

GENERAL FUND REVENUES

The financial data presented in this section represents the revenues for the City of Memphis General Fund.

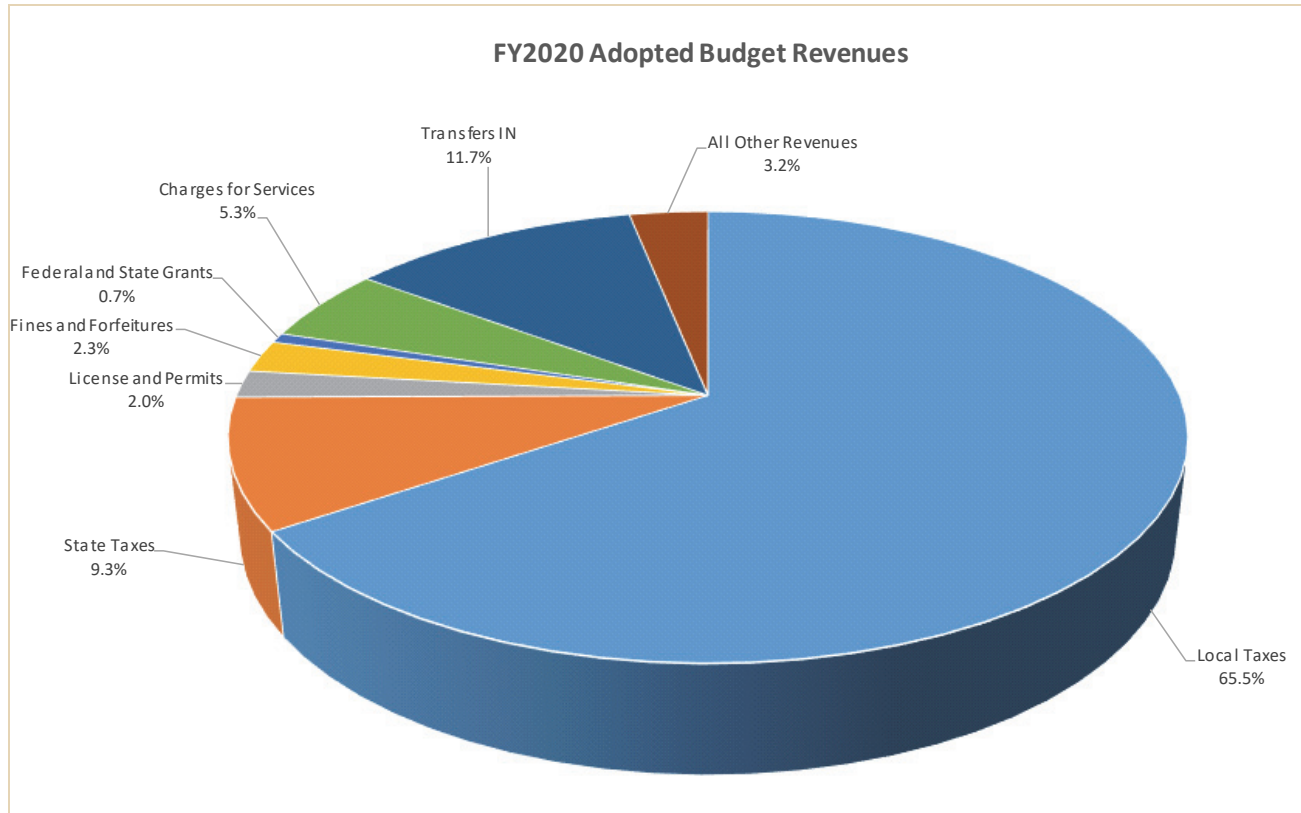
Revenue Forecasting Methodology

The University of Memphis forecasters independently prepare quarterly reports of revenue updates and forecasts for use in the internal decision-making conducted in the City of Memphis Finance Division. The forecasts have two areas of focus: forecasts for the current fiscal year's end-of-year revenues, and actuals of the previous nine years.

A team of Ph.D. economists report on current economic trends that influence the City of Memphis. National, state and local economic indicators receive full discussion in both an oral presentation and written documents. These perspectives are essential for the Finance Division to understand and respond to a second area of focus. In the second part of the quarterly report, the team prepares numerical forecasts for the current fiscal year's end-of-year revenues, for the next fiscal year, and for each year out for ten years. The forecasts are for more than fifty revenue variables, including total revenue for the city's general fund, subgroups of revenue sources, and individual revenue sources. The format of the forecast involves a median forecast as the single most likely value and a high/low range to indicate the degree of uncertainty. Also, for the most important single revenue sources and for total revenue, there is a more detailed risk analysis. This involves developing a downside risk assessment expressed as the probability that revenues will be at or below important levels.

The smallest revenue sources are forecasted with autoregressive, integrated, moving average (ARIMA) models estimated with monthly or annual data that extends back to 1968 in some cases. Major revenue sources get forecasts from at least two alternative statistical models. For some variables, seasonal patterns are so reliable that end-of-year totals are accurately predicted from year-to-date data used in some of the quarterly updates. For longer-term forecasts, entirely different models are necessary. For some of the revenue sources, national and regional economic indicators are useful to add to short and long term forecast accuracy. These statistical models are combinations of ARIMA modeling and regression analysis. Although some series are estimated with single equation models, others have simultaneous equation models. Stochastic simulations of the short- and long-term models generate empirical estimates of the probability distributions for the revenue sources. These distributions are reported both for the current fiscal year and the next fiscal year. These simulation results are used to report the high/low ranges for the revenue sources and the detailed risk analyses. The high/low range end points are defined to cover the middle 50% of the estimated distributions for the forecasted variables. They are, in fact, the first and third quartiles that surround the median forecast. These intervals are reported for detailed lists of revenue sources, for subcategories of the general fund, and for total revenue.

The simulation results are the basis for more detailed risk analysis of total revenue, property tax, and sales tax. These risk reports give the quartiles and median, plus all the deciles. For example, the first decile in the forecast distribution for total revenue is the level of revenue such that there is a 10% probability that revenue will be at or below that level. In addition, the risk analysis estimates the probability that revenues will be at or below key levels, such as the previous year's level and the level anticipated in the operating budget. This risk analysis is a downside risk description, giving the probability that end-of-year revenue will be short of specified values.



| Category | FY 2018 Actual | FY 2019 Adopted | FY 2019 Forecast | FY 2020 Adopted |
|----------|----------------|-----------------|------------------|-----------------|
|----------|----------------|-----------------|------------------|-----------------|

REVENUES SUMMARY BY CATEGORY

| | | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Contributed from Fund Balance * | \$ 0 | \$ 0 | \$ 28,540,072 | \$ 1,169,734 |
| Local Taxes | 462,105,596 | 461,829,926 | 455,501,543 | 465,525,066 |
| State Taxes | 67,289,715 | 63,520,000 | 67,302,014 | 66,314,303 |
| Licenses and Permits | 13,387,637 | 13,899,465 | 13,875,000 | 13,879,500 |
| Fines and and Forfeitures | 14,551,129 | 14,534,000 | 14,310,352 | 16,290,400 |
| Charges for Services | 34,193,231 | 34,165,156 | 35,378,173 | 37,670,570 |
| Use of Money and Property | 2,068,677 | 1,020,000 | 4,020,000 | 3,320,000 |
| Federal Grants | 5,682,530 | 2,990,090 | 17,037,665 | 5,031,114 |
| State Grants | 1,617,552 | 95,000 | 1,260,984 | 0 |
| Intergovernmental Revenues | 8,660,514 | 9,983,066 | 9,965,562 | 10,760,231 |
| Other Revenues | 16,760,208 | 7,556,508 | 16,718,793 | 8,382,633 |
| Transfers In | 79,653,422 | 75,726,859 | 79,669,606 | 83,214,575 |
| Dividend and Interest on Investment | 8 | 0 | 0 | 0 |
| Total Revenues | \$ 705,970,219 | \$ 685,320,069 | \$ 743,579,766 | \$ 711,558,126 |

* Includes budgeted Contribution from Fund Balance.

