

Summary of Financial Results

For the Quarter Ended
June 30, 2009
Fiscal Year 2009

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Special points of interest:

- General Fund Expenditures and Revenues
- Current Property Taxes Collected
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Executive Summary

We are pleased to submit the City of Memphis – Finance Division Quarterly Financial Report. This Quarterly Financial Report covers the fourth quarter of Fiscal Year 2009. The information contained herein is intended to provide our senior management team, the Memphis City Council, and other interested stakeholders with timely and meaningful information regarding the City's financial performance through June 30, 2009.

General Fund revenues excluding transfers in the quarter were significantly lower than the same period last year. For the period ending June 30, 2009, revenues were \$117.3 million including a \$6.0 million debt service transfer. Major revenue sources that contributed to the lower performance included \$6.0 million in state taxes, \$2.8 million related to local shared revenues, \$0.4 million in surplus auctions revenues, and 0.2 million in lower mandated prices related to sales of reports to the public. Revenues for the quarter were \$5.2 million or 4.2% lower than the same period last fiscal year.

For the full year FY 09 revenues are higher than FY 08 by \$39.3 million or overall growth of 6.7%. The favorable performance over last year was driven by higher property tax-related collection of \$47.6 million, a transfer from Debt Service Fund of \$6.0 million, and higher federal and state grant awards of \$2.4 million partially offset by lower state tax collection of sales and income taxes. The FY 09 forecast of \$620.3 million benefits from the decision to allocate a higher share of the property tax to the General Fund. The revenue results are lower than the FY 09 budget primarily due to lower state tax collections and lower interest income earnings.

Overall, spending in the fourth quarter reflects a disciplined spending trend compared to budgets. Division expenditures total \$158.9 million for the fourth quarter and represented 24.7% of the full year budget. Expenditures trended above spending for the same period last fiscal year due to higher overall personnel costs including health-care, spending on social initiatives, higher debt service payments and \$3

million higher OPEB funding. Personnel expenditures represented 22.8% of the FY09 personnel budget. Fire Services and Police Services represented 22.6% and 23.4% of the respective full year FY09 personnel budgets.

Material and supply expenditures trended lower than the same period last year and represented 31.3% of the FY 09 budget. Higher expenditures related to claims and lawsuits contributed \$1.6 million versus the same period last fiscal year. City shop charges and fuel charges remained flat while other material and supply expenses trended lower than the same period last year. Fire Services and Police Services represented 23.7% and 31.2% of the respective full year FY09 material and supply budgets.

For the full fiscal year, Divisions with significant spending surpluses versus budget were led by the Executive Division, Police Division, Fire Division, Public Service Division, and the Parks Division. These Divisions contributed more than 70% of the overall personnel expense savings of \$18.6 million. Five (5) divisions contributed 90% of the \$9.8 million materials and supply savings with the Executive, Personnel and Parks Divisions contributing savings in miscellaneous professional services and the Public Works Division contributing savings related to paving programs. The City Attorney Division contributed material and supply deficits related to higher claims, lawsuits and professional expenses to support litigation activities thereby offsetting some savings in other divisions. The FY09 forecast of \$612.9million for General Fund expenditures is lower than the FY09 budget by \$28.2 and represents 9.1% overall growth on the FY 08 General Fund spending.

The projected FY09 performance results in a contribution to fund balance in the range of \$ 7.4 million and puts the City General Fund reserves in the range of \$96.0 million at the end of the fiscal year. Lower overall spending was the key contributor to the City's positive FY 09 results.

**City of Memphis
 General Fund
 Expenditures & Revenues
 Fiscal Year 2009
 (\$000)**

Division	FY 2009 Funding Budget	FY 2009 Forecast	Variance
Executive	29,684	25,387	4,297
Finance	6,193	5,141	1,052
Fire	160,849	157,103	3,746
Police	214,929	210,847	4,082
Parks	33,045	30,267	2,778
Public Works	19,614	16,924	2,690
Human Resources	10,074	8,116	1,958
Public Services	26,071	22,557	3,514
General Services	14,234	12,348	1,886
HCD	5,800	4,717	1,083
Community Enhancement	7,897	7,224	673
City Attorney	17,617	17,789	(172)
Engineering	10,704	9,303	1,401
City Council	1,863	1,560	303
City Court Judges	648	586	62
City Court Clerks	3,518	3,378	140
Health Services	13,754	13,754	0
Grants & Agencies	46,652	47,955	(1,303)
MATA	17,930	17,902	28
Total Expenditures, Gross	641,076	612,858	28,218
Program Revenues	40,927	40,745	(182)
Unallocated Revenues	590,802	579,568	(11,234)
Total Revenues	631,729	620,313	(11,416)
Surplus / (Deficit)	(9,347)	7,455	16,802

**City of Memphis
 General Fund
 Forecast of Revenues**

Revenue Source	YTD Actual as of 6/30	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	Bud vs Fcst Variance
Local Taxes	415,528,920	367,677,322	409,048,979	415,528,920	6,479,941
State Taxes (Local Share)	58,835,719	67,383,830	66,495,670	58,835,719	(7,659,951)
Licenses & Privileges	10,863,886	11,354,406	11,250,873	10,863,886	(386,987)
Fines & Forfeitures	9,371,777	9,086,259	8,873,855	9,371,777	497,922
Charges for Services	1,150,002	1,122,914	912,877	1,150,002	237,125
Use of Money	3,064,196	4,072,227	4,375,667	3,064,196	(1,311,471)
Federal Grants	108,975	168,336	0	108,975	108,975
Other Revenues	3,592,037	4,225,246	4,156,533	3,592,037	(564,496)
Transfers	77,052,344	71,035,077	85,687,785	77,052,344	(8,635,441)
Total Revenue	579,567,855	536,125,617	590,802,239	579,567,855	(11,234,384)

**City of Memphis
 General Fund Revenue
 Detail Analysis**

Revenue Source	YTD Actual as of 6/30	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	Bud vs Fcst Variance
Local Tax					
Current Property Tax	252,043,204	203,937,267	248,750,463	252,043,204	3,292,741
Delinquent Property Tax	6,816,900	5,943,331	7,200,000	6,816,900	(383,100)
In Lieu of Tax-Contractual	5,088,114	3,666,440	3,970,118	5,088,114	1,117,996
Propt Tax Int & Penalties	6,806,777	7,550,177	7,500,000	6,806,777	(693,223)
Bankruptcy Interest & Penalty	188,876	637	490	188,876	188,386
Special Assessment-Prior	87,847	98,125	93,570	87,847	(5,723)
Local Sales Tax	97,687,529	99,371,214	97,663,844	97,687,529	23,685
Alcoholic Bevg Inspection Fees	4,124,338	4,006,866	3,989,513	4,124,338	134,825
Beer Sales Tax	15,157,111	15,392,072	15,474,000	15,157,111	(316,889)
Gross Receipts Bus. Tax	9,346,083	9,692,204	8,942,000	9,346,083	404,083
Interest Penalties & Commissions	341,270	244,588	222,337	341,270	118,933
State Mixed Drink Tax	2,379,460	2,492,404	2,553,797	2,379,460	(174,337)
Bank Excise Tax	1,035,770	708,664	792,987	1,035,770	242,783
TVA-In-Lieu-Of Tax	6,806,191	6,595,204	5,113,121	6,806,191	1,693,070
Cable TV Franchise Fee	4,342,095	4,243,665	4,165,105	4,342,095	176,990
Warrants & Levies	1,300	2,867	1,766	1,300	(466)
MLGW/Williams Pipeline	315,874	315,874	315,000	315,874	874
Misc. Tax Sale Recoveries	2,385,583	2,774,188	1,863,899	2,385,583	521,684
Misc Franchise Tax	574,599	641,535	436,969	574,599	137,630
Total Local Taxes	415,528,920	367,677,322	409,048,979	415,528,920	6,479,941

