,264</u>	<u>\$ (395,427,452)</u>
Total liabilities	<u>\$ (371,312,947)</u>	<u>\$ (1,614,880,769)</u>	<u>\$ 1,590,766,264</u>	<u>\$ (395,427,452)</u>
<u>Total</u>				
Assets:				
Cash and cash equivalents	\$ 364,916,847	\$ 2,707,947,309	\$ (2,698,387,711)	\$ 374,476,445
Investments	3,900,000	---	(250,000)	3,650,000
Accounts receivable	2,507,502	589,326	(1,189,634)	1,907,194
Total assets	<u>\$ 371,324,349</u>	<u>\$ 2,708,536,635</u>	<u>\$ (2,699,827,345)</u>	<u>\$ 380,033,639</u>
Liabilities:				
Funds held for others	\$ 97,093,611	\$ 640,173,653	\$ (636,437,856)	\$ 100,829,408
Due to other governmental agencies	9,552,102	409,899,902	(403,184,815)	16,267,189
Due to component units	264,660,962	1,650,356,939	(1,652,099,224)	262,918,677
Accounts payable and accrued expenses	17,674	14,749	(14,058)	18,365
Total liabilities	<u>\$ 371,324,349</u>	<u>\$ 2,700,445,243</u>	<u>\$ (2,691,735,953)</u>	<u>\$ 380,033,639</u>

Shelby County, Tennessee

**Schedule of General Obligation Bonds and Loans-Except for School Purposes
For the Year Ended June 30, 2017**

	<u>2009A</u> General Obligation	<u>2011A</u> General Obligation	<u>2011</u> Port Commission	<u>2012A</u> General Obligation	<u>2015A</u> General Obligation	<u>2016A</u> 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						
2018	\$ 966,048	\$ 3,754,415	\$ 600,000	\$ 4,480,741	\$ 5,610,000	\$ 1,130,000
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	2,476,116	---	---
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	---	---	---	---	---	---
TOTAL	<u>\$ 9,790,415</u>	<u>\$ 29,540,975</u>	<u>\$ 17,407,500</u>	<u>\$ 69,513,942</u>	<u>\$ 22,000,000</u>	<u>\$ 7,145,000</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>2017A</u>		
<u>General</u>	<u>Non-School</u>	
<u>Obligation</u>	<u>Total</u>	
06/21/2017		
\$ 17,340,000		
5.0		
\$ 700,000	\$ 17,241,204	
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	4,261,116	
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	
<u>1,310,000</u>	<u>1,310,000</u>	
<u>\$ 17,340,000</u>	<u>\$ 172,737,832</u>	

Shelby County, Tennessee

**Schedule of General Obligation Bonds and Loans-School Purposes
For the Year Ended June 30, 2017**

	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						
2018	\$ 2,020,000	\$ 18,323,952	\$ 4,215,000	\$ ---	\$ 3,439,402	\$ 4,196,919
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	\$ 152,165,000	\$ 59,184,585	\$ 33,670,000	\$ 60,000,000	\$ 31,330,803	\$ 42,428,230

(continued)

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
\$ 3,300,585	\$ 9,869,259	\$ 2,675,000	\$ 30,025,000	\$ 1,725,000	\$ 2,675,000
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>\$ 37,869,025</u>	<u>\$ 153,111,057</u>	<u>\$ 3,065,000</u>	<u>\$ 117,620,000</u>	<u>\$ 60,500,000</u>	<u>\$ 66,065,000</u>

Shelby County, Tennessee

**Schedule of General Obligation Bonds and Loans-School Purposes (continued)
For the Year Ended June 30, 2017**

	<u>School Total</u>	<u>G. O. Bonds and Loans Total</u>
Date of Issuance		
Total Issue		
Interest Rate %		
Fiscal Year		
2018	\$ 82,465,117	\$ 99,706,321
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	25,624,039
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	<u>4,995,000</u>	<u>6,305,000</u>
TOTAL	<u>\$ 817,008,700</u>	<u>\$ 989,746,532</u>

(continued)

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

**Schedule of Defeased Bonds
For the Year Ended June 30, 2017**

Defeased Bonds: **

<u>Bond Series</u>	<u>Maturity Dates</u>	<u>Total Defeased Principal</u>
2009A Refunding bonds	10/2012-04/2019	<u>\$ 17,160,000</u>
Total		<u>\$ 17,160,000</u>

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



Other Budgetary Comparison Schedules

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

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

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

Shelby County, Tennessee

Debt Service Fund
Budgetary Comparison Schedule - Summary by Type
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 137,960,000	\$ 137,040,000	\$ 136,445,315	\$ (594,685)
Other local taxes	12,268,000	13,188,000	13,752,784	564,784
Federal and local revenue	1,109,586	1,109,586	1,113,771	4,185
Charges for services	225,750	225,750	206,938	(18,812)
Other revenue	531,700	531,700	576,879	45,179
Investment income	500,000	500,000	514,673	14,673
Total revenues	152,595,036	152,595,036	152,610,360	15,324
Expenditures:				
Services and other expenditures	350,000	352,411	2,412	349,999
Professional and contracted services	190,000	190,000	117,151	72,849
Debt service	149,245,157	249,891,003	248,940,527	950,476
Total expenditures	149,785,157	250,433,414	249,060,090	1,373,324
Excess (deficiency) of revenues over (under) expenditures	2,809,879	(97,838,378)	(96,449,730)	1,388,648
Other financing sources (uses):				
Transfers out	(6,680,000)	(6,680,000)	(6,680,000)	---
Long-term debt issued	---	83,405,000	83,405,000	---
Premium on bonds issued	---	17,243,257	17,243,257	---
Planned change in fund balance	3,870,121	3,870,121	---	(3,870,121)
Total other financing sources (uses):	(2,809,879)	97,838,378	93,968,257	(3,870,121)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (2,481,473)	\$ (2,481,473)

General Fund
Budgetary Comparison Schedule - Summary by Type
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 254,833,000	\$ 254,753,000	\$ 253,574,154	\$ (1,178,846)
Other local taxes	33,989,000	34,069,000	32,530,119	(1,538,881)
State revenue	21,687,200	22,047,200	23,874,375	1,827,175
Federal and local revenue	7,619,417	7,619,417	7,650,925	31,508
Charges for services	3,326,941	3,320,224	2,752,321	(567,903)
Fines, fees and permits	64,161,000	64,336,031	64,529,688	193,657
Other revenue	303,200	303,200	1,460,135	1,156,935
Investment income	398,500	398,500	1,098,719	700,219
Total revenues	386,318,258	386,846,572	387,470,436	623,864
Expenditures:				
Salaries	206,233,953	206,931,609	185,292,973	21,638,636
Other compensation	15,137,371	17,806,595	16,072,884	1,733,711
Fringe benefits	76,677,779	76,020,359	71,916,783	4,103,576
Salary restriction	(17,336,550)	(20,239,104)	---	(2,239,104)
Supplies and materials	8,836,544	9,159,821	7,894,895	1,264,926
Services and other expenditures	10,750,936	11,056,666	9,594,060	1,462,606
Professional and contracted services	34,484,572	33,796,451	31,716,015	2,080,436
Rent, utilities and maintenance	15,889,965	16,365,106	14,587,032	1,778,074
Interfund services	(697,432)	(810,654)	(1,538,381)	727,727
Asset acquisitions	2,037,652	3,467,647	3,346,047	121,600
Affiliated organizations	30,108,729	30,178,843	30,178,843	---
Grants	4,300,000	4,300,000	4,299,500	500
Contingencies and restrictions	(5,912,068)	(6,467,789)	---	(6,467,789)
Total expenditures	380,511,451	381,565,550	373,360,651	8,204,899
Excess (deficiency) of revenues over (under) expenditures	5,806,807	5,281,022	14,109,785	(8,828,763)
Other financing sources (uses):				
Transfers in	1,789,545	1,721,857	1,521,066	(200,791)
Transfers out	(16,096,352)	(16,184,224)	(15,735,001)	449,223
Sale of capital assets	700,000	700,000	113,977	(586,023)
Planned change in fund balance	7,800,000	8,481,345	---	(8,481,345)
Total other financing sources (uses):	(5,806,807)	(5,281,022)	(14,099,958)	(8,818,936)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 9,827	\$ 9,827

Shelby County, Tennessee

General Fund
Budgetary Comparison Schedule - Summary by Department
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ ---	\$ 82,942	\$ 82,942
County Attorney	500	623	123
Central Operations	304,799,000	304,005,485	(793,515)
Human Resources	632,387	631,677	(710)
Purchasing	500	119	(381)
Chief Information Officer	193,106	58,278	(134,828)
Information Technology Operations	1,700,000	1,738,294	38,294
	<u>307,325,493</u>	<u>306,517,418</u>	<u>(808,075)</u>
Planning and Development			
Housing	5,000	2,250	(2,750)
	<u>5,000</u>	<u>2,250</u>	<u>(2,750)</u>
Public Works			
Environmental Programs	375,000	279,646	(95,354)
Parks And Ground Maintenance	526,500	468,878	(57,622)
Support Services	2,135,242	3,242,271	1,107,029
	<u>3,036,742</u>	<u>3,990,795</u>	<u>954,053</u>
Health Services			
Forensic Services	810,000	730,141	(79,859)
Health Services Administration and Finance	954,716	1,407,360	452,644
Environmental Health Services	1,825,000	2,384,790	559,790
Community Health	875,000	759,799	(115,201)
Public Health Safety	198,000	122,990	(75,010)
	<u>4,662,716</u>	<u>5,405,080</u>	<u>742,364</u>
Community Services			
Crime Victims Center	565,000	582,233	17,233
Pretrial Services	260,000		(260,000)
	<u>825,000</u>	<u>582,233</u>	<u>(242,767)</u>
Law Enforcement			
Sheriff's Office	5,058,500	6,313,330	1,254,830
	<u>5,058,500</u>	<u>6,313,330</u>	<u>1,254,830</u>
Judicial			
Chancery Court	2,795,000	3,175,921	380,921
Circuit Court	2,748,000	2,829,242	81,242
Criminal Court	4,162,500	3,169,065	(993,435)
General Sessions Court	10,157,031	8,039,572	(2,117,459)
Probate Court	584,000	636,289	52,289
Juvenile Court Judge	4,000	4,666	666
Juvenile Court Clerk	1,200,000	1,599,857	399,857
Public Defender	5,261,700	5,208,832	(52,868)
Divorce Referee	275,000	268,113	(6,887)
Attorney General	---	6,222	6,222
	<u>27,187,231</u>	<u>24,937,779</u>	<u>(2,249,452)</u>

General Fund
Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Other Elected Officials			
Assessor	\$ 21,500	\$ 33,063	\$ 11,563
County Clerk	10,885,000	11,733,764	848,764
Register	3,604,000	3,959,049	355,049
Trustee	23,852,890	23,722,257	(130,633)
Election Commission	382,500	38,204	(344,296)
	<u>38,745,890</u>	<u>39,486,337</u>	<u>740,447</u>
Total revenues	<u>386,846,572</u>	<u>387,235,222</u>	<u>388,650</u>
Expenditures			
General Government			
Mayor's Office	590,302	589,394	908
Public Affairs	493,048	466,925	26,123
Chief Administrative Officer	3,201,233	2,733,767	467,466
County Attorney	3,684,171	3,194,573	489,598
Director of Administration and Finance	1,023,080	855,341	167,739
Central Operations	21,945,082	29,640,508	(7,695,426)
County Grants	1,300,000	1,299,500	500
Human Resources	4,462,710	4,124,339	338,371
Purchasing	688,384	557,148	131,236
Finance	2,432,859	2,327,509	105,350
Board of Equalization	360,593	263,091	97,502
Chief Information Officer	444,908	202,580	242,328
Information Technology Operations	11,025,808	10,743,449	282,359
	<u>51,652,178</u>	<u>56,998,124</u>	<u>(5,345,946)</u>
Planning and Development			
Housing	364,384	340,323	24,061
	<u>364,384</u>	<u>340,323</u>	<u>24,061</u>
Public Works			
Director of Public Works	746,334	657,943	88,391
Environmental Programs	573,813	432,589	141,224
Parks And Ground Maintenance	4,788,213	4,304,597	483,616
Support Services	18,310,274	16,671,895	1,638,379
	<u>24,418,634</u>	<u>22,067,024</u>	<u>2,351,610</u>
Health Services			
Director of Health Services	316,245	314,395	1,850
Forensic Services	3,967,183	3,833,426	133,757
Health Services Administration and Finance	1,080,847	1,052,212	28,635
Environmental Health Services	2,548,053	2,516,368	31,685
Community Health	2,097,315	2,062,187	35,128
Health Planning and Promotion	490,260	488,745	1,515
Inmate Medical Care	13,464,698	12,946,305	518,393
Public Health Safety	4,298,754	3,957,113	341,641
	<u>28,263,355</u>	<u>27,170,751</u>	<u>1,092,604</u>

General Fund
Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Community Services			
Director of Community Services	\$ 1,076,634	\$ 641,017	\$ 435,617
Community and Diversion Services	2,171,550	2,171,550	---
Crime Victims Center	1,510,297	1,428,787	81,510
Pretrial Services	3,965,375	3,806,869	158,506
	<u>8,723,856</u>	<u>8,048,223</u>	<u>675,633</u>
Law Enforcement			
Sheriff's Office	169,321,586	164,753,429	4,568,157
	<u>169,321,586</u>	<u>164,753,429</u>	<u>4,568,157</u>
Judicial			
Chancery Court	1,560,119	1,500,246	59,873
Circuit Court	2,765,412	2,690,982	74,430
Criminal Court	5,053,740	4,993,352	60,388
General Sessions Court	15,269,448	14,329,215	940,233
Probate Court	1,284,354	1,257,850	26,504
Juvenile Court Judge	10,881,984	10,683,176	198,808
Juvenile Court Clerk	3,734,234	3,510,691	223,543
Public Defender	12,965,750	12,495,361	470,389
Divorce Referee	678,200	675,723	2,477
Jury Commission	867,596	685,203	182,393
Attorney General	10,668,126	10,230,662	437,464
	<u>65,728,963</u>	<u>63,052,461</u>	<u>2,676,502</u>
Other Elected Officials			
Commissioner's Contingency	350,000	254,205	95,795
Legislative Operations	2,387,095	2,182,952	204,143
Equal Opportunity Compliance	832,945	706,675	126,270
Assessor	10,652,640	10,222,226	430,414
County Clerk	5,337,341	5,281,563	55,778
Register	1,808,100	1,745,506	62,594
Trustee	7,112,594	6,456,332	656,262
Election Commission	4,611,879	4,080,857	531,022
	<u>33,092,594</u>	<u>30,930,316</u>	<u>2,162,278</u>
Total expenditures	<u>381,565,550</u>	<u>373,360,651</u>	<u>8,204,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,281,022</u>	<u>13,874,571</u>	<u>8,593,549</u>
Transfers in:			
Central Operations	144,000	144,000	---
Human Resources	36,466	---	(36,466)
Director of Public Works	35,170	35,170	---
Parks And Ground Maintenance	21,217	21,217	---
Health Services Administration and Finance	912,300	912,300	---
Public Health Safety	406,900	310,147	(96,753)
Sheriff's Office	131,481	81,545	(49,936)
Juvenile Court Clerk	34,323	16,687	(17,636)
Total transfers in	<u>1,721,857</u>	<u>1,521,066</u>	<u>(200,791)</u>

General Fund
Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Transfers out:			
Central Operations	\$ (13,150,000)	\$ (13,150,000)	\$ ---
Housing	(64,361)	(21,160)	43,201
Director of Public Works	(50,000)	(50,000)	---
Environmental Health Services	(1,488,770)	(1,190,492)	298,278
Community Health	(863,850)	(863,850)	---
Health Planning and Promotion	(4,300)	---	4,300
Crime Victims Center	(152,712)	(137,006)	15,706
Sheriff's Office	(75,415)	(57,564)	17,851
Juvenile Court Clerk	(334,816)	(264,929)	69,887
Total transfers out	<u>(16,184,224)</u>	<u>(15,735,001)</u>	<u>449,223</u>
Other financing sources (uses):			
Central Operations	8,481,345	---	(8,481,345)
Parks And Ground Maintenance	100,000	---	(100,000)
Support Services	600,000	99,302	(500,698)
Sheriff's Office	---	14,675	14,675
Total other financing sources (uses)	<u>9,181,345</u>	<u>113,977</u>	<u>(9,067,368)</u>
Net other financing sources (uses)	<u>(5,281,022)</u>	<u>(14,099,958)</u>	<u>(8,818,936)</u>
Excess (deficiency) or revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ (225,387)</u>	<u>\$ (225,387)</u>

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Mayor's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 440,294	\$ 452,689	\$ 452,635	\$ 54
Other compensation	546	2,446	2,430	16
Fringe benefits	135,128	134,667	134,329	338
Services and other expenditures	500	500	---	500
Total expenditures	<u>576,468</u>	<u>590,302</u>	<u>589,394</u>	<u>908</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (576,468)</u>	<u>\$ (590,302)</u>	<u>\$ (589,394)</u>	<u>\$ 908</u>

Public Affairs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 343,274	\$ 333,768	\$ 328,464	\$ 5,304
Other compensation	4,248	10,548	10,480	68
Fringe benefits	110,050	109,780	107,631	2,149
Supplies and materials	4,250	4,250	1,248	3,002
Services and other expenditures	3,147	3,147	510	2,637
Interfund services	31,555	31,555	18,592	12,963
Total expenditures	<u>496,524</u>	<u>493,048</u>	<u>466,925</u>	<u>26,123</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (496,524)</u>	<u>\$ (493,048)</u>	<u>\$ (466,925)</u>	<u>\$ 26,123</u>

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ ---	\$ 82,942	\$ 82,942
Total revenues	<u>---</u>	<u>---</u>	<u>82,942</u>	<u>82,942</u>
Expenditures:				
Salaries	1,428,697	1,521,750	1,264,210	257,540
Other compensation	49,534	54,934	54,859	75
Fringe benefits	499,611	522,385	430,858	91,527
Salary restriction	(147,003)	(147,003)	---	(147,003)
Supplies and materials	119,492	122,887	91,208	31,679
Services and other expenditures	179,825	191,602	146,649	44,953
Professional and contracted services	638,082	662,957	543,959	118,998
Rent, utilities and maintenance	50,158	69,323	35,766	33,557
Interfund services	262,335	194,293	159,811	34,482
Asset acquisitions	---	8,105	6,447	1,658
Total expenditures	<u>3,080,731</u>	<u>3,201,233</u>	<u>2,733,767</u>	<u>467,466</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,080,731)</u>	<u>\$ (3,201,233)</u>	<u>\$ (2,650,825)</u>	<u>\$ 550,408</u>