General Fund Revenue Detail

| Expenditure Types | FY 2018 Actual | FY 2019 Adopted | FY 2019 Forecast | FY 2020 Adopted |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| CONTRIBUTED FROM FUND BALANCE | | | | |
| Contributed From Assigned Fund Balance | \$ 0 | \$ 0 | \$ 2,541,071 | \$ 0 |
| Contributed From Unassigned Fund Balance | 0 | 0 | 25,999,000 | 1,169,734 |
| Total Contributed from Fund Balance | \$ 0 | \$ 0 | \$ 28,540,071 | \$ 1,169,734 |
| LOCAL TAXES | | | | |
| Ad Valorem Tax - Current | \$ 64,485,107 | \$ 259,190,166 | \$ 253,000,000 | \$ 258,500,000 |
| Ad Valorem Tax - Current Sale of Receivables | 5,365,031 | 7,500,000 | 6,628,763 | 7,500,000 |
| Ad Valorem Tax Prior | 4,904,417 | 5,800,000 | 5,000,000 | 5,800,000 |
| Ad Valorem Tax - Prior One Time Assessment PILOT's | 22,581 | 0 | 29,521 | 0 |
| Property Taxes Interest & Penalty | 3,980,619 | 4,000,000 | 4,100,000 | 4,000,000 |
| Bankruptcy Interest & Penalty | 4,535,933 | 4,200,000 | 4,495,928 | 4,800,000 |
| Interest & Penalty - Sale of Tax Rec | 113,791 | 170,000 | 120,729 | 170,000 |
| Special Assessment Tax | 1,671,443 | 1,500,000 | 1,163,180 | 1,500,000 |
| Local Sales Tax | 803,475 | 598,000 | 603,307 | 598,000 |
| Tourism Development Zone Local Sales | 111,049,948 | 113,000,000 | 113,500,000 | 115,624,304 |
| Alcoholic Beverage Inspection Fee | 3,639,135 | 3,500,000 | 3,465,000 | 3,500,000 |
| Beer Sales Tax | 5,487,234 | 5,000,000 | 5,500,000 | 5,500,000 |
| Gross Rec Business Tax | 15,576,842 | 16,500,000 | 16,000,000 | 16,500,000 |
| Interest, Penalties & Commission | 13,479,940 | 14,000,000 | 13,500,000 | 14,000,000 |
| Business Tax Fees | 325,281 | 200,000 | 300,000 | 200,000 |
| Mixed Drink Tax | 1,359,968 | 1,100,000 | 1,200,000 | 1,100,000 |
| Excise Tax | 8,122,065 | 8,000,000 | 8,000,000 | 8,000,000 |
| State Apportionment TVA | 1,064,325 | 954,000 | 1,200,000 | 1,200,000 |
| Franchise Tax - Telephone | 7,851,190 | 7,800,000 | 7,800,000 | 7,800,000 |
| Cable TV Franchise Fees | 1,728,683 | 1,800,000 | 1,600,000 | 1,800,000 |
| Fiber Optic Franchise Fees | 4,223,328 | 4,300,000 | 4,250,000 | 4,300,000 |
| Misc Franchise Tax | 992,661 | 1,100,000 | 2,225,000 | 1,515,000 |
| Warrants and Levies | 726,868 | 850,000 | 1,200,000 | 850,000 |
| Misc Tax Recoveries | 129 | 0 | 258 | 0 |
| MLGW Pipeline | 327,230 | 500,000 | 350,000 | 500,000 |
| Total Local Taxes | \$ 462,105,596 | \$ 461,829,926 | \$ 455,501,543 | \$ 465,525,066 |
| STATE TAXES | | | | |
| State Income Tax | \$ 9,153,195 | \$ 5,500,000 | \$ 8,300,000 | \$ 5,500,000 |
| State Sales Tax | 54,903,958 | 56,000,000 | 56,000,000 | 57,824,304 |
| Telecommunication Sales Tax | 1,252,569 | 45,000 | 1,000,000 | 1,000,000 |
| State Shared Beer Tax | 301,782 | 315,000 | 315,000 | 315,000 |
| Alcoholic Beverage Tax | 375,602 | 360,000 | 401,000 | 375,000 |

General Fund Revenue Detail *(continued)*

| Expenditure Types | FY 2018 Actual | FY 2019 Adopted | FY 2019 Forecast | FY 2020 Adopted |
|--|----------------------|----------------------|----------------------|----------------------|
| Spec Petroleum Product Tax | 1,302,609 | 1,300,000 | 1,286,014 | 1,300,000 |
| Total State Taxes | \$ 67,289,715 | \$ 63,520,000 | \$ 67,302,014 | \$ 66,314,303 |
| LICENSES AND PERMITS | | | | |
| Liquor By Ounce License | \$ 237,710 | \$ 215,000 | \$ 215,000 | \$ 215,000 |
| Taxi Drivers License | 12,621 | 20,500 | 14,000 | 20,500 |
| Gaming Pub Amusement Perm Fee | 11,925 | 15,000 | 15,000 | 15,000 |
| Wrecker Permit Fee | 34,100 | 16,000 | 16,000 | 16,000 |
| Misc Permits | 79,927 | 70,000 | 100,000 | 70,000 |
| Beer Application | 61,155 | 60,000 | 60,000 | 60,000 |
| Auto Registration Fee | 12,381,968 | 12,900,000 | 12,900,000 | 12,900,000 |
| Dog License | 272,445 | 274,965 | 250,000 | 250,000 |
| County Dog License Fee | 95,779 | 100,000 | 100,000 | 100,000 |
| Beer Permit Privilege Tax | 145,387 | 140,000 | 145,000 | 145,000 |
| Sidewalk Permit Fees | 54,620 | 88,000 | 60,000 | 88,000 |
| Total Licenses and Permits | \$ 13,387,637 | \$ 13,899,465 | \$ 13,875,000 | \$ 13,879,500 |
| FINES AND AND FORFEITURES | | | | |
| Court Fees | \$ 4,513,671 | \$ 4,750,000 | \$ 5,000,136 | \$ 4,750,000 |
| Court Costs | 5,307,005 | 5,750,000 | 5,000,223 | 5,750,000 |
| Fines & Forfeitures | 3,838,217 | 3,095,000 | 3,509,293 | 4,845,000 |
| Seizures | 94,046 | 100,000 | 60,300 | 100,000 |
| Beer Board Fines | 117,000 | 100,000 | 125,000 | 100,000 |
| Library Fines & Fees | 360,471 | 400,000 | 350,000 | 350,000 |
| Delinquent Collection Fees | 0 | 100,000 | 0 | 100,000 |
| Vacant Property Registration Fee | 96,200 | 18,600 | 70,000 | 75,000 |
| Arrest Fees | 81,524 | 125,000 | 100,000 | 125,000 |
| DUI BAC Fees | 570 | 2,400 | 2,400 | 2,400 |
| Sex Offender Registry Fees | 142,425 | 93,000 | 93,000 | 93,000 |
| Total Fines and and Forfeitures | \$ 14,551,129 | \$ 14,534,000 | \$ 14,310,352 | \$ 16,290,400 |
| CHARGES FOR SERVICES | | | | |
| Tax Sales Attorney Fees | \$ 562,975 | \$ 525,000 | \$ 525,000 | \$ 525,000 |
| Subdivision Plan Inspection Fee | 186,046 | 90,000 | 170,000 | 170,000 |
| Misc Inspection Fees | 0 | 0 | 0 | 1,565,000 |
| Street Cut Inspection Fee | 190,012 | 250,000 | 250,000 | 250,000 |
| Traffic Signals | 217,297 | 200,000 | 200,000 | 200,000 |
| Parking Meters | 1,227,647 | 850,000 | 1,250,000 | 1,200,000 |
| Signs-Loading Zones | 34,745 | 15,000 | 37,500 | 15,000 |
| Arc Lights | 3,478 | 4,000 | 4,000 | 4,000 |

