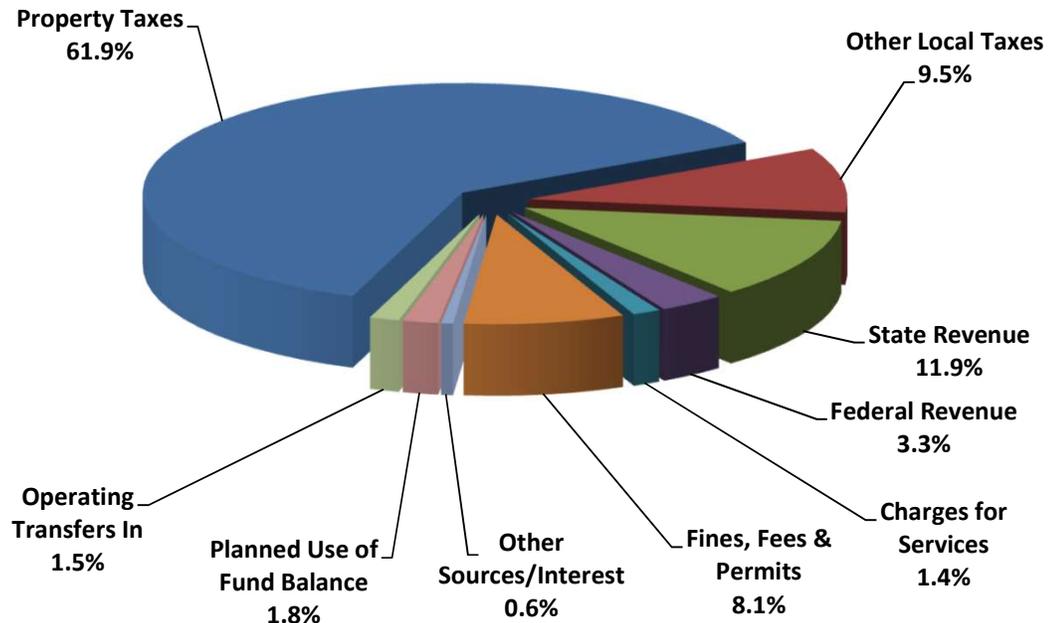


ALL FUNDS SUMMARY



FY19 ADOPTED BUDGET

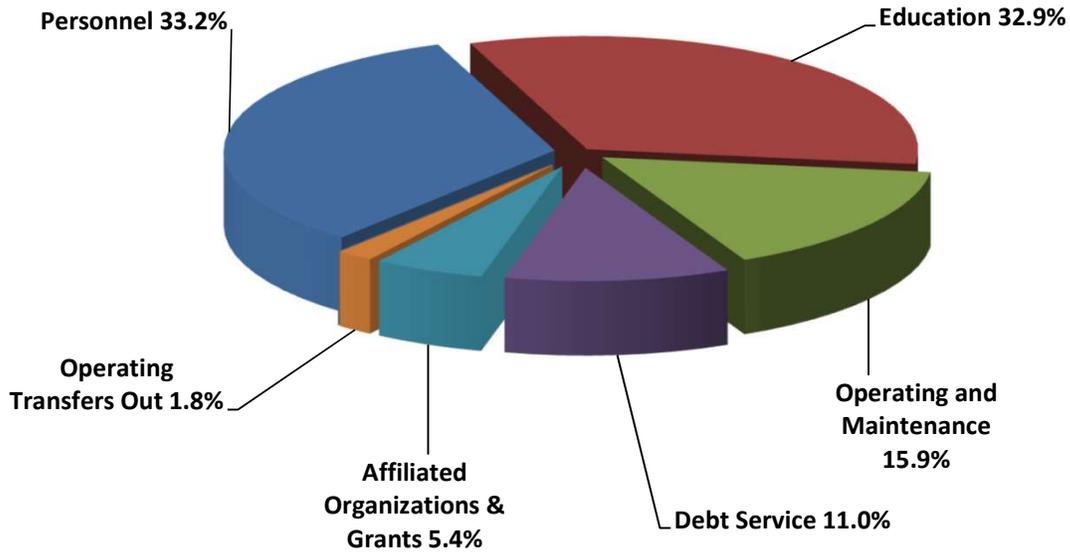
Where the Money Comes From....



SOURCES OF FUNDS:

| | <u>FY19 Adopted</u> | <u>FY18 Amended</u> |
|------------------------------------|--------------------------------|--------------------------------|
| <u>Revenue:</u> | | |
| Property Taxes | \$ 803,055,000 | \$ 778,878,001 |
| Intergovernmental-State | 154,190,191 | 161,827,512 |
| Other Local Taxes | 123,321,000 | 118,888,000 |
| Fines, Fees & Permits | 105,211,069 | 104,498,435 |
| Intergovernmental-Federal | 44,652,880 | 53,961,091 |
| Charges for Services | 17,937,262 | 17,691,441 |
| Other Revenue/Interest | 7,178,085 | 7,033,601 |
| Subtotal | <u>1,255,545,487</u> | <u>1,242,778,081</u> |
| <u>Other Sources:</u> | | |
| Planned Use of Fund Balance | 23,237,711 | 26,388,154 |
| Operating Transfers In | 19,744,047 | 20,248,012 |
| Other Financial Sources | 337,500 | 337,500 |
| Subtotal | <u>43,319,258</u> | <u>46,973,666</u> |
| Total Appropriation Sources | <u>\$ 1,298,864,745</u> | <u>\$ 1,289,751,748</u> |

.....and Where the Money Goes



USE OF FUNDS:

| | <u>FY19 Adopted</u> | <u>FY18 Amended</u> |
|-----------------------------------|--------------------------------|--------------------------------|
| Personnel | \$ 429,287,307 | \$ 411,610,293 |
| Education | 427,259,000 | 419,471,000 |
| Operating and Maintenance | 206,600,094 | 223,780,739 |
| Debt Service | 142,573,873 | 150,284,959 |
| Affiliated Organizations & Grants | 69,544,217 | 65,568,895 |
| Operating Transfers Out | 23,600,254 | 18,662,701 |
| Planned Increase to Fund Balance | - | 373,161 |
| Total Appropriation Uses | <u>\$ 1,298,864,745</u> | <u>\$ 1,289,751,748</u> |