County Attorney

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 518	\$ 18
Other revenue	---	---	105	105
Total revenues	<u>500</u>	<u>500</u>	<u>623</u>	<u>123</u>
Expenditures:				
Salaries	2,418,272	2,404,706	1,951,711	452,995
Other compensation	20,354	20,354	10,630	9,724
Fringe benefits	872,778	861,478	665,190	196,288
Salary restriction	(213,545)	(213,545)	---	(213,545)
Supplies and materials	22,750	22,750	21,962	788
Services and other expenditures	131,374	131,374	110,412	20,962
Professional and contracted services	413,680	413,680	402,898	10,782
Interfund services	43,374	43,374	31,770	11,604
Total expenditures	<u>3,709,037</u>	<u>3,684,171</u>	<u>3,194,573</u>	<u>489,598</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,708,537)</u>	<u>\$ (3,683,671)</u>	<u>\$ (3,193,950)</u>	<u>\$ 489,721</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Director of Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 522,464	\$ 639,764	\$ 585,248	\$ 54,516
Other compensation	3,582	4,382	4,296	86
Fringe benefits	178,052	207,942	190,752	17,190
Supplies and materials	4,654	4,654	1,763	2,891
Services and other expenditures	12,006	9,706	7,837	1,869
Professional and contracted services	153,758	147,572	57,100	90,472
Interfund services	9,260	9,060	8,345	715
Total expenditures	883,776	1,023,080	855,341	167,739
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (883,776)	\$ (1,023,080)	\$ (855,341)	\$ 167,739

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Central Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 254,833,000	\$ 254,753,000	\$ 253,574,154	\$ (1,178,846)
Other local taxes	33,579,000	33,659,000	32,129,074	(1,529,926)
State revenue	12,095,000	12,095,000	11,914,799	(180,201)
Federal and local revenue	3,025,000	3,025,000	3,038,479	13,479
Charges for services	42,000	42,000	61,087	19,087
Fines, fees and permits	825,000	825,000	1,378,724	553,724
Other revenue	100,000	100,000	1,131,800	1,031,800
Investment income	300,000	300,000	777,368	477,368
Total revenues	304,799,000	304,799,000	304,005,485	(793,515)
Expenditures:				
Other compensation	1,499,999	1,460,486	---	1,460,486
Fringe benefits	(961,816)	---	---	---
Salary restriction	(2,683,358)	(2,786,049)	---	(2,786,049)
Services and other expenditures	736,538	666,424	600,040	66,384
Professional and contracted services	573,000	573,000	507,015	65,985
Interfund services	(4,069,542)	(4,069,542)	(4,069,542)	---
Affiliated organizations	29,532,881	29,602,995	29,602,995	---
Grants	3,000,000	3,000,000	3,000,000	---
Contingencies and restrictions	(6,112,068)	(6,502,232)	---	(6,502,232)
Total expenditures	21,515,634	21,945,082	29,640,508	(7,695,426)
Excess (deficiency) of revenues over (under) expenditures	283,283,366	282,853,918	274,364,977	(8,488,941)
Other financing sources (uses):				
Transfers in	144,000	144,000	144,000	---
Transfers out	(13,150,000)	(13,150,000)	(13,150,000)	---
Planned change in fund balance	7,800,000	8,481,345	---	(8,481,345)
Total other financing sources (uses):	(5,206,000)	(4,524,655)	(13,006,000)	(8,481,345)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 278,077,366	\$ 278,329,263	\$ 261,358,977	\$ (16,970,286)

County Grants

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Grants	\$ 1,300,000	\$ 1,300,000	\$ 1,299,500	\$ 500
Total expenditures	1,300,000	1,300,000	1,299,500	500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,300,000)	\$ (1,300,000)	\$ (1,299,500)	\$ 500

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Human Resources

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 584,687	\$ 584,687	\$ 608,528	\$ 23,841
Charges for services	500	500	658	158
Other revenue	47,200	47,200	22,491	(24,709)
Total revenues	632,387	632,387	631,677	(710)
Expenditures:				
Salaries	3,138,526	3,141,656	2,826,192	315,464
Other compensation	36,003	36,703	36,645	58
Fringe benefits	1,155,813	1,151,985	1,002,386	149,599
Salary restriction	(223,581)	(255,040)	---	(255,040)
Supplies and materials	48,300	48,300	8,143	40,157
Services and other expenditures	63,200	68,195	58,677	9,518
Professional and contracted services	161,750	156,755	109,854	46,901
Rent, utilities and maintenance	18,500	18,500	9,375	9,125
Interfund services	95,656	95,656	73,067	22,589
Total expenditures	4,494,167	4,462,710	4,124,339	338,371
Excess (deficiency) of revenues over (under) expenditures	(3,861,780)	(3,830,323)	(3,492,662)	337,661
Other financing sources (uses):				
Transfers in	36,466	36,466	---	(36,466)
Total other financing sources (uses):	36,466	36,466	---	(36,466)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,825,314)	\$ (3,793,857)	\$ (3,492,662)	\$ 301,195

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Purchasing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 119	\$ (381)
Total revenues	500	500	119	(381)
Expenditures:				
Salaries	449,643	451,588	380,581	71,007
Other compensation	5,892	5,892	4,405	1,487
Fringe benefits	168,930	169,439	133,679	35,760
Salary restriction	---	(4,835)	---	(4,835)
Supplies and materials	7,500	7,500	5,495	2,005
Services and other expenditures	22,900	22,900	8,933	13,967
Professional and contracted services	2,000	2,000	---	2,000
Rent, utilities and maintenance	10,000	10,000	8,563	1,437
Interfund services	23,900	23,900	15,492	8,408
Total expenditures	690,765	688,384	557,148	131,236
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (690,265)	\$ (687,884)	\$ (557,029)	\$ 130,855

Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,885,466	\$ 1,768,166	\$ 1,601,205	\$ 166,961
Other compensation	23,470	25,870	25,750	120
Fringe benefits	678,417	645,326	592,638	52,688
Salary restriction	(122,227)	(140,403)	---	(140,403)
Supplies and materials	29,000	29,000	13,657	15,343
Services and other expenditures	61,500	61,500	54,264	7,236
Professional and contracted services	1,700	1,700	793	907
Rent, utilities and maintenance	700	700	---	700
Interfund services	38,500	41,000	39,202	1,798
Total expenditures	2,596,526	2,432,859	2,327,509	105,350
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,596,526)	\$ (2,432,859)	\$ (2,327,509)	\$ 105,350

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Board of Equalization

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 256,776	\$ 256,776	\$ 202,691	\$ 54,085
Other compensation	3,702	3,702	1,704	1,998
Fringe benefits	49,157	49,157	44,632	4,525
Supplies and materials	8,000	8,000	5,531	2,469
Services and other expenditures	4,000	4,000	200	3,800
Professional and contracted services	20,000	17,458	---	17,458
Interfund services	21,500	21,500	8,333	13,167
Total expenditures	363,135	360,593	263,091	97,502
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (363,135)	\$ (360,593)	\$ (263,091)	\$ 97,502

Chief Information Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 126,840	\$ 126,840	\$ ---	\$ (126,840)
Charges for services	66,266	66,266	58,278	(7,988)
Total revenues	193,106	193,106	58,278	(134,828)
Expenditures:				
Salaries	230,692	285,254	231,463	53,791
Other compensation	546	1,046	939	107
Fringe benefits	63,460	87,358	64,908	22,450
Supplies and materials	1,000	1,000	478	522
Services and other expenditures	223,469	206,317	34,659	171,658
Interfund services	(151,867)	(136,067)	(129,867)	(6,200)
Total expenditures	367,300	444,908	202,580	242,328
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (174,194)	\$ (251,802)	\$ (144,302)	\$ 107,500

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Information Technology Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ ---	\$ ---	\$ 1,560	\$ 1,560
Fines, fees and permits	1,700,000	1,700,000	1,733,734	33,734
Other revenue	---	---	3,000	3,000
Total revenues	1,700,000	1,700,000	1,738,294	38,294
Expenditures:				
Salaries	5,651,098	5,602,656	5,124,129	478,527
Other compensation	154,381	154,381	112,600	41,781
Fringe benefits	2,018,893	1,988,375	1,779,260	209,115
Salary restriction	(541,911)	(541,911)	---	(541,911)
Supplies and materials	398,292	355,187	336,973	18,214
Services and other expenditures	1,848,884	2,160,729	2,146,903	13,826
Professional and contracted services	408,861	540,452	504,484	35,968
Rent, utilities and maintenance	564,835	481,543	466,698	14,845
Interfund services	219,231	222,731	210,737	11,994
Asset acquisitions	60,600	61,665	61,665	---
Total expenditures	10,783,164	11,025,808	10,743,449	282,359
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (9,083,164)	\$ (9,325,808)	\$ (9,005,155)	\$ 320,653

Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 5,000	\$ 5,000	\$ 2,250	\$ (2,750)
Total revenues	5,000	5,000	2,250	(2,750)
Expenditures:				
Salaries	225,127	225,127	215,173	9,954
Other compensation	4,668	4,668	3,730	938
Fringe benefits	83,653	83,653	78,909	4,744
Supplies and materials	7,700	7,700	5,689	2,011
Services and other expenditures	3,725	2,725	1,675	1,050
Interfund services	42,080	40,511	35,147	5,364
Total expenditures	366,953	364,384	340,323	24,061
Excess (deficiency) of revenues over (under) expenditures	(361,953)	(359,384)	(338,073)	21,311
Other financing sources (uses):				
Transfers out	(64,361)	(64,361)	(21,160)	43,201
Total other financing sources (uses):	(64,361)	(64,361)	(21,160)	43,201
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (426,314)	\$ (423,745)	\$ (359,233)	\$ 64,512

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Director of Public Works

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 212,051	\$ 212,061	\$ 212,052	\$ 9
Other compensation	---	1,100	1,092	8
Fringe benefits	76,331	76,931	76,911	20
Salary restriction	(169,646)	---	---	---
Supplies and materials	450	450	---	450
Services and other expenditures	3,160	4,810	2,449	2,361
Professional and contracted services	28,000	26,350	12,492	13,858
Interfund services	338,400	328,400	284,336	44,064
Asset acquisitions	16,000	96,232	68,611	27,621
Total expenditures	504,746	746,334	657,943	88,391
Excess (deficiency) of revenues over (under) expenditures	(504,746)	(746,334)	(657,943)	88,391
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	\$ (519,576)	\$ (761,164)	\$ (672,773)	\$ 88,391

Environmental Programs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 375,000	\$ 375,000	\$ 279,646	\$ (95,354)
Total revenues	375,000	375,000	279,646	(95,354)
Expenditures:				
Salaries	164,769	164,769	145,302	19,467
Other compensation	2,673	2,973	2,939	34
Fringe benefits	58,770	58,470	51,667	6,803
Supplies and materials	20,531	25,531	13,209	12,322
Services and other expenditures	9,624	9,624	6,532	3,092
Professional and contracted services	27,900	16,848	12,458	4,390
Rent, utilities and maintenance	214,865	220,917	157,745	63,172
Interfund services	74,681	74,681	42,737	31,944
Total expenditures	573,813	573,813	432,589	141,224
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (198,813)	\$ (198,813)	\$ (152,943)	\$ 45,870

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Parks And Ground Maintenance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 381,500	\$ 381,500	\$ 301,134	\$ (80,366)
Fines, fees and permits	25,000	25,000	21,653	(3,347)
Other revenue	120,000	120,000	145,576	25,576
Investment income	---	---	515	515
Total revenues	<u>526,500</u>	<u>526,500</u>	<u>468,878</u>	<u>(57,622)</u>
Expenditures:				
Salaries	765,616	947,971	894,315	53,656
Other compensation	7,132	7,332	7,293	39
Fringe benefits	226,194	253,596	218,150	35,446
Supplies and materials	73,539	207,181	175,080	32,101
Services and other expenditures	53,532	74,532	61,835	12,697
Professional and contracted services	32,000	28,700	12,456	16,244
Rent, utilities and maintenance	2,791,906	2,421,621	2,074,587	347,034
Interfund services	101,589	143,989	142,087	1,902
Asset acquisitions	68,400	172,443	142,946	29,497
Affiliated organizations	575,848	575,848	575,848	---
Contingencies and restrictions	---	(45,000)	---	(45,000)
Total expenditures	<u>4,695,756</u>	<u>4,788,213</u>	<u>4,304,597</u>	<u>483,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,169,256)</u>	<u>(4,261,713)</u>	<u>(3,835,719)</u>	<u>425,994</u>
Other financing sources (uses):				
Transfers in	21,217	21,217	21,217	---
Sale of capital assets	100,000	100,000	---	(100,000)
Total other financing sources (uses):	<u>121,217</u>	<u>121,217</u>	<u>21,217</u>	<u>(100,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (4,048,039)</u>	<u>\$ (4,140,496)</u>	<u>\$ (3,814,502)</u>	<u>\$ 325,994</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,200,000	\$ 1,200,000	\$ 1,116,881	\$ (83,119)
Charges for services	689,959	683,242	422,605	(260,637)
Fines, fees and permits	250,000	250,000	1,702,433	1,452,433
Other revenue	2,000	2,000	352	(1,648)
Total revenues	2,141,959	2,135,242	3,242,271	1,107,029
Expenditures:				
Salaries	6,666,965	6,643,546	6,250,115	393,431
Other compensation	155,406	166,406	166,037	369
Fringe benefits	2,632,657	2,603,409	2,502,054	101,355
Salary restriction	(289,444)	(459,090)	---	(459,090)
Supplies and materials	1,180,938	1,088,446	678,094	410,352
Services and other expenditures	1,777,847	1,544,763	1,160,072	384,691
Professional and contracted services	335,204	194,899	53,394	141,505
Rent, utilities and maintenance	6,549,948	6,695,212	5,753,313	941,899
Interfund services	(397,040)	(214,853)	70,305	(285,158)
Asset acquisitions	---	47,536	38,511	9,025
Total expenditures	18,612,481	18,310,274	16,671,895	1,638,379
Excess (deficiency) of revenues over (under) expenditures	(16,470,522)	(16,175,032)	(13,429,624)	2,745,408
Other financing sources (uses):				
Sale of capital assets	600,000	600,000	99,302	(500,698)
Total other financing sources (uses):	600,000	600,000	99,302	(500,698)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (15,870,522)	\$ (15,575,032)	\$ (13,330,322)	\$ 2,244,710

Director of Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 376,596	\$ 376,596	\$ 237,461	\$ 139,135
Other compensation	2,244	2,244	---	2,244
Fringe benefits	137,096	137,096	76,934	60,162
Salary restriction	(409,691)	(199,691)	---	(199,691)
Services and other expenditures	3,500	---	---	---
Total expenditures	109,745	316,245	314,395	1,850
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (109,745)	\$ (316,245)	\$ (314,395)	\$ 1,850

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Forensic Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 120,000	\$ 120,000	\$ 139,164	\$ 19,164
Federal and local revenue	405,000	405,000	383,155	(21,845)
Fines, fees and permits	285,000	285,000	207,822	(77,178)
Total revenues	810,000	810,000	730,141	(79,859)
Expenditures:				
Supplies and materials	30,000	20,000	13,135	6,865
Services and other expenditures	158,400	158,400	82,814	75,586
Professional and contracted services	3,430,183	3,430,183	3,395,289	34,894
Rent, utilities and maintenance	284,000	294,000	293,127	873
Interfund services	52,600	52,600	49,061	3,539
Asset acquisitions	12,000	12,000	---	12,000
Total expenditures	3,967,183	3,967,183	3,833,426	133,757
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,157,183)	\$ (3,157,183)	\$ (3,103,285)	\$ 53,898

Health Services Administration and Finance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 12,000	\$ 12,000	\$ 7,108	\$ (4,892)
Charges for services	137,716	137,716	113,281	(24,435)
Fines, fees and permits	800,000	800,000	1,286,580	486,580
Other revenue	5,000	5,000	391	(4,609)
Total revenues	954,716	954,716	1,407,360	452,644
Expenditures:				
Salaries	1,038,356	1,056,200	992,464	63,736
Other compensation	22,114	27,114	25,807	1,307
Fringe benefits	436,206	432,075	403,551	28,524
Salary restriction	(73,424)	(73,424)	---	(73,424)
Supplies and materials	52,458	54,058	51,036	3,022
Services and other expenditures	178,608	122,520	121,520	1,000
Professional and contracted services	2,000	33,200	31,992	1,208
Rent, utilities and maintenance	288,781	295,350	291,097	4,253
Interfund services	(865,471)	(866,246)	(865,255)	(991)
Total expenditures	1,079,628	1,080,847	1,052,212	28,635
Excess (deficiency) of revenues over (under) expenditures	(124,912)	(126,131)	355,148	481,279
Other financing sources (uses):				
Transfers in	912,300	912,300	912,300	---
Total other financing sources (uses):	912,300	912,300	912,300	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 787,388	\$ 786,169	\$ 1,267,448	\$ 481,279

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,728,650	\$ 728,650
Charges for services	---	---	261	261
Fines, fees and permits	825,000	825,000	647,879	(177,121)
Other revenue	---	---	8,000	8,000
Total revenues	<u>1,825,000</u>	<u>1,825,000</u>	<u>2,384,790</u>	<u>559,790</u>
Expenditures:				
Salaries	1,768,056	1,769,905	1,671,303	98,602
Other compensation	42,412	57,441	56,441	1,000
Fringe benefits	728,502	683,476	680,689	2,787
Salary restriction	(193,495)	(132,868)	---	(132,868)
Supplies and materials	30,225	38,125	29,194	8,931
Services and other expenditures	86,085	73,185	67,440	5,745
Professional and contracted services	17,690	17,690	12,124	5,566
Rent, utilities and maintenance	13,500	2,500	---	2,500
Interfund services	33,599	33,599	(823)	34,422
Asset acquisitions	5,000	5,000	---	5,000
Total expenditures	<u>2,531,574</u>	<u>2,548,053</u>	<u>2,516,368</u>	<u>31,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(706,574)</u>	<u>(723,053)</u>	<u>(131,578)</u>	<u>591,475</u>
Other financing sources (uses):				
Transfers out	(1,488,770)	(1,488,770)	(1,190,492)	298,278
Total other financing sources (uses):	<u>(1,488,770)</u>	<u>(1,488,770)</u>	<u>(1,190,492)</u>	<u>298,278</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,195,344)</u>	<u>\$ (2,211,823)</u>	<u>\$ (1,322,070)</u>	<u>\$ 889,753</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Community Health