**City of Memphis
 General Fund Revenue
 Detail Analysis**

Revenue Source	YTD Actual as of 6/30	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	Bud vs Fcst Variance
State Taxes (Local Share)					
Income Tax	11,710,409	15,774,263	13,000,000	11,710,409	(1,289,591)
State Sales Tax	44,932,448	49,380,545	51,217,000	44,932,448	(6,284,552)
Telecommunication Sales Tax	83,744	88,794	114,778	83,744	(31,034)
State Beer Tax	359,490	376,978	370,912	359,490	(11,422)
State Alcoholic Beverage Tax	268,240	261,491	247,056	268,240	21,184
Special Petroleum Products Tax	1,481,388	1,501,759	1,545,924	1,481,388	(64,536)
Total State Taxes	58,835,719	67,383,830	66,495,670	58,835,719	(7,659,951)
Licenses & Privileges					
Liquor By The Oz License	270,544	303,583	270,405	270,544	139
Taxi Drivers Licenses	23,780	28,600	28,217	23,780	(4,437)
Gaming Pub Amusement Fees	13,280	21,514	20,957	13,280	(7,677)
Wrecker Permit Fee	18,553	21,889	9,088	18,553	9,465
Miscellaneous Permits	69,152	74,121	81,783	69,152	(12,631)
Beer Applications	55,830	79,664	83,431	55,830	(27,601)
Auto\Veh Reg\Inspect Fee	10,271,256	10,677,192	10,593,112	10,271,256	(321,856)
Beer Permits	141,491	147,843	163,880	141,491	(22,389)
Total Licenses & Privileges	10,863,886	11,354,406	11,250,873	10,863,886	(386,987)
Fines and Forfeitures					
Court Fines	5,035,357	4,748,934	4,621,660	5,035,357	413,697
Court Costs	3,777,186	3,767,771	3,732,321	3,777,186	44,865
Fines & Forfeitures-Drugs	147,631	162,831	160,585	147,631	(12,954)
Beer Applications (Fines)	156,343	154,551	79,548	156,343	76,795
Arrest Fees	255,260	252,172	279,741	255,260	(24,481)
Total Fines & Forfeitures	9,371,777	9,086,259	8,873,855	9,371,777	497,922

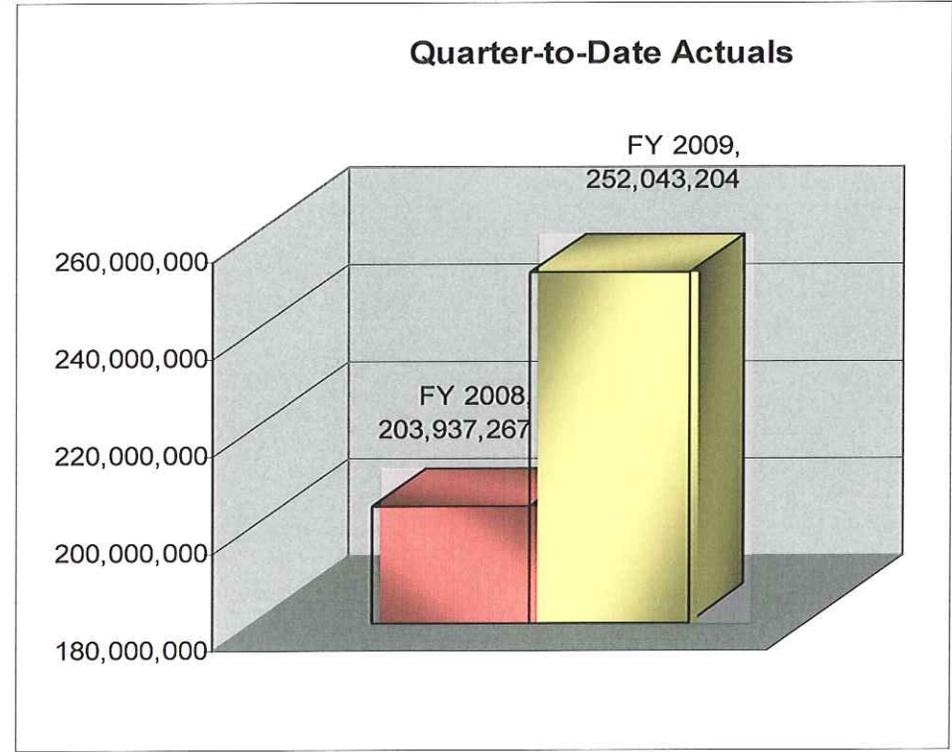
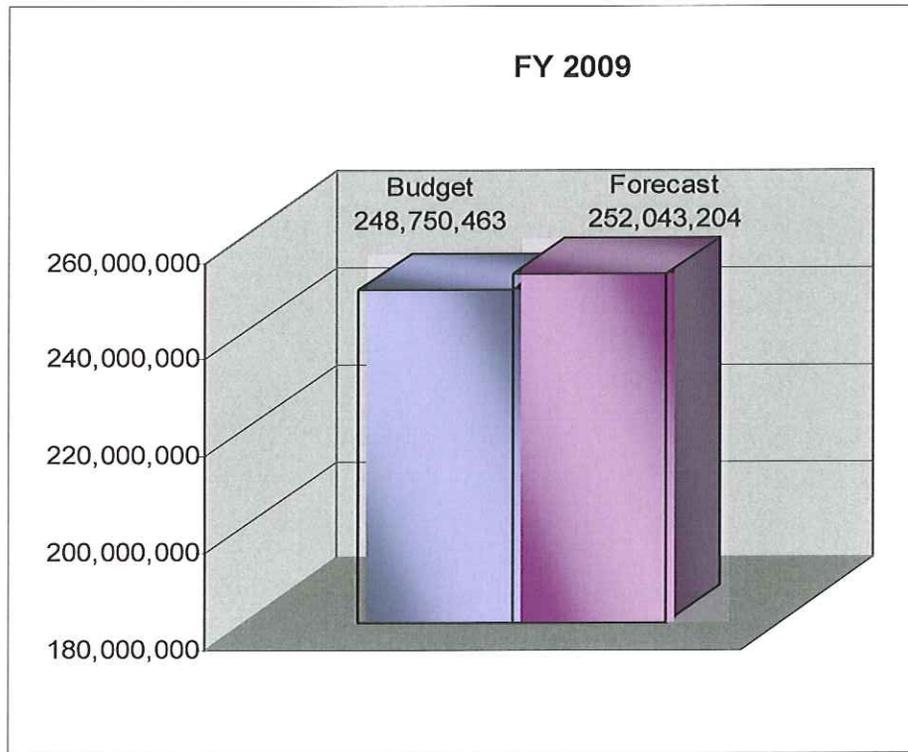
**City of Memphis
 General Fund Revenue
 Detail Analysis**

Revenue Source	YTD Actual as of 6/30	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	Bud vs Fcst Variance
Charges for Services					
Tax Sales-Attorneys Fee	803,585	801,086	595,477	803,585	208,108
Parking Meters	80	2,253	0	80	80
Traffic Signals	22,437	120	0	22,437	22,437
Outside Revenue	6,500	0	0	6,500	6,500
MLG&W Rent	2,400	4,455	2,400	2,400	0
Parking Lots	315,000	315,000	315,000	315,000	0
Total Charges for Services	1,150,002	1,122,914	912,877	1,150,002	237,125
Use of Money					
Interest on Investments	2,103,529	3,642,191	4,299,988	2,103,529	(2,196,459)
Net Income Investors	816,303	421,280	2,528	816,303	813,775
State Litigation	144,364	8,756	73,151	144,364	71,213
Total Use Of Money	3,064,196	4,072,227	4,375,667	3,064,196	(1,311,471)
Federal Grants					
Federal/State Grants	108,975	168,336	0	108,975	108,975
Total Federal Grants	108,975	168,336	0	108,975	108,975
Other Revenues	3,592,037	4,225,246	4,156,533	3,592,037	(564,496)
Transfers					
MLGW Pilot	49,736,535	49,389,004	53,700,000	49,736,535	(3,963,465)
In Lieu of Tax-Sewer Fund	4,294,919	4,076,275	3,874,897	4,294,919	420,022
Mun St Aid Fund	15,720,890	16,269,798	16,811,000	15,720,890	(1,090,110)
Oper Trans In Tax Sales	0	0	1,888	0	(1,888)
Oper Trans In Debt Service	6,000,000	0	10,000,000	6,000,000	(4,000,000)
Contribution from Sewer Fund	1,300,000	1,300,000	1,300,000	1,300,000	0
Total Transfers	77,052,344	71,035,077	85,687,785	77,052,344	(8,635,441)
Totals	579,567,855	536,125,617	590,802,239	579,567,855	(11,234,384)