Prime Accounts Countywide Summary

All Funds

| ACCT DESCRIPTION | FY15 ACTUAL | FY16 ACTUAL | FY17 ACTUAL | FY18 AMENDED | FY19 ADOPTED |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| 40 - Property Taxes | (761,129,275) | (756,449,189) | (764,259,946) | (778,878,001) | (803,055,000) |
| 41 - Other Local Taxes | (106,997,963) | (107,820,954) | (109,137,255) | (118,888,000) | (123,321,000) |
| 43 - Intergovernmental Revenues-State | (133,397,504) | (135,228,917) | (131,211,023) | (161,827,512) | (154,190,191) |
| 44 - Intergovernmental Revenues-Federal | (30,240,093) | (28,727,496) | (25,960,195) | (53,961,091) | (44,652,880) |
| 45 - Charges for Services | (16,693,427) | (13,279,330) | (14,523,475) | (17,691,441) | (17,937,262) |
| 46 - Fines, Fees & Permits | (97,397,669) | (99,531,851) | (99,920,259) | (104,498,435) | (105,211,069) |
| 47 - Other Revenue | (4,836,210) | (6,251,106) | (5,366,249) | (5,250,851) | (5,051,085) |
| 48 - Investment Income | (1,895,354) | (2,550,577) | (2,032,858) | (1,782,750) | (2,127,000) |
| TOTAL REVENUE | (1,152,587,494) | (1,149,839,420) | (1,152,411,259) | (1,242,778,081) | (1,255,545,487) |
| 51 - Salaries-Regular Pay | 250,885,566 | 252,497,393 | 252,000,587 | 296,709,039 | 307,021,764 |
| 52 - Salaries-Other Compensation | 19,907,267 | 21,604,521 | 24,853,221 | 23,018,483 | 26,356,906 |
| 55 - Fringe Benefits | 96,689,605 | 93,824,321 | 105,213,373 | 124,539,593 | 127,502,776 |
| 56 - Vacancy Savings | - | - | - | (32,656,822) | (31,594,138) |
| TOTAL SALARIES | 367,482,438 | 367,926,235 | 382,067,181 | 411,610,293 | 429,287,307 |
| 60 - Supplies & Materials | 19,985,976 | 16,244,938 | 15,680,939 | 21,485,074 | 19,857,018 |
| 64 - Services & Other Expenses | 23,069,861 | 23,959,847 | 22,861,295 | 30,673,704 | 31,201,967 |
| 66 - Professional & Contracted Services | 58,300,714 | 62,631,976 | 62,063,882 | 88,920,701 | 78,971,306 |
| 67 - Rent, Utilities & Maintenance | 21,012,152 | 20,776,115 | 21,158,463 | 30,809,936 | 28,477,138 |
| 68 - Interfund Services | 9,929,949 | 7,497,287 | 8,258,423 | 9,696,123 | 9,817,663 |
| 70 - Capital Asset Acquisitions | 15,377,671 | 23,443,211 | 23,232,939 | 50,939,324 | 44,510,110 |
| 79 - Depreciation Expense | 424,721 | (1,160,915) | (1,369,850) | (0) | (1) |
| TOTAL OPERATING & MAINT | 148,101,045 | 153,392,458 | 151,886,091 | 232,524,861 | 212,835,202 |
| 80 - DEBT SERVICE EXPENDITURE | 161,415,322 | 280,854,154 | 248,949,902 | 150,284,959 | 142,573,873 |
| 89 - AFFILIATED ORGANIZATIONS | (1) 427,528,517 | 439,707,685 | 465,079,347 | 478,384,615 | 487,713,217 |
| 90 - GRANTS | 3,050,000 | 4,764,000 | 4,299,500 | 6,655,280 | 9,090,000 |
| 95 - CONTINGENCIES & RESTRICTIONS | - | - | - | (8,744,122) | (6,235,108) |
| 94 - OTHER SOURCES & USES | 17,045,150 | (86,235,568) | (100,907,901) | (337,500) | (337,500) |
| TOTAL EXPENDITURES | 1,124,622,472 | 1,160,408,963 | 1,151,374,120 | 1,270,378,386 | 1,274,926,991 |
| 9998 - PLANNED FUND BALANCE INCREASE | - | - | - | 373,161 | - |
| 9999 - PLANNED FUND BALANCE DECREASE | - | - | - | (26,388,154) | (23,237,711) |
| NET USE OF FUND BALANCE | - | - | - | (26,014,993) | (23,237,711) |
| 96 - OPERATING TRANSFERS IN | (20,521,020) | (21,294,841) | (17,933,217) | (20,248,012) | (19,744,047) |
| 98 - OPERATING TRANSFERS OUT | 29,194,395 | 27,490,019 | 24,664,751 | 18,662,701 | 23,600,254 |
| NET TRANSFERS | 8,673,375 | 6,195,178 | 6,731,533 | (1,585,311) | 3,856,207 |
| TOTAL COUNTYWIDE | (19,291,647) | 16,764,721 | 5,694,395 | - | - |

(1) Includes Education expense

**Sources and Uses by Fund/Division
Countywide Summary**

All Funds

| <i>FUND/DIVISION:</i> | FY19 SOURCES OF FUNDS | | | FY19 USES OF FUNDS | | | NET OPERATIONS |
|--------------------------------|--------------------------------|---------------------|---------------------|---------------------------|----------------------|---------------------|-----------------------|
| | REVENUE + OTHER SOURCES | TRANSFERS IN | FUND BALANCE | EXPENSES | TRANSFERS OUT | FUND BALANCE | |
| GENERAL FUND: | | | | | | | |
| Administration & Finance | (348,343,414) | (65,342) | (5,064,782) | 48,931,280 | 15,342,745 | - | (289,199,513) |
| Information Technology | (2,001,449) | - | - | 11,809,232 | - | - | 9,807,782 |
| Planning & Development | (2,500) | - | - | 341,676 | 64,361 | - | 403,537 |
| Public Works | (3,194,149) | (35,170) | - | 26,225,044 | 50,000 | - | 23,045,725 |
| Health Services | (5,028,038) | (821,800) | - | 30,882,238 | 2,326,090 | - | 27,358,490 |
| Community Services | (850,000) | - | - | 10,228,324 | 165,655 | - | 9,543,979 |
| Sheriff | (5,955,600) | (91,404) | - | 186,009,035 | 17,850 | - | 179,979,881 |
| Judicial | (28,611,900) | (36,108) | - | 72,015,214 | 357,801 | - | 43,725,007 |
| Elected Officials | (40,494,750) | - | - | 35,829,862 | - | - | (4,664,888) |
| TOTAL GENERAL FUND | (434,481,800) | (1,049,824) | (5,064,782) | 422,271,904 | 18,324,502 | - | - |
| SPECIAL REVENUE FUNDS: | | | | | | | |
| Education Fund | (427,259,000) | - | - | 427,259,000 | - | - | - |
| Hotel-Motel Tax Fund | (17,845,000) | - | (1,808,360) | 19,653,360 | - | - | - |
| Roads & Bridges Fund | (18,336,526) | - | (621,096) | 15,239,752 | 3,717,870 | - | - |
| Narcotics Funds | (2,927,200) | - | (258,964) | 3,179,760 | 6,404 | - | - |
| Car Rental Tax Fund | (2,700,000) | - | - | 2,700,000 | - | - | - |
| Mosquito & Rodent Control Fund | (3,555,000) | - | (525,703) | 4,080,703 | - | - | - |
| Air Emission Fees Fund | (881,900) | - | (171,378) | 1,033,278 | 20,000 | - | - |
| Register DP Fund | (278,868) | - | (390,000) | 668,868 | - | - | - |
| General Sessions DP Fund | (347,900) | - | (317,810) | 665,710 | - | - | - |
| Veteran's Court | (3,000) | - | - | 3,000 | - | - | - |
| Criminal Court DP Fund | (20,800) | - | (95,000) | 115,800 | - | - | - |
| Economic Development Fund | (35,000) | - | (3,600,000) | 3,635,000 | - | - | - |
| Stormwater Fees Fund | (740,000) | - | (496,746) | 1,236,746 | - | - | - |
| Sewer Maintenance Fund | (6,000) | - | (1,200,000) | 1,206,000 | - | - | - |
| DUI Treatment Fines Fund | (60,400) | - | - | 60,400 | - | - | - |
| Drug Court Program Fund | (370,000) | - | (340,168) | 710,168 | - | - | - |
| Tax Increment Fund | (6,500,000) | - | - | 6,500,000 | - | - | - |
| TOTAL SPECIAL REVENUE | (481,866,594) | - | (9,825,225) | 487,947,545 | 3,744,274 | - | - |
| ENTERPRISE FUNDS: | | | | | | | |
| Corrections Fund | (43,150,400) | (13,166,045) | (2,403,381) | 58,345,816 | 374,010 | - | - |
| Fire Services Fund | (25,150,091) | - | (365,981) | 25,509,552 | 6,520 | - | - |
| Codes Enforcement Fund | (10,952,790) | (1,500,000) | - | 12,021,720 | 431,070 | - | - |
| TOTAL ENTERPRISE FUNDS | (79,253,281) | (14,666,045) | (2,769,362) | 95,877,088 | 811,600 | - | - |
| INTERNAL SERVICE FUNDS: | | | | | | | |
| IT Internal Service Fund | (5,016,907) | - | (749,610) | 5,766,517 | - | - | - |
| Fleet Vehicle Replacement Fund | (455,600) | - | - | 455,600 | - | - | - |
| Fleet Services | (2,922,962) | - | (27,370) | 2,950,332 | - | - | - |
| TOTAL INTERNAL SERVICES | (8,395,469) | - | (776,980) | 9,172,449 | - | - | - |
| GRANT FUNDS | (112,825,857) | (4,028,178) | (1,651,047) | 117,785,204 | 719,878 | - | - |
| DEBT SERVICE FUND | (139,059,986) | - | (3,150,315) | 142,210,301 | - | - | - |
| ALL FUNDS TOTAL | (1,255,882,987) | (19,744,047) | (23,237,711) | 1,275,264,491 | 23,600,254 | - | - |