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 866,500	\$ 866,500	\$ 752,740	\$ (113,760)
Fines, fees and permits	8,500	8,500	7,059	(1,441)
Total revenues	<u>875,000</u>	<u>875,000</u>	<u>759,799</u>	<u>(115,201)</u>
Expenditures:				
Salaries	1,055,858	1,053,838	822,689	231,149
Other compensation	17,312	17,312	13,937	3,375
Fringe benefits	415,360	365,314	343,592	21,722
Salary restriction	(175,866)	(244,793)	---	(244,793)
Supplies and materials	249,977	272,277	260,369	11,908
Services and other expenditures	33,725	24,025	20,483	3,542
Professional and contracted services	16,500	24,500	22,633	1,867
Rent, utilities and maintenance	384,992	391,092	389,314	1,778
Interfund services	113,750	113,750	109,412	4,338
Asset acquisitions	---	80,000	79,758	242
Total expenditures	<u>2,111,608</u>	<u>2,097,315</u>	<u>2,062,187</u>	<u>35,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,236,608)</u>	<u>(1,222,315)</u>	<u>(1,302,388)</u>	<u>(80,073)</u>
Other financing sources (uses):				
Transfers out	<u>(863,850)</u>	<u>(863,850)</u>	<u>(863,850)</u>	<u>---</u>
Total other financing sources (uses):	<u>(863,850)</u>	<u>(863,850)</u>	<u>(863,850)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,100,458)</u>	<u>\$ (2,086,165)</u>	<u>\$ (2,166,238)</u>	<u>\$ (80,073)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Health Planning and Promotion

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 313,103	\$ 313,103	\$ 313,102	\$ 1
Other compensation	1,578	1,878	1,709	169
Fringe benefits	107,879	115,879	115,394	485
Supplies and materials	20,300	21,105	21,101	4
Services and other expenditures	19,500	12,200	12,030	170
Professional and contracted services	20,000	5,100	5,100	---
Rent, utilities and maintenance	3,000	500	125	375
Interfund services	21,100	20,495	20,184	311
Total expenditures	<u>506,460</u>	<u>490,260</u>	<u>488,745</u>	<u>1,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(506,460)</u>	<u>(490,260)</u>	<u>(488,745)</u>	<u>1,515</u>
Other financing sources (uses):				
Transfers out	(4,300)	(4,300)	---	4,300
Total other financing sources (uses):	<u>(4,300)</u>	<u>(4,300)</u>	<u>---</u>	<u>4,300</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (510,760)</u>	<u>\$ (494,560)</u>	<u>\$ (488,745)</u>	<u>\$ 5,815</u>

Inmate Medical Care

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 199,584	\$ 256,207	\$ 231,310	\$ 24,897
Other compensation	---	1,000	341	659
Fringe benefits	74,988	93,995	79,793	14,202
Salary restriction	(49,931)	---	---	---
Supplies and materials	8,700	8,700	3,841	4,859
Services and other expenditures	11,000	11,000	9,391	1,609
Professional and contracted services	12,266,976	13,071,696	12,600,342	471,354
Rent, utilities and maintenance	10,600	10,600	9,950	650
Interfund services	11,500	11,500	11,337	163
Total expenditures	<u>12,533,417</u>	<u>13,464,698</u>	<u>12,946,305</u>	<u>518,393</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (12,533,417)</u>	<u>\$ (13,464,698)</u>	<u>\$ (12,946,305)</u>	<u>\$ 518,393</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Public Health Safety

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 183,000	\$ 183,000	\$ 97,477	\$ (85,523)
Fines, fees and permits	15,000	15,000	15,094	94
Other revenue	---	---	10,419	10,419
Total revenues	198,000	198,000	122,990	(75,010)
Expenditures:				
Salaries	2,543,088	2,529,565	2,216,588	312,977
Other compensation	67,786	87,786	85,422	2,364
Fringe benefits	936,656	893,119	844,096	49,023
Salary restriction	---	(159,931)	---	(159,931)
Supplies and materials	282,574	275,849	218,822	57,027
Services and other expenditures	112,063	94,628	81,115	13,513
Professional and contracted services	365,230	432,145	380,619	51,526
Rent, utilities and maintenance	43,000	45,000	42,987	2,013
Interfund services	112,773	100,593	87,464	13,129
Total expenditures	4,463,170	4,298,754	3,957,113	341,641
Excess (deficiency) of revenues over (under) expenditures	(4,265,170)	(4,100,754)	(3,834,123)	266,631
Other financing sources (uses):				
Transfers in	406,900	406,900	310,147	(96,753)
Total other financing sources (uses):	406,900	406,900	310,147	(96,753)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,858,270)	\$ (3,693,854)	\$ (3,523,976)	\$ 169,878

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 815,950	\$ 815,950	\$ 679,722	\$ 136,228
Other compensation	4,062	6,562	5,770	792
Fringe benefits	284,012	281,512	239,486	42,026
Salary restriction	(121,076)	(121,076)	---	(121,076)
Supplies and materials	15,300	27,800	26,381	1,419
Services and other expenditures	65,525	55,525	37,864	17,661
Professional and contracted services	431,946	340,144	262,900	77,244
Interfund services	(255,857)	(329,783)	(611,106)	281,323
Total expenditures	1,239,862	1,076,634	641,017	435,617
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,239,862)	\$ (1,076,634)	\$ (641,017)	\$ 435,617

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Community and Diversion Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Professional and contracted services	\$ 2,070,000	\$ 2,171,550	\$ 2,171,550	\$ ---
Total expenditures	<u>2,070,000</u>	<u>2,171,550</u>	<u>2,171,550</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,070,000)</u>	<u>\$ (2,171,550)</u>	<u>\$ (2,171,550)</u>	<u>\$ ---</u>

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 375,000	\$ 375,000	\$ 409,930	\$ 34,930
Federal and local revenue	65,000	65,000	92,925	27,925
Fines, fees and permits	125,000	125,000	79,378	(45,622)
Total revenues	<u>565,000</u>	<u>565,000</u>	<u>582,233</u>	<u>17,233</u>
Expenditures:				
Salaries	740,166	740,166	723,479	16,687
Other compensation	50,921	70,921	69,646	1,275
Fringe benefits	240,598	240,598	226,457	14,141
Supplies and materials	41,588	39,488	32,575	6,913
Services and other expenditures	30,000	30,000	17,327	12,673
Professional and contracted services	248,200	250,300	235,803	14,497
Rent, utilities and maintenance	126,110	100,488	93,309	7,179
Interfund services	38,336	38,336	30,191	8,145
Total expenditures	<u>1,515,919</u>	<u>1,510,297</u>	<u>1,428,787</u>	<u>81,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(950,919)</u>	<u>(945,297)</u>	<u>(846,554)</u>	<u>98,743</u>
Other financing sources (uses):				
Transfers out	<u>(127,090)</u>	<u>(152,712)</u>	<u>(137,006)</u>	<u>15,706</u>
Total other financing sources (uses):	<u>(127,090)</u>	<u>(152,712)</u>	<u>(137,006)</u>	<u>15,706</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,078,009)</u>	<u>\$ (1,098,009)</u>	<u>\$ (983,560)</u>	<u>\$ 114,449</u>

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Pretrial Services Variance
	Original	Final		
	Revenues:			
Charges for services	\$ 260,000	\$ 260,000	\$ 235,214	\$ (24,786)
Total revenues	260,000	260,000	235,214	(24,786)
Expenditures:				
Salaries	2,770,455	2,770,455	2,560,550	209,905
Other compensation	47,566	47,566	45,548	2,018
Fringe benefits	1,130,096	1,130,096	1,047,331	82,765
Salary restriction	(147,570)	(167,570)	---	(167,570)
Supplies and materials	72,178	55,846	45,617	10,229
Services and other expenditures	38,251	54,333	49,748	4,585
Professional and contracted services	---	3,250	3,108	142
Rent, utilities and maintenance	4,000	4,000	2,700	1,300
Interfund services	70,399	67,399	52,267	15,132
Total expenditures	3,985,375	3,965,375	3,806,869	158,506
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,725,375)	\$ (3,705,375)	\$ (3,571,655)	\$ 133,720

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Sheriff's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,265,000	\$ 2,265,000	\$ 3,460,975	\$ 1,195,975
Federal and local revenue	575,000	575,000	753,559	178,559
Charges for services	688,000	688,000	700,126	12,126
Fines, fees and permits	1,505,500	1,505,500	1,295,609	(209,891)
Other revenue	25,000	25,000	103,061	78,061
Total revenues	5,058,500	5,058,500	6,313,330	1,254,830
Expenditures:				
Salaries	105,470,502	105,451,860	91,835,056	13,616,804
Other compensation	11,775,383	14,253,026	14,253,013	13
Fringe benefits	40,615,560	39,113,734	37,698,072	1,415,662
Salary restriction	(8,434,665)	(11,163,394)	---	(11,163,394)
Supplies and materials	4,798,390	5,058,292	4,822,726	235,566
Services and other expenditures	1,152,505	1,418,727	1,340,361	78,366
Professional and contracted services	9,067,250	7,762,498	7,662,780	99,718
Rent, utilities and maintenance	3,396,628	3,853,459	3,640,751	212,708
Interfund services	778,608	751,276	696,870	54,406
Asset acquisitions	1,840,652	2,822,108	2,803,800	18,308
Total expenditures	170,460,813	169,321,586	164,753,429	4,568,157
Excess (deficiency) of revenues over (under) expenditures	(165,402,313)	(164,263,086)	(158,440,099)	5,822,987
Other financing sources (uses):				
Transfers in	131,481	131,481	81,545	(49,936)
Transfers out	(13,165)	(75,415)	(57,564)	17,851
Sale of capital assets	---	---	14,675	14,675
Total other financing sources (uses):	118,316	56,066	38,656	(17,410)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (165,283,997)	\$ (164,207,020)	\$ (158,401,443)	\$ 5,805,577

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Chancery Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 2,770,000	\$ 2,770,000	\$ 3,108,274	\$ 338,274
Investment income	25,000	25,000	67,647	42,647
Total revenues	2,795,000	2,795,000	3,175,921	380,921
Expenditures:				
Salaries	1,044,924	1,055,197	946,895	108,302
Other compensation	8,928	13,528	13,511	17
Fringe benefits	401,155	389,294	374,306	14,988
Salary restriction	(56,705)	(67,703)	---	(67,703)
Supplies and materials	17,251	17,310	15,591	1,719
Services and other expenditures	112,216	105,330	104,190	1,140
Professional and contracted services	104	---	---	---
Rent, utilities and maintenance	3,129	1,680	1,680	---
Interfund services	37,103	45,483	44,073	1,410
Total expenditures	1,568,105	1,560,119	1,500,246	59,873
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,226,895	\$ 1,234,881	\$ 1,675,675	\$ 440,794

Circuit Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ ---	\$ 825	\$ 825
Fines, fees and permits	2,738,000	2,738,000	2,790,989	52,989
Investment income	10,000	10,000	37,428	27,428
Total revenues	2,748,000	2,748,000	2,829,242	81,242
Expenditures:				
Salaries	1,873,149	1,881,770	1,777,236	104,534
Other compensation	25,583	25,583	22,203	3,380
Fringe benefits	696,361	698,616	665,073	33,543
Salary restriction	(103,657)	(123,131)	---	(123,131)
Supplies and materials	47,175	47,175	32,966	14,209
Services and other expenditures	122,100	124,600	114,815	9,785
Professional and contracted services	1,600	2,600	1,778	822
Rent, utilities and maintenance	1,000	1,000	---	1,000
Interfund services	115,699	107,199	76,911	30,288
Total expenditures	2,779,010	2,765,412	2,690,982	74,430
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (31,010)	\$ (17,412)	\$ 138,260	\$ 155,672

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Criminal Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 4,160,000	\$ 4,160,000	\$ 3,156,366	\$ (1,003,634)
Other revenue	---	---	176	176
Investment income	2,500	2,500	12,523	10,023
Total revenues	4,162,500	4,162,500	3,169,065	(993,435)
Expenditures:				
Salaries	3,436,316	3,438,701	3,322,015	116,686
Other compensation	52,298	52,298	49,982	2,316
Fringe benefits	1,352,289	1,352,914	1,331,741	21,173
Salary restriction	(173,162)	(121,097)	---	(121,097)
Supplies and materials	66,143	72,143	56,229	15,914
Services and other expenditures	48,685	92,585	88,492	4,093
Rent, utilities and maintenance	10,170	7,170	2,782	4,388
Interfund services	205,926	159,026	142,111	16,915
Total expenditures	4,998,665	5,053,740	4,993,352	60,388
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (836,165)	\$ (891,240)	\$ (1,824,287)	\$ (933,047)

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other local taxes	\$ 410,000	\$ 410,000	\$ 401,045	\$ (8,955)
Fines, fees and permits	9,550,000	9,725,031	7,549,065	(2,175,966)
Other revenue	---	---	675	675
Investment income	22,000	22,000	88,787	66,787
Total revenues	9,982,000	10,157,031	8,039,572	(2,117,459)
Expenditures:				
Salaries	10,112,065	10,289,914	9,626,989	662,925
Other compensation	207,506	267,580	189,591	77,989
Fringe benefits	3,767,938	3,841,186	3,557,162	284,024
Salary restriction	(292,211)	(314,325)	---	(314,325)
Supplies and materials	213,001	214,699	172,579	42,120
Services and other expenditures	191,650	185,354	122,605	62,749
Professional and contracted services	374,973	355,973	296,737	59,236
Rent, utilities and maintenance	45,594	46,464	43,455	3,009
Interfund services	385,379	371,296	314,824	56,472
Asset acquisitions	---	11,307	5,273	6,034
Total expenditures	15,005,895	15,269,448	14,329,215	940,233
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (5,023,895)	\$ (5,112,417)	\$ (6,289,643)	\$ (1,177,226)

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Probate Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 584,000	\$ 584,000	\$ 636,289	\$ 52,289
Total revenues	584,000	584,000	636,289	52,289
Expenditures:				
Salaries	899,419	902,110	887,382	14,728
Other compensation	3,462	3,562	3,493	69
Fringe benefits	317,443	318,050	315,518	2,532
Supplies and materials	11,145	9,645	8,050	1,595
Services and other expenditures	12,000	16,100	14,633	1,467
Professional and contracted services	1,400	---	---	---
Rent, utilities and maintenance	2,324	1,124	---	1,124
Interfund services	42,817	33,763	28,774	4,989
Total expenditures	1,290,010	1,284,354	1,257,850	26,504
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (706,010)	\$ (700,354)	\$ (621,561)	\$ 78,793

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Juvenile Court Judge

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ ---	\$ 20	\$ 20
Other revenue	4,000	4,000	4,646	646
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>4,666</u>	<u>666</u>
Expenditures:				
Salaries	7,053,289	6,960,282	6,701,245	259,037
Other compensation	96,740	96,740	93,673	3,067
Fringe benefits	2,664,618	2,626,074	2,517,090	108,984
Salary restriction	(264,490)	(264,490)	---	(264,490)
Supplies and materials	145,917	119,417	113,488	5,929
Services and other expenditures	150,280	131,780	119,984	11,796
Professional and contracted services	987,621	824,921	785,234	39,687
Rent, utilities and maintenance	49,300	284,800	277,582	7,218
Interfund services	75,460	102,460	74,880	27,580
Asset acquisitions	35,000	---	---	---
Total expenditures	<u>10,993,735</u>	<u>10,881,984</u>	<u>10,683,176</u>	<u>198,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,989,735)</u>	<u>(10,877,984)</u>	<u>(10,678,510)</u>	<u>199,474</u>
Other financing sources (uses):				
Transfers in	<u>67,688</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total other financing sources (uses):	<u>67,688</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (10,922,047)</u>	<u>\$ (10,877,984)</u>	<u>\$ (10,678,510)</u>	<u>\$ 199,474</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Juvenile Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 700,000	\$ 700,000	\$ 1,086,813	\$ 386,813
Fines, fees and permits	500,000	500,000	513,044	13,044
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,599,857</u>	<u>399,857</u>
Expenditures:				
Salaries	2,457,543	2,459,928	2,304,951	154,977
Other compensation	97,016	97,016	34,144	62,872
Fringe benefits	954,106	954,731	899,187	55,544
Salary restriction	(138,012)	(138,012)	---	(138,012)
Supplies and materials	109,450	79,950	31,939	48,011
Services and other expenditures	64,717	43,717	37,032	6,685
Professional and contracted services	152,853	155,853	155,000	853
Rent, utilities and maintenance	35,043	24,219	7,083	17,136
Interfund services	24,832	56,832	41,355	15,477
Total expenditures	<u>3,757,548</u>	<u>3,734,234</u>	<u>3,510,691</u>	<u>223,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,557,548)</u>	<u>(2,534,234)</u>	<u>(1,910,834)</u>	<u>623,400</u>
Other financing sources (uses):				
Transfers in	34,323	34,323	16,687	(17,636)
Transfers out	(334,816)	(334,816)	(264,929)	69,887
Total other financing sources (uses):	<u>(300,493)</u>	<u>(300,493)</u>	<u>(248,242)</u>	<u>52,251</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,858,041)</u>	<u>\$ (2,834,727)</u>	<u>\$ (2,159,076)</u>	<u>\$ 675,651</u>