**City of Memphis
 General Fund Revenue
 Detail Analysis**

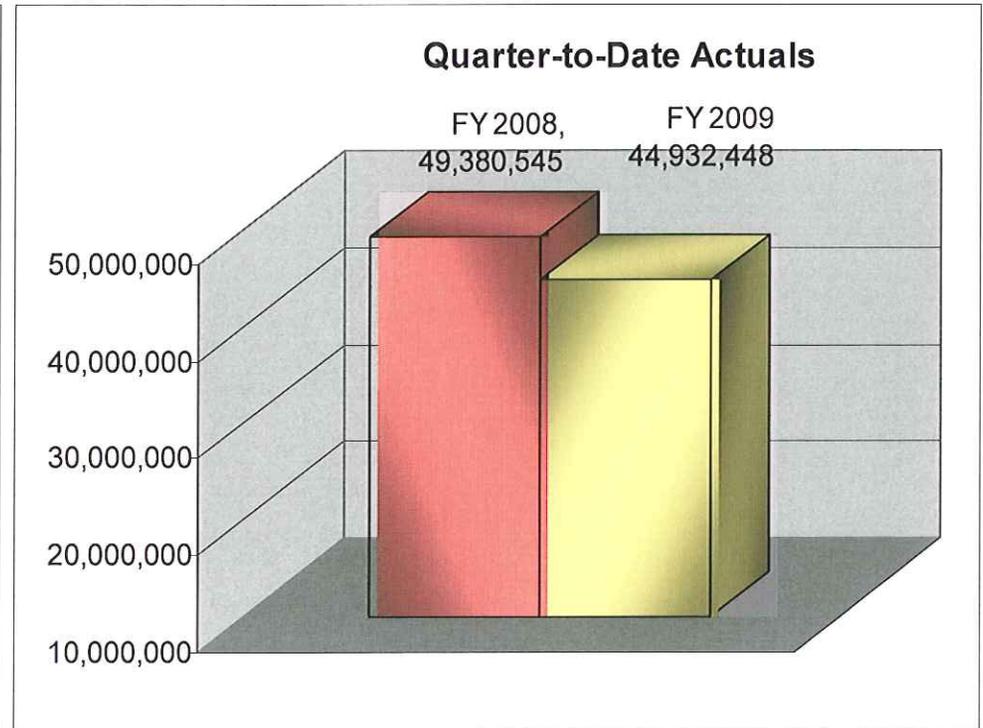
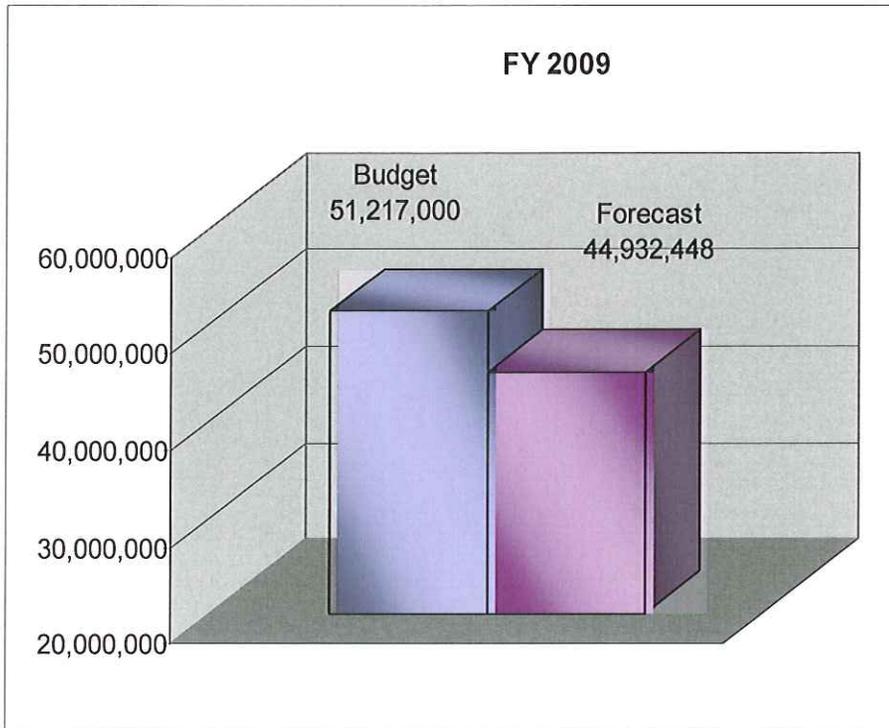
Revenue Source	YTD Actual as of 6/30	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	Bud vs Fcst Variance
Other Revenues					
Commercial Revitalization Fee	59,800	45,200	50,000	59,800	9,800
Auctions	1,954,040	2,388,882	2,278,462	1,954,040	(324,422)
Miscellaneous Income	69,384	62,545	36,911	69,384	32,473
Property Damage Reimbursement	252,745	230,866	271,221	252,745	(18,476)
Court Reimbursement	0	969	1,597	0	(1,597)
Unclaimed Property	0	0	0	0	0
Local Shared Revenue	6,100	0	0	6,100	6,100
Bad Check Charges	461	4,107	4,968	461	(4,507)
Fire - Misc Collections	0	0	0	0	0
Sales Tax Commission	0	0	0	0	0
Federal Grant	0	0	0	0	0
MLG&W Reimbursement	0	0	0	0	0
Cash Over (Short)	2,322	47	393	2,322	1,929
Sale of Capital Assets	2,000	27,170	31,922	2,000	(29,922)
Treasurer Misc. Collections	0	200	200	0	(200)
Insurance Refund	0	0	0	0	0
Recovery Of Prior Years	170,185	389,990	405,797	170,185	(235,612)
Sewer Fund Cost Allocation	1,075,000	1,075,000	1,075,000	1,075,000	0
Mphs Brd of Ed Claims Sett	0	0	0	0	0
Miscellaneous Revenue	0	270	62	0	(62)
Transfer in\out) general fund	0	0	0	0	0
Total Other Revenues	3,592,037	4,225,246	4,156,533	3,592,037	(564,496)

CURRENT PROPERTY TAX



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	184,158,288	224,644,034	228,025,733	228,025,733
QTR 2	10,744,526	13,106,625	11,914,276	11,914,276
QTR 3	4,273,365	5,212,830	7,642,616	7,642,617
QTR 4	4,761,088	5,786,974	4,460,579	4,460,578
TOTAL	203,937,267	248,750,463	252,043,204	252,043,204
	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	3,292,741	1.32%	48,105,937	23.59%