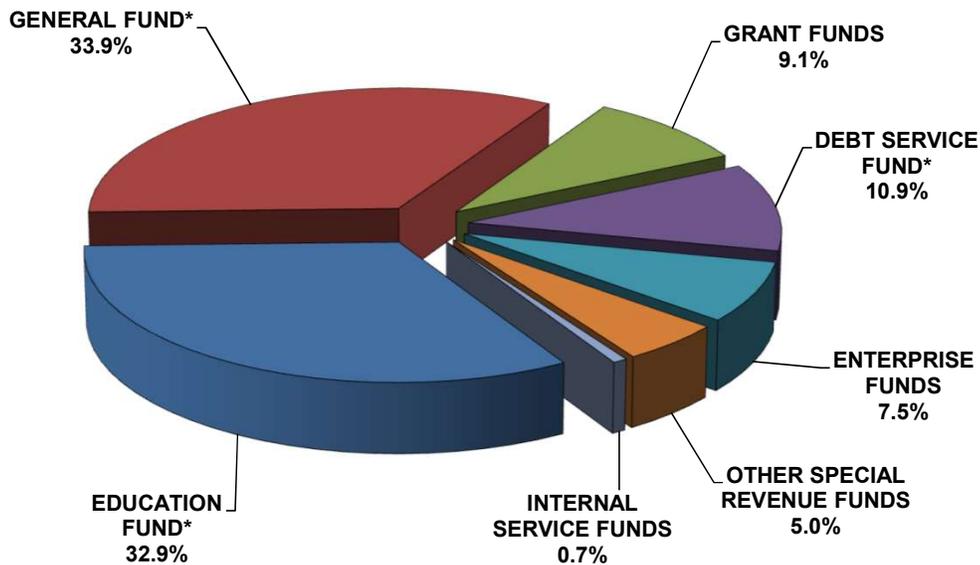
**Total Sources and Uses by Fund Type
Countywide Summary**

All Funds

| FUND TYPE: | FY19 SOURCES OF FUNDS | | | FY19 USES OF FUNDS | | | NET OPERATIONS | |
|------------------------|------------------------------------|-------------------------|-------------------------|---------------------------|--------------------------|-------------------------|-----------------------|-----------------------|
| | REVENUE + OTHER SOURCES | TRANSFERS IN | FUND BALANCE | EXPENSES | TRANSFERS OUT | FUND BALANCE | NET FUND | % of Total |
| GENERAL FUND* | (434,481,800) | (1,049,824) | (5,064,782) | 422,271,904 | 18,324,502 | - | - | 33.9% |
| EDUCATION FUND* | (427,259,000) | - | - | 427,259,000 | - | - | - | 32.9% |
| DEBT SERVICE FUND* | (139,059,986) | - | (3,150,315) | 142,210,301 | - | - | - | 10.9% |
| GRANT FUNDS | (112,825,857) | (4,028,178) | (1,651,047) | 117,785,204 | 719,878 | - | - | 9.1% |
| ENTERPRISE FUNDS | (79,253,281) | (14,666,045) | (2,769,362) | 95,877,088 | 811,600 | - | - | 7.5% |
| OTHER SPECIAL REVENUE | (54,607,594) | - | (9,825,225) | 60,688,545 | 3,744,274 | - | - | 5.0% |
| INTERNAL SERVICE FUNDS | (8,395,469) | - | (776,980) | 9,172,449 | - | - | - | 0.7% |
| ALL FUNDS TOTAL | (1,255,882,987) | (19,744,047) | (23,237,711) | 1,275,264,491 | 23,600,254 | - | - | 100.0% |

**Identified as Major Funds - defined as more than 10% of total appropriated revenues*

FY19 Uses by Fund



Major Funds for Shelby County include the Education Fund (32.9% of total), the General Fund (33.9% of total) and the Debt Service Fund (10.9% of total).

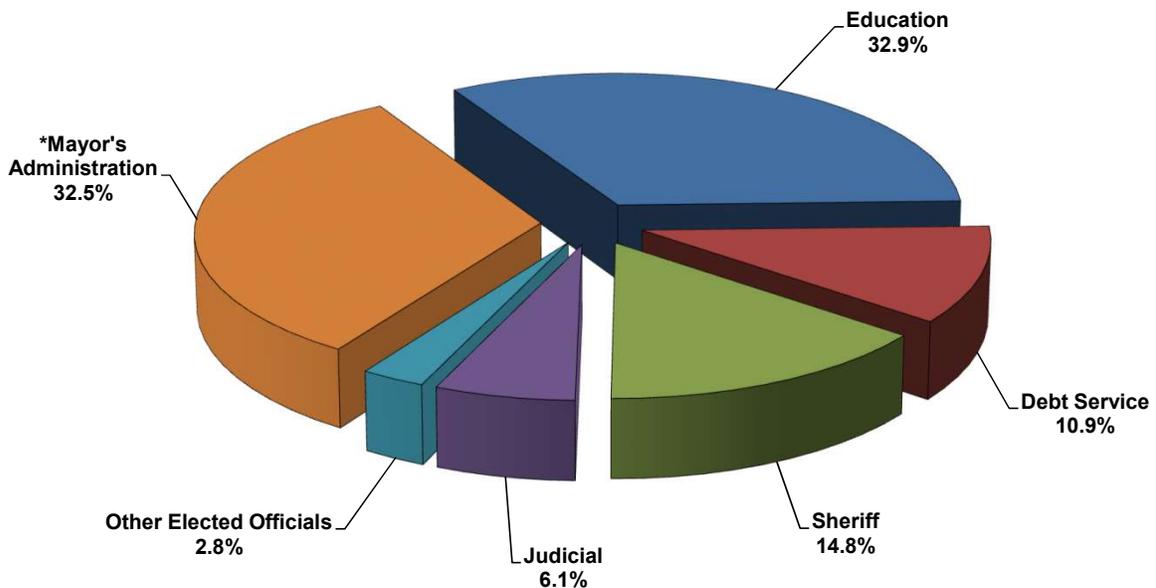
**Total Sources and Uses by Division
Countywide Summary**

All Funds

| <u>DIVISION NAME</u> | FY19 SOURCES OF FUNDS | | | FY19 USES OF FUNDS | | | NET OPERATIONS | |
|----------------------------|----------------------------|---------------------|---------------------|----------------------|-------------------|-----------------|----------------|---------------|
| | REVENUE + OTHER SOURCES | TRANSFERS IN | FUND BALANCE | EXPENSES | TRANSFERS OUT | FUND BALANCE | NET TOTAL | % of Total |
| Education | (427,259,000) | - | - | 427,259,000 | - | - | - | 32.9% |
| Sheriff | (11,542,427) | (109,254) | (258,964) | 191,781,272 | 109,254 | - | 179,979,881 | 14.8% |
| Debt Service | (139,059,986) | - | (3,150,315) | 142,210,301 | - | - | - | 10.9% |
| Public Works * | (67,663,337) | (309,560) | (2,961,193) | 90,170,255 | 3,809,560 | - | - | 7.2% |
| Administration & Finance * | (379,426,526) | (65,342) | (10,473,142) | 85,422,752 | 15,342,745 | - | (289,199,513) | 7.8% |
| Judicial | (34,765,302) | (393,909) | (753,673) | 79,243,982 | 393,909 | - | 43,725,007 | 6.1% |
| Corrections * | (43,994,823) | (13,540,055) | (2,403,381) | 59,490,949 | 447,310 | - | - | 4.6% |
| Health Services * | (41,310,986) | (3,164,841) | (1,096,433) | 70,094,360 | 2,836,390 | - | 27,358,490 | 5.6% |
| Community Services * | (25,110,058) | (165,655) | - | 34,654,037 | 165,655 | - | 9,543,979 | 2.7% |
| Other Elected Officials | (40,773,618) | - | (390,000.00) | 36,498,729.84 | - | - | (4,664,888) | 2.8% |
| Planning & Development * | (37,958,568) | (1,995,431) | (1,001,000) | 40,863,105 | 495,431 | - | 403,537 | 3.2% |
| Information Technology * | (7,018,356) | - | (749,610) | 17,575,749 | - | - | 9,807,782 | 1.4% |
| ALL FUNDS TOTAL | (1,255,882,987) | (19,744,047) | (23,237,711) | 1,275,264,491 | 23,600,254 | - | - | 100.0% |