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Public Defender

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 5,086,700	\$ 5,086,700	\$ 5,086,800	\$ 100
Fines, fees and permits	175,000	175,000	122,032	(52,968)
Total revenues	<u>5,261,700</u>	<u>5,261,700</u>	<u>5,208,832</u>	<u>(52,868)</u>
Expenditures:				
Salaries	9,753,380	9,777,580	8,823,789	953,791
Other compensation	56,664	56,664	54,083	2,581
Fringe benefits	3,365,912	3,341,711	3,041,423	300,288
Salary restriction	(885,903)	(885,903)	---	(885,903)
Supplies and materials	143,695	91,405	61,411	29,994
Services and other expenditures	278,646	239,646	221,599	18,047
Professional and contracted services	108,300	128,542	101,112	27,430
Rent, utilities and maintenance	8,860	18,445	11,767	6,678
Interfund services	190,505	190,505	173,022	17,483
Asset acquisitions	---	7,155	7,155	---
Total expenditures	<u>13,020,059</u>	<u>12,965,750</u>	<u>12,495,361</u>	<u>470,389</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (7,758,359)</u>	<u>\$ (7,704,050)</u>	<u>\$ (7,286,529)</u>	<u>\$ 417,521</u>

Divorce Referee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 275,000	\$ 275,000	\$ 268,113	\$ (6,887)
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>268,113</u>	<u>(6,887)</u>
Expenditures:				
Salaries	469,407	469,407	467,864	1,543
Other compensation	5,280	2,124	2,096	28
Fringe benefits	185,595	202,595	202,568	27
Supplies and materials	900	700	516	184
Services and other expenditures	2,127	622	---	622
Interfund services	2,552	2,752	2,679	73
Total expenditures	<u>665,861</u>	<u>678,200</u>	<u>675,723</u>	<u>2,477</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (390,861)</u>	<u>\$ (403,200)</u>	<u>\$ (407,610)</u>	<u>\$ (4,410)</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Jury Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 219,845	\$ 219,845	\$ 184,638	\$ 35,207
Other compensation	3,402	3,402	2,605	797
Fringe benefits	94,899	94,899	82,130	12,769
Supplies and materials	2,724	3,091	1,758	1,333
Services and other expenditures	461,850	454,417	354,721	99,696
Professional and contracted services	37,450	37,450	29,554	7,896
Rent, utilities and maintenance	---	950	950	---
Interfund services	53,542	53,542	28,847	24,695
Total expenditures	873,712	867,596	685,203	182,393
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (873,712)</u>	<u>\$ (867,596)</u>	<u>\$ (685,203)</u>	<u>\$ 182,393</u>

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ ---	\$ 6,222	\$ 6,222
Total revenues	---	---	6,222	6,222
Expenditures:				
Salaries	7,787,320	7,787,320	7,232,807	554,513
Other compensation	69,856	69,856	50,888	18,968
Fringe benefits	2,698,255	2,698,255	2,577,046	121,209
Salary restriction	(303,526)	(303,526)	---	(303,526)
Supplies and materials	46,798	26,959	24,868	2,091
Services and other expenditures	48,412	95,777	94,136	1,641
Professional and contracted services	190,926	5,400	5,369	31
Rent, utilities and maintenance	40,025	90,622	67,392	23,230
Interfund services	165,263	165,263	145,956	19,307
Asset acquisitions	---	32,200	32,200	---
Total expenditures	10,743,329	10,668,126	10,230,662	437,464
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (10,743,329)</u>	<u>\$ (10,668,126)</u>	<u>\$ (10,224,440)</u>	<u>\$ 443,686</u>

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Commissioner's Contingency

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 138,357	\$ 248,140	\$ 234,454	\$ 13,686
Fringe benefits	11,642	22,417	19,751	2,666
Contingencies and restrictions	200,000	79,443	---	79,443
Total expenditures	349,999	350,000	254,205	95,795
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (349,999)	\$ (350,000)	\$ (254,205)	\$ 95,795

Legislative Operations

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,137,873	\$ 1,136,397	\$ 1,071,691	\$ 64,706
Other compensation	12,568	10,793	10,592	201
Fringe benefits	416,070	419,322	385,508	33,814
Supplies and materials	89,000	47,140	32,124	15,016
Services and other expenditures	240,249	252,249	240,265	11,984
Professional and contracted services	365,000	380,000	357,592	22,408
Rent, utilities and maintenance	6,300	29,300	22,512	6,788
Interfund services	99,394	99,394	50,168	49,226
Asset acquisitions	---	12,500	12,500	---
Total expenditures	2,366,454	2,387,095	2,182,952	204,143
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,366,454)	\$ (2,387,095)	\$ (2,182,952)	\$ 204,143

Equal Opportunity Compliance

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 487,230	\$ 528,002	\$ 487,229	\$ 40,773
Other compensation	11,349	13,290	7,651	5,639
Fringe benefits	161,156	177,638	169,744	7,894
Supplies and materials	14,900	32,900	7,629	25,271
Services and other expenditures	26,225	27,725	24,916	2,809
Professional and contracted services	19,823	19,823	---	19,823
Rent, utilities and maintenance	1,500	1,500	---	1,500
Interfund services	27,067	27,067	9,506	17,561
Asset acquisitions	---	5,000	---	5,000
Total expenditures	749,250	832,945	706,675	126,270
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (749,250)	\$ (832,945)	\$ (706,675)	\$ 126,270

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Assessor

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 15,500	\$ 15,500	\$ 27,918	\$ 12,418
Charges for services	6,000	6,000	5,145	(855)
Total revenues	21,500	21,500	33,063	11,563
Expenditures:				
Salaries	6,909,152	6,906,943	6,276,552	630,391
Other compensation	126,909	163,909	161,822	2,087
Fringe benefits	2,707,306	2,669,729	2,456,451	213,278
Salary restriction	(574,819)	(649,799)	---	(649,799)
Supplies and materials	69,000	69,000	63,690	5,310
Services and other expenditures	467,718	482,718	446,942	35,776
Professional and contracted services	493,422	481,422	331,346	150,076
Rent, utilities and maintenance	338,472	338,472	308,114	30,358
Interfund services	177,050	156,050	149,601	6,449
Asset acquisitions	---	34,196	27,708	6,488
Total expenditures	10,714,210	10,652,640	10,222,226	430,414
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (10,692,710)	\$ (10,631,140)	\$ (10,189,163)	\$ 441,977

County Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 10,865,000	\$ 10,865,000	\$ 11,677,017	\$ 812,017
Investment income	20,000	20,000	56,747	36,747
Total revenues	10,885,000	10,885,000	11,733,764	848,764
Expenditures:				
Salaries	3,383,638	3,381,442	3,247,060	134,382
Other compensation	87,074	92,074	89,384	2,690
Fringe benefits	1,423,509	1,417,935	1,359,159	58,776
Salary restriction	(161,267)	(161,267)	---	(161,267)
Supplies and materials	93,618	116,980	115,819	1,161
Services and other expenditures	17,950	17,950	11,573	6,377
Professional and contracted services	2,000	2,000	891	1,109
Rent, utilities and maintenance	119,350	121,850	118,419	3,431
Interfund services	411,864	335,877	327,009	8,868
Asset acquisitions	---	12,500	12,249	251
Total expenditures	5,377,736	5,337,341	5,281,563	55,778
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 5,507,264	\$ 5,547,659	\$ 6,452,201	\$ 904,542

Shelby County, Tennessee

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Register

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Fines, fees and permits	\$ 3,600,000	\$ 3,600,000	\$ 3,944,640	\$ 344,640
Investment income	4,000	4,000	14,409	10,409
Total revenues	3,604,000	3,604,000	3,959,049	355,049
Expenditures:				
Salaries	1,224,943	1,222,747	1,168,159	54,588
Other compensation	12,343	12,343	12,281	62
Fringe benefits	487,156	486,580	466,925	19,655
Salary restriction	(41,439)	(25,825)	---	(25,825)
Supplies and materials	34,545	34,545	33,080	1,465
Services and other expenditures	14,355	14,355	11,343	3,012
Rent, utilities and maintenance	19,775	19,775	15,960	3,815
Interfund services	56,216	43,580	37,758	5,822
Total expenditures	1,807,894	1,808,100	1,745,506	62,594
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,796,106	\$ 1,795,900	\$ 2,213,543	\$ 417,643

Trustee

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 1,637,890	\$ 1,637,890	\$ 1,543,521	\$ (94,369)
Fines, fees and permits	22,200,000	22,200,000	22,105,998	(94,002)
Other revenue	---	---	29,443	29,443
Investment income	15,000	15,000	43,295	28,295
Total revenues	23,852,890	23,852,890	23,722,257	(130,633)
Expenditures:				
Salaries	3,820,398	3,818,202	3,433,094	385,108
Other compensation	71,879	71,879	56,143	15,736
Fringe benefits	1,431,359	1,430,785	1,291,028	139,757
Salary restriction	(311,532)	(361,671)	---	(361,671)
Supplies and materials	73,196	73,196	51,075	22,121
Services and other expenditures	1,086,563	1,151,913	1,034,571	117,342
Professional and contracted services	711,990	643,940	354,918	289,022
Rent, utilities and maintenance	172,700	127,700	115,278	12,422
Interfund services	108,950	108,950	73,001	35,949
Asset acquisitions	---	47,700	47,224	476
Total expenditures	7,165,503	7,112,594	6,456,332	656,262
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 16,687,387	\$ 16,740,296	\$ 17,265,925	\$ 525,629

**General Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Election Commission

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 18,000	\$ 378,000	\$ 11,373	\$ (366,627)
Federal and local revenue	---	---	24,713	24,713
Charges for services	4,500	4,500	2,118	(2,382)
Total revenues	22,500	382,500	38,204	(344,296)
Expenditures:				
Salaries	2,134,261	2,261,590	2,149,713	111,877
Other compensation	185,000	217,881	215,279	2,602
Fringe benefits	387,979	386,783	375,624	11,159
Salary restriction	(33,394)	(11,732)	---	(11,732)
Supplies and materials	130,000	299,190	188,756	110,434
Services and other expenditures	380,800	402,437	310,503	91,934
Professional and contracted services	305,200	433,900	295,341	138,559
Rent, utilities and maintenance	280,900	335,230	324,651	10,579
Interfund services	328,000	286,600	220,990	65,610
Total expenditures	4,098,746	4,611,879	4,080,857	531,022
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (4,076,246)	\$ (4,229,379)	\$ (4,042,653)	\$ 186,726

Grants Fund
Budgetary Comparison Schedule - Summary by Type
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 67,109,583	\$ 84,194,635	\$ 58,638,968	\$ (25,555,667)
Federal and local revenue	24,415,074	27,044,198	14,440,140	(12,604,058)
Charges for services	1,553,000	1,553,000	1,205,719	(347,281)
Fines, fees and permits	399,040	399,040	122,144	(276,896)
Other revenue	3,298,901	3,718,888	818,825	(2,900,063)
Investment income	45,300	45,300	52,689	7,389
Total revenues	96,820,898	116,955,061	75,278,485	(41,676,576)
Expenditures:				
Salaries	25,427,537	26,070,044	20,951,655	5,118,389
Other compensation	669,148	1,029,771	766,593	263,178
Fringe benefits	9,782,308	9,952,424	8,175,426	1,776,998
Salary restriction	(1,715,770)	(2,438,614)	---	(2,438,614)
Supplies and materials	3,244,409	4,289,721	2,144,032	2,145,689
Services and other expenditures	13,735,621	15,330,181	11,504,937	3,825,244
Professional and contracted services	23,529,123	28,414,027	18,035,558	10,378,469
Rent, utilities and maintenance	1,292,122	1,570,707	807,152	763,555
Interfund services	2,951,582	3,096,255	2,656,759	439,496
Asset acquisitions	21,741,093	33,917,431	11,713,410	22,204,021
Total expenditures	100,657,173	121,231,947	76,755,522	44,476,425
Excess (deficiency) of revenues over (under) expenditures	(3,836,275)	(4,276,886)	(1,477,037)	2,799,849
Other financing sources (uses):				
Transfers in	3,861,468	4,234,391	3,246,049	(988,342)
Transfers out	(1,428,079)	(1,597,143)	(1,533,239)	63,904
Sale of capital assets	80,000	80,000	---	(80,000)
Planned change in fund balance	1,322,886	1,559,638	---	(1,559,638)
Total other financing sources (uses):	3,836,275	4,276,886	1,712,810	(2,564,076)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 235,773	\$ 235,773

Shelby County, Tennessee

Grants Fund
Budgetary Comparison Schedule - Summary by Department
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ 1,961,026	\$ 481,749	\$ (1,479,277)
	<u>1,961,026</u>	<u>481,749</u>	<u>(1,479,277)</u>
Planning and Development			
Local Planning	5,000	---	(5,000)
Economic and Resource Management	---	18,746	18,746
Housing	7,156,739	2,789,489	(4,367,250)
Regional Services	2,947,708	1,416,294	(1,531,414)
Resilience Department	961,870	670,874	(290,996)
	<u>11,071,317</u>	<u>4,895,403</u>	<u>(6,175,914)</u>
Public Works			
Environmental Programs	2,297,300	332,561	(1,964,739)
Roads and Bridges	27,754,228	11,790,732	(15,963,496)
Support Services	657,006	541,884	(115,122)
	<u>30,708,534</u>	<u>12,665,177</u>	<u>(18,043,357)</u>
Corrections			
Corrections Administration	443,665	139,203	(304,462)
	<u>443,665</u>	<u>139,203</u>	<u>(304,462)</u>
Health Services			
Health Services Administration and Finance	979,457	917,800	(61,657)
Environmental Health Services	1,877,689	1,328,384	(549,305)
Community Health	20,816,262	17,230,684	(3,585,578)
Health Planning and Promotion	995,951	833,270	(162,681)
Public Health Safety	1,707,431	1,310,127	(397,304)
	<u>26,376,790</u>	<u>21,620,265</u>	<u>(4,756,525)</u>
Community Services			
Director of Community Services	807,046	273,391	(533,655)
Community Services Administration	11,845,471	11,468,771	(376,700)
Community and Diversion Services	1,452,867	1,128,479	(324,388)
Ryan White Programs	11,372,795	9,214,358	(2,158,437)
Crime Victims Center	909,337	773,831	(135,506)
Aging Commission of the Mid-South	8,028,415	6,843,307	(1,185,108)
	<u>34,415,931</u>	<u>29,702,137</u>	<u>(4,713,794)</u>
Law Enforcement			
Sheriff's Office	6,462,026	1,435,415	(5,026,611)
	<u>6,462,026</u>	<u>1,435,415</u>	<u>(5,026,611)</u>

Grants Fund
Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Judicial			
Criminal Court	\$ 113,220	\$ ---	\$ (113,220)
General Sessions Court	1,126,366	801,487	(324,879)
Juvenile Court Judge	2,259,189	2,135,885	(123,304)
Juvenile Court Clerk	649,937	523,389	(126,548)
Public Defender	200,000	198,705	(1,295)
Attorney General	1,167,060	679,670	(487,390)
	<u>5,515,772</u>	<u>4,339,136</u>	<u>(1,176,636)</u>
Total revenues	<u>116,955,061</u>	<u>75,278,485</u>	<u>(41,676,576)</u>
Expenditures:			
General Government			
Chief Administrative Officer	1,961,026	474,395	1,486,631
	<u>1,961,026</u>	<u>474,395</u>	<u>1,486,631</u>
Planning and Development			
Local Planning	6,000	---	6,000
Economic and Resource Management	1,000,000	44,500	955,500
Housing	7,301,100	2,879,194	4,421,906
Regional Services	3,380,153	1,614,788	1,765,365
Resilience Department	961,870	670,874	290,996
	<u>12,649,123</u>	<u>5,209,356</u>	<u>7,439,767</u>
Public Works			
Environmental Programs	2,354,980	228,555	2,126,425
Roads and Bridges	28,148,625	11,456,754	16,691,871
Support Services	657,006	521,354	135,652
	<u>31,160,611</u>	<u>12,206,663</u>	<u>18,953,948</u>
Corrections			
Corrections Administration	744,998	412,503	332,495
	<u>744,998</u>	<u>412,503</u>	<u>332,495</u>
Health Services			
Health Services Administration and Finance	87,157	25,500	61,657
Environmental Health Services	3,438,451	2,550,438	888,013
Community Health	21,606,077	18,137,984	3,468,093
Health Planning and Promotion	1,000,251	508,071	492,180
Public Health Safety	1,707,431	1,313,953	393,478
	<u>27,839,367</u>	<u>22,535,946</u>	<u>5,303,421</u>
Community Services			
Director of Community Services	807,046	273,391	533,655
Community Services Administration	11,845,471	11,468,771	376,700
Community and Diversion Services	1,452,867	1,128,479	324,388
Ryan White Programs	11,372,795	9,214,358	2,158,437
Crime Victims Center	1,062,049	910,837	151,212
Aging Commission of the Mid-South	8,106,848	6,921,736	1,185,112
	<u>34,647,076</u>	<u>29,917,572</u>	<u>4,729,504</u>

Grants Fund
Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Law Enforcement			
Sheriff's Office	\$ 6,405,960	\$ 1,411,434	\$ 4,994,526
	<u>6,405,960</u>	<u>1,411,434</u>	<u>4,994,526</u>
Judicial			
Criminal Court	113,220	---	113,220
General Sessions Court	1,133,887	801,487	332,400
Juvenile Court Judge	2,259,189	2,136,160	123,029
Juvenile Court Clerk	950,430	771,631	178,799
Public Defender	200,000	198,705	1,295
Attorney General	1,167,060	679,670	487,390
	<u>5,823,786</u>	<u>4,587,653</u>	<u>1,236,133</u>
 Total expenditures	 <u>121,231,947</u>	 <u>76,755,522</u>	 <u>(44,476,425)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,276,886)</u>	<u>(1,477,037)</u>	<u>2,799,849</u>
Transfers in:			
Housing	64,361	21,160	(43,201)
Regional Services	432,445	198,494	(233,951)
Environmental Programs	50,000	50,000	---
Roads and Bridges	394,397	157,692	(236,705)
Corrections Administration	301,333	273,300	(28,033)
Environmental Health Services	1,560,762	1,222,054	(338,708)
Community Health	863,850	863,850	---
Health Planning and Promotion	4,300	---	(4,300)
Crime Victims Center	152,712	137,006	(15,706)
Sheriff's Office	75,415	57,564	(17,851)
Juvenile Court Clerk	334,816	264,929	(69,887)
Total transfers in	<u>4,234,391</u>	<u>3,246,049</u>	<u>(988,342)</u>
Transfers out:			
Chief Administrative Officer	(165,217)	(165,217)	---
Environmental Programs	(35,170)	(35,170)	---
Roads and Bridges	(236,752)	(257,673)	(20,921)
Health Services Administration and Finance	(892,300)	(892,300)	---
Community Health	(101,900)	(84,647)	17,253
Sheriff's Office	(131,481)	(81,545)	49,936
Juvenile Court Clerk	(34,323)	(16,687)	17,636
Total transfers out	<u>(1,597,143)</u>	<u>(1,533,239)</u>	<u>63,904</u>