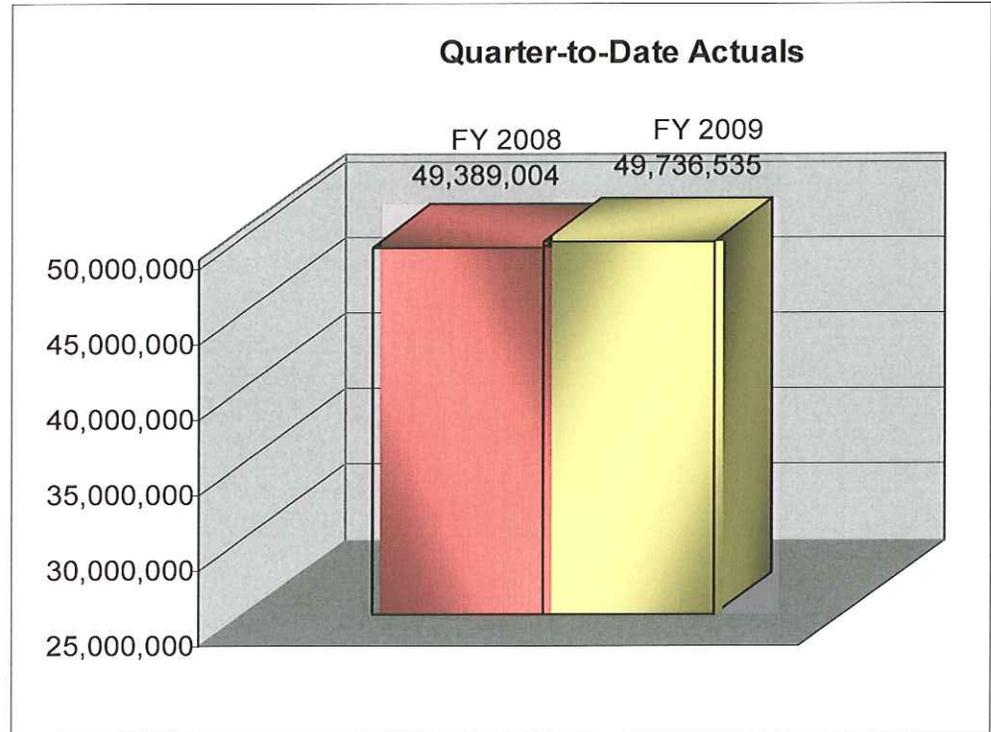
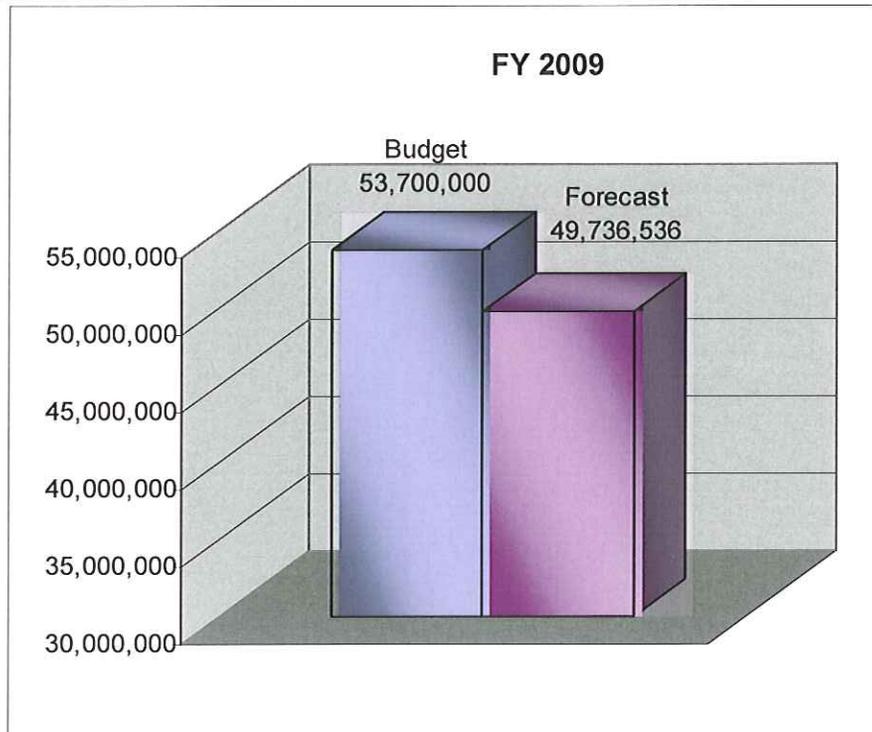
STATE SALES TAX



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	12,620,529	13,089,884	12,300,563	12,300,563
QTR 2	12,348,182	12,807,409	11,379,882	11,379,882
QTR 3	12,794,646	13,270,476	11,783,230	11,556,640
QTR 4	11,617,188	12,049,231	9,468,773	9,695,363
TOTAL	49,380,545	51,217,000	44,932,448	44,932,448

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	(6,284,552)	-12.27%	(4,448,097)	-9.01%

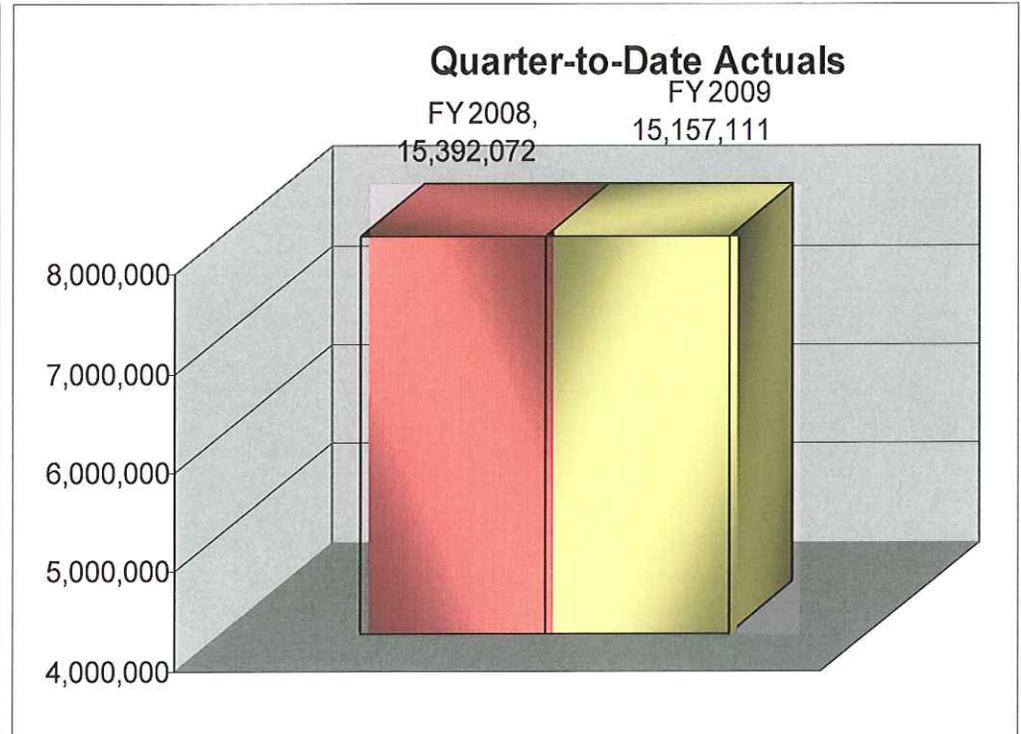
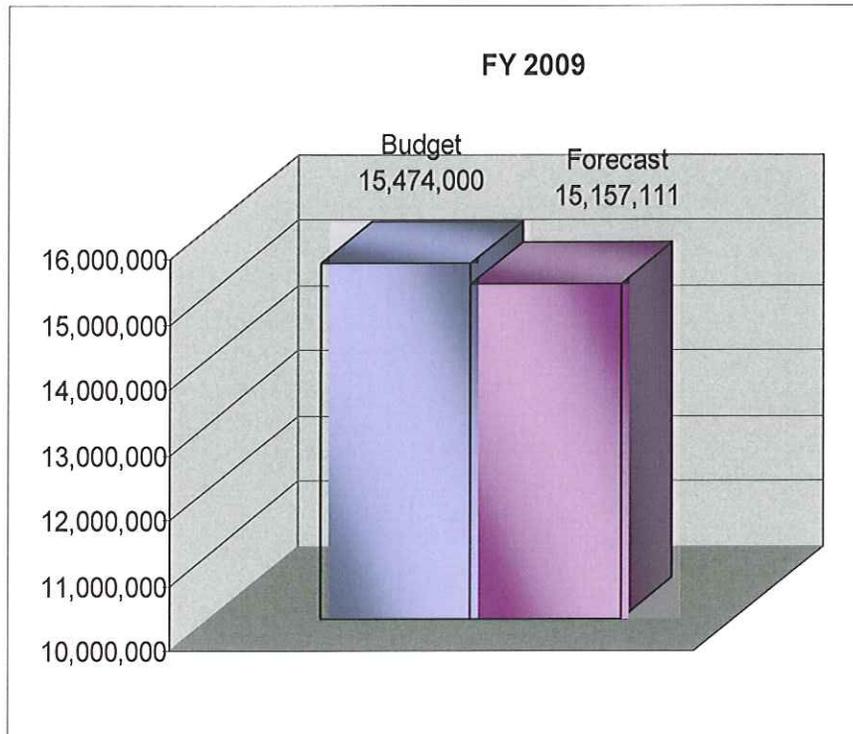
MLGW PILOT



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 2	38,866,809	40,531,034	36,567,570	36,567,570
QTR 4	10,522,195	13,168,966	13,168,966	13,168,965
TOTAL	49,389,004	53,700,000	49,736,536	49,736,535