* Divisions of the Mayor's Administration

FY19 Uses by Division



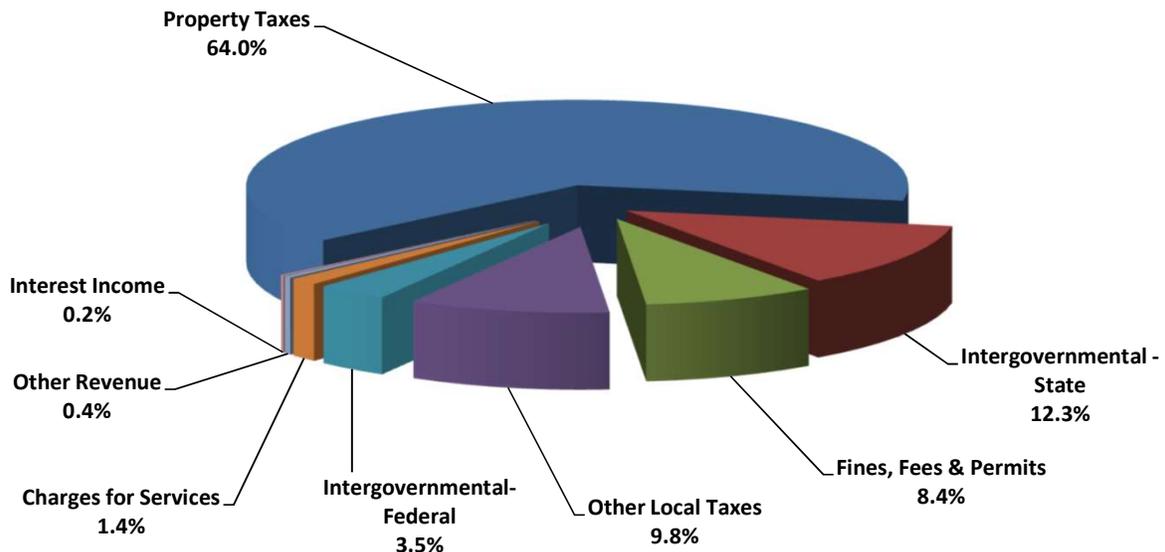
Education represents the largest functional division of county expenditures.

Revenue Overview Countywide Summary

All Funds

| REVENUE SOURCE | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Amended | FY19 Adopted |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 40 - Property Taxes | 761,129,275 | 756,449,189 | 764,259,946 | 778,878,001 | 803,055,000 |
| % of Total | 66.0% | 65.8% | 66.3% | 62.7% | 64.0% |
| 43 - Intergovernmental - State | 133,397,504 | 135,228,917 | 131,211,023 | 161,827,512 | 154,190,191 |
| % of Total | 11.6% | 11.8% | 11.4% | 13.0% | 12.3% |
| 41 - Other Local Taxes | 106,997,963 | 107,820,954 | 109,137,255 | 118,888,000 | 123,321,000 |
| % of Total | 9.3% | 9.4% | 9.5% | 9.6% | 9.8% |
| 46 - Fines, Fees & Permits | 97,397,669 | 99,531,851 | 99,920,259 | 104,498,435 | 105,211,069 |
| % of Total | 8.5% | 8.7% | 8.7% | 8.4% | 8.4% |
| 44 - Intergovernmental-Federal | 30,240,093 | 28,727,496 | 25,960,195 | 53,961,091 | 44,652,880 |
| % of Total | 2.6% | 2.5% | 2.3% | 4.3% | 3.5% |
| 45 - Charges for Services | 16,693,427 | 13,279,330 | 14,523,475 | 17,691,441 | 17,937,262 |
| % of Total | 1.4% | 1.2% | 1.3% | 1.4% | 1.4% |
| 47 - Other Revenue | 4,836,210 | 6,251,106 | 5,366,249 | 5,250,851 | 5,051,085 |
| % of Total | 0.4% | 0.5% | 0.5% | 0.4% | 0.4% |
| 48 - Interest Income | 1,895,354 | 2,550,577 | 2,032,858 | 1,782,750 | 2,127,000 |
| % of Total | 0.2% | 0.2% | 0.2% | 0.1% | 0.2% |
| TOTAL REVENUE - ALL FUNDS | 1,152,587,494 | 1,149,839,420 | 1,152,411,259 | 1,242,778,081 | 1,255,545,487 |
| % Change from Prior Year | | -0.2% | 0.2% | 7.8% | 1.0% |

Countywide Revenue Overview



Property Taxes provide the largest single source of revenue for Shelby County.

Revenue Projections and Assumptions

Preparing a balanced budget based on conservative revenue estimates is fundamental to maintaining a strong financial position. Since property taxes account for 64% of Countywide revenue, reaching consensus on this revenue forecast is an important basis for budget development. Property taxes have been projected based upon historical trends, current year actual collections and appraisal appeals, with extensive collaboration with the Trustee and the Assessor. Analysis of local, state and national economic trends and statistical indicators is an integral part of this forecasting process. If necessary, estimates are adjusted before the final budget is approved to reflect results of the certified tax roll, final appeals of assessment, and updated current year collections.

Our dependence on this revenue source has made the impact in prior years of declining real estate values and foreclosures a real concern. However, the County has very little opportunity to diversify its revenue sources because most other local taxes, fines, fees and permits are largely established and regulated by State law. The County has attempted to maintain stable property tax rates to avoid the need to adapt to cyclical economic and fiscal conditions. This has been accomplished without the use of fund balance or non-recurring revenue sources to fund ongoing expenditures.

Property Tax Rates

The Property Tax Rate is set by the County Commission as a part of the annual budget review process. Rates are set at a level determined to be necessary to maintain a balanced budget while providing appropriate services to County residents. Property appraisals are prepared by the Shelby County Assessor of Property and re-evaluated every four years, except for public utilities which are assessed by the Tennessee Regulatory Authority. The appraised value is the estimated market value at a specified point in time.

The assessed value is the basis for property taxes on various types of property, including:

- Real property – land, structures, lease-hold improvements (realty tax)
- Personal property – business furnishings and equipment (personalty tax)
- Public utility property – real and personal property owned by utilities and organizations regulated by the State

Some properties are exempt from property tax assessments such as governments and religious and charitable institutions. The State of Tennessee tax statutes classify types of 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

Residential properties account for about 53% of total assessed values throughout the County, with commercial properties at about 33%, personal property at 8% and utilities at 6%.

Based on property tax assessments provided by the Assessor's office and the property tax rate as set by the County Commission, the Trustee calculates the amount of property tax bills. Tax bills are mailed by September and become delinquent if not paid by the last day in February of the following year.