General Fund Revenue Detail *(continued)*

| Expenditure Types | FY 2018 Actual | FY 2019 Adopted | FY 2019 Forecast | FY 2020 Adopted |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Wrecker & Storage Charges | 646,566 | 500,000 | 650,000 | 650,000 |
| Memphis Animal Services Fees | 153,719 | 200,000 | 200,000 | 200,000 |
| Animal Vaccination | 34,675 | 0 | 4,663 | 0 |
| Ambulance Service | 21,387,741 | 22,000,000 | 21,999,951 | 22,500,000 |
| Parking | 229,729 | 522,409 | 522,502 | 477,147 |
| Senior Citizen's Meals | 102,483 | 75,000 | 66,787 | 75,000 |
| Concessions | 1,660,713 | 1,796,672 | 1,627,027 | 1,673,125 |
| Golf Car Fees | 1,086,803 | 1,149,500 | 989,800 | 1,167,016 |
| Pro Shop Sales | 139,776 | 137,300 | 173,779 | 179,500 |
| Green Fees | 1,361,411 | 1,702,996 | 1,328,724 | 1,629,962 |
| Softball | 79,060 | 28,000 | 28,000 | 28,000 |
| Basketball | 2,400 | 0 | 0 | 0 |
| Ballfield Permit | 28,817 | 18,000 | 18,000 | 18,000 |
| Class Fees | 67,883 | 42,250 | 43,939 | 42,000 |
| Rental Fees | 2,455,983 | 2,199,305 | 2,642,800 | 2,363,282 |
| MLG&W Rent | 2,220 | 2,400 | 2,400 | 2,400 |
| Rent Of Land | 184,492 | 31,738 | 200,000 | 201,238 |
| Subdivision Development Fees | 13 | 0 | 5,475 | 0 |
| Police Special Events | 731,901 | 250,000 | 800,000 | 700,000 |
| Day Camp Fees | 91,590 | 0 | 890 | 0 |
| After School Camp | 1,475 | 1,500 | 200 | 500 |
| Parking Lots | 381,338 | 315,000 | 428,813 | 420,000 |
| Outside Revenue | 59,150 | 184,086 | 265,339 | 149,400 |
| Tow Fees | 817,019 | 1,000,000 | 550,000 | 600,000 |
| HCD- Docking Fees | 0 | 0 | 316,710 | 600,000 |
| Easements & Encroachments | 64,075 | 75,000 | 75,875 | 65,000 |
| Total Charges for Services | \$ 34,193,232 | \$ 34,165,156 | \$ 35,378,173 | \$ 37,670,570 |
| OTHER FINANCING SOURCES | | | | |
| Interest on Investments | \$ 1,952,198 | \$ 800,000 | \$ 3,100,000 | \$ 2,500,000 |
| Net Income/Investors | 19,626 | 100,000 | 825,000 | 700,000 |
| State Litigation Tax Commission | 96,853 | 120,000 | 95,000 | 120,000 |
| Total Other Financing Sources | \$ 2,068,677 | \$ 1,020,000 | \$ 4,020,000 | \$ 3,320,000 |
| FEDERAL GRANTS | | | | |
| FEMA Reimbursement | \$ 0 | \$ 0 | \$ 9,703,011 | \$ 0 |
| Federal Grants - Others | \$ 5,682,530 | \$ 2,990,090 | \$ 7,334,654 | \$ 5,031,114 |
| Total Federal Grants | \$ 5,682,530 | \$ 2,990,090 | \$ 17,037,665 | \$ 5,031,114 |