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	(3,963,464)	-7.38%	347,531	0.70%

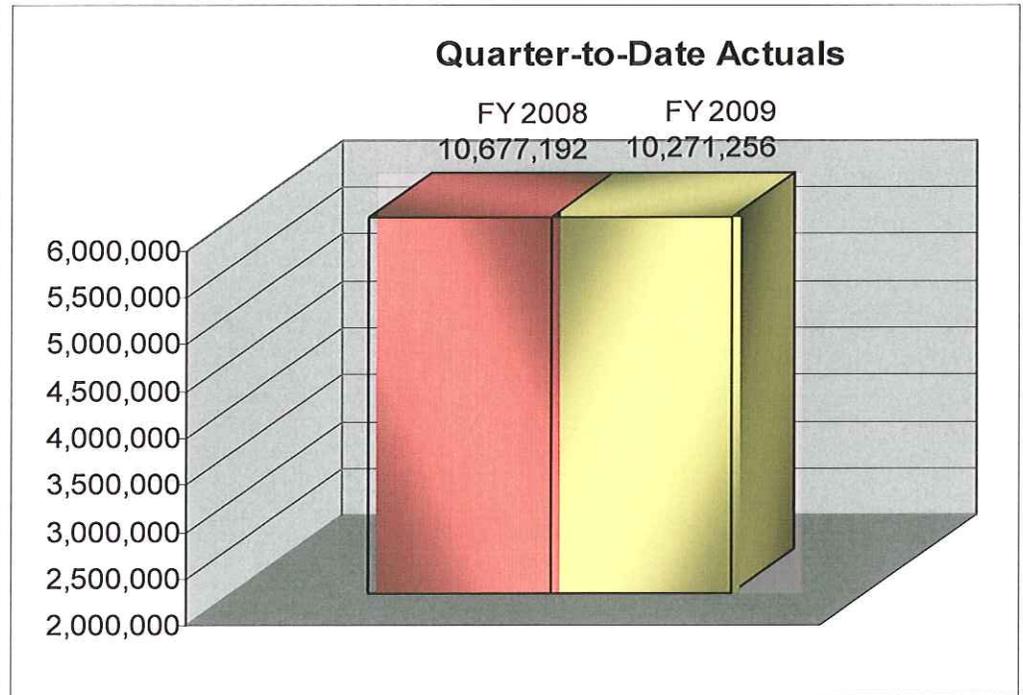
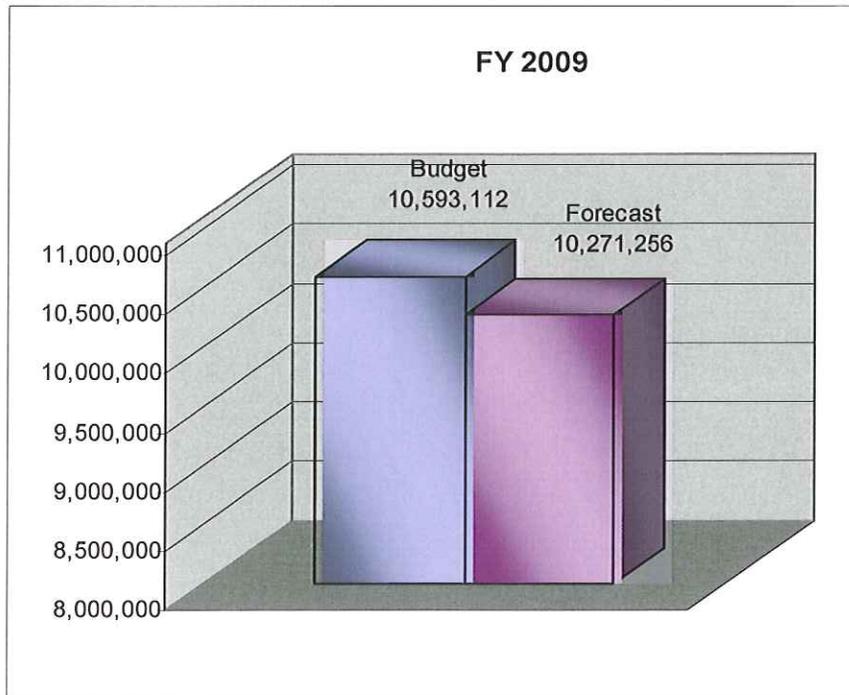
BEER SALES TAX



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	4,229,266	4,251,778	4,235,748	4,235,748
QTR 2	3,688,110	3,707,741	3,707,741	3,639,257
QTR 3	3,496,613	3,515,224	3,515,224	3,422,446
QTR 4	3,978,083	3,999,257	3,698,398	3,859,660
TOTAL	15,392,072	15,474,000	15,157,111	15,157,111

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	(316,889)	-2.05%	(234,961)	-1.53%

AUTO REGISTRATIONS

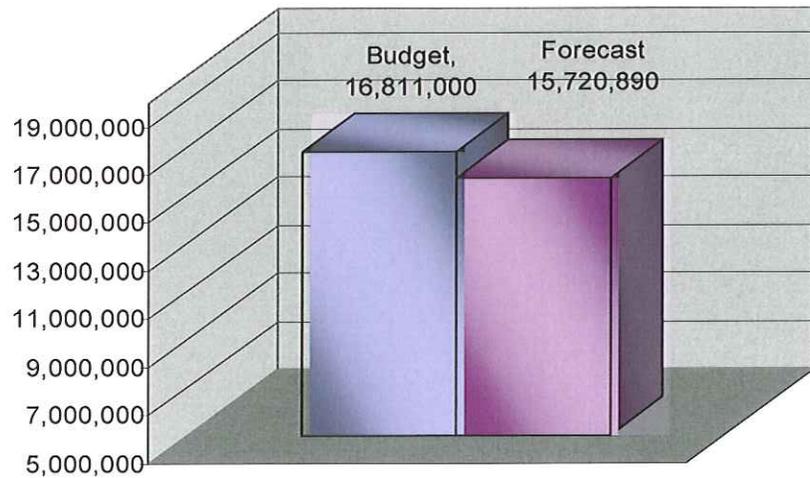


	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	2,509,553	2,509,553	2,509,553	2,477,765
QTR 2	841,761	2,606,372	2,606,372	2,487,401
QTR 3	4,159,819	2,400,610	2,400,610	2,359,450
QTR 4	3,166,059	3,076,577	2,754,721	2,946,640
TOTAL	10,677,192	10,593,112	10,271,256	10,271,256

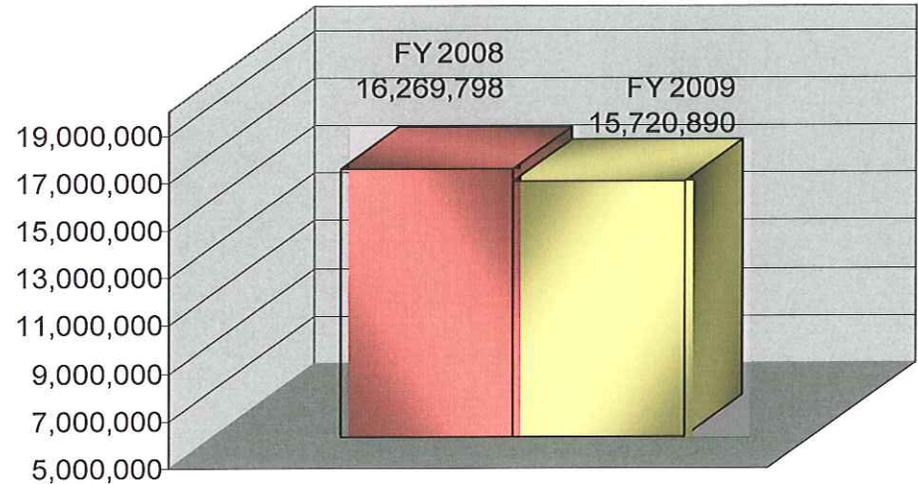
	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	(321,856)	-3.04%	(405,936)	-3.80%