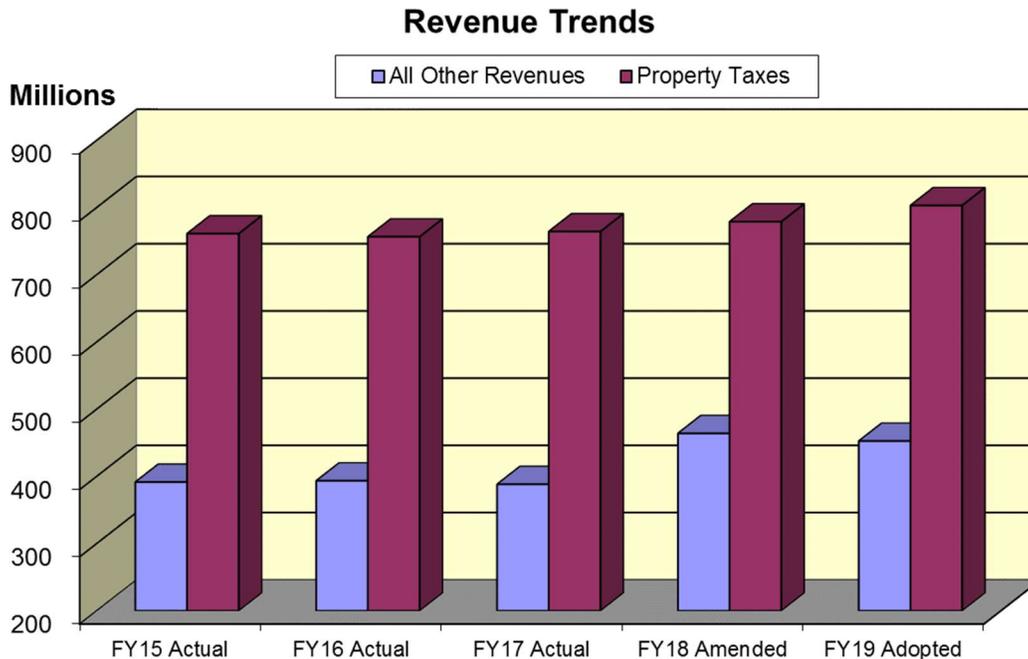
Property Tax Calculation

The County Commission approved a tax rate of \$4.05 for tax year 2018 (fiscal year 2019).

To calculate a property tax bill, the assessed value is divided by \$100, with the result multiplied by the effective tax rate. The example below shows this calculation for a tax rate of \$4.05 on a residential property assessed at \$100,000:

- 1) \$100,000 appraised value x 25% assessed value for residential property = \$25,000
- 2) \$25,000 / \$100 = \$250
- 3) \$250 x \$4.05 = \$1,013 tax due

A commercial property of the same appraised value would be assessed at 40% for a tax due amount of \$1,620.



Revenue trends demonstrate the stability of Shelby County revenue sources

Certified Tax Rate and Recapture Rate Calculation

Certified Tax Rate is a calculation designed to account for the impact of significant property value increases or decreases on local taxes. This calculation, which requires State approval, establishes the rate that is necessary to generate the same amount of property tax revenue as the prior year. The certified tax rate sets a baseline for the property tax rate; the actual rate set for the tax year is determined by the County Commission.

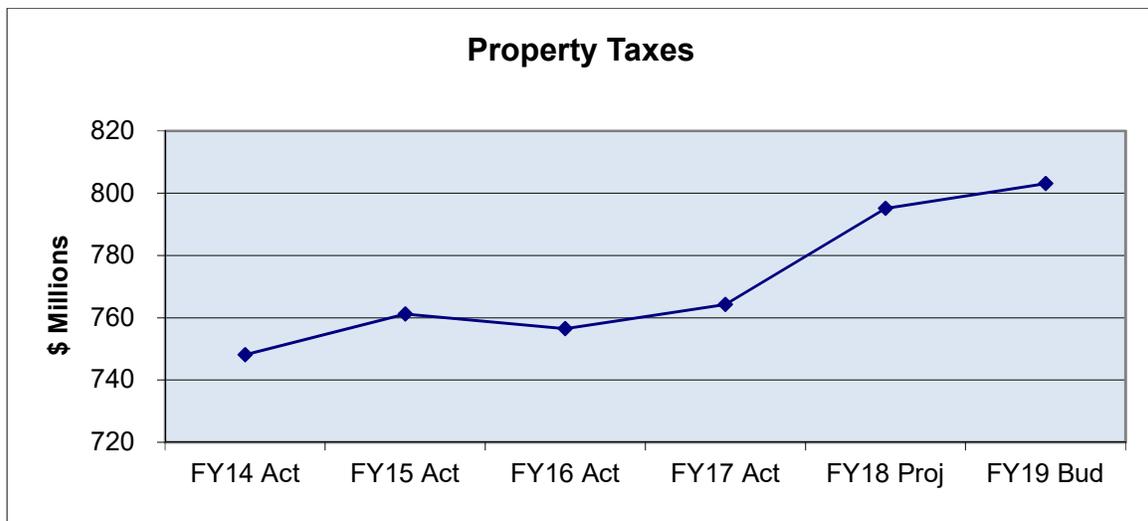
A property reappraisal was conducted throughout Shelby County during 2016-2017 to provide an updated tax valuation basis. This appraisal reflected the steady economic recovery that has occurred since the previous reappraisal was conducted, with significant appreciation in realty values in most areas. As a result, the certified tax rate was calculated at \$4.137 – a reduction of \$0.233 from the previous rate of \$4.37. In the adoption of the FY18 Budget the final tax rate was set at \$4.11 – a total reduction of \$0.26.

Recapture Rate – The calculation of the certified tax rate includes an estimate of expected appeals of the higher appraisal values based on previous reappraisal cycles. The State Board of Equalization requires an adjustment in the following year if the certified tax rate is found to have been overstated due to overestimation of the appeals adjustment. The **recapture tax rate** is the actual tax rate from the reappraisal year reduced by the amount by which the reappraisal year certified tax rate was overstated due to the excessive appeals allowance.

For FY19 (Tax Year 2018), the Recapture Tax Rate has been calculated and approved by the State Board of Equalization at \$4.06 which is a \$0.05 reduction from the current tax rate of \$4.11 as set by the County Commission for the FY18 Adopted Budget. An additional reduction of \$0.01 was adopted in the FY19 Budget to set the final tax rate at \$4.05.

Property Tax Revenue

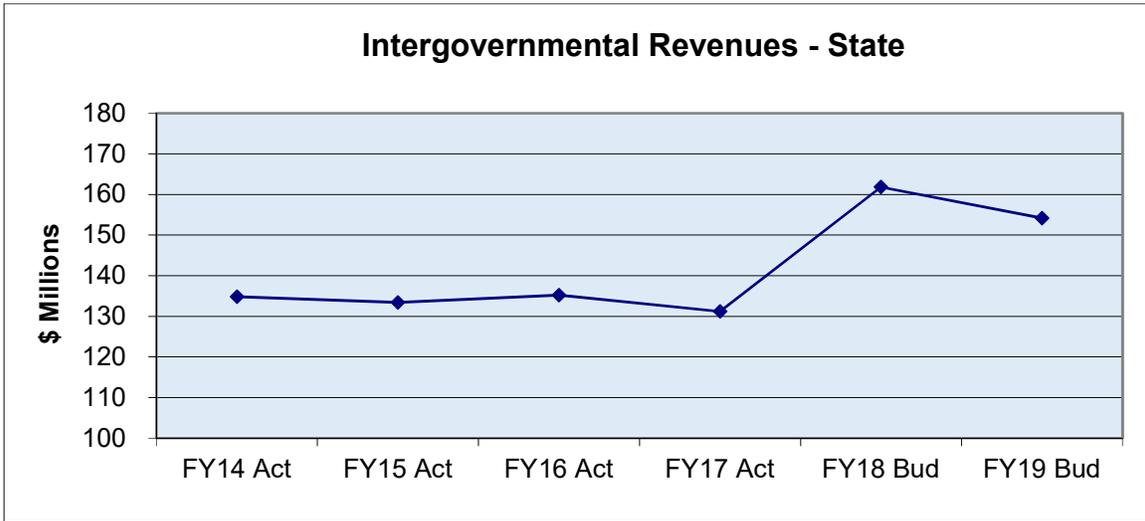
Property Taxes account for 64.0% of all County revenue sources. Current Property Taxes have been projected at \$782 million for the FY19 Adopted Budget, based on a tax rate of \$4.05 with an expected growth of about 1.0% over the projected FY18 actual collection level. Delinquent tax revenue remains at the current budget of \$21 million. One cent of the tax rate is estimated to generate \$1,931,000 in revenue. The Rural School Bond property tax rate of \$0.04 (which applied only to properties outside the Memphis city limits) was eliminated in FY15.