General Fund Revenue Detail *(continued)*

GENERAL FUND • REVENUE DETAIL BY CATEGORY

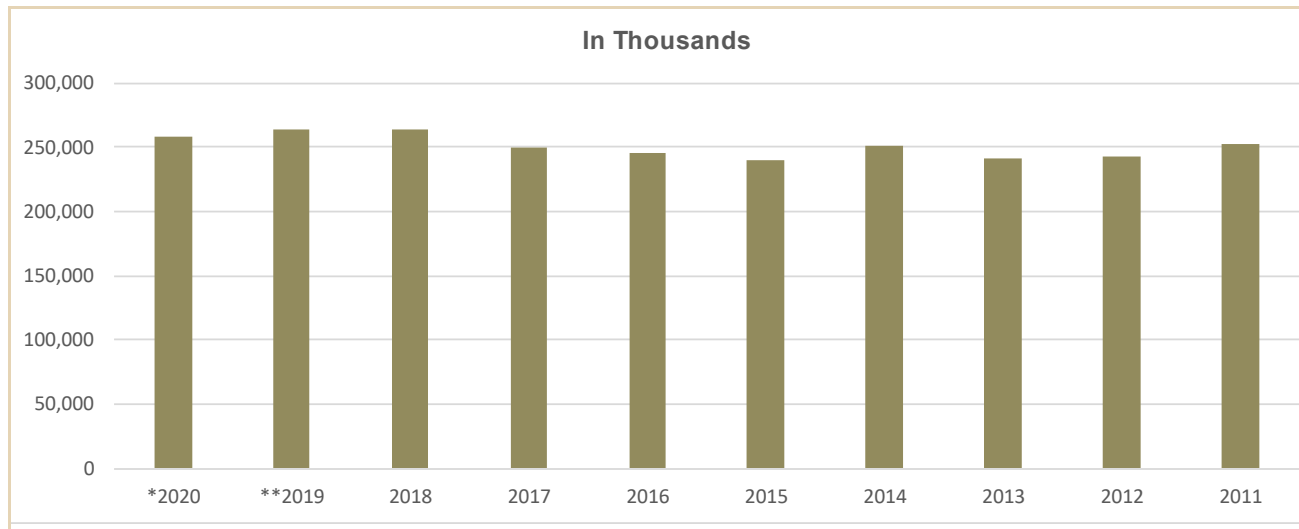
| Expenditure Types | FY 2018 Actual | FY 2019 Adopted | FY 2019 Forecast | FY 2020 Adopted |
|---|----------------------|---------------------|----------------------|----------------------|
| STATE GRANTS | | | | |
| St TN Highway Maint Grant | \$ 755,535 | \$ 95,000 | \$ 35,871 | \$ 0 |
| St TN Interstate | 603,317 | 0 | 0 | 0 |
| TEMA Reimbursement | 258,700 | 0 | 1,225,113 | 0 |
| Total State Grants | \$ 1,617,552 | \$ 95,000 | \$ 1,260,984 | \$ 0 |
| INTERGOVERNMENTAL REVENUES | | | | |
| International Airport | \$ 3,660,514 | \$ 3,983,066 | \$ 3,965,562 | \$ 4,060,231 |
| MATA | 5,000,000 | 6,000,000 | 6,000,000 | 6,700,000 |
| Total Intergovernmental Revenues | \$ 8,660,514 | \$ 9,983,066 | \$ 9,965,562 | \$ 10,760,231 |
| OTHER REVENUES | | | | |
| Anti-Neglect Enforcement Program | \$ 170,812 | \$ 1,158,659 | \$ 370,662 | \$ 1,258,659 |
| Property Insurance Recoveries | 269,772 | 267,998 | 651,226 | 267,998 |
| Rezoning Ordinance Publication Fees | 6,175 | 10,000 | 4,300 | 10,000 |
| Sale Of Reports | 437,790 | 285,423 | 288,973 | 285,423 |
| Local Shared Revenue | 1,403,762 | 515,956 | 682,188 | 695,956 |
| Center City Commission | 18,418 | 0 | 0 | 0 |
| City of Bartlett | 1,059,258 | 1,034,000 | 1,034,000 | 1,034,000 |
| Utility Warranty Program | 0 | 500,000 | 500,000 | 500,000 |
| Miscellaneous Income | 1,119,046 | 566,724 | 1,761,296 | 1,223,349 |
| Subdivision Sidewalk Fees | 21,237 | 0 | 6,000 | 0 |
| Sewer Fund Cost Allocation | 1,075,000 | 1,075,000 | 1,075,000 | 1,075,000 |
| Miscellaneous Auctions | 2,042,051 | 1,600,000 | 2,100,000 | 1,750,000 |
| Local Other Revenue | 43,400 | 0 | 0 | 0 |
| Court Reimbursement | 13 | 0 | 0 | 0 |
| Unclaimed Property | 0 | 0 | 700,000 | 0 |
| Fire - Miscellaneous Collections | 157,492 | 20,000 | 59,042 | 25,000 |
| Cash Overage/Shortage | 5,685 | 30 | 3,741 | 30 |
| Sale Of Capital Assets | 0 | 0 | 5,492,000 | 0 |
| Donated Revenue | 1,575,797 | 165,000 | 682,215 | 106,000 |
| Corporate Sponsorship | 0 | 75,000 | 83,484 | 83,500 |
| Vendor Rebates | 87,442 | 0 | 248 | 0 |
| Grant Revenue - Library | 39,688 | 17,000 | 28,692 | 17,000 |
| FNMA Service Fees | 2,136 | 0 | 2,058 | 0 |
| Miscellaneous Revenue | 133,495 | 59,868 | 81,250 | 44,868 |
| Miscellaneous Library Revenue | 2,104 | 0 | 15 | 0 |
| Recovery Of Prior Year Expense | 7,089,633 | 200,000 | 1,112,403 | 0 |
| Mow to Own Program - Program Fees | 0 | 5,850 | 0 | 5,850 |
| Total Other Revenues | \$ 16,760,208 | \$ 7,556,508 | \$ 16,718,793 | \$ 8,382,633 |

General Fund Revenue Detail *(continued)*

| Expenditure Types | FY 2018 Actual | FY 2019 Adopted | FY 2019 Forecast | FY 2020 Adopted |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| TRANSFERS IN | | | | |
| In Lieu Of Taxes-MLGW | \$ 60,005,920 | \$ 63,000,000 | \$ 60,000,000 | \$ 63,000,000 |
| In Lieu Of Taxes-Sewer | 7,095,375 | 5,500,000 | 8,407,368 | 9,132,716 |
| Oper Tfr In - State Street Aid | 2,500,000 | 0 | 2,800,000 | 2,500,000 |
| Oper Tfr In - Solid Waste Fund | 75,000 | 1,065,177 | 1,065,177 | 1,065,177 |
| Oper Tfr In - Misc Grants Fund | 0 | 30,000 | 0 | 30,000 |
| Oper Tfr In - Hotel/Motel Fund | 58,151 | 38,000 | 38,000 | 38,000 |
| Oper Tfr In - Debt Service Fund | 0 | 3,500,000 | 3,500,000 | 0 |
| oper Tfr In - Capital Projects Fund | 7,026,880 | 0 | 0 | 0 |
| Oper Tfr In - Sewer Operating/CIP | 1,300,000 | 1,737,164 | 1,737,164 | 1,737,164 |
| Oper Tfr In - Metro Alarm | 442,096 | 450,000 | 1,414,626 | 1,705,000 |
| Oper Tfr In - Storm Water | 150,000 | 106,518 | 106,518 | 106,518 |
| Oper Tfr In - Healthcare Fund | 0 | 0 | 294,000 | 0 |
| Oper Tfr In - Unemployment Fund | 1,000,000 | 300,000 | 300,000 | 900,000 |
| Oper Tfr In - Casino Gaming | 0 | 0 | 6,753 | 0 |
| Oper Tfr In - Fleet Mgmt Fund | 0 | 0 | 0 | 3,000,000 |
| Total Transfers In | \$ 79,653,422 | \$ 75,726,856 | \$ 79,669,606 | \$ 83,214,575 |
| DIVIDEND AND INTEREST ON INVESTMENT | | | | |
| Interest Income - US Government | \$ 8 | \$ 0 | \$ 0 | \$ 0 |
| Total Dividend and Interest on Investment | \$ 8 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL REVENUES* | \$ 705,970,219 | \$ 685,320,069 | \$ 743,579,766 | \$ 711,558,126 |

* Includes budgeted Contribution from Fund Balance.

Current Property Tax



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|-------------|---------|-----------|-------------|---------|-----------|
| 2020 | 258,500 | 2.17% | 2015 | 240,459 | -4.33% |
| 2019 | 253,000 | -4.53% | 2014 | 251,343 | 3.86% |
| 2018 | 265,000 | 5.84% | 2013 | 242,000 | -0.15% |
| 2017 | 250,379 | 2.07% | 2012 | 242,361 | -4.24% |
| 2016 | 245,300 | 2.01% | 2011 | 253,100 | -1.36% |

* FY 2020 Adopted

** FY 2019 Forecast

Property Tax is the largest source of revenue for the City. Property assessments are made by the Shelby County Tax Assessor based on the estimated appraised value and the following property classifications:

Residential and Farm Real Property = 25% of Appraised Value

Personal Property = 30% of Appraised Value

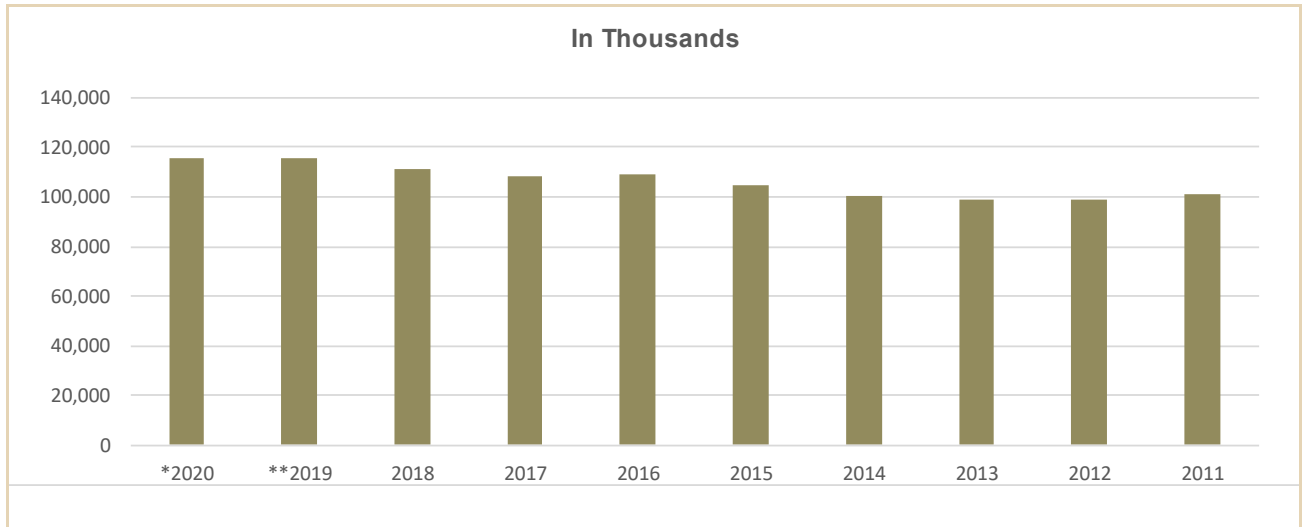
Commercial and Industrial Real Property = 40% of Appraised Value

Public Utilities and Railroads = 55% of Appraised Value Assessed by Tennessee Regulatory Authority (TRA).

Tax bills originate from, and collections are made by, the City Treasurer's Office, based on the tax rate set by the City Council and applied to the assessment rolls provided by the County Assessor and the TRA. Taxes are due and payable when the tax bills are mailed, normally July 1, and become delinquent sixty days thereafter, normally September 1. About 95% of the taxes are collected in the first four months of tax mailings. Through fiscal year 2014 City Schools and the Debt Service Fund shared proceeds of this tax. Beginning in fiscal year 2013, City Schools merged with County Schools and was not allocated City property tax. The Debt Service fund still receives a portion of this tax, as do other funds to a much lesser degree. There are no restrictions on property tax increases. However, tax rates are approved by Ordinance.

Major Influences: Annexations, Appraisals, Development and Population changes

Local Sales Tax



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|-------------|---------|-----------|-------------|---------|-----------|
| 2020 | 115,600 | 0.17% | 2015 | 104,869 | 4.39% |
| 2019 | 115,400 | 3.96% | 2014 | 100,455 | 1.37% |
| 2018 | 111,000 | 1.46% | 2013 | 99,100 | 0.10% |
| 2017 | 109,400 | 0.37% | 2012 | 99,000 | -2.08% |
| 2016 | 109,000 | 3.94% | 2011 | 101,100 | 7.03% |

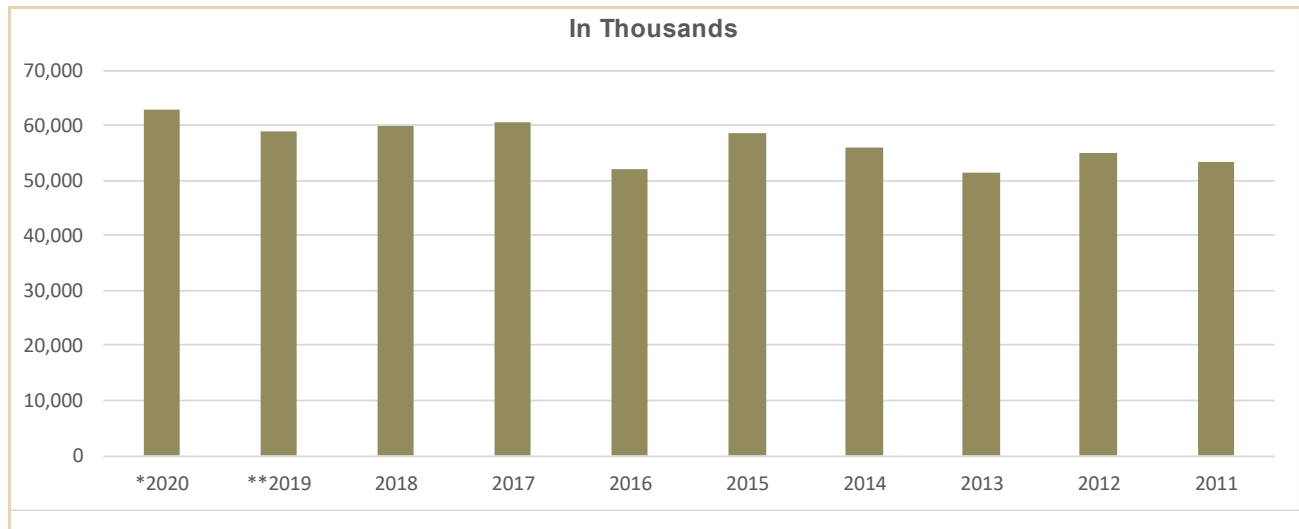
* FY 2020 Adopted

** FY 2019 Forecast

This is the second largest revenue source for the City, is charged on gross proceeds derived from retail sales or use of tangible personal property and certain specific services. It is computed at 2.25% of the amount of each transaction with one-half of the proceeds allocated to education. The rate was last changed in 1984 from 1.5% to 2.25%.

Major Influences: Annexation, Population changes, and Taxable sales

In lieu of Tax - MLGW



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2020 | 63,000 | 6.63% | 2015 | 58,515 | 4.63% |
| 2019 | 59,085 | -1.53% | 2014 | 55,923 | 8.72% |
| 2018 | 60,006 | 0.99% | 2013 | 51,439 | -6.65% |
| 2017 | 59,419 | 13.83% | 2012 | 55,105 | 3.06% |
| 2016 | 52,200 | -10.79% | 2011 | 53,469 | 1.46% |

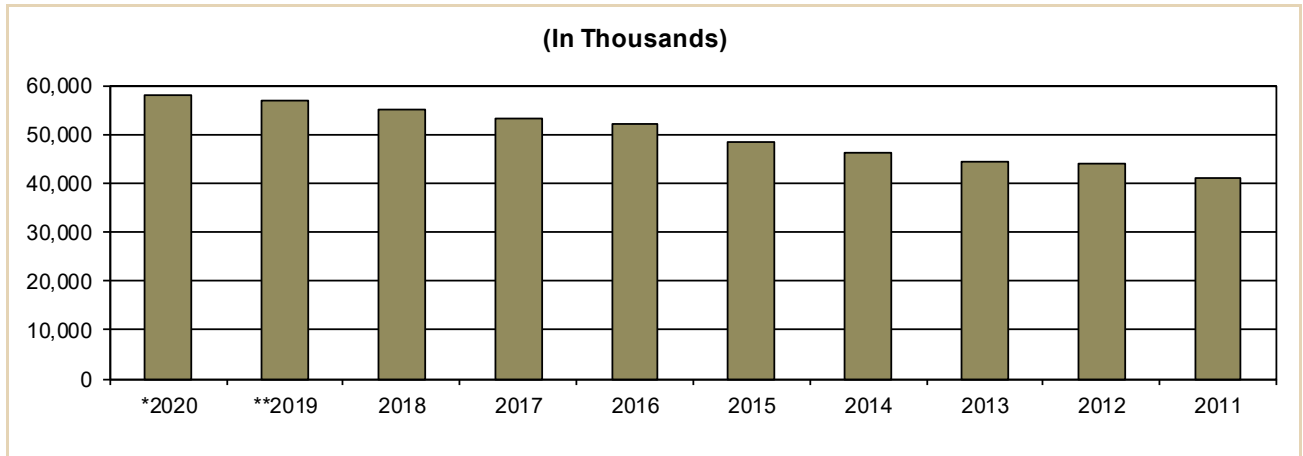
* FY 2020 Adopted

**FY 2019 Forecast

The Memphis Light Gas and Water Division makes in lieu of property tax equivalent payments as provided by the Municipal Electric System Tax Equivalent Law and the Municipal Gas System Tax Equivalent Law, both of which provide a uniform formula for establishing such payments. This payment is shared with Shelby County according to State law. This revenue is limited to the calculation defined in the State law - T.C.A. 7-52-307 and T.C.A. 7-39-404.