MUNICIPAL STATE AID

FY 2009



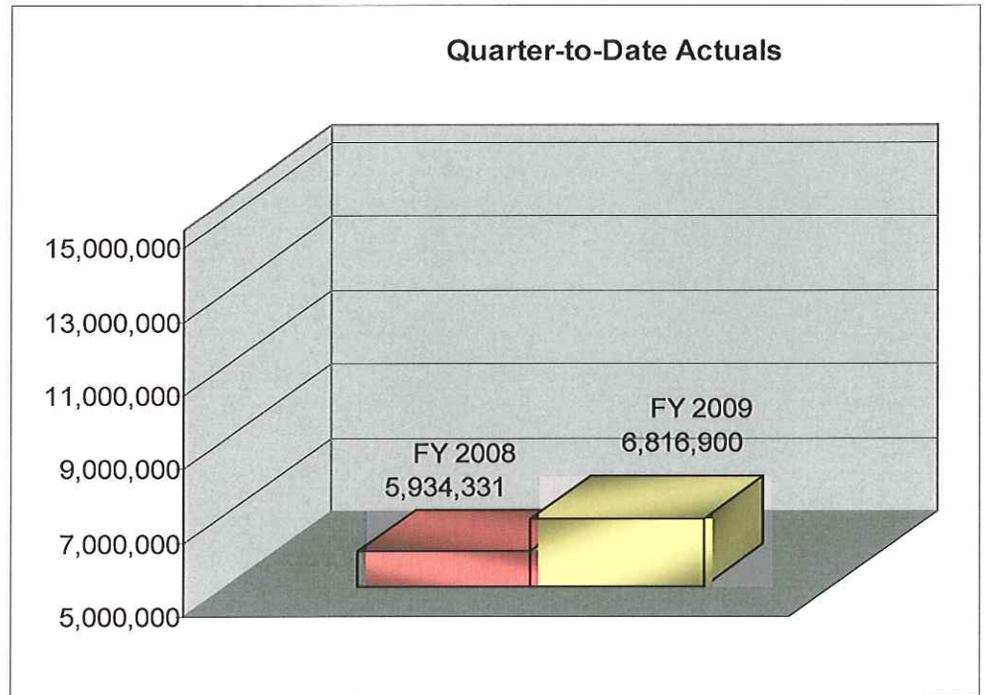
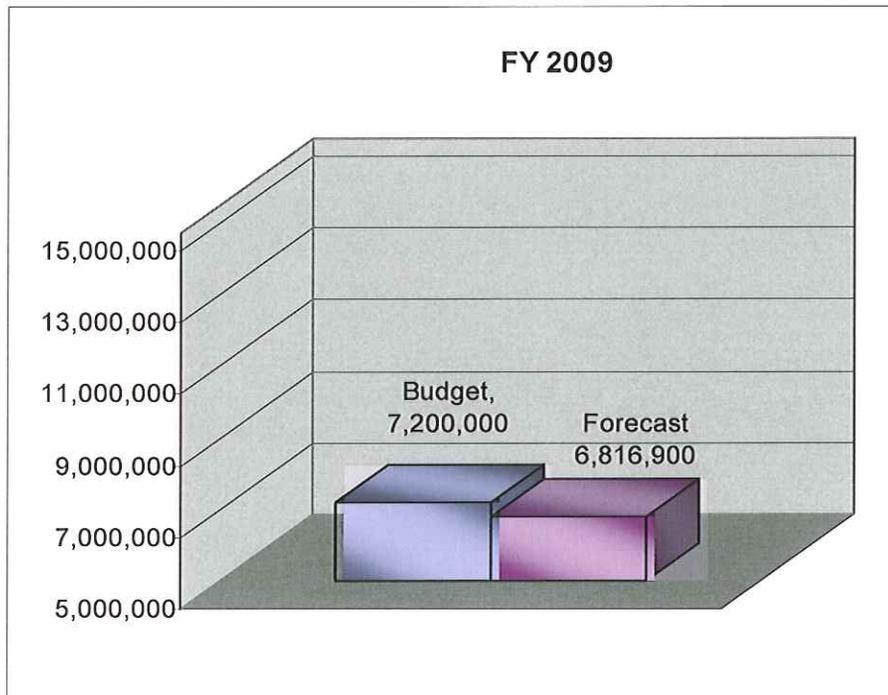
Quarter-to-Date Actuals



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	4,483,582	4,483,582	4,483,582	4,332,683
QTR 2	4,262,087	4,262,087	4,262,087	4,029,127
QTR 3	4,024,917	3,824,483	3,824,483	3,821,542
QTR 4	3,499,212	4,240,848	3,150,738	3,537,538
TOTAL	16,269,798	16,811,000	15,720,890	15,720,890

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	(1,090,110)	-6.48%	(548,908)	-3.37%

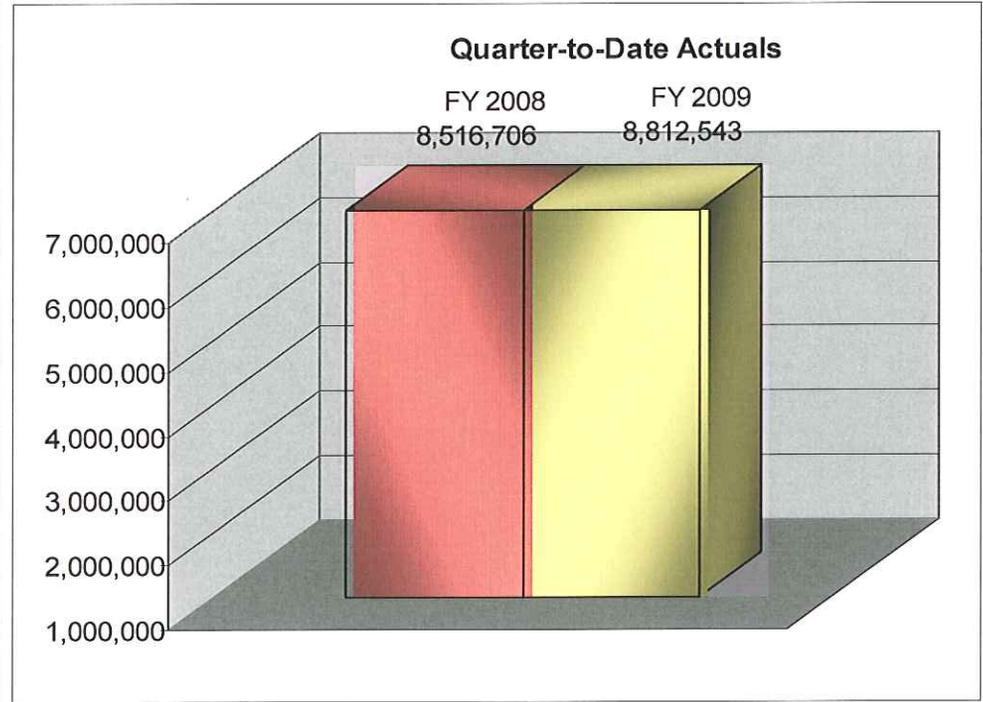
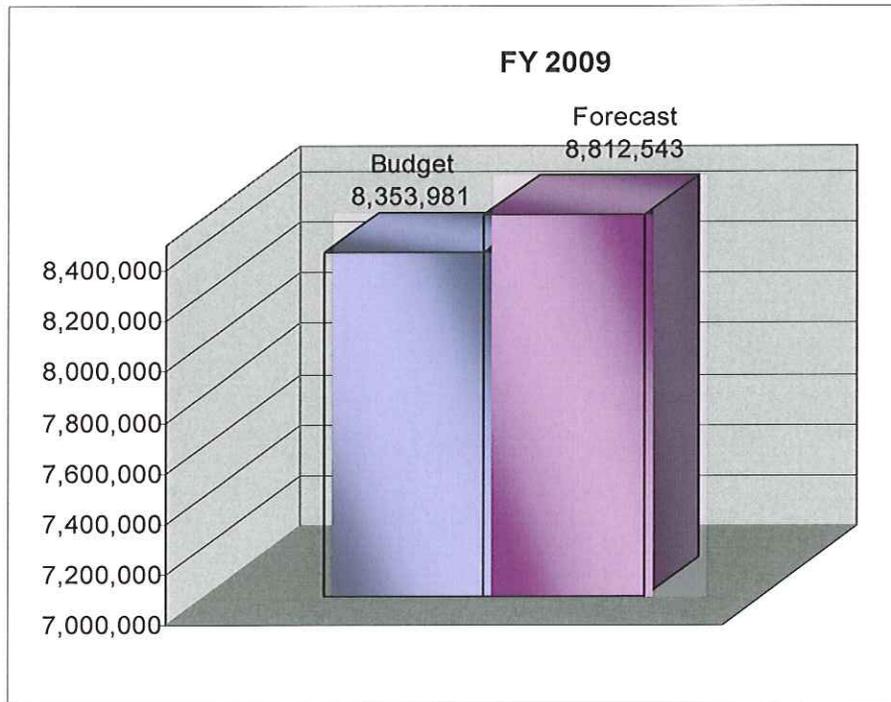
DELINQUENT PROPERTY TAX