Intergovernmental Revenues (State) contribute the second largest source of income to the County, representing 12.3% of total income (\$154.2 million). Statewide revenue collections are distributed to the municipalities on the basis of population, as prescribed by the Tennessee Code Annotated.

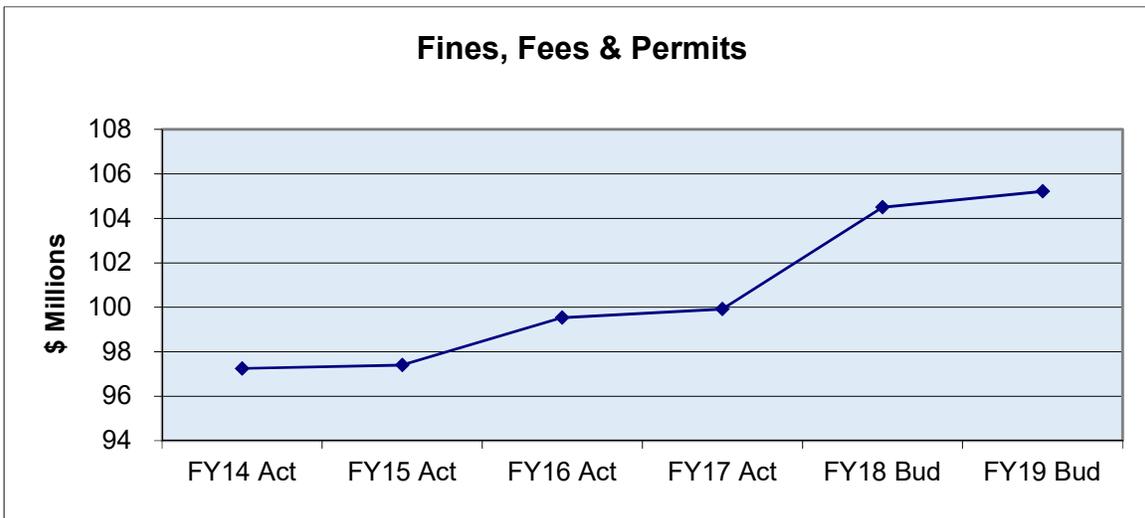
Significant revenue sources in this category include:

- State grant funding for specified programs (\$76.0 million) includes \$11.8 million for the Congestion Mitigation Air Quality Improvement program (CMAQ).
- Corrections reimbursements for housing of inmates charged with felony crimes (\$42.1 million). This represents a 6% increase from the FY18 budget.
- As a result of the recently enacted Tennessee Improve Act, State gasoline tax revenue will increase by \$1.0 million in FY19 to \$11.5 million. The TVA Replacement tax (\$7.6 million) and Bank Excise taxes (\$2.5 million) are also significant revenue sources for the County.
- State cost reimbursements include funding for the Public Defender (\$5.3 million) and for prisoners housed at the Shelby County Jail (\$2.7 million).



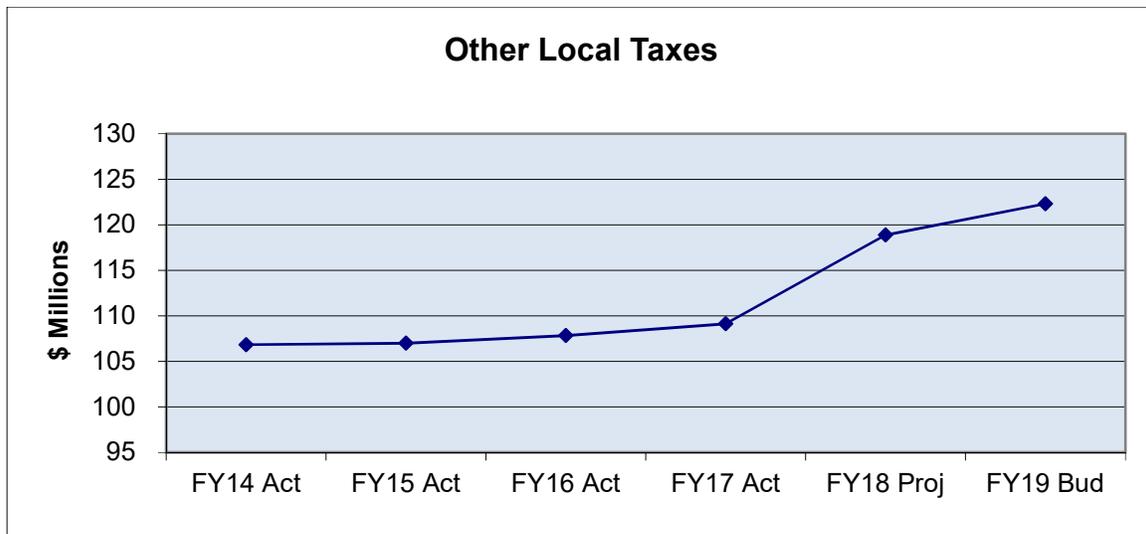
Fines, Fees & Permits account for 8.4% of total revenues (\$105.2 million). Collections in this category have increased over the past few years as economic conditions have improved. Significant fees collected from businesses, residents, and organizations for services provided include:

- County Trustee’s commission for collection of property taxes (\$22.4 million).
- Fire Protection fees collected in the unincorporated areas of Shelby County (\$20.6 million).
- Various fees and permits charged by Elected Officials (County Clerk, Register, Courts).



Other Local Taxes contribute another 9.8% or \$123.3 million. Significant local tax revenues are generated from:

- Wheel Tax - collected by the County Clerk as vehicle licenses are issued or renewed. All proceeds are allocated to Education for operating costs and capital projects. (\$35.0 million).
- Hotel & Motel Tax - a 5% tax collected on room rentals as funding for the Sports Authority debt and Convention and Visitors Bureau (\$17.8 million).
- Exempt Property in Lieu of Taxes (PILOT) taxes (\$25.0 million, including MLG&W)
- Business or Gross receipts taxes (\$16.5 million) and local share of Sales Tax (\$5.0 million).
- Interest & Penalty on Taxes (\$7.5 million) and litigation taxes (\$3.4 million)
- Car Rental Tax – a 3% tax collected on vehicle rental as funding for NBA arena (\$2.7 million).
- Tax Increment Financing (TIF) fund utilizing incremental tax revenue growth over a baseline year to pay for community or site-specific improvements (\$9.0 million). Amounts paid to the Community Redevelopment Agency (CRA) were not recorded on County financial records prior to FY18.



Intergovernmental Revenues (Federal & Local) received from the Federal Government and local municipalities represent 3.5% of total income, or \$44.7 million in revenue.

Significant revenue sources in this category include:

- Federal and Local grant funding for specified programs (\$26.8 million).
- Federal reimbursement for Qualified School Construction Bond (QSCB) payments (\$3.1 million).
- Reimbursement from local municipalities for the billing and collection of delinquent property taxes including litigation costs (\$1.6 million) and for ambulance and 911 services (\$1.5 million).
- Cost sharing with the City of Memphis for Codes Enforcement operations (\$1.5 million) and the National Disaster Resilience Grant Design Project (\$4.0 million).

Charges for Services - \$17.9 million budgeted in FY19 representing only 1.4% of all revenues. This category includes internal service charges for telecommunications, fleet and fuel services, as well as charges for inmate telephone and postage usage, and TennCare revenue receipts. Significant decline in this category for FY16 due to reduced internal billings for Mail Services, Printing Services, and Fleet Services. This has mostly been offset by the revenue from the Ambulance Service fees that began mid-FY17 and have grown to \$2.8 million in FY19.

