

## operating budget

| Sources of Revenue                  | FY 2008<br>Actual | FY 2009<br>Adopted | FY 2009<br>Forecast | FY 2010<br>Adopted |
|-------------------------------------|-------------------|--------------------|---------------------|--------------------|
| Contributed from Fund Balance       | 0                 | 0                  | 0                   | 0                  |
| Local Taxes                         | 367,677,323       | 409,048,979        | 411,164,167         | 412,614,167        |
| State Taxes                         | 67,383,830        | 66,495,670         | 61,106,839          | 61,653,667         |
| Licenses and Permits                | 11,354,406        | 11,250,873         | 11,250,873          | 11,250,873         |
| Fines and Forfeitures               | 9,086,259         | 8,873,855          | 8,873,855           | 8,873,855          |
| Charges for Services                | 1,122,914         | 912,877            | 912,877             | 912,877            |
| Use of Money and Property           | 4,072,227         | 4,375,667          | 3,515,669           | 3,515,669          |
| Federal Grants                      | 168,336           | 0                  | 0                   | 0                  |
| Other Revenues                      | 4,190,106         | 4,156,533          | 4,156,533           | 4,156,471          |
| Transfers In                        | 73,442,104        | 75,687,785         | 81,724,321          | 74,322,433         |
| Total Revenues\Transfers            | 538,497,505       | 580,802,239        | 582,705,134         | 577,300,012        |
| Contribution (Use) of Fund Balance  |                   |                    |                     |                    |
| <b>Total Revenue\Others Sources</b> |                   |                    |                     |                    |

## issues & trends

The Operating Budget Revenue for FY 2010 totals \$577,300,012. This represents a revenue decrease of \$5.4M or .93% from the FY 2009 Forecast.

Our largest revenue source, local taxes are projected to increase \$1.5M or .35% from the FY 2009 Forecast. State taxes, our second largest revenue source are projected to increase \$547K or .89% from the FY 2009 Forecast. Licenses and Permits, Fines and Forfeitures, Charges for Service, Use of Money, and Other Revenues are projected to remain the same as FY 2009 Forecast.

Other sources of revenue that contribute to the operating budget are Transfers In. They are projected to decrease by \$7.4M from FY 2009 Forecast.

# GENERAL FUND

# GENERAL FUND REVENUES

| Sources of Revenue                         | FY 2008<br>Actual  | FY 2009<br>Adopted | FY 2009<br>Forecast | FY 2010<br>Adopted |
|--|--------------------|--------------------|---------------------|--------------------|
| <b>Contributed from Fund Balance</b>       |                    |                    |                     |                    |
| Contributed From Fund Balance              | 0                  | 0                  | 0                   | 0                  |
| <b>Total Contributed from Fund Balance</b> | <b>0</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Local Taxes</b>                         |                    |                    |                     |                    |
| Beer Sales Tax                             | 15,392,072         | 15,474,000         | 15,474,000          | 15,474,000         |
| MLGW/Williams Pipeline                     | 315,874            | 315,000            | 315,000             | 315,000            |
| Bankruptcy Interest & Penalty              | 637                | 490                | 490                 | 500                |
| Ad Valorem Tax Prior                       | 5,943,331          | 7,200,000          | 6,488,540           | 6,488,540          |
| Alcoholic Beverage Inspection Fee          | 4,006,866          | 3,989,513          | 3,989,513           | 3,989,513          |
| Warrants and Levies                        | 2,867              | 1,766              | 1,766               | 1,766              |
| Cable TV Franchise Fees                    | 4,243,665          | 4,165,105          | 4,165,105           | 4,165,105          |
| Misc Franchise Tax                         | 641,535            | 436,969            | 436,969             | 436,969            |
| Misc Tax Recoveries                        | 2,774,188          | 1,863,899          | 1,863,899           | 1,863,899          |
| Bank Excise Tax                            | 708,664            | 792,987            | 792,987             | 792,987            |
| PILOT's                                    | 3,666,440          | 3,970,118          | 4,943,361           | 5,143,361          |
| Local Sales Tax                            | 99,371,214         | 97,663,844         | 95,764,000          | 95,764,000         |
| Gross Rec Business Tax                     | 9,692,204          | 8,942,000          | 9,162,639           | 9,162,639          |
| Interest, Penalties & Commission           | 244,588            | 222,337            | 222,337             | 222,337            |
| Ad Valorem Tax - Current                   | 203,937,267        | 248,750,463        | 252,137,194         | 253,387,184        |
| Property Taxes Interest & Penalty          | 7,550,177          | 7,500,000          | 6,759,000           | 6,759,000          |
| State Appointment TVA                      | 6,595,204          | 5,113,121          | 6,000,000           | 6,000,000          |
| Special Assessment Tax                     | 98,125             | 93,570             | 93,570              | 93,570             |
| Mixed Drink Tax                            | 2,492,405          | 2,553,797          | 2,553,797           | 2,553,797          |
| <b>Total Local Taxes</b>                   | <b>367,677,323</b> | <b>409,048,979</b> | <b>411,164,167</b>  | <b>412,614,167</b> |
| <b>State Taxes</b>                         |                    |                    |                     |                    |
| State Shared Beer Tax                      | 376,978            | 370,912            | 370,912             | 370,912            |
| Spec Petroleum Product Tax                 | 1,501,759          | 1,545,924          | 1,488,412           | 1,488,412          |
| Telecommunication Sales Tax                | 88,794             | 114,778            | 114,778             | 114,778            |
| State Income Tax                           | 15,774,263         | 13,000,000         | 12,619,410          | 12,600,000         |
| Alcoholic Beverage Tax                     | 261,491            | 247,056            | 247,056             | 247,056            |
| State Sales Tax                            | 49,380,545         | 51,217,000         | 46,266,271          | 46,832,509         |
| <b>Total State Taxes</b>                   | <b>67,383,830</b>  | <b>66,495,670</b>  | <b>61,106,839</b>   | <b>61,653,667</b>  |
| <b>Licenses and Permits</b>                |                    |                    |                     |                    |
| Beer Permit Privilege Tax                  | 147,843            | 163,880            | 163,880             | 163,880            |
| Wrecker Permit Fee                         | 21,889             | 9,088              | 9,088               | 9,088              |
| Gaminy Pub Amus Perm Fee                   | 21,514             | 20,957             | 20,957              | 20,957             |
| Beer Application                           | 79,664             | 83,431             | 83,431              | 83,431             |
| Taxi Drivers License                       | 28,600             | 28,217             | 28,217              | 28,217             |
| Liquor By Ounce License                    | 303,583            | 270,405            | 270,405             | 270,405            |