Major Influences: Municipal Electric/Gas System Tax Equivalent Laws

State Sales Tax



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|-------------|--------|-----------|-------------|--------|-----------|
| 2020 | 57,800 | 1.40% | 2015 | 48,584 | 5.12% |
| 2019 | 57,000 | 3.83% | 2014 | 46,218 | 3.86% |
| 2018 | 54,900 | 1.86% | 2013 | 44,500 | 1.44% |
| 2017 | 53,900 | 3.65% | 2012 | 43,867 | 6.99% |
| 2016 | 52,000 | 7.03% | 2011 | 41,000 | -6.99% |

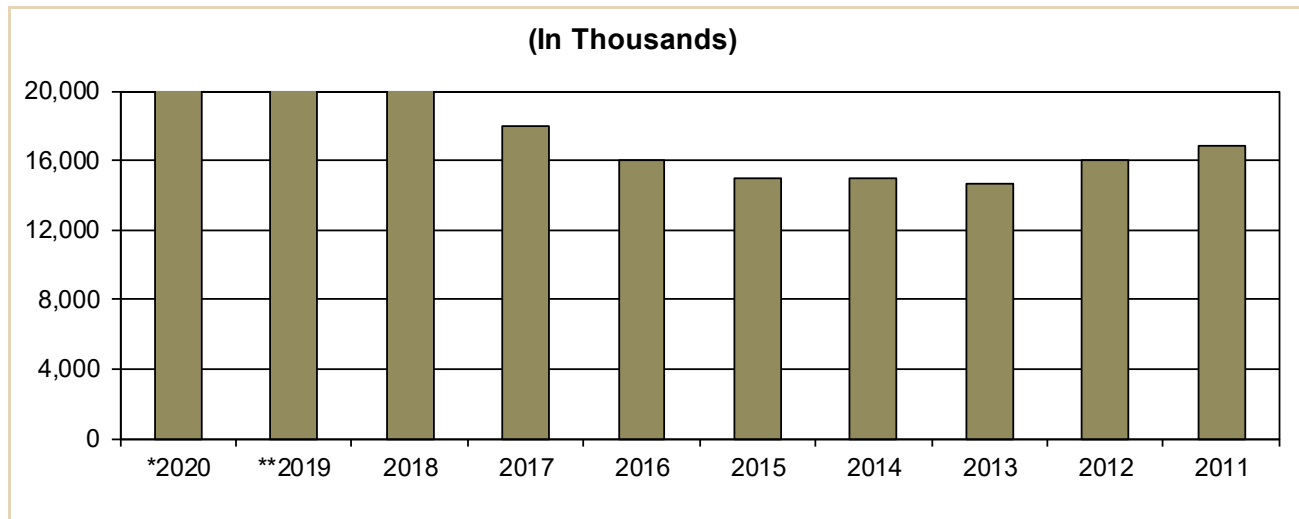
* FY 2020 Adopted

** FY 2019 Forecast

This is the largest state shared revenue the City receives. The current rate is 7.0% and is charged on each transaction described in the Local Sales Tax. One percent (1.0%) goes to the State's General Fund. Of the 6.0% remaining, 0.5% goes to education. Municipalities share the portion of the revenues not retained in the State's General Fund or withheld for education. This portion is allocated among the municipalities on a per capita basis. Changes in fees require General Assembly vote - T.C.A. 67-6-103.

Major Influences: Population (relative to State) and Taxable sale therefore not included in the FY2020 General Fund Adopted Budget as such. These revenues are instead recorded in the State Street Aid Fund (see "Special Revenue Funds" section), then transferred out to the General Fund as Expense Recovery.

Municipal State Street Aid



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2020 | 23,000 | 1.77% | 2015 | 15,000 | 0.25% |
| 2019 | 22,600 | 7.62% | 2014 | 14,962 | 1.78% |
| 2018 | 21,000 | 16.67% | 2013 | 14,700 | -8.13% |
| 2017 | 18,000 | 12.50% | 2012 | 16,000 | -4.82% |
| 2016 | 16,000 | 6.67% | 2011 | 16,811 | 1.88% |

* FY 2020 Adopted

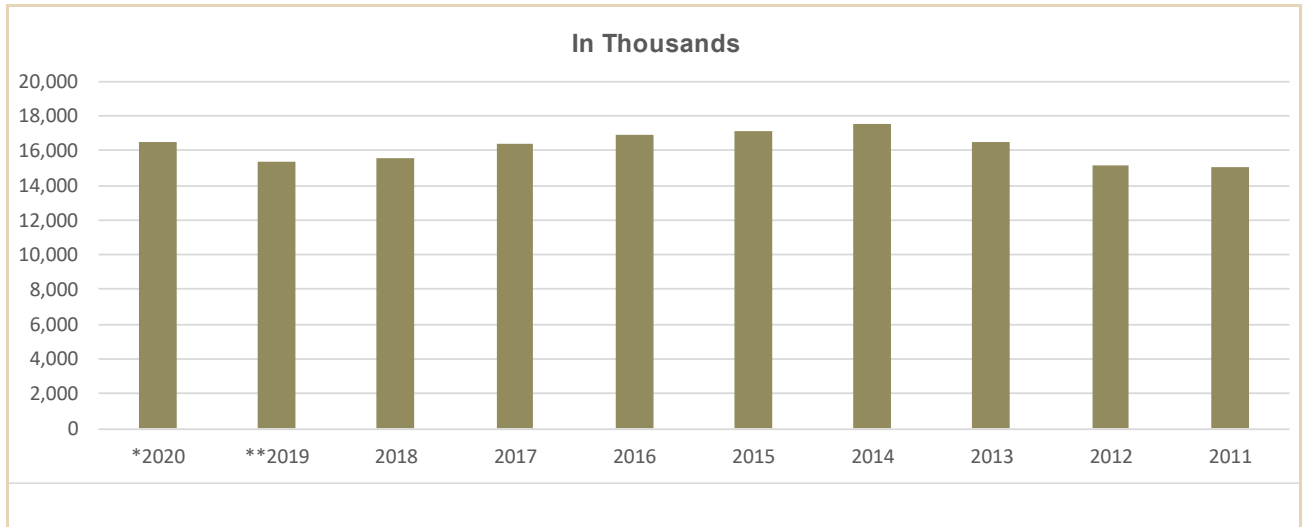
** FY 2019 Forecast

Local share of state gasoline and other motor fuel taxes comprised of the following: Gasoline Tax, Diesel Tax, Liquefied Gas Tax on vehicles, Compressed Natural Gas Tax, Prepaid User Diesel Tax, and IMPROVE Tax. Distribution is based upon population. Revenue is distributed monthly by the State - T.C.A. 67-3-202, T.C.A. 67-3-1309.