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	1,675,902	1,956,726	1,245,266	1,245,266
QTR 2	872,626	1,029,357	2,111,902	2,111,902
QTR 3	2,474,018	2,888,578	2,347,305	1,433,332
QTR 4	911,785	1,325,339	1,112,427	2,026,400
TOTAL	5,934,331	7,200,000	6,816,900	6,816,900

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	(383,100)	-5.32%	882,569	14.87%

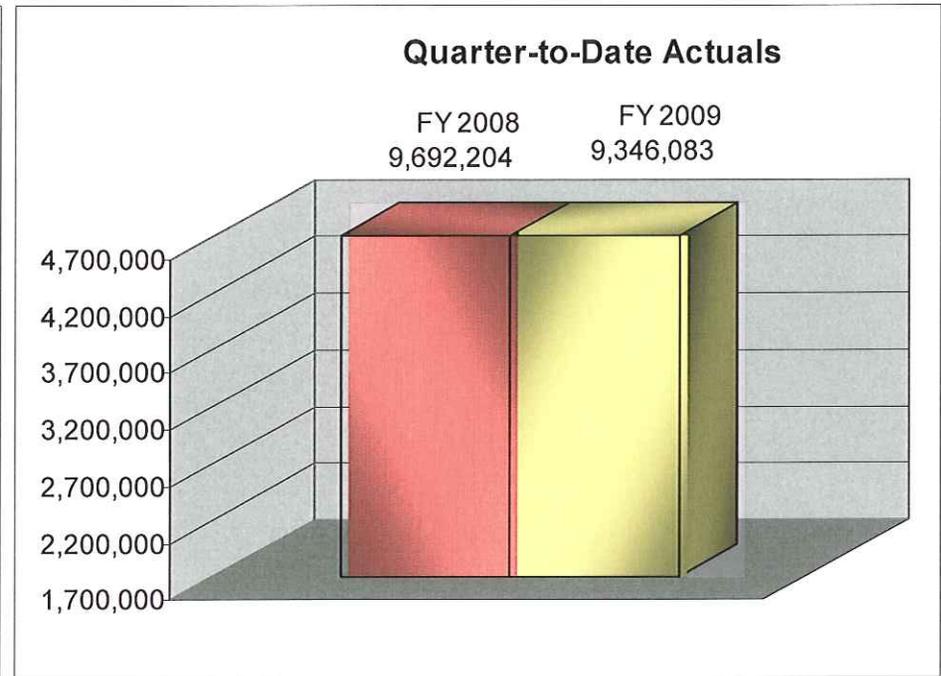
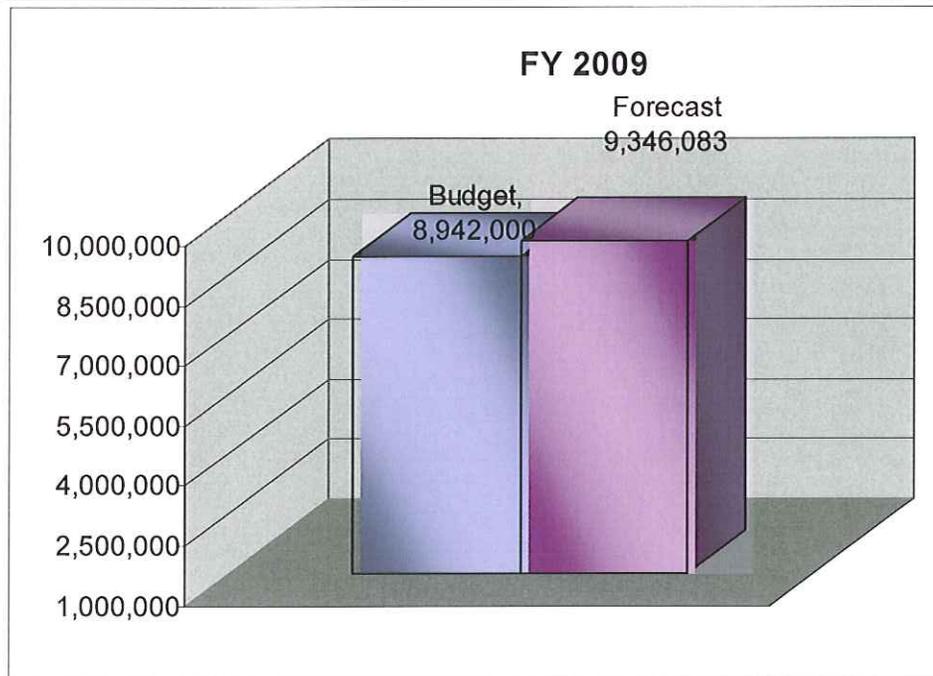
COURT COSTS AND FINES



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	2,201,576	2,201,576	2,201,576	2,065,980
QTR 2	1,960,012	1,960,012	1,960,012	1,921,948
QTR 3	2,576,458	2,318,382	2,318,382	2,779,357
QTR 4	1,778,660	1,874,011	2,332,573	2,045,258
TOTAL	8,516,706	8,353,981	8,812,543	8,812,543

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	458,562	5.49%	295,837	3.47%

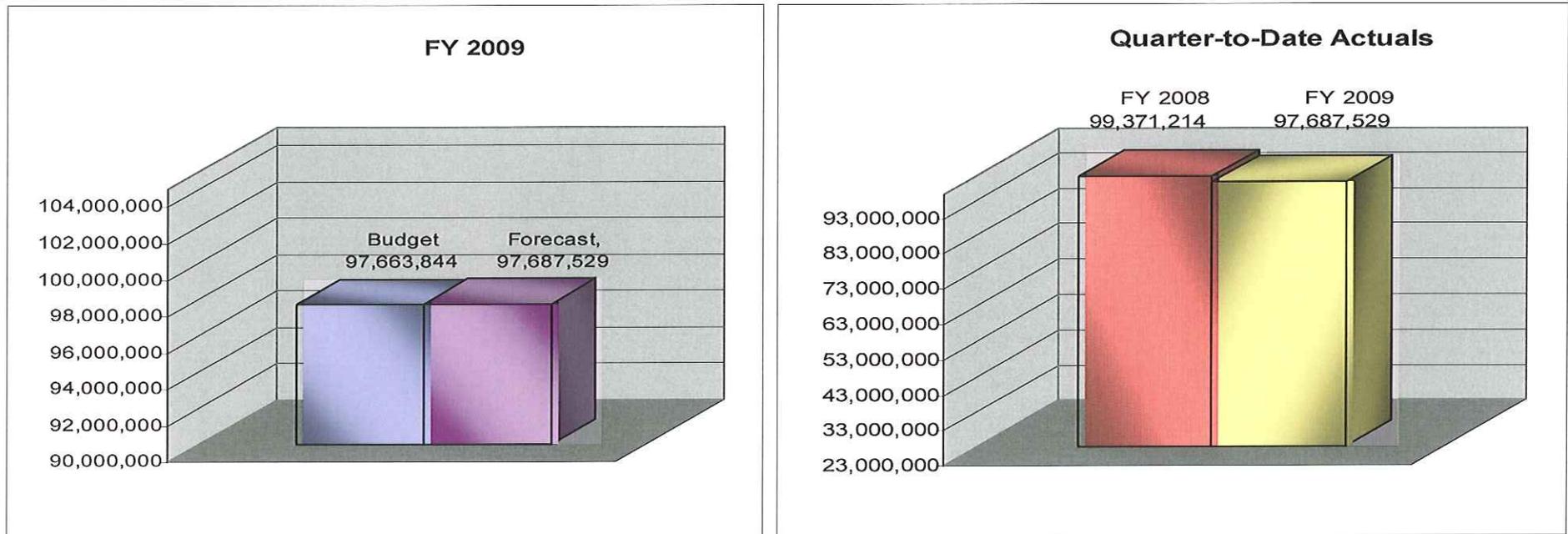
GROSS RECEIPTS TAX



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	1,828,013	1,686,520	1,907,159	1,907,159
QTR 2	1,068,514	975,623	1,139,602	1,139,602
QTR 3	705,937	661,480	908,373	908,373
QTR 4	6,089,740	5,618,377	5,390,949	5,390,949
TOTAL	9,692,204	8,942,000	9,346,083	9,346,083