Shelby County, Tennessee

Grants Fund
Budgetary Comparison Schedule - Summary by Department (continued)
For the Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance
Other financing sources (uses):			
Chief Administrative Officer	\$ 165,217	\$ ---	\$ (165,217)
Local Planning	1,000	---	(1,000)
Economic and Resource Management	1,000,000	---	(1,000,000)
Housing	80,000	---	(80,000)
Environmental Programs	42,850	---	(42,850)
Roads and Bridges	236,752	---	(236,752)
Community Health	27,865	---	(27,865)
Aging Commission of the Mid-South	78,433	---	(78,433)
General Sessions Court	7,521	---	(7,521)
Total other financing sources (uses)	<u>1,639,638</u>	<u>---</u>	<u>(1,639,638)</u>
Net other financing sources (uses)	<u>4,276,886</u>	<u>1,712,810</u>	<u>(2,564,076)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ 235,773</u>	<u>\$ 235,773</u>

Chief Administrative Officer

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,079,785	\$ 1,079,785	\$ 481,749	\$ (598,036)
Federal and local revenue	858,241	881,241	---	(881,241)
Total revenues	1,938,026	1,961,026	481,749	(1,479,277)
Expenditures:				
Salaries	194,069	194,069	193,131	938
Other compensation	40,762	40,762	1,012	39,750
Fringe benefits	79,369	79,369	78,583	786
Supplies and materials	1,079,561	1,064,061	46,691	1,017,370
Services and other expenditures	76,066	76,066	45,474	30,592
Professional and contracted services	60,000	60,000	58,044	1,956
Rent, utilities and maintenance	370,435	370,435	15,195	355,240
Interfund services	12,764	13,264	465	12,799
Asset acquisitions	25,000	63,000	35,800	27,200
Total expenditures	1,938,026	1,961,026	474,395	1,486,631
Excess (deficiency) of revenues over (under) expenditures	---	---	7,354	7,354
Other financing sources (uses):				
Transfers out	(165,217)	(165,217)	(165,217)	---
Planned change in fund balance	165,217	165,217	---	(165,217)
Total other financing sources (uses):	---	---	(165,217)	(165,217)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (157,863)	\$ (157,863)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

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	\$ ---	\$ ---	\$ 18,746	\$ 18,746
Total revenues	---	---	18,746	18,746
Expenditures:				
Services and other expenditures	50,000	50,000	14,500	35,500
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	44,500	955,500
Excess (deficiency) of revenues over (under) expenditures	(1,000,000)	(1,000,000)	(25,754)	974,246
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	\$ ---	\$ ---	\$ (25,754)	\$ (25,754)

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Housing

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 700,000	\$ 700,000	\$ 353,602	\$ (346,398)
Federal and local revenue	6,089,463	5,816,007	2,059,105	(3,756,902)
Fines, fees and permits	280,477	280,477	122,144	(158,333)
Other revenue	140,000	315,255	232,663	(82,592)
Investment income	45,000	45,000	21,975	(23,025)
Total revenues	7,254,940	7,156,739	2,789,489	(4,367,250)
Expenditures:				
Salaries	607,038	626,615	525,249	101,366
Other compensation	7,609	9,109	8,786	323
Fringe benefits	241,164	247,553	205,761	41,792
Supplies and materials	38,514	43,962	8,604	35,358
Services and other expenditures	2,630,736	3,329,065	1,123,330	2,205,735
Professional and contracted services	3,848,000	3,026,806	1,002,669	2,024,137
Rent, utilities and maintenance	2,240	5,240	2,880	2,360
Interfund services	19,000	7,750	1,915	5,835
Asset acquisitions	5,000	5,000	---	5,000
Total expenditures	7,399,301	7,301,100	2,879,194	4,421,906
Excess (deficiency) of revenues over (under) expenditures	(144,361)	(144,361)	(89,705)	54,656
Other financing sources (uses):				
Transfers in	64,361	64,361	21,160	(43,201)
Sale of capital assets	80,000	80,000	---	(80,000)
Total other financing sources (uses):	144,361	144,361	21,160	(123,201)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (68,545)	\$ (68,545)

Shelby County, Tennessee

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Regional Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,446,930	\$ 2,797,708	\$ 946,289	\$ (1,851,419)
Federal and local revenue	---	150,000	470,005	320,005
Total revenues	<u>2,446,930</u>	<u>2,947,708</u>	<u>1,416,294</u>	<u>(1,531,414)</u>
Expenditures:				
Salaries	715,401	715,401	513,969	201,432
Other compensation	3,336	3,836	3,556	280
Fringe benefits	251,071	250,571	204,516	46,055
Supplies and materials	32,000	32,000	4,731	27,269
Services and other expenditures	104,300	104,300	41,465	62,835
Professional and contracted services	1,382,023	1,949,156	680,982	1,268,174
Rent, utilities and maintenance	5,500	5,500	1,553	3,947
Interfund services	304,389	304,389	164,016	140,373
Asset acquisitions	15,000	15,000	---	15,000
Total expenditures	<u>2,813,020</u>	<u>3,380,153</u>	<u>1,614,788</u>	<u>1,765,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(366,090)</u>	<u>(432,445)</u>	<u>(198,494)</u>	<u>233,951</u>
Other financing sources (uses):				
Transfers in	366,090	432,445	198,494	(233,951)
Total other financing sources (uses):	<u>366,090</u>	<u>432,445</u>	<u>198,494</u>	<u>(233,951)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Resilience Department

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ ---	\$ 961,870	\$ 670,874	\$ (290,996)
Total revenues	<u>---</u>	<u>961,870</u>	<u>670,874</u>	<u>(290,996)</u>
Expenditures:				
Salaries	---	102,562	45,514	57,048
Other compensation	---	516	344	172
Fringe benefits	---	36,586	15,260	21,326
Supplies and materials	---	5,000	---	5,000
Services and other expenditures	---	38,400	6,728	31,672
Professional and contracted services	---	762,731	603,028	159,703
Asset acquisitions	---	16,075	---	16,075
Total expenditures	<u>---</u>	<u>961,870</u>	<u>670,874</u>	<u>290,996</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Environmental Programs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 85,000	\$ 85,000	\$ 111,865	\$ 26,865
Federal and local revenue	121,000	121,000	111,000	(10,000)
Charges for services	78,000	78,000	100,600	22,600
Other revenue	2,013,000	2,013,000	445	(2,012,555)
Investment income	300	300	8,651	8,351
Total revenues	2,297,300	2,297,300	332,561	(1,964,739)
Expenditures:				
Salaries	53,555	53,555	50,746	2,809
Other compensation	402	402	402	---
Fringe benefits	14,280	14,280	12,714	1,566
Supplies and materials	12,648	12,648	434	12,214
Services and other expenditures	5,050	5,050	1,848	3,202
Professional and contracted services	1,234,224	1,234,224	147,025	1,087,199
Rent, utilities and maintenance	22,771	22,771	10,370	12,401
Interfund services	12,050	12,050	5,016	7,034
Asset acquisitions	1,000,000	1,000,000	---	1,000,000
Total expenditures	2,354,980	2,354,980	228,555	2,126,425
Excess (deficiency) of revenues over (under) expenditures	(57,680)	(57,680)	104,006	161,686
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	42,850	42,850	---	(42,850)
Total other financing sources (uses):	57,680	57,680	14,830	(42,850)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 118,836	\$ 118,836

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Roads and Bridges

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 15,515,018	\$ 27,743,486	\$ 11,694,313	\$ (16,049,173)
Federal and local revenue	---	---	135,891	135,891
Other revenue	---	10,742	(39,472)	(50,214)
Total revenues	15,515,018	27,754,228	11,790,732	(15,963,496)
Expenditures:				
Salaries	205,267	205,267	179,007	26,260
Other compensation	1,848	1,848	1,302	546
Fringe benefits	74,843	80,593	80,543	50
Supplies and materials	10,965	5,215	4,875	340
Services and other expenditures	15,761	29,261	4,318	24,943
Professional and contracted services	390,000	424,784	19,832	404,952
Rent, utilities and maintenance	10,000	10,000	---	10,000
Interfund services	500	500	---	500
Asset acquisitions	14,981,535	27,391,157	11,166,877	16,224,280
Total expenditures	15,690,719	28,148,625	11,456,754	16,691,871
Excess (deficiency) of revenues over (under) expenditures	(175,701)	(394,397)	333,978	728,375
Other financing sources (uses):				
Transfers in	175,701	394,397	157,692	(236,705)
Transfers out	---	(236,752)	(257,673)	(20,921)
Planned change in fund balance	---	236,752	---	(236,752)
Total other financing sources (uses):	175,701	394,397	(99,981)	(494,378)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 233,997	\$ 233,997

Shelby County, Tennessee

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Support Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 538,443	\$ 538,443	\$ 538,567	\$ 124
Fines, fees and permits	118,563	118,563	---	(118,563)
Investment income	---	---	3,317	3,317
Total revenues	657,006	657,006	541,884	(115,122)
Expenditures:				
Salaries	47,836	47,836	21,925	25,911
Other compensation	2,202	2,202	444	1,758
Fringe benefits	17,708	17,708	9,525	8,183
Supplies and materials	3,321	3,321	---	3,321
Professional and contracted services	584,039	584,039	488,206	95,833
Interfund services	1,900	1,900	1,254	646
Total expenditures	657,006	657,006	521,354	135,652
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 20,530	\$ 20,530

Corrections Administration

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 110,000	\$ 110,000	\$ 97,102	\$ (12,898)
Federal and local revenue	100,000	333,665	42,101	(291,564)
Total revenues	210,000	443,665	139,203	(304,462)
Expenditures:				
Salaries	232,819	313,245	231,796	81,449
Other compensation	---	150	99	51
Fringe benefits	84,694	114,343	75,698	38,645
Supplies and materials	40,061	36,660	23,080	13,580
Services and other expenditures	75,182	165,723	59,101	106,622
Professional and contracted services	64,077	100,377	11,991	88,386
Rent, utilities and maintenance	5,000	3,000	---	3,000
Interfund services	9,500	11,500	10,738	762
Total expenditures	511,333	744,998	412,503	332,495
Excess (deficiency) of revenues over (under) expenditures	(301,333)	(301,333)	(273,300)	28,033
Other financing sources (uses):				
Transfers in	301,333	301,333	273,300	(28,033)
Total other financing sources (uses):	301,333	301,333	273,300	(28,033)
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	\$ 979,457	\$ 979,457	\$ 917,800	\$ (61,657)
Total revenues	<u>979,457</u>	<u>979,457</u>	<u>917,800</u>	<u>(61,657)</u>
Expenditures:				
Other compensation	52,693	52,693	---	52,693
Supplies and materials	25,500	25,500	25,500	---
Professional and contracted services	8,964	8,964	---	8,964
Total expenditures	<u>87,157</u>	<u>87,157</u>	<u>25,500</u>	<u>61,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>892,300</u>	<u>892,300</u>	<u>892,300</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	(892,300)	(892,300)	(892,300)	---
Total other financing sources (uses):	<u>(892,300)</u>	<u>(892,300)</u>	<u>(892,300)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Environmental Health Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 823,303	\$ 823,303	\$ 550,309	\$ (272,994)
Federal and local revenue	1,054,386	1,054,386	778,075	(276,311)
Total revenues	<u>1,877,689</u>	<u>1,877,689</u>	<u>1,328,384</u>	<u>(549,305)</u>
Expenditures:				
Salaries	1,337,981	1,337,981	1,118,902	219,079
Other compensation	13,792	21,792	21,733	59
Fringe benefits	503,198	495,198	414,712	80,486
Salary restriction	(54,516)	(71,316)	---	(71,316)
Supplies and materials	106,720	121,020	73,412	47,608
Services and other expenditures	201,778	227,578	177,461	50,117
Professional and contracted services	806,591	791,591	433,807	357,784
Rent, utilities and maintenance	83,458	75,158	27,797	47,361
Interfund services	395,449	395,449	258,670	136,779
Asset acquisitions	44,000	44,000	23,944	20,056
Total expenditures	<u>3,438,451</u>	<u>3,438,451</u>	<u>2,550,438</u>	<u>888,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,560,762)</u>	<u>(1,560,762)</u>	<u>(1,222,054)</u>	<u>338,708</u>
Other financing sources (uses):				
Transfers in	<u>1,560,762</u>	<u>1,560,762</u>	<u>1,222,054</u>	<u>(338,708)</u>
Total other financing sources (uses):	<u>1,560,762</u>	<u>1,560,762</u>	<u>1,222,054</u>	<u>(338,708)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Community Health

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 17,819,775	\$ 18,127,253	\$ 15,608,102	\$ (2,519,151)
Federal and local revenue	601,340	737,355	466,349	(271,006)
Charges for services	1,475,000	1,475,000	1,105,119	(369,881)
Other revenue	476,654	476,654	51,114	(425,540)
Total revenues	20,372,769	20,816,262	17,230,684	(3,585,578)
Expenditures:				
Salaries	13,630,718	13,741,292	10,662,398	3,078,894
Other compensation	244,737	344,884	342,817	2,067
Fringe benefits	5,359,386	5,394,689	4,256,034	1,138,655
Salary restriction	(1,572,564)	(2,187,600)	---	(2,187,600)
Supplies and materials	1,076,288	1,590,387	973,478	616,909
Services and other expenditures	549,193	765,057	388,948	376,109
Professional and contracted services	453,600	479,400	281,021	198,379
Rent, utilities and maintenance	205,368	230,918	180,644	50,274
Interfund services	1,215,858	1,247,050	1,052,644	194,406
Total expenditures	21,162,584	21,606,077	18,137,984	3,468,093
Excess (deficiency) of revenues over (under) expenditures	(789,815)	(789,815)	(907,300)	(117,485)
Other financing sources (uses):				
Transfers in	863,850	863,850	863,850	---
Transfers out	(101,900)	(101,900)	(84,647)	17,253
Planned change in fund balance	27,865	27,865	---	(27,865)
Total other financing sources (uses):	789,815	789,815	779,203	(10,612)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (128,097)	\$ (128,097)

Health Planning and Promotion

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 833,351	\$ 945,951	\$ 785,856	\$ (160,095)
Federal and local revenue	50,000	50,000	47,414	(2,586)
Total revenues	883,351	995,951	833,270	(162,681)
Expenditures:				
Salaries	333,393	333,393	226,735	106,658
Other compensation	2,184	2,184	660	1,524
Fringe benefits	126,947	126,947	89,768	37,179
Salary restriction	(4,584)	(9,584)	---	(9,584)
Supplies and materials	188,958	266,833	127,154	139,679
Services and other expenditures	108,816	176,241	29,318	146,923
Professional and contracted services	67,000	46,200	1,920	44,280
Rent, utilities and maintenance	---	18,000	13,276	4,724
Interfund services	64,937	40,037	19,240	20,797
Total expenditures	887,651	1,000,251	508,071	492,180
Excess (deficiency) of revenues over (under) expenditures	(4,300)	(4,300)	325,199	329,499
Other financing sources (uses):				
Transfers in	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	\$ ---	\$ ---	\$ 325,199	\$ 325,199

Shelby County, Tennessee

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Public Health Safety

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,710,131	\$ 1,707,431	\$ 1,304,040	\$ (403,391)
Other revenue	---	---	6,087	6,087
Total revenues	1,710,131	1,707,431	1,310,127	(397,304)
Expenditures:				
Salaries	654,921	656,890	495,782	161,108
Other compensation	---	4,500	4,285	215
Fringe benefits	215,788	209,318	170,783	38,535
Salary restriction	(24,500)	(108,000)	---	(108,000)
Supplies and materials	319,143	393,144	360,216	32,928
Services and other expenditures	236,059	240,659	151,573	89,086
Professional and contracted services	10,020	23,020	7,721	15,299
Rent, utilities and maintenance	3,800	107,500	10,402	97,098
Interfund services	112,400	121,900	105,212	16,688
Asset acquisitions	182,500	58,500	7,979	50,521
Total expenditures	1,710,131	1,707,431	1,313,953	393,478
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (3,826)	\$ (3,826)

Director of Community Services

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 652,046	\$ 807,046	\$ 273,391	\$ (533,655)
Total revenues	652,046	807,046	273,391	(533,655)
Expenditures:				
Salaries	64,108	64,108	18,698	45,410
Fringe benefits	26,894	26,894	8,126	18,768
Supplies and materials	6,000	6,000	---	6,000
Professional and contracted services	552,044	707,044	246,411	460,633
Interfund services	3,000	3,000	156	2,844
Total expenditures	652,046	807,046	273,391	533,655
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, 2017**

Community Services Administration

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 11,566,829	\$ 11,813,471	\$ 11,454,136	\$ (359,335)
Other revenue	32,000	32,000	14,635	(17,365)
Total revenues	11,598,829	11,845,471	11,468,771	(376,700)
Expenditures:				
Salaries	1,339,343	1,335,679	1,306,963	28,716
Other compensation	21,858	23,158	23,029	129
Fringe benefits	530,024	520,164	497,479	22,685
Supplies and materials	21,838	65,147	54,601	10,546
Services and other expenditures	9,189,261	9,360,979	8,877,427	483,552
Rent, utilities and maintenance	248,183	280,699	240,352	40,347
Interfund services	248,322	259,645	468,920	(209,275)
Total expenditures	11,598,829	11,845,471	11,468,771	376,700
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	\$ 740,000	\$ 774,308	\$ 627,716	\$ (146,592)
Federal and local revenue	298,767	678,559	500,763	(177,796)
Total revenues	1,038,767	1,452,867	1,128,479	(324,388)
Expenditures:				
Salaries	208,273	161,551	147,822	13,729
Fringe benefits	69,772	54,249	54,051	198
Salary restriction	(500)	(500)	---	(500)
Supplies and materials	30,463	22,163	3,906	18,257
Services and other expenditures	27,921	113,271	24,255	89,016
Professional and contracted services	664,802	1,039,897	853,933	185,964
Interfund services	38,036	62,236	44,512	17,724
Total expenditures	1,038,767	1,452,867	1,128,479	324,388
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, 2017**