Major Influences: Population and Gasoline Sales

Note: As of FY2017 Municipal State Street Aid tax revenues are not in the General Fund revenues and are therefore not included in the FY2020 General Fund Adopted Budget as such. These revenues are instead recorded in the State Street Aid Fund (see “Special Revenue Funds” section), then transferred out to the General Fund as Expense Recovery. Because gas tax remain a significant source of revenue for the City and the change in accounting has a zero effect on the General Fund, we will continue to report these revenues here.

Beer Sales Tax



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|-------------|--------|-----------|-------------|--------|-----------|
| 2020 | 16,500 | 7.14% | 2015 | 17,137 | -2.05% |
| 2019 | 15,400 | -1.28% | 2014 | 17,496 | 6.04% |
| 2018 | 15,600 | -4.88% | 2013 | 16,500 | 9.27% |
| 2017 | 16,400 | -2.96% | 2012 | 15,100 | 0.67% |
| 2016 | 16,900 | -1.38% | 2011 | 15,000 | -0.38% |

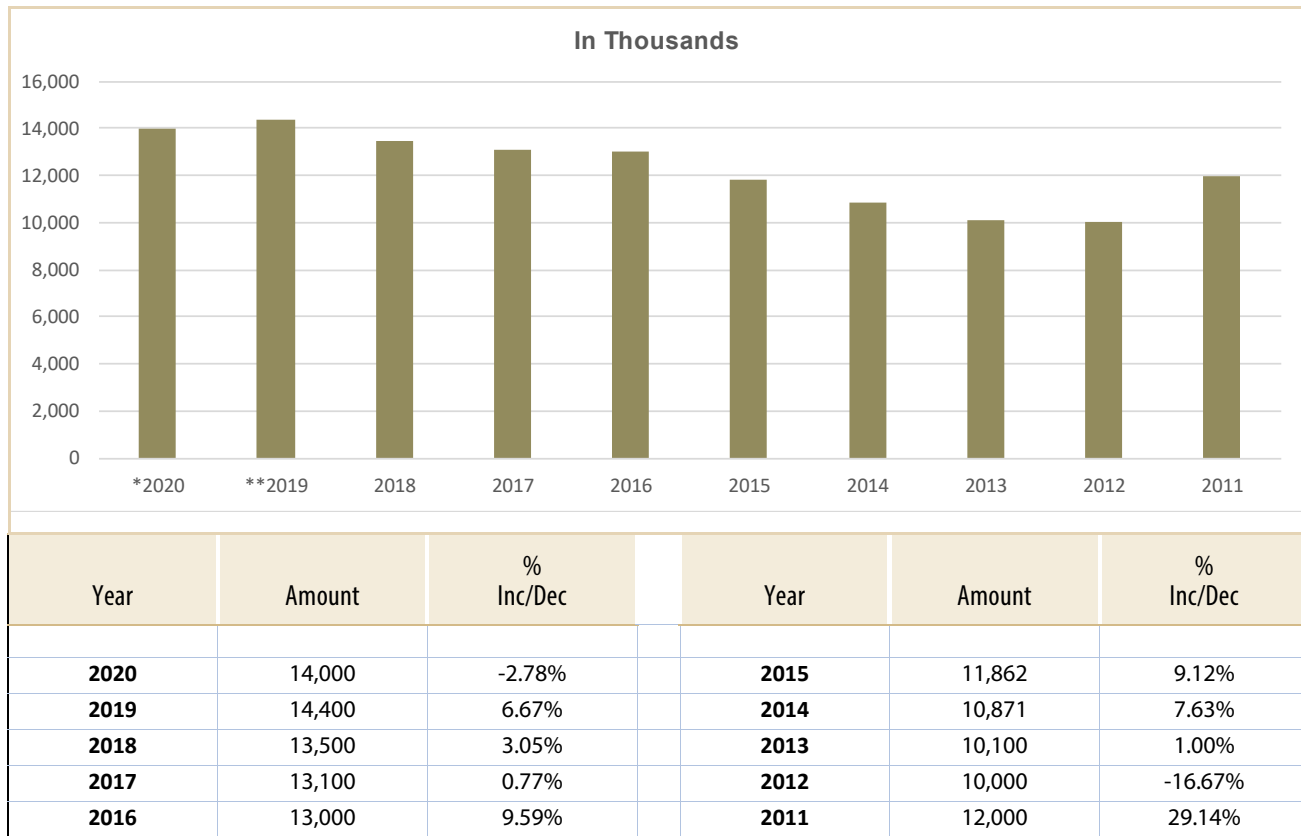
* FY 2020 Adopted

** FY 2019 Forecast

Beginning in 2014, this beer tax is imposed at \$35.60 per barrel of retail purchases from licensed wholesalers. Prior to fiscal year 2014, this tax was levied at 17% on the sale of beer to wholesalers. Fees are remitted to the City by wholesalers on a monthly basis - T.C.A. 57-6-103 (FY2014) and T.C.A. 57-5-103 (prior to FY2014)

Major Influences: Wholesaler quantities and Consumption rates

Gross Receipts Business Tax



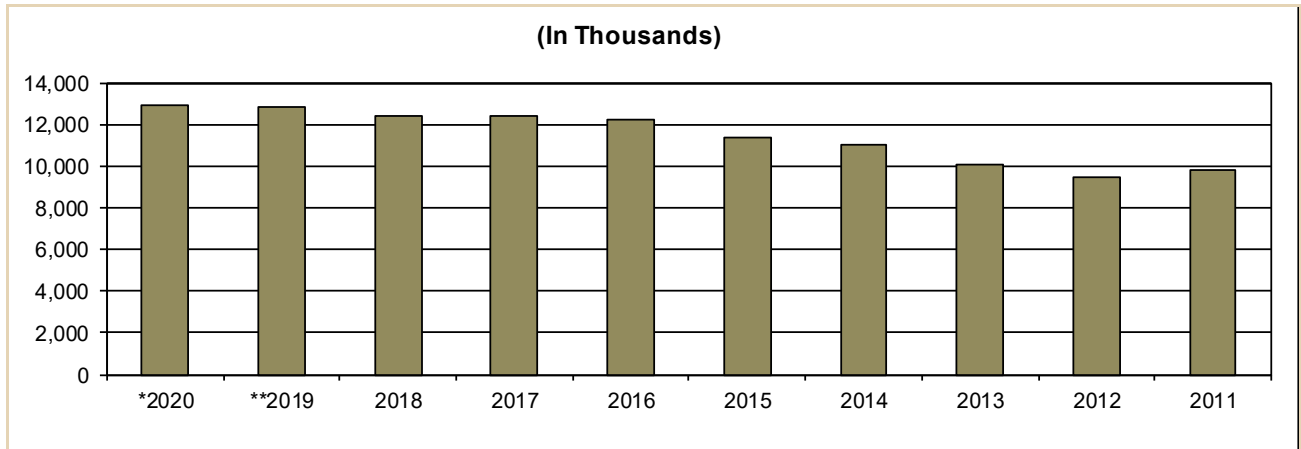
* FY 2020 Adopted
 ** FY 2019 Forecast

This is a privilege tax on the exercise of most business sales, consisting of two parts:
 \$15 minimum annual license fee

Tax on gross receipts (wholesale and retail) of the covered business activities, for businesses with annual sales of \$10,000 or more.

Business activities are divided into five classifications, with each classification having different tax rates. (Beginning January 1, 2014, businesses' tax periods coincide with their fiscal years. Prior to this date, each business classification had its own taxable period). Furthermore, each county and/or incorporated municipality in which a qualifying business, business activity, vocation or occupation is conducted may levy a business tax not exceeding the rates established by state law - T.C.A. 67-4-704 and the 2013 Uniformity and Small Business Relief Act.