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actual vs FY 2008 Actual	YTD Change % FY 2009 Actual vs FY 2008 Actual
TOTAL	404,083	4.52%	(346,121)	-3.57%

LOCAL SALES TAX



	FY 2008 Actual	FY 2009 Budget	FY 2009 Forecast	FY 2009 Actual
QTR 1	24,114,748	24,114,748	24,430,529	24,430,530
QTR 2	24,681,100	24,681,101	23,895,146	23,895,148
QTR 3	26,079,104	26,232,960	24,496,990	24,435,354
QTR 4	24,496,262	22,635,035	24,864,864	24,926,497
TOTAL	99,371,214	97,663,844	97,687,529	97,687,529

	Change Amount FY 2009 Forecast vs FY 2009 Budget	Change % FY 2009 Forecast vs FY 2009 Budget	YTD Change Amount FY 2009 Actuals vs FY 2008 Actuals	YTD Change % FY 2009 Actuals vs FY 2008 Actuals
TOTAL	23,685	0.02%	(1,683,685)	-1.69%

**City of Memphis
 General Fund
 Gross Expenditures
 Fiscal Year 2009
 (\$000)**

Division	6/30/2009	FY 2009 Budget	YTD Actual
Executive	25,387	29,684	85.52%
Finance	5,141	6,193	83.01%
Fire	157,103	160,849	97.67%
Police	210,847	214,929	98.10%
Parks	30,267	33,045	91.59%
Public Works	16,924	19,614	86.29%
Human Resources	8,116	10,074	80.56%
Public Services	22,557	26,071	86.52%
General Services	12,348	14,234	86.75%
HCD	4,717	5,800	81.33%
Community Enhancement	7,224	7,897	91.48%
City Attorney	17,789	17,617	100.98%
Engineering	9,303	10,704	86.91%
City Council	1,560	1,863	83.74%
City Court Judges	586	648	90.43%
City Court Clerks	3,378	3,518	96.02%
Health Services	13,754	13,754	100.00%
Grants & Agencies	47,955	46,652	102.79%
MATA	17,902	17,930	99.84%
Total Expenditures, Gross	612,858	641,076	95.60%

GENERAL FUND PROGRAM REVENUES BY ACCOUNT
June 30, 2009
Year to Date Actual Compared to Budget

	Gen Fund Operating Divisions	% Budget	Budget FY 2009	Budget to Actual Variance
Local Taxes	1,015,839	113.66%	893,761	122,078
Licenses & Permits	563,762	108.09%	521,568	42,194
Fines & Forfeitures	864,905	77.10%	1,121,800	(256,895)
Charges for Services	26,130,307	97.10%	26,910,439	(780,132)
Federal Grants	2,724,311	815.95%	333,882	2,390,429
State Grants	1,922,353	136.82%	1,405,027	517,326
Intergovernmental Revenues	3,577,712	100.00%	3,577,712	(0)
Other Revenues	3,945,577	64.02%	6,163,273	(2,217,696)
Total Revenues YTD	<u>40,744,767</u>	99.55%	<u>40,927,462</u>	<u>(182,695)</u>

GENERAL FUND PROGRAM REVENUES BY DIVISION
June 30, 2009
Year to Date Actual Compared to Budget

	Gen Fund Operating Divisions	% Budget	Budget FY 2009	Budget to Actual Variance
Executive	458,774	85.24%	538,204	(79,430)
Finance	165,572	1379.77%	12,000	153,572
Fire	22,317,922	111.05%	20,097,228	2,220,694
Police	3,205,974	97.60%	3,284,845	(78,871)
Parks	4,657,270	63.75%	7,305,292	(2,648,022)
Public Works	490,528	103.23%	475,195	15,333
Human Resources	14,960	149.60%	10,000	4,960
Public Services	3,897,238	97.63%	3,991,742	(94,504)
General Services	2,586,821	94.09%	2,749,433	(162,612)
HCD	29,110	-	0	29,110
Community Enhancement	1,253,794	133.67%	938,000	315,794
Grants & Agencies	0	0.00%	2,500	(2,500)
City Attorney	421,405	N/A	0	421,405
City Engineer	1,250,943	82.46%	1,517,023	(266,080)
City Court Clerks	(5,544)	-92.40%	6,000	(11,544)
Total Revenues YTD	<u>40,744,767</u>	99.55%	<u>40,927,462</u>	<u>(182,695)</u>

**City of Memphis
Current Taxes
Fiscal Year 2009
(\$000)**

Collections	Budgeted Tax Collections	Actual Collections YTD	Collection as % of Budget
General	248,750	252,043	101.32%
Debt Service	74,566	76,860	103.08%
CIP	311	342	109.97%
Total Collected	323,627	329,245	101.74%

General Fund Explanation of Report Headings and Definitions

Headings

FY 2009 Revised Budget is the Adopted Budget plus the encumbrance carryover budget from FY 2008.

FY 2009 Funding Budget is the Adopted Budget plus the encumbrance carryover budget from FY 2008 plus budget amendments.

FY 2009 Forecast is the expected revenue and adjusted spending levels for each Division to ensure the General Fund ends the fiscal year without a deficit.

Actual represents revenues, expenditures, transfers in, and transfers out as recorded on the general ledger through the end of the period.

FY 2009 Revenue Forecast is the most recent projection of year end results, based on historical data, economic indicators, and professional judgment.

Variance is the difference between the two columns indicated.

Definitions

General Revenues are revenues derived from general sources (taxes, fees assessments, etc.) used to fund operations of the City.

Departmental (Program) Revenues are revenues derived primarily from charges for services. Such revenues are the responsibility of the divisions of government providing the services.

Transfers-In are funds received from other City entities (funds). Such receipts are not considered revenues by definition but are a source of funding.

Other Revenues are revenues related to such activities as park special services, libraries, etc. which are general government activities but are monitored separately from the other departmental functions.

Expenditures— represent payment for or recognitions of the cost of goods or services that have been provided to the various divisions of the City.

Transfers-Out are transfers of funds from the General Fund to other government entities (funds) of the City. Such payments typically subsidize a portion of the other entities' expenditures.

General Fund Explanation of Report Headings and Definitions

Definitions *(continued)*

Budgetary Basis is the method of reporting which reflects a reduction of an appropriation when an encumbrance or commitment of funds is made via a contract or purchase order . This method allows for the monitoring of activity against the authorized appropriation limit (budget) established for the fiscal year.

Adjustment for Encumbrances is the adjustment to the budgetary basis to remove the outstanding current year encumbrances. This adjustment is necessary to report such expenditures in accordance with generally accepted accounting principles.

GAAP Basis means “Generally Accepted Accounting Principles”. The City is Required to issue annual financial statements presented in accordance with “GAAP”. The primary difference between “budgetary basis” and “GAAP basis” is the adjustment for encumbrances explained previously. The GAAP reporting method records expenditures when a liability exists, (i.e., goods or services provided) rather than when a contract is approved (encumbered).

Fund Balance represents the difference between the financial assets of the fund and certain liabilities expected to be liquidated in the near future from these assets. The most meaningful comparisons of fund balance is to compare the balance at fiscal year-end to the corresponding year-end balances of the previous years or year. This comparison ensures that a full year of activity has been reflected.

Quarterly Report is used to depict actual expenditures that do not include open encumbrances; however, Division Expenditures includes transfers out, and are reduced by program revenues. Target and forecast include encumbrances to the extent that they are expected to become expenditures/liabilities of the current Fiscal Year.