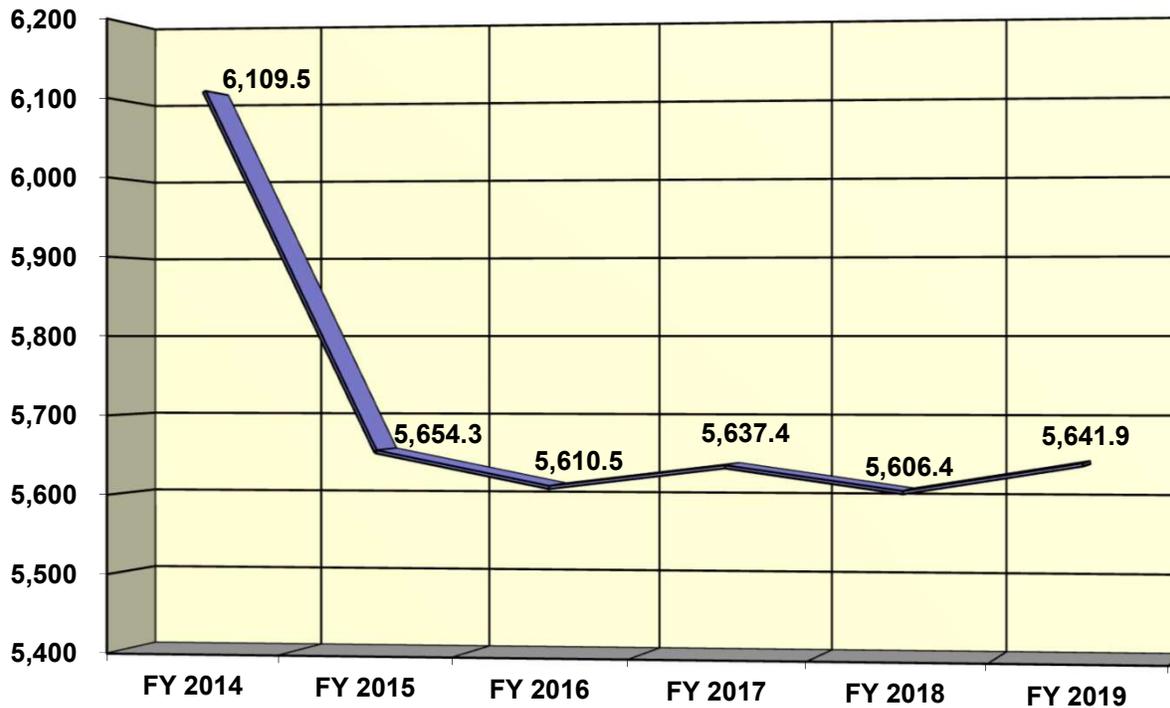
Total FTE Positions by Fund Countywide Summary

All Funds

| FUND NAME | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY18-19 Change | % of Total |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|---------------|
| General Fund | 3,902.8 | 3,896.0 | 3,918.5 | 3,930.7 | 3,968.2 | 4,009.9 | 41.7 | 71.1% |
| Special Revenue Funds | 154.6 | 154.6 | 155.6 | 153.8 | 152.8 | 153.8 | 1.0 | 2.7% |
| Enterprise Funds | 1,013.8 | 1,011.8 | 977.0 | 983.0 | 934.0 | 935.0 | 1.0 | 16.6% |
| Internal Service Funds | 33.0 | 33.0 | 20.0 | 20.0 | 20.0 | 19.0 | (1.0) | 0.3% |
| Grant Funds | 1,005.3 | 558.9 | 539.5 | 549.9 | 531.4 | 524.3 | (7.2) | 9.3% |
| TOTAL FTE - ALL FUNDS | 6,109.5 | 5,654.3 | 5,610.5 | 5,637.4 | 5,606.4 | 5,641.9 | 35.5 | 100.0% |
| Change from prior year | (24.1) | (455.2) | (43.8) | 26.9 | (31.0) | 35.5 | | |

Note: Reduction in FTE from FY14 to FY15 primarily due to Headstart grant assumed by Shelby County Schools

Total Positions Trend



The total number of County employees in All Funds has declined by 468 positions (8%) since FY14, with the largest number of reductions related to Grants.

Total FTE Positions Distribution Countywide Summary

All Funds

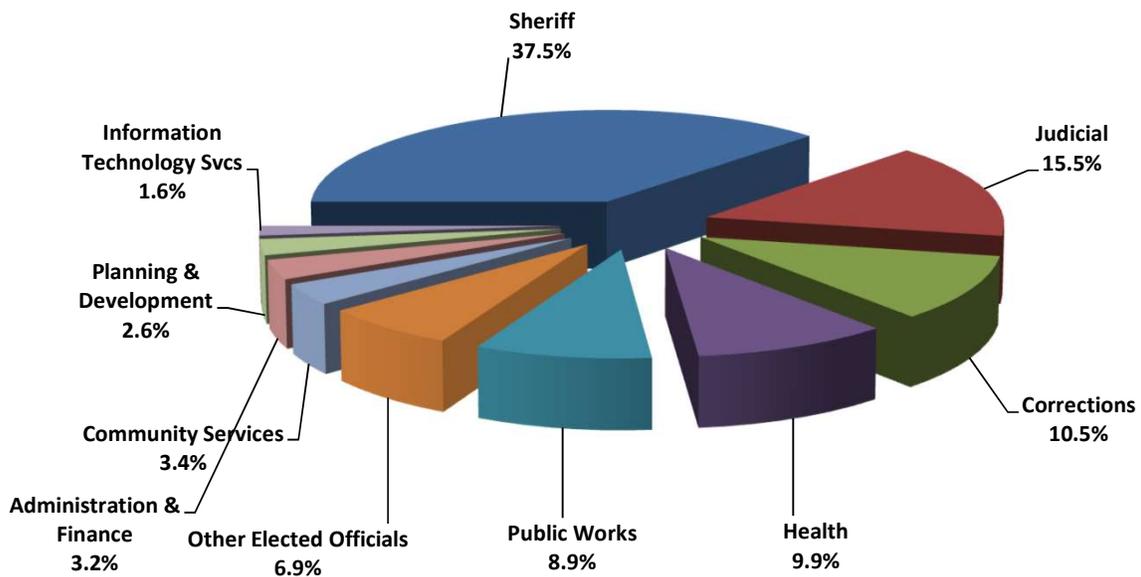
| | General Fund | Special Revenue | Enterprise Funds | Internal Services | Grant Funds | ALL FUNDS TOTAL |
|------------------------------------|-----------------|--------------------|---------------------|----------------------|----------------|--------------------|
| MAYOR'S ADMINISTRATION | | | | | | |
| Administration & Finance | 174.6 | - | - | - | 3.9 | 178.5 |
| Information Technology | 84.0 | - | - | 5.0 | - | 89.0 |
| Planning & Development | 3.4 | - | 117.0 | - | 25.6 | 146.0 |
| Public Works | 162.0 | 92.0 | 229.0 | 14.0 | 5.0 | 502.0 |
| Corrections | - | - | 589.0 | - | 6.0 | 595.0 |
| Health Services | 163.1 | 56.8 | - | - | 338.4 | 558.4 |
| Community Services | 97.0 | - | - | - | 97.3 | 194.3 |
| Total Mayor's Admin FTE | 684.2 | 148.8 | 935.0 | 19.0 | 476.2 | 2,263.1 |
| SHERIFF | | | | | | |
| Sheriff Administration | 183.0 | - | - | - | - | 183.0 |
| Law Enforcement | 806.0 | - | - | - | - | 806.0 |
| Jail | 1,129.0 | - | - | - | - | 1,129.0 |
| Total Sheriff FTE | 2,118.0 | - | - | - | - | 2,118.0 |
| JUDICIAL | | | | | | |
| Chancery Court | 21.5 | - | - | - | - | 21.5 |
| Circuit Court | 40.0 | - | - | - | - | 40.0 |
| Criminal Court | 83.0 | - | - | - | 2.0 | 85.0 |
| General Sessions Court | 194.8 | 5.0 | - | - | 2.0 | 201.8 |
| Probate Court | 14.0 | - | - | - | - | 14.0 |
| Juvenile Court Judge | 130.7 | - | - | - | 18.3 | 149.0 |
| Juvenile Court Clerk | 57.5 | - | - | - | 15.0 | 72.5 |
| Attorney General | 129.2 | - | - | - | 10.8 | 140.0 |
| Public Defender | 136.5 | - | - | - | - | 136.5 |
| Divorce Ref/Jury Commission | 11.5 | - | - | - | - | 11.5 |
| Total Judicial FTE | 818.7 | 5.0 | - | - | 48.1 | 871.8 |
| OTHER ELECTED OFFICIALS | | | | | | |
| Legislative Operations | 28.0 | - | - | - | - | 28.0 |
| Equal Opportunity Compliance | 13.0 | - | - | - | - | 13.0 |
| Assessor | 143.0 | - | - | - | - | 143.0 |
| County Clerk | 95.0 | - | - | - | - | 95.0 |
| Register | 22.0 | - | - | - | - | 22.0 |
| Trustee | 65.0 | - | - | - | - | 65.0 |
| Election Commission | 23.0 | - | - | - | - | 23.0 |
| Total Other Elected FTE | 389.0 | - | - | - | - | 389.0 |
| TOTAL POSITIONS - ALL FUNDS | 4,009.9 | 153.8 | 935.0 | 19.0 | 524.3 | 5,641.9 |