Ryan White Programs

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 461,084	\$ 3,892,436	\$ 2,507,458	\$ (1,384,978)
Federal and local revenue	7,555,804	7,480,359	6,706,900	(773,459)
Total revenues	8,016,888	11,372,795	9,214,358	(2,158,437)
Expenditures:				
Salaries	659,116	759,249	608,425	150,824
Other compensation	3,516	4,032	3,737	295
Fringe benefits	237,164	263,803	235,415	28,388
Salary restriction	(35,529)	(35,529)	---	(35,529)
Supplies and materials	25,162	91,324	83,400	7,924
Services and other expenditures	94,918	87,896	49,071	38,825
Professional and contracted services	6,922,295	9,987,773	8,036,447	1,951,326
Rent, utilities and maintenance	---	7,686	6,000	1,686
Interfund services	110,246	206,561	191,863	14,698
Total expenditures	8,016,888	11,372,795	9,214,358	2,158,437
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, 2017**

Crime Victims Center

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 508,360	\$ 610,848	\$ 539,473	\$ (71,375)
Federal and local revenue	206,089	206,089	158,560	(47,529)
Other revenue	92,400	92,400	75,798	(16,602)
Total revenues	806,849	909,337	773,831	(135,506)
Expenditures:				
Salaries	655,229	705,003	594,170	110,833
Other compensation	4,614	4,964	4,913	51
Fringe benefits	230,582	247,970	219,954	28,016
Salary restriction	(9,672)	(10,474)	---	(10,474)
Supplies and materials	20,025	57,711	39,795	17,916
Services and other expenditures	26,984	29,253	25,944	3,309
Rent, utilities and maintenance	---	25,622	25,622	---
Interfund services	6,177	2,000	439	1,561
Total expenditures	933,939	1,062,049	910,837	151,212
Excess (deficiency) of revenues over (under) expenditures	(127,090)	(152,712)	(137,006)	15,706
Other financing sources (uses):				
Transfers in	127,090	152,712	137,006	(15,706)
Total other financing sources (uses):	127,090	152,712	137,006	(15,706)
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, 2017**

Aging Commission of the Mid-South

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 7,604,743	\$ 7,604,743	\$ 6,494,591	\$ (1,110,152)
Federal and local revenue	242,722	242,722	185,006	(57,716)
Other revenue	145,950	180,950	163,710	(17,240)
Total revenues	<u>7,993,415</u>	<u>8,028,415</u>	<u>6,843,307</u>	<u>(1,185,108)</u>
Expenditures:				
Salaries	1,943,580	1,936,856	1,659,024	277,832
Other compensation	19,537	30,537	29,854	683
Fringe benefits	777,320	764,561	680,767	83,794
Supplies and materials	105,784	90,234	52,775	37,459
Services and other expenditures	145,534	102,484	59,682	42,802
Professional and contracted services	4,626,980	4,734,813	4,132,140	602,673
Rent, utilities and maintenance	301,533	295,783	199,049	96,734
Interfund services	151,580	151,580	108,445	43,135
Total expenditures	<u>8,071,848</u>	<u>8,106,848</u>	<u>6,921,736</u>	<u>1,185,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,433)</u>	<u>(78,433)</u>	<u>(78,429)</u>	<u>4</u>
Other financing sources (uses):				
Planned change in fund balance	<u>78,433</u>	<u>78,433</u>	<u>---</u>	<u>(78,433)</u>
Total other financing sources (uses):	<u>78,433</u>	<u>78,433</u>	<u>---</u>	<u>(78,433)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (78,429)</u>	<u>\$ (78,429)</u>

Shelby County, Tennessee

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Sheriff's Office

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 167,889	\$ 387,889	\$ 296,750	\$ (91,139)
Federal and local revenue	5,544,052	5,890,147	1,117,329	(4,772,818)
Other revenue	---	183,990	21,336	(162,654)
Total revenues	<u>5,711,941</u>	<u>6,462,026</u>	<u>1,435,415</u>	<u>(5,026,611)</u>
Expenditures:				
Salaries	45,748	48,248	47,841	407
Other compensation	208,827	430,769	271,890	158,879
Fringe benefits	19,720	19,163	10,463	8,700
Supplies and materials	56,987	268,734	209,328	59,406
Services and other expenditures	58,209	276,237	292,939	(16,702)
Professional and contracted services	34,076	290,529	32,591	257,938
Rent, utilities and maintenance	32,000	95,561	59,052	36,509
Interfund services	---	8,520	8,520	---
Asset acquisitions	5,138,058	4,968,199	478,810	4,489,389
Total expenditures	<u>5,593,625</u>	<u>6,405,960</u>	<u>1,411,434</u>	<u>4,994,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>118,316</u>	<u>56,066</u>	<u>23,981</u>	<u>(32,085)</u>
Other financing sources (uses):				
Transfers in	13,165	75,415	57,564	(17,851)
Transfers out	(131,481)	(131,481)	(81,545)	49,936
Total other financing sources (uses):	<u>(118,316)</u>	<u>(56,066)</u>	<u>(23,981)</u>	<u>32,085</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Criminal Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 113,220	\$ 113,220	\$ ---	\$ (113,220)
Total revenues	<u>113,220</u>	<u>113,220</u>	<u>---</u>	<u>(113,220)</u>
Expenditures:				
Salaries	74,846	74,846	---	74,846
Fringe benefits	38,374	38,374	---	38,374
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>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

General Sessions Court

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 550,000	\$ 550,000	\$ 547,127	\$ (2,873)
Federal and local revenue	383,366	576,366	254,360	(322,006)
Total revenues	933,366	1,126,366	801,487	(324,879)
Expenditures:				
Salaries	109,545	109,545	104,855	4,690
Other compensation	666	741	728	13
Fringe benefits	30,533	36,433	36,409	24
Supplies and materials	13,721	13,721	1,392	12,329
Services and other expenditures	7,778	7,778	6,923	855
Professional and contracted services	776,944	963,969	649,655	314,314
Interfund services	1,700	1,700	1,525	175
Total expenditures	940,887	1,133,887	801,487	332,400
Excess (deficiency) of revenues over (under) expenditures	(7,521)	(7,521)	---	7,521
Other financing sources (uses):				
Planned change in fund balance	7,521	7,521	---	(7,521)
Total other financing sources (uses):	7,521	7,521	---	(7,521)
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, 2017**

Juvenile Court Judge

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,060,021	\$ 2,055,189	\$ 2,035,872	\$ (19,317)
Federal and local revenue	---	179,000	85,013	(93,987)
Other revenue	10,000	25,000	15,000	(10,000)
Total revenues	2,070,021	2,259,189	2,135,885	(123,304)
Expenditures:				
Salaries	1,262,588	1,375,120	1,327,699	47,421
Other compensation	19,356	12,483	12,461	22
Fringe benefits	463,354	499,397	474,648	24,749
Salary restriction	(13,905)	(15,611)	---	(15,611)
Supplies and materials	13,000	14,500	10,290	4,210
Services and other expenditures	77,000	88,000	76,982	11,018
Professional and contracted services	29,000	118,360	68,180	50,180
Rent, utilities and maintenance	---	15,000	14,960	40
Interfund services	151,940	151,940	150,940	1,000
Total expenditures	2,002,333	2,259,189	2,136,160	123,029
Excess (deficiency) of revenues over (under) expenditures	67,688	---	(275)	(275)
Other financing sources (uses):				
Transfers out	(67,688)	---	---	---
Total other financing sources (uses):	(67,688)	---	---	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (275)	\$ (275)

Shelby County, Tennessee

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Juvenile Court Clerk

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 649,937	\$ 649,937	\$ 523,389	\$ (126,548)
Total revenues	<u>649,937</u>	<u>649,937</u>	<u>523,389</u>	<u>(126,548)</u>
Expenditures:				
Salaries	547,234	547,234	455,440	91,794
Other compensation	10,034	10,034	6,475	3,559
Fringe benefits	232,669	232,669	196,646	36,023
Supplies and materials	11,750	11,750	3,704	8,046
Services and other expenditures	55,075	55,075	47,097	7,978
Rent, utilities and maintenance	1,834	1,834	---	1,834
Interfund services	91,834	91,834	62,269	29,565
Total expenditures	<u>950,430</u>	<u>950,430</u>	<u>771,631</u>	<u>178,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,493)</u>	<u>(300,493)</u>	<u>(248,242)</u>	<u>52,251</u>
Other financing sources (uses):				
Transfers in	334,816	334,816	264,929	(69,887)
Transfers out	(34,323)	(34,323)	(16,687)	17,636
Total other financing sources (uses):	<u>300,493</u>	<u>300,493</u>	<u>248,242</u>	<u>(52,251)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Public Defender

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal and local revenue	\$ 200,000	\$ 200,000	\$ 198,705	\$ (1,295)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>198,705</u>	<u>(1,295)</u>
Expenditures:				
Professional and contracted services	200,000	200,000	198,705	1,295
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>198,705</u>	<u>1,295</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Budgetary Comparison Schedules
For the Year Ended June 30, 2017**

Attorney General

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 46,307	\$ 104,777	\$ 222,862	\$ 118,085
Federal and local revenue	457,798	678,386	179,299	(499,087)
Other revenue	383,897	383,897	277,509	(106,388)
Total revenues	888,002	1,167,060	679,670	(487,390)
Expenditures:				
Salaries	504,929	624,499	415,564	208,935
Other compensation	11,175	28,175	28,066	109
Fringe benefits	157,454	181,592	147,571	34,021
Supplies and materials	---	42,686	36,666	6,020
Services and other expenditures	---	1,808	553	1,255
Professional and contracted services	214,444	280,350	51,250	229,100
Interfund services	---	1,450	---	1,450
Asset acquisitions	---	6,500	---	6,500
Total expenditures	888,002	1,167,060	679,670	487,390
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---



Statistical Section

Shelby County, Tennessee

Statistical Section Index For the Year Ended June 30, 2017

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

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

Sources:

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

Shelby County, Tennessee

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

	Fiscal Year									
	<u>2008</u>	<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>
Governmental activities:										
Net investment in capital assets	\$ 180,537,007	\$ 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
Restricted	106,942,854	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
Unrestricted	(1,270,705,173)	(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)
Total governmental activities net position	<u>\$ (983,225,312)</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 26,328,481	\$ 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
Unrestricted	8,667,114	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)
Total business-type activities net position	<u>\$ 34,995,595</u>	<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>
Total Shelby County Government:										
Net investment in capital assets	\$ 206,865,488	\$ 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
Restricted	106,942,854	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
Unrestricted	(1,262,038,059)	(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)
Total Shelby County net position	<u>\$ (948,229,717)</u>	<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>

(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.



Shelby County, Tennessee

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

	Fiscal Year									
	<u>2008</u>	<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>
Expenses										
Governmental activities:										
General Government	\$ 51,612,810	\$ 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
Hospital	27,600,000	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
Planning and Development	5,593,676	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
Public Works	50,774,639	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
Corrections	1,461,598	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
Health Services	65,897,329	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
Community Services	45,804,646	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
Law Enforcement	146,648,650	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
Judicial	85,085,401	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
Other Elected Officials	31,195,481	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
Education	498,893,788	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
Interest on debt	71,866,481	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
Total governmental activities expenses	<u>1,082,434,499</u>	<u>1,017,603,877</u>	<u>963,005,969</u>	<u>1,004,290,792</u>	<u>1,026,393,518</u>	<u>1,004,944,269</u>	<u>965,702,992</u>	<u>931,161,180</u>	<u>978,559,753</u>	<u>1,027,144,202</u>
Business-type activities:										
Codes Enforcement	12,523,782	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
Fire Services	18,057,095	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
Corrections Center	49,992,924	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
Total business-type activities expenses	<u>80,573,801</u>	<u>79,802,179</u>	<u>83,374,056</u>	<u>86,865,364</u>	<u>84,403,169</u>	<u>86,984,663</u>	<u>86,261,182</u>	<u>83,994,080</u>	<u>84,876,004</u>	<u>90,382,419</u>
Total Shelby County Government expenses	<u>\$ 1,163,008,300</u>	<u>\$ 1,097,406,056</u>	<u>\$ 1,046,380,025</u>	<u>\$ 1,091,156,156</u>	<u>\$ 1,110,796,687</u>	<u>\$ 1,091,928,932</u>	<u>\$ 1,051,964,174</u>	<u>\$ 1,015,155,260</u>	<u>\$ 1,063,435,757</u>	<u>\$ 1,117,526,621</u>
Program Revenues										
Governmental activities:										
Charges for services										
General Government	\$ 5,700,248	\$ 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
Health Services	9,978,487	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
Judicial	24,834,966	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
Other Elected Officials	36,513,911	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
Other governmental activities	11,296,439	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
Operating grants and contributions	136,552,118	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
Capital grants and contributions	1,914,603	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
Total governmental activities program revenues	<u>226,790,772</u>	<u>219,461,390</u>	<u>223,514,107</u>	<u>247,955,270</u>	<u>221,361,988</u>	<u>240,794,135</u>	<u>220,604,200</u>	<u>190,496,259</u>	<u>201,503,917</u>	<u>235,117,646</u>

Business-type activities:										
Charges for services										
Codes Enforcement	8,965,105	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
Fire Services	17,967,759	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
Corrections Center	42,981,224	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
Operating grants and contributions	75,000	81,000	75,600	1,736,920	1,204,618	738,725	871,967	1,414,323	1,503,168	1,503,345
Capital grants and contributions	---	---	---	---	2,000	456,000	---	---	287,387	---
Total business-type activities program revenues	69,989,088	76,411,759	72,828,429	76,496,239	75,867,967	79,693,946	81,585,849	82,533,360	73,985,539	72,470,372
Total Shelby County Government program revenues	\$ 296,779,860	\$ 295,873,149	\$ 296,342,536	\$ 324,451,509	\$ 297,229,955	\$ 320,488,081	\$ 302,190,049	\$ 273,029,619	\$ 275,489,456	\$ 307,588,018
Net (Expense)/Revenue										
Governmental activities	\$ (855,643,727)	\$ (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)
Business-type activities	(10,584,713)	(3,390,420)	(10,545,627)	(10,369,125)	(8,535,202)	(7,290,717)	(4,675,333)	(1,460,720)	(10,890,465)	(17,912,047)
Total Shelby County Government net expense	\$ (866,228,440)	\$ (801,532,907)	\$ (750,037,489)	\$ (766,704,647)	\$ (813,566,732)	\$ (771,440,851)	\$ (749,774,125)	\$ (742,125,641)	\$ (787,946,301)	\$ (809,938,603)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 703,098,494	\$ 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
Sales taxes	9,392,291	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
Business taxes	11,179,019	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
Hotel/Motel/Car rental taxes	14,080,417	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
Wheel taxes	30,010,231	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
Other taxes	60,264,808	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
Investment earnings	27,571,070	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
Transfers	(6,818,986)	(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)
Other sources/(uses)	1,359,555	281,072	154,791	---	(33,207,518)	---	---	---	---	---
Special item	---	---	---	---	71,490,000	---	---	---	---	---
Extraordinary item	---	---	---	(82,548)	---	---	---	---	---	---
Total governmental activities	850,136,899	819,268,818	862,890,516	843,919,349	871,466,098	821,013,197	868,559,665	876,486,574	869,908,908	886,659,324
Business-type activities:										
Investment earnings	285,964	207,994	48,728	22,979	34,027	34,989	48,675	39,976	37,248	160,759
Transfers	6,818,986	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
Other sources/(uses)	31,187	(6,796)	---	---	---	---	---	---	---	---
Total business-type activities	7,136,137	7,007,996	7,732,023	10,580,764	9,842,942	9,402,266	7,322,460	9,206,649	15,127,975	10,080,535
Total Shelby County Government	\$ 857,273,036	\$ 826,276,814	\$ 870,622,539	\$ 854,500,113	\$ 881,309,040	\$ 830,415,463	\$ 875,882,125	\$ 885,693,223	\$ 885,036,883	\$ 896,739,859
Change in Net Position										
Governmental activities	\$ (5,506,828)	\$ 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
Business-type activities	(3,448,576)	3,617,576	(2,813,604)	211,639	1,307,740	2,111,549	2,647,127	7,745,929	4,237,510	(7,831,512)
Total Shelby County Government	\$ (8,955,404)	\$ 24,743,907	\$ 120,585,050	\$ 87,795,466	\$ 67,742,308	\$ 58,974,612	\$ 126,108,000	\$ 143,567,582	\$ 97,090,582	\$ 86,801,256

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									
	2008	2009	2010 (b)	2011	2012	2013	2014	2015	2016	2017
General Fund										
Assigned (a)	\$ 2,940,960	\$ 772,147	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Unrestricted	62,563,181	74,392,811	---	---	---	---	---	---	---	---
Restricted	---	---	567,558	737,713	933,228	---	23,247	32,508	30,702	48,612
Committed	---	---	799,402	278,675	328,309	368,368	81,307	61,811	9,138,061	4,331,110
Assigned (a)	---	---	1,096,493	215,871	47,919	479,046	813,270	876,297	634,321	1,376,907
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
Total General Fund	\$ 65,504,141	\$ 75,164,958	\$ 78,157,913	\$ 86,867,384	\$ 92,899,991	\$ 95,760,039	\$ 103,387,753	\$ 108,743,411	\$ 115,596,515	\$ 115,606,342
All other governmental funds										
Reserved	\$ 2,051,448	\$ 1,190,788	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Unreserved, reported in:										
Debt Service Fund	73,709,130	74,646,920	---	---	---	---	---	---	---	---
Capital Projects Fund	(23,173,636)	(84,323,603)	---	---	---	---	---	---	---	---
Grants Fund	2,482,916	(10,138,135)	---	---	---	---	---	---	---	---
Nonmajor Governmental Fund	28,699,360	30,243,434	---	---	---	---	---	---	---	---
Restricted, reported in:										
Debt Service Fund	---	---	7,486,042	8,193,886	1,589,794	4,000,169	7,605,692	8,359,523	5,998,600	3,203,200
Capital Projects Fund	---	---	56,613,022	92,826,243	37,879,122	221,513	84,515	85,001	84,587	85,939
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
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
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
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
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
Assigned, reported in:										
Capital Projects Fund	---	---	36,491,640	42,952,510	35,293,938	12,923,528	---	---	---	---
Unassigned, reported in:										
Grants Fund	---	---	(29,842,455)	(21,638,867)	(16,043,862)	---	---	---	---	---
Nonmajor Governmental Fund	---	---	---	---	(980,740)	---	---	---	---	---
Total all other governmental funds	\$ 83,769,218	\$ 11,619,404	\$ 216,010,805	\$ 248,547,216	\$ 204,202,693	\$ 164,124,400	\$ 159,756,281	\$ 169,867,934	\$ 125,630,049	\$ 139,599,255