Auto/Vehicle Registration



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|-------------|--------|-----------|-------------|--------|-----------|
| 2020 | 12,900 | 0.78% | 2015 | 11,363 | 2.93% |
| 2019 | 12,800 | 3.23% | 2014 | 11,040 | 9.77% |
| 2018 | 12,400 | 0% | 2013 | 10,057 | 5.86% |
| 2017 | 12,400 | 1.64% | 2012 | 9,500 | -3.06% |
| 2016 | 12,200 | 7.37% | 2011 | 9,800 | -2.90% |

* FY 2020 Adopted

** FY 2019 Forecast

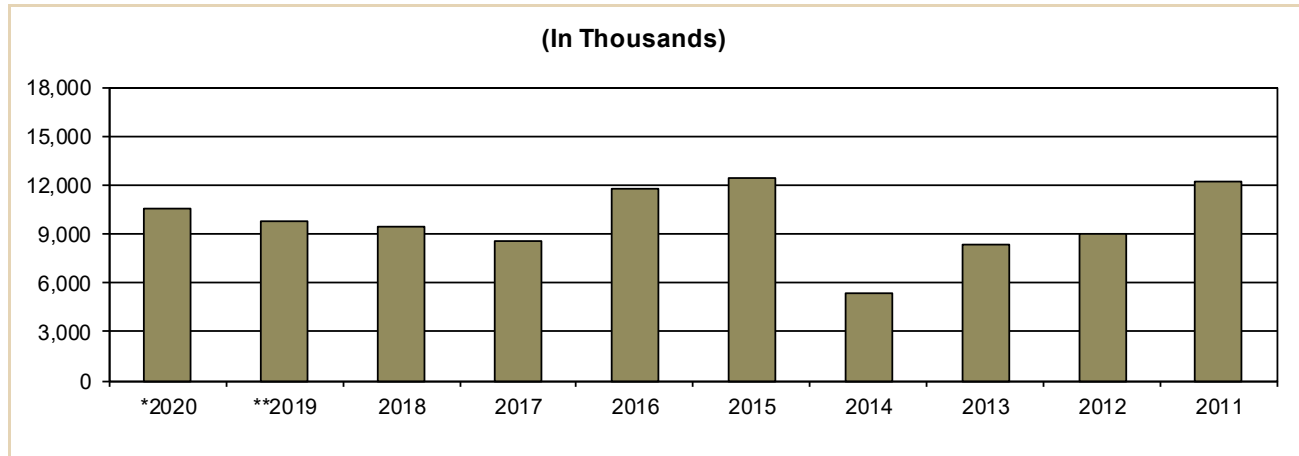
All residents of the City who own/operate a motor vehicle or motorcycle for business or pleasure must register the vehicle with the City’s registration agent and pay an annual registration fee as follows:

| | |
|---------------------------------------|----------------------|
| Motorcycle (Private) | \$10.00 |
| Motorcycle (Commercial) | \$21.00 |
| Passenger motor vehicle | \$30.00 |
| Dealers, manufacturers, transporters | \$21.00 to \$325.00 |
| Freight vehicles, depending on weight | \$114.00 to \$452.00 |
| Combined farm and private truck | \$30.00 to \$376.00 |

The County Court Clerk remits collections to the City after deducting a collection fee.

Major Influences: Auto sales and Vehicle registrations

Delinquent Property Tax with Interest



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|-------------|--------|-----------|-------------|--------|-----------|
| 2020 | 10,600 | 8.16% | 2015 | 12,372 | 130.82% |
| 2019 | 9,800 | 4.26% | 2014 | 5,360 | -35.42% |
| 2018 | 9,400 | 9.30% | 2013 | 8,300 | -7.78% |
| 2017 | 8,600 | -27.12% | 2012 | 9,000 | -26.23% |
| 2016 | 11,800 | -4.63% | 2011 | 12,200 | -19.79% |

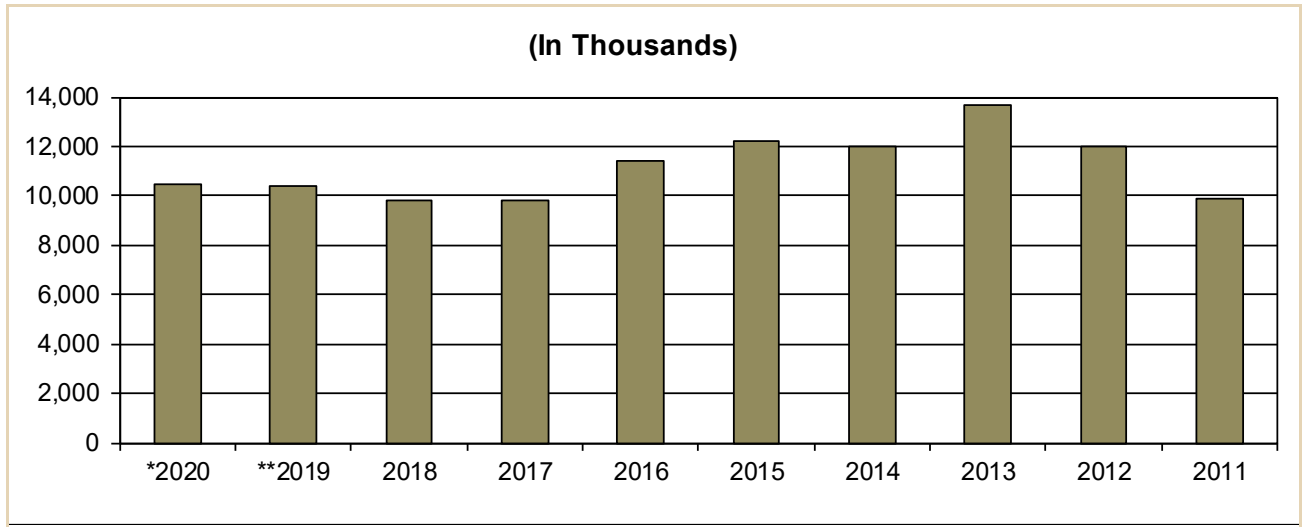
* FY 2020 Adopted

** FY 2019 Forecast

Property taxes that are not paid in the fiscal year in which they are assessed are recorded as delinquent tax receipts when they are paid in subsequent years. Between 95% to 97% of property taxes are paid in the year of assessment and approximately 40% to 50% of delinquent taxes are collected the first fiscal year they become delinquent. Delinquent payments carry an additional penalty and interest.

Major Influences: Economy and Appraisals

Court Costs/Fines



| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2020 | 10,500 | 0.96% | 2015 | 12,000 | -12.41% |
| 2019 | 10,400 | 6.12% | 2014 | 13,700 | 14.17% |
| 2018 | 9,800 | 0% | 2013 | 12,000 | 21.21% |
| 2017 | 9,800 | -14.04% | 2012 | 9,900 | 0.00% |
| 2016 | 11,400 | -5.00% | 2011 | 9,900 | 1.49% |

* FY 2020 Adopted
 ** FY 2019 Forecast

The City Court Clerk collects all City Court’s fines, including court costs, fine assessments, and forfeitures in lieu-of-court appearances. Remittances are made to the City monthly. Traffic violation fines and court costs are set by the City Council. Fees require Ordinance change and Council approval - Section 11-24-25 Memphis Code.

Major Influences: Population (Demographics), Crime Rate and Enforcement