Total FTE Positions Trends by Division Countywide Summary

All Funds

| DIVISION | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | Change | % of Total |
|------------------------------|----------------|----------------|----------------|----------------|----------------|-------------|---------------|
| Sheriff | 1,965.0 | 2,081.0 | 2,073.0 | 2,089.0 | 2,118.0 | 29.0 | 37.5% |
| Judicial | 940.6 | 842.7 | 859.3 | 867.8 | 871.8 | 4.0 | 15.5% |
| Corrections | 735.3 | 694.8 | 640.5 | 593.5 | 595.0 | 1.5 | 10.5% |
| Health | 558.8 | 549.9 | 556.5 | 546.4 | 558.4 | 12.0 | 9.9% |
| Public Works | 437.0 | 438.0 | 502.0 | 503.0 | 502.0 | (1.0) | 8.9% |
| Other Elected Officials | 384.5 | 382.0 | 387.0 | 389.0 | 389.0 | - | 6.9% |
| Community Services | 211.7 | 207.7 | 207.1 | 204.2 | 194.3 | (10.0) | 3.4% |
| Administration & Finance | 184.5 | 178.5 | 177.5 | 178.5 | 178.5 | (0.0) | 3.2% |
| Planning & Development | 145.0 | 144.0 | 145.5 | 147.0 | 146.0 | (1.0) | 2.6% |
| Information Technology Svcs | 92.0 | 92.0 | 89.0 | 88.0 | 89.0 | 1.0 | 1.6% |
| TOTAL FTE - ALL FUNDS | 5,654.3 | 5,610.5 | 5,637.4 | 5,606.4 | 5,641.9 | 35.5 | 100.0% |

Total FY19 Positions by Division



The Sheriff accounts for over one third of all positions on an "All Funds" basis.

Fund Balance Analysis

All Funds

| FUND NAME (amounts shown in thousands) | Actual Balance 6/30/2017 | Projected Balance 6/30/2018 | FY18-FY17 % Change | FY19 Planned Change | Projected Balance 6/30/2019 | FY19-FY18 % Change |
|---|--------------------------------|-----------------------------------|-----------------------|---------------------------|-----------------------------------|-----------------------|
| General Fund (1) * | \$ 115,606 | \$ 115,677 | 0.1% | \$ (5,065) | \$ 110,612 | -4.4% |
| Debt Service Fund (2) | 60,732 | 64,838 | 6.8% | (3,150) | 61,687 | -4.9% |
| Special Revenue Funds: | | | | | | |
| Roads and Bridges Fund (3) | 11,100 | 14,661 | 32.1% | (621) | 14,040 | -4.2% |
| Hotel Motel Tax Fund (4) | 4,896 | 8,681 | 77.3% | (1,808) | 6,872 | -20.8% |
| Sheriff's Forfeitures Fund (5) | 3,280 | 4,098 | 24.9% | (259) | 3,839 | -6.3% |
| Data Processing Fund (6) | 1,085 | 1,110 | 2.3% | (803) | 307 | -72.3% |
| Health Services Restricted (7) | 1,400 | 1,595 | 13.9% | (697) | 898 | -43.7% |
| Grants Fund (8) | 16,301 | 16,301 | 0.0% | (1,651) | 14,650 | -10.1% |
| Stormwater Fees Fund (9) | 1,708 | 1,826 | 6.9% | (497) | 1,329 | -27.2% |
| Drug Court (10) | 1,304 | 1,206 | -7.5% | (340) | 866 | -28.2% |
| Economic Development Fund (11) | 3,754 | 3,448 | -8.1% | (3,600) | (152) | -104.4% |
| Sewer Maintenance Fund (12) | - | 1,480 | - | (1,200) | 280 | -81.1% |
| Education Fund (13) | - | 6,929 | - | - | 6,929 | 0.0% |
| Enterprise Funds: (Net Position) | | | | | | |
| Codes Enforcement Fund (14) | (1,323) | 177 | 113.4% | - | 177 | 0.0% |
| Fire Services Fund (14) | (3,158) | (1,058) | -66.5% | (366) | (1,424) | -34.6% |
| Corrections Fund (14) | (6,518) | (16,518) | -153.4% | (2,403) | (18,922) | -14.5% |
| Internal Service Funds (15) | 7,183 | 7,283 | 1.4% | (777) | 6,506 | -10.7% |
| Total - All Operating Funds** | \$ 217,349 | \$ 231,733 | 6.6% | \$ (23,238) | \$ 208,495 | -10.0% |

* General Fund Balance represents total fund balance

** Car Rental Tax Funds are not shown because all designated funds are collected and dispersed within the same fiscal year - no fund balance is accumulated. Capital Improvement Funds are also not included with this analysis.

Comments related to significant changes (>10%):

- (1) Discussion of General Fund balance and trend is provided in the "General Fund Summary" section of this book.
- (2) Debt Service Fund balance reduction reflects planned small use of accumulated funds to reduce fund balance (per policy).
- (3) The Roads and Bridges Fund FY19 planned use of fund balance is for the maintenance and construction of roadways for the safety of the motoring public. Fund balance levels fluctuate depending on the size of projects planned for that fiscal year.
- (4) The Hotel-Motel Tax Fund variations in fund balance level reflect the timing of collections and disbursements of fees.
- (5) The Sheriffs Forfeiture Fund receives revenue from seizures and can be used only for operating expenses of the narcotics group and vehicle purchases. Fund balance is used to compensate for yearly fluctuations in seizure activity.
- (6) Data Processing Fund balance change reflects use of funds accumulated in FY18 for planned expenditures in FY19.
- (7) The Health Services Fund decline in fund balance reflects the variability of Air Emission fines and permit collections.
- (8) The Grant Fund balance reflects timing of revenue recognition and expenditures.
- (9) Stormwater fees collected in excess of expenditures to date are accumulated for major drainage projects.
- (10) Drug Court balance is accumulated to supplement Drug and Alcohol treatment programs in FY19.
- (11) Economic Development Fund balance is budgeted in its entirety for non-recurring uses - largely for blight programs.
- (12) Sewer Maintenance Fund - This fund was created in FY18 to address sewer reliability issues in Shelby County. Fees are to be collected from service users for continuation and maintenance.
- (13) Education Fund - Accounts for revenues collected and allocated for public education in Shelby County. Funds collected in excess of appropriations must be used solely for education.
- (14) Negative fund balances in Enterprise Funds reflect implementation of GASB 68 Pension Standard that recognizes pension liabilities in Proprietary Funds. Corrections Fund also reflects reduced reimbursement from the State.
- (15) Fund balance accumulated in Internal Services primarily used for equipment purchases for Information Technology.

This page intentionally left blank.