(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>2008</u>	<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>
Revenues										
Property taxes	\$ 693,655,202	\$ 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
Other local taxes	98,253,306	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
State revenue	106,575,752	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
Federal and local revenue	60,872,661	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
Charges for services	5,548,653	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
Fines, fees and permits	70,303,476	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
Other revenue	21,847,041	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
Investment income	13,323,539	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
Total revenues	1,070,379,630	1,036,526,102	1,091,126,919	1,078,003,952	1,051,584,514	1,065,840,760	1,080,256,222	1,063,311,754	1,073,622,421	1,075,898,252
Expenditures (a)										
General Government	49,456,563	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
Hospital (b)	27,600,000	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
Planning and Development	5,526,687	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
Public Works	35,808,417	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
Corrections	1,312,609	1,261,813	1,384,904	1,458,284	1,388,314	1,285,105	971,686	1,380,175	809,010	412,503
Health Services	65,369,150	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
Community Services	46,772,688	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
Law Enforcement	141,560,285	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
Judicial	81,484,654	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
Other Elected Officials	30,138,065	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
Education (c)	361,288,000	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
Debt service:										
Interest	73,145,937	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
Principal	94,335,932	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
Capital outlay: capital projects	142,770,872	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
Total expenditures	1,156,569,859	1,095,691,284	1,056,468,709	1,172,353,575	1,437,369,311	1,101,423,559	1,067,157,323	1,258,371,328	1,211,921,202	1,202,828,647
Excess (deficiency) of revenues over (under) expenditures	(86,190,229)	(59,165,182)	34,658,210	(94,349,623)	(385,784,797)	(35,582,799)	13,098,899	(195,059,574)	(138,298,781)	(126,930,395)

Other financing sources (uses)										
Transfers in	42,175,234	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
Transfers out	(49,710,631)	(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)
General obligation bonds issued	---	---	120,000,000	---	---	---	---	---	---	83,405,000
Refunding bonds issued	231,935,000	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	(231,271,726)	(231,005,000)	---	---	(68,426,081)	---	---	---	---	---
Long term debt proceeds other than bonds	816,473	---	55,120,000	67,260,000	20,397,500	6,883,614	---	---	---	---
Bond anticipation notes	---	---	---	---	---	---	---	20,000,000	30,000,000	50,000,000
Other sources (uses)	1,072,782	690,849	511,228	434,050	1,729,036	631,913	1,501,107	805,665	187,638	193,877
Total other financing sources (uses)	(4,982,868)	(3,323,815)	171,741,461	137,562,738	275,982,881	(1,635,446)	(9,839,304)	210,526,885	100,914,000	140,909,428
Special item	---	---	---	---	71,490,000	---	---	---	---	---
Extraordinary item	---	---	---	(982,548)	---	---	---	---	---	---
Net change in fund balances	\$ (91,173,097)	\$ (62,488,997)	\$ 206,399,671	\$ 42,230,567	\$ (38,311,916)	\$ (37,218,245)	\$ 3,259,595	\$ 15,467,311	\$ (37,384,781)	\$ 13,979,033
Debt service as a percentage of non capital expenditures	14.71%	16.67%	16.62%	22.82%	35.83%	16.30%	16.07%	30.89%	23.94%	21.45%

(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)
2008	2007	10,018,623,775	5,439,860,370	1,286,578,685	975,529,145	17,720,591,975	4.04	59,900,899,755	29.58%
2009	2008	10,259,997,845	5,530,133,410	1,402,492,320	896,680,554	18,089,304,129	4.04	61,383,315,080	29.47%
2010 (d)	2009	10,954,449,590	6,285,548,950	1,468,617,700	948,762,385	19,657,378,625	4.02	66,374,654,928	29.62%
2011	2010	10,794,438,245	6,116,755,995	1,388,887,495	1,012,006,455	19,312,088,190	4.02	65,216,500,736	29.61%
2012	2011	10,721,303,794	5,828,574,575	1,380,179,795	1,069,425,931	18,999,484,095	4.02	64,287,973,983	29.55%
2013	2012	10,649,905,970	5,660,543,555	1,438,945,120	1,098,465,902	18,847,860,547	4.02	63,834,911,731	29.53%
2014 (d)	2013	9,588,110,655	5,919,308,700	1,533,153,805	1,125,314,171	18,165,887,331	4.38	60,586,935,365	29.98%
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%

(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 and 2014 amounts.

Shelby County, Tennessee

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rates										
General Fund	\$ 1.22	\$ 1.22	\$ 1.23	\$ 1.33	\$ 1.36	\$ 1.36	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45
Education (a)	2.02	2.02	1.98	1.90	1.91	1.91	2.14	2.14	2.14	2.14
Debt Service	0.80	0.80	0.81	0.79	0.75	0.75	0.79	0.78	0.78	0.78
Total Direct Rate	4.04	4.04	4.02	4.02	4.02	4.02	4.38	4.37	4.37	4.37
Rural School Bonds (b)	0.05	0.05	0.04	0.04	0.04	0.04	0.04	---	---	---
City & Town Rates										
Memphis (c)	3.43	3.25	3.20	3.20	3.19	3.11	3.40	3.40	3.40	3.40
Arlington	1.00	1.00	1.00	1.00	1.00	1.15	1.15	1.15	1.15	1.15
Bartlett	1.54	1.54	1.49	1.49	1.49	1.49	1.62	1.62	1.62	1.62
Collierville	1.28	1.28	1.18	1.18	1.43	1.43	1.53	1.53	1.78	1.78
Germantown	1.54	1.54	1.43	1.43	1.49	1.49	1.93	1.93	1.93	1.93
Lakeland (d)	---	---	---	---	---	0.85	0.85	0.85	1.40	1.40
Millington	1.23	1.23	1.23	1.23	1.23	1.23	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 (69.84%) 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, 2017

Name of Taxpayer	Fiscal 2017 Assessments			Fiscal 2008 Assessments		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
G&I VII Retail Carriage LLC (and related divs)						
FedEx Express Corporation (and related divs)	\$ 737,048,659	1	4.07%	\$ 449,118,508	1	2.53%
Bellsouth Telecommunications Inc.	102,091,881	2	0.56%	158,907,924	2	0.90%
AMISUB (SFH) Inc.	66,712,445	3	0.37%	38,720,000	9	
AT&T Mobility LLC	64,055,701	4	0.35%			
Highwoods Realty LP	63,746,880	5	0.35%			
Kroger Companies	61,126,400	6	0.34%			
G&I VII Retail Carriage LLC (and related divs)	60,166,600	7	0.33%			
Galleria at Wolfchase, LLC	58,308,260	8	0.32%	53,311,870	4	0.30%
Lightman Michael A (and affiliated LPs)	57,292,330	9	0.32%			
Smith & Nephew Inc.	51,279,601	10	0.28%			
Belz Enterprises				76,971,365	3	0.43%
Prolois				44,018,240	5	0.25%
Wal-mart				43,631,640	6	0.25%
Cingular Wireless				43,424,027	7	0.25%
Carriage Avenue				40,934,165	8	0.23%
Mid-America Apartments				37,152,040	10	0.21%
Total Assessed Valuation of Top Ten Taxpayers	1,321,828,757		7.30%	986,189,779		5.35%
Balance of Assessed Valuation	16,781,026,692		92.70%	16,734,402,196		94.65%
Total Assessed Valuation	\$ 18,102,855,449		100.00%	\$ 17,720,591,975		100.00%

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
2008	2007	721,760,505	676,692,968	93.76%	43,258,331	720,615,807	719,951,299	99.91%	99.75%
2009	2008	736,461,361	684,698,542	92.97%	44,449,785	730,132,880	729,148,327	99.87%	99.01%
2010	(a) 2009	791,055,910	719,276,815	90.93%	34,274,413	755,489,550	753,551,228	99.74%	95.26%
2011	2010	776,865,051	713,667,892	91.87%	29,715,861	746,676,018	743,383,753	99.56%	95.69%
2012	2011	764,302,988	710,934,070	93.02%	29,981,986	746,214,177	740,916,056	99.29%	96.94%
2013	2012	760,525,341	713,245,234	93.78%	27,040,520	745,479,700	740,285,754	99.30%	97.34%
2014	(a) 2013	798,327,814	741,958,610	92.94%	23,885,983	770,917,820	765,844,593	99.34%	95.93%
2015	2014	783,507,158	750,097,124	95.74%	19,037,968	775,563,046	769,135,092	99.17%	98.17%
2016	2015	784,554,974	754,081,040	96.12%	15,307,109	779,351,889	769,388,149	98.72%	98.07%
2017	2016	791,094,783	761,608,732	96.27%	N/A	787,557,182	761,608,732	96.71%	96.27%

(a) The effect of property reappraisals are reflected in FY 2010 and 2014 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual local taxes	\$ 35,685,177	\$ 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
Annual local revenue	28,939,685	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
Annual State revenues	22,439,722	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
Annual fees of elected officials	61,647,822	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
Other revenues	<u>6,367,509</u>	<u>3,776,017</u>	<u>1,026,701</u>	<u>1,475,590</u>	<u>825,499</u>	<u>785,818</u>	<u>644,093</u>	<u>1,197,991</u>	<u>2,441,336</u>	<u>2,558,854</u>
Total non-ad valorem revenues	<u>\$ 155,079,915</u>	<u>\$ 148,686,005</u>	<u>\$ 134,340,115</u>	<u>\$ 128,158,235</u>	<u>\$ 119,398,949</u>	<u>\$ 125,826,023</u>	<u>\$ 133,526,349</u>	<u>\$ 129,318,055</u>	<u>\$ 136,454,847</u>	<u>\$ 133,896,282</u>

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

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

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

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

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

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

Shelby County, Tennessee

Debt Capacity Information
Schedule of Direct and Overlapping Debt
June 30, 2017

	Net Debt Outstanding	Estimated Percentage Applicable (d)	Estimated Share of Overlapping Debt
Direct Debt (a)			
<u>Governmental Activities</u>			
General obligation debt	\$ 989,746,532	100.00%	\$ 989,746,532
Premium on general obligation debt	68,124,480	100.00%	68,124,480
		Total direct bonded debt (b)	<u>1,057,871,012</u>
Capital lease obligations	5,397,468	100.00%	5,397,468
		Total debt of governmental activities	<u>1,063,268,480</u>
Overlapping Debt (c)			
City of Memphis	1,432,665,000	100.00%	1,432,665,000
City of Germantown	30,325,000	100.00%	30,325,000
City of Bartlett	39,784,786	100.00%	39,784,786
City of Collierville	121,785,000	100.00%	121,785,000
City of Lakeland	29,344,917	100.00%	29,344,917
Town of Arlington	11,796,000	100.00%	11,796,000
City of Millington	12,626,555	100.00%	12,626,555
		Total overlapping debt	<u>1,678,327,258</u>
		Total direct and overlapping debt	<u>\$ 2,741,595,738</u>

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

Shelby County, Tennessee

**Debt Capacity Information
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Tax Year	Governmental Activities		Business-type Activities		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	Total Government Debt						
2008	2007	1,772,325,160	---	1,039,885	1,773,365,045	85,753,114	1,686,572,046	2.82%	1,831	1,925	4.71%
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%

(a) The full faith, credit, and unlimited taxing power of the County are pledged for payment of the Bonds without limitation as to rate or amount.

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

(c) Personal Income Data not available for FY2017. Data for FY2016 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>
2007	921,119	37,635,149	40,858	5.3%
2008	920,685	37,507,530	40,739	7.0%
2009	922,541	35,742,501	38,744	10.1%
2010	928,930	37,057,190	39,892	10.0%
2011	935,088	38,116,646	40,763	9.9%
2012	940,764	39,896,975	42,409	9.1%
2013	939,465	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	N/A	N/A	5.5%

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 2016.

Shelby County, Tennessee

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

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
FedEx Corp	30,000	1	4.91%	30,000	1	5.21%
Tennessee State Government	14,200	2	2.32%	5,000	12	0.87%
United States Government	13,200	3	2.16%	14,700	3	2.55%
Methodist Le Bonheur Healthcare	13,000	4	2.13%	8,717	4	1.51%
Shelby County Schools (a)	11,500	5	1.88%	5,200	11	0.90%
City of Memphis	7,000	6	1.15%	6,741	5	1.17%
The Kroger Company	6,927	7	1.13%	3,500	15	0.61%
Wal-Mart Stores Inc.	6,800	8	1.11%	6,000	9	1.04%
Baptist Memorial Health Care Corp.	6,467	9	1.06%	6,585	6	1.14%
Naval Support Activity Mid-South	6,500	10	1.06%	6,372	8	1.11%
Memphis City Schools (a)				15,240	2	2.65%
Shelby County Government				6,513	7	1.13%
Harrah's Entertainment, Inc.				5,541	10	0.96%
Total	115,594		18.93%	120,109		20.86%

(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 2008 and 2017 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 2016, from the TN Department of Labor & Workforce Development-Employment Security Division, is used as a surrogate for the 2017 figure, which is not expected to be available until 2018.

Total Employment:	2016	610,790
	2008	575,760

Shelby County, Tennessee

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

Function/Program:	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	319	294	284	281	282	297	287	248	243	241
Planning and Development	209	180	165	148	140	134	139	133	132	130
Public Works	476	453	441	434	424	418	423	422	408	448
Corrections	622	610	671	659	643	677	682	639	622	514
Health Services	643	619	624	550	534	495	501	483	479	472
Community Services (b)	562	544	569	533	513	507	514	190	187	182
Law Enforcement	1,945	1,883	1,919	1,937	1,929	1,920	1,927	1,944	1,922	1,865
Judicial	1,102	1,057	891	877	875	831	899	780	789	886
Other Elected Officials	387	376	365	365	355	358	360	353	351	252
Total Full-time Equivalent Employees	6,265	6,016	5,929	5,784	5,695	5,637	5,732	5,192	5,133	4,990

(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 Resourced Department.

Shelby County, Tennessee

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

Function/Program:	Fiscal Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
General Government:											
Election Commission											
Polling Locations (a)	274	275	236	236	220	220	220	166	166	166	
Assessor											
Offices	2	2	2	2	2	2	2	2	2	2	
Public Works											
Bridges (b)	184	189	192	192	182	179	179	178	179	182	
Health Services											
Public Health Clinics	8	8	9	9	8	8	8	8	8	8	
Law Enforcement											
Jail Capacity											
Male	2,825	2,825	2,825	2,818	2,813	2,813	2,800	2,800	2,800	2,800	
Female	382	382	382	382	382	382	381	381	381	381	
Average daily population	2,654	2,765	2,750	2,680	2,667	2,431	2,456	2,391	2,562	2,607	
Judicial											
Courts	41	41	41	41	41	41	41	41	41	41	
Enterprise Funds:											
Fire Services											
Engine Companies	9	9	9	9	9	9	9	9	9	9	
Ambulances (c)										12	
Corrections Center											
Facility Capacity	3,641	3,464	3,536	3,536	3,706	3,706	3,706	3,706	3,706	3,401	
Average daily population	3,110	3,178	3,016	2,663	2,498	2,410	2,257	2,156	2,050	1,888	

(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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
Pretrial Services										
Misdemeanor interviews	25,646	27,470	25,170	27,869	22,280	19,897	21,273	16,773	17,076	16,550
Misdemeanor arraignments (a)	43,275	66,595	68,813	82,728	79,221	80,927	95,554	73,308	81,133	77,570
Felony interviews	9,886	10,679	10,171	12,581	11,969	10,676	11,327	8,792	10,637	10,906
Felony arraignments	10,667	11,549	11,316	11,791	13,014	9,962	13,153	7,841	10,864	9,508
Election Commission										
Number of elections	6	3	4	5	4	2	5	3	4	5
Public Works (h):										
Linear road miles	775	775	776	778	780	750	750	750	779	780
Public buildings	7	7	7	7	7	7	7	7	7	7
Community Services (i):										
Head Start										
Students (b)	3,628	4,192	4,292	3,771	4,346	4,219	4,030	---	---	---
Housing										
Loans outstanding	200	333	612	778	869	1,041	1,085	1,200	1,289	1,465
Ryam White Program										
Unduplicated clients served	1,999	2,907	3,008	3,787	4,611	4,123	3,914	4,236	4,791	4,752
Law Enforcement (j):										
Sheriff's Office Inmate days	968,785	1,009,222	1,003,886	978,248	973,495	887,459	896,504	872,831	941,800	959,286
Average daily population	2,654	2,765	2,750	2,680	2,667	2,431	2,456	2,391	2,562	2,629
Judicial (c):										
Chancery Court										
Filings	2,493	2,638	2,498	2,318	2,237	2,063	2,229	2,206	2,228	1,955
Dispositions	2,620	2,581	2,849	2,469	2,562	2,425	1,316	2,077	2,886	1,793
Circuit Court										
Filings	6,159	6,087	6,220	6,060	5,988	5,212	5,704	5,770	5,241	5,425
Dispositions	7,461	7,035	6,968	6,297	6,016	5,732	6,157	6,238	6,274	7,618
Criminal Court (a)										
Filings	27,030	23,626	28,092	26,218	24,081	20,252	21,535	26,383	24,331	19,885
Dispositions	30,396	26,277	28,221	28,436	29,015	24,107	21,402	24,824	27,180	34,884
General Sessions Criminal Court										
Filings	163,254	203,143	215,020	211,899	206,510	214,996	226,389	193,293	189,578	140,661
Dispositions	163,866	187,607	205,944	205,398	195,610	206,362	219,865	198,679	194,735	174,335

General Sessions Civil Court										
Filings	72,778	73,154	75,637	70,628	65,164	65,276	63,207	62,251	72,677	73,215
Dispositions (d)	64,357	62,277	115,415	111,734	102,264	49,745	45,908	44,003	57,340	59,007
Juvenile Court (c)										
Disposed/Adjusted	16,877	18,436	17,522	17,276	16,764	15,541	15,057	11,857	9,938	9,119
Children affected	12,897	13,721	13,206	12,903	12,577	11,976	11,455	9,355	8,063	7,366
Probate Court										
Filings	3,484	3,539	3,482	3,404	3,377	3,207	2,752	2,612	2,632	2,658
Dispositions	3,202	3,654	3,539	3,478	3,432	3,230	2,812	2,731	2,741	2,703
Other Elected Officials (k):										
Register										
New documents filed	174,608	154,137	160,788	128,739	108,755	154,350	141,074	127,251	133,538	133,669
Assessor										
Parcels Assessed										
Real property	353,006	351,727	351,605	351,595	351,156	351,089	351,325	351,242	351,067	351,581
Personal property	39,495	38,311	36,654	37,253	36,445	35,576	34,864	35,839	36,989	38,356
Attorney General (e)										
Criminal Court indictments	9,247	9,388	8,196	9,267	9,272	9,527	7,232	6,538	7,482	5,967
New juvenile delinquency cases	3,185	6,500	4,610	4,282	4,243	5,689	8,543	6,666	5,635	4,009
Enterprise Funds:										
Codes Enforcement										
Building inspections	44,673	39,443	34,362	33,343	32,730	31,179	29,299	25,324	25,957	26,622
Building permits	7,010	5,686	6,875	6,154	5,931	7,050	6,572	6,677	6,517	7,047
Fire Services (f)										
Fire responses	9,621	7,889	7,911	8,448	8,172	8,222	4,323	3,965	3,815	3,847
Ambulance calls	11,516	11,538	11,014	11,508	11,607	12,278	9,637	10,139	10,742	11,242
Corrections:										
Inmate days	1,135,098	1,160,027	1,100,798	971,882	911,778	879,537	823,874	786,850	750,284	689,286
Average daily population	3,110	3,178	3,016	2,663	2,498	2,410	2,257	2,156	2,050	1,888
Boards of Education/Schools										
Attendance (g)										
Shelby County Board of Education (component unit)	56,799	56,503	56,905	56,162	54,823	54,887	179,437	141,916	139,755	134,203
City of Memphis Board of Education	129,872	127,073	124,691	125,369	123,400	121,907	---	---	---	---
Municipal School Districts	---	---	---	---	---	---	---	37,164	37,997	38,026
Total attendance	<u>186,671</u>	<u>183,576</u>	<u>181,596</u>	<u>181,531</u>	<u>178,223</u>	<u>176,794</u>	<u>179,437</u>	<u>179,080</u>	<u>177,752</u>	<u>172,229</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, 2017

<u>Official</u>	<u>Designation</u>	<u>Base Salary Amounts</u>	<u>Bond Expiration Date</u>	<u>Bond Amount</u>
Mayor and Staff				
Mark H. Luttrell, Jr.	Mayor	\$ 142,500	09/01/18	\$ 100,000
Harvey Kennedy	Chief Administrative Officer	145,685	09/01/18	100,000
Wanda Richards	Director of Administration and Finance	134,893	09/01/18	100,000
Thomas E. Needham	Director of Public Works	134,893	09/01/18	100,000
Martha Lott	Director of Community Services	134,893	09/01/18	100,000
William L. Gupton, Jr.	Director of Corrections	134,893	09/01/18	100,000
Richard S. Copeland	Director of Planning and Development	134,893	09/01/18	100,000
Dr. Alisa Haushalter	Director of Health Services	134,893	09/01/18	100,000
Sylvie Le Bouthillier	Purchasing Agent	105,000	09/01/18	100,000
Court Clerks				
Donna L. Russell	Chancery Court Clerk and Master	119,838	01/03/18	1,060,000
James L. Moore	Circuit Court Clerk	119,838	09/01/18	110,000
Richard L. DeSaussure, III	Criminal Court Clerk	119,838	09/01/18	110,000
Edward L. Stanton, Jr.	General Sessions Court Clerk	119,838	09/01/18	100,000
Paul C. Boyd	Probate Court Clerk	119,838	09/01/18	110,000
Eftehia Joy Touliatos	Juvenile Court Clerk	119,838	09/01/18	110,000
Others				
William Patrick Oldham	Sheriff	116,955	09/01/18	100,000
Richard Wayne Mashburn	County Clerk	109,811	09/01/18	110,000
Thomas F. Leatherwood	Register	109,811	09/01/18	100,000
David C. Lenoir	Trustee	109,811	09/01/18	51,344,292
Cheyenne Johnson	Assessor	110,464	09/01/18	50,000
Scott B. Peatross	Public Administrator	(a)	06/06/18	500,000
All Employees	Crime insurance		11/01/17	1,000,000 per loss

(a) Compensated from assigned cases.

Single Audit



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, 2017, 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 15, 2017. 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. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report of the other 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 Wilkerson, PLLC

Banks, Jolley, White & Co.

Memphis, Tennessee
December 15, 2017



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, 2017. 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 \$3,633,758 and \$226,002,468 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, 2017. 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, 2017.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 15, 2017

SHELBY COUNTY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
Department of Agriculture					
TN Department of Health	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-15-438885-00/01	\$ -	\$ 6,000,731
TN Department of Health	Commodity Supplemental Food Program	10.565	GG-15-438885-00/01	-	442,371
Total Department of Agriculture				-	6,443,102
Department of Housing and Urban Development					
Direct Award	Community Development Block Grants	14.218	B16UC470002	72,820	800,902
Direct Award	Community Development Block Grants	14.218	151	-	(108,036)
Direct Award	Community Development Block Grants	14.218	B10UF47001	835,565	882,202
				908,385	1,575,068
Direct Award	Home Investment Partnership Program	14.239	M16UC47002	-	28,453
Direct Award	Home Investment Partnership Program	14.239	B08UN470001	-	9,934
				-	38,387
Direct Award	National Disaster Resilience Competition	14.272	B-13BIS-47-0002	-	670,874
Direct Award	Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TNLHB056513	-	122,478
Direct Award	Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TNLHB06116	-	215,136
Direct Award	Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	33791	-	79,697
Direct Award	Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	32403	-	41,624
				-	458,935
Total Department of Housing and Urban Development				908,385	2,743,264
Department of Justice					
Direct Award	Law Enforcement Assistance - Narcotics and Dangerous Drugs - Laboratory Analysis	16.001	TN0790000	-	412,780

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, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
Direct Award	OVW Technical Assistance Initiative	16.526	2015-S1-AX-K004	\$ 27,025	\$ 27,025
TN Office of Violence Against Women	Violence Against Women Formula Grants	16.588	260703	-	39,492
Direct Award	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX-0049	-	65,104
Direct Award	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	32441	-	12,479
				-	77,583
Direct Award	State Criminal Alien Assistance Program	16.606	CA175507	-	81,545
Direct Award	Reduction and Prevention of Children's Exposure to Violence	16.730	2011MV-MU-K005	246,410	350,473
Direct Award	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0910	419,550	469,059
Direct Award	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0333	-	174,546
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	28640	-	156,130
Direct Award	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0559	-	58,224
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0590	-	109,611
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	26631	-	37,557
Office of Juvenile Justice and Delinquency Prevention	Edward Byrne Memorial Justice Assistance Grant Program	16.738	27219	-	40,803
				419,550	1,045,930

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, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
Direct Award	Support for Adam Walsh Act Implementation Grant Program	16.750	26774	\$ -	\$ 680,951
Direct Award	Second Chance Act Reentry Initiative	16.812	2016-CY-BX-0020	-	42,101
Total Department of Justice				692,985	2,757,880
Department of Transportation					
MS Dept of Transportation	Highway Planning and Construction	20.205	GG-1237135-2	-	653,728
TN Dept of Transportation	Highway Planning and Construction	20.205	106571-001000	-	470,005
TN Dept of Transportation	Highway Planning and Construction	20.205	150062	-	18,400
TN Dept of Transportation	Highway Planning and Construction	20.205	2000286	-	7,043,234
TN Dept of Transportation	Highway Planning and Construction	20.205	110386	-	124,136
TN Dept of Transportation	Highway Planning and Construction	20.205	150174-77	-	235,000
TN Dept of Transportation	Highway Planning and Construction	20.205	CA1417424	-	5,595
TN Dept of Transportation	Highway Planning and Construction	20.205	130275	-	221,634
TN Dept of Transportation	Highway Planning and Construction	20.205	TN-80-004-00	-	274,161
TN Dept of Transportation	Highway Planning and Construction	20.205	Various	-	2,938,757
				-	11,984,650
<i>Highway Safety Cluster</i>					
TN Dept of Transportation	State and Community Highway Safety	20.600	PT-16-39	-	1,765
TN Dept of Transportation	State and Community Highway Safety	20.600	PT-17-52	-	11,106
				-	12,871
TN Dept of Transportation	National Priority Safety Programs	20.616	M5HVE-16-17	-	53,482
<i>Total Highway Safety Cluster</i>				-	66,353
Direct Award	Alcohol Open Container Requirements	20.607	154AL-17-215	-	153,348
Direct Award	Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	CA149374	-	17,095
Total Department of Transportation				-	12,221,446

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, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
Environmental Protection Agency					
Direct Award	Air Pollution Control Program Support	66.001	A00408215	\$ -	\$ 506,754
Direct Award	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-00D42616	-	166,468
Direct Award	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM96497515	-	93,828
				-	260,296
Total Environmental Protection Agency				-	767,050
Department of Health and Human Services					
National Association of County and City Health Organizations	Medical Reserve Corps Small Grant Program	93.008	MRC16-0150	-	11,025
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	31602-15049	10,900	10,900
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	31602-15049	41,900	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	31602-15049	59,358	59,358
<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	31602-15049	676,527	1,220,465
TN Commission on Aging and Disability	Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	31602-15049	1,357,170	1,559,470

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, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
TN Commission on Aging and Disability	Nutrition Services Incentive Program	93.053	31602-15049	\$ 195,761	\$ 195,761
<i>Total Aging Cluster</i>				<hr/>	<hr/>
				2,229,458	2,975,696
TN Commission on Aging and Disability	National Family Caregiver Support, Title III, Part E	93.052	31602-15049	364,966	524,987
TN Department of Health	Public Health Emergency Preparedness	93.069	Z17-1443-26	-	899,321
TN Department of Health	Medicare Enrollment Assistance Program	93.071	31602-15049	-	42,336
TN Department of Health	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	GG17-50731	-	1,573,938
TN Department of Mental Health	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	52536	-	406,601
TN Department of Health	Immunization Cooperative Agreements	93.268	GG16-4875	-	450,231
TN Department of Health	Immunization Cooperative Agreements	93.268	GG17-541180	-	125,289
				<hr/>	<hr/>
				-	575,520
TN Department of Health	Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG15-43969	-	29,089
TN Department of Health	Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG16-45430	-	33,744
TN Department of Health	Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG17-535556-00	-	10,386
				<hr/>	<hr/>
				-	73,219
TN Department of Health	State Health Insurance Assistance Program	93.324	31602-15049	-	97,277

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, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
TN Department of Health	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	GG17-51803-00	\$ -	\$ 259
TN Department of Human Services	Child Support Enforcement	93.563	GG 13-39728	-	1,135,834
TN Department of Human Services	Child Support Enforcement	93.563	GG 13-39444	-	201,901
				<hr/>	<hr/>
				-	1,337,735
TN Department of Human Services	Low-Income Home Energy Assistance	93.568	LIHEAP-16-14	-	279,781
TN Department of Human Services	Low-Income Home Energy Assistance	93.568	LIHEAP-16B-14	-	8,583,215
				<hr/>	<hr/>
				-	8,862,996
TN Department of Human Services	Community Services Block Grant	93.569	Z17-49115	-	2,566,091
TN Department of Human Services	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	GG17-50272	-	112,795
TN Department of Health	National Bioterrorism Hospital Preparedness Program	93.889	GE-15-44347-00	-	404,720
Direct Award	HIV Emergency Relief Project Grants	93.914	CA171064	526,064	736,856
Direct Award	HIV Emergency Relief Project Grants	93.914	CA161064	5,219,171	6,303,591
				<hr/>	<hr/>
				5,745,235	7,040,447
TN Department of Health	HIV Care Formula Grants	93.917	GG17-535556-00	-	58,697
TN Department of Health	HIV Care Formula Grants	93.917	GG16-49516-01	-	126,312
TN Department of Health	HIV Care Formula Grants	93.917	GG16-50751-00	-	73,088
TN Department of Health	HIV Care Formula Grants	93.917	CA1720471	1,450,208	1,482,966
TN Department of Health	HIV Care Formula Grants	93.917	CA1820471	-	11,354
				<hr/>	<hr/>
				1,450,208	1,752,417
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	GG-1648719-01	-	504,004
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	GG-1752230-00	-	444,192
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	CA1720485	357,143	425,437
TN Department of Health	HIV Prevention Activities - Health Department Based	93.940	CA1720689	408,231	455,360
				<hr/>	<hr/>
				765,374	1,828,993

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, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
TN Department of Health	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	GG-1648719-01	\$ -	\$ 49,567
TN Department of Health	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	GG-1752230-00	-	45,235
				<hr/>	94,802
TN Department of Health	Assistance Programs for Chronic Disease Prevention and Control	93.945	GG-14-41730-00	-	53,177
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-1648719-01	-	280,569
TN Department of Health	Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG-1752230-00	-	368,232
				<hr/>	648,801
TN Department of Health	Maternal and Child Health Services Block Grant to the States	93.994	GU16-46720	-	152,475
TN Department of Health	Maternal and Child Health Services Block Grant to the States	93.994	GG17-49528-00	-	773,061
TN Department of Health	Maternal and Child Health Services Block Grant to the States	93.994	GG15-43749-00	-	124,989
				<hr/>	1,050,525
Total Department of Health and Human Services				<hr/>	33,058,736
Office of National Drug Control Policy					
Direct Award	High Intensity Drug Trafficking Areas Program	95.001	G15GC0005A	3,444	23,244
Direct Award	High Intensity Drug Trafficking Areas Program	95.001	G16GC0005A	8,644	112,074
Total Office of National Drug Control Policy				<hr/>	135,318

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, 2017

Federal Grantor/Pass-through	Grantor/Program or Cluster Title	CFDA Number	Contract Number	Passed to Subrecipients	Total Federal Expenditures
Department of Homeland Security					
TN Emergency Management Agency	Emergency Management Performance Grants	97.042	CA1715332	\$ -	\$ 149,000
TN Emergency Management Agency	Port Security Grant Program	97.056	EMW-2016-PU-00388-S01	-	133,200
TN Emergency Management Agency	Homeland Security Grant Program	97.067	34101-10877	58,044	315,654
Total Department of Homeland Security				<u>58,044</u>	<u>597,854</u>
Total federal awards				<u>\$ 12,338,901</u>	\$ 58,724,650

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, 2017

Grantor Agency	Program Name	Contract Number	Total Expenditures
<i>State Financial Assistance:</i>			
TN Commission on Aging & Disability	Aging Program	31602-15049	\$ 186,268
TN Commission on Aging & Disability	Aging Program	301602-15090	2,532,489
TN Department of Children's Services	Court Appointed Spec Advocates	CA-171075	9,001
TN Department of Corrections	Offender Re-Entry Program	32901-31258	56,299
TN Department of Environment and Conservation	Tire Recycling		538,567
TN Department of Environment and Conservation	Household Hazardous Waste	CA174367	111,865
TN Department of Health	Prenatal Presumptive Eligibility Expansion	GR-17-52059	62,000
TN Department of Health	Title IV-D Process Paper Grant	CA160373	523,389
TN Department of Health	Fetal Infant Mortality Review	GG17-51803-00	601,209
TN Department of Health	Home Visiting Services	GG15-43704	592,297
TN Department of Health	Tobacco Settlement Funds 2017	CA1417480	50,000
TN Department of Health	Tobacco Settlement Funds 2016		463,754
TN Department of Health	NHBS HIV Testing	CA1720484	90,851
TN Department of Health	NHBS HIV Behavioral Surveillance 18	CA1720484	50,081
TN Department of Health	Tennicare Dental Prevention	GG17-51348-00	709,154
TN Department of Health	TDH Laboratory & Bioterrorism	GG15-43969	151,718
TN Department of Health	Tenndercare Outreach	GG17-51803-00	1,087,341
TN Department of Health	DHS Advocacy Services	GG 13-39444	104,010
TN Department of Health	DHS IV-D Child Support Service	GG 13-39728	585,127
TN Department of Health	Family Planning	GG-15-472610-00	606,973
TN Department of Health	HIV	GG-1648719-01	82,384
TN Department of Health	Direct Appropriation	CA1713500	25,050
TN Department of Health	HIV	GG-1752230-00	91,512
TN Department of Health	Childhood Lead Paint Prevention	GU16-46720	50,825
TN Department of Health	BCS Enrollments and Deferrals	DA17-49206-00	5,360
TN Department of Health	HMEP	GE1648790	917,800
TN Department of Housing and Urban Development	Down Payment Assistance		353,602
TN Department of Mental Health	Mentally Ill Inmate Services	50030	141,114
TN Department of Mental Health	Mental Health Court	49959	80,000
TN Department of Transportation	State Aid Program	151	489,819
TN Department of Transportation	Roadside Grant	Z17LIT079	164,626
TN Department of Transportation	State Aid Program Ward Rd. Bridge	152	80,678
TN Department of Transportation	State Aid Program Sledge Rd. Bridge		924,303
TN Department of Transportation	State Aid Road and Bridge Maintenance	CA1720702	2,513,324
TN District of Finance & Administration	VOCA DAG Gang and Hispanic Victims	DAGVOC30VW	34,808
TN District of Finance & Administration	Victim Coordinator Grant	30158	31,924
Total state financial assistance			<u>15,099,522</u>
Total federal awards and state financial assistance			<u>\$ 73,824,172</u>

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

SHELBY COUNTY, TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2017

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, 2017 (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 expenditure balances in the grant fund, per the County’s financial statements:

Totals per schedule of expenditures	\$ 73,824,172
Less: Expenditures in non-grant funds	(3,359,233)
Add: Expenditures not shown on this schedule	1,477,040
Add: County matching	3,698,631
Add: State awards classified as federal awards	1,114,912
Total grant fund expenditures	<u>\$ 76,755,522</u>

SHELBY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

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 93.914 – HIV Emergency Relief Project Grants
 - CFDA 93.940 – HIV Prevention Activities – Health Department Based
 - CFDA 93.568 – Low-Income Home Energy Assistance
8. The threshold for distinguishing between Type A and B programs was \$1,761,740.
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, 2017

None