# GENERAL FUND

# GENERAL FUND REVENUES

| Sources of Revenue                     | FY 2008<br>Actual | FY 2009<br>Adopted | FY 2009<br>Forecast | FY 2010<br>Adopted |
|--|-------------------|--------------------|---------------------|--------------------|
| Misc Permits                           | 74,121            | 81,783             | 81,783              | 81,783             |
| Auto Registration Fee                  | 10,677,192        | 10,593,112         | 10,593,112          | 10,593,112         |
| <b>Total Licenses and Permits</b>      | <b>11,354,406</b> | <b>11,250,873</b>  | <b>11,250,873</b>   | <b>11,250,873</b>  |
| <b>Fines and Forfeitures</b>           |                   |                    |                     |                    |
| Fines & Forfeitures                    | 162,831           | 160,585            | 160,585             | 160,585            |
| Arrest Fees                            | 252,172           | 279,741            | 279,741             | 279,741            |
| Court Fees                             | 4,748,934         | 4,621,660          | 4,621,660           | 4,621,660          |
| Court Costs                            | 3,767,771         | 3,732,321          | 3,732,321           | 3,732,321          |
| Beer Board Fines                       | 154,551           | 79,548             | 79,548              | 79,548             |
| <b>Total Fines and Forfeitures</b>     | <b>9,086,259</b>  | <b>8,873,855</b>   | <b>8,873,855</b>    | <b>8,873,855</b>   |
| <b>Charges for Services</b>            |                   |                    |                     |                    |
| Parking Meters                         | 2,253             | 0                  | 0                   | 0                  |
| MLG&W Rent                             | 4,455             | 2,400              | 2,400               | 2,400              |
| Parking Lots                           | 315,000           | 315,000            | 315,000             | 315,000            |
| Tax Sales Attorney Fees                | 801,086           | 595,477            | 595,477             | 595,477            |
| Traffic Signals                        | 120               | 0                  | 0                   | 0                  |
| <b>Total Charges for Services</b>      | <b>1,122,914</b>  | <b>912,877</b>     | <b>912,877</b>      | <b>912,877</b>     |
| <b>Use of Money and Property</b>       |                   |                    |                     |                    |
| Net Income/Investors                   | 421,280           | 2,528              | 2,528               | 2,528              |
| Interest on Investments                | 3,642,191         | 4,299,988          | 3,439,990           | 3,439,990          |
| State Litigation Tax Commission        | 8,756             | 73,151             | 73,151              | 73,151             |
| <b>Total Use of Money and Property</b> | <b>4,072,227</b>  | <b>4,375,667</b>   | <b>3,515,669</b>    | <b>3,515,669</b>   |
| <b>Federal Grants</b>                  |                   |                    |                     |                    |
| Federal Grants - Others                | 168,336           | 0                  | 0                   | 0                  |
| <b>Total Federal Grants</b>            | <b>168,336</b>    | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Other Revenues</b>                  |                   |                    |                     |                    |
| Commercial Revitalization Fee          | 45,200            | 50,000             | 50,000              | 50,000             |
| Mphs Brd of Ed Claims Settlement       | 0                 | 0                  | 0                   | 0                  |
| Bad Check Penalties                    | 4,107             | 4,968              | 4,968               | 4,968              |
| Sale Of Capital Assets                 | 27,170            | 31,922             | 31,922              | 31,922             |
| Recovery Of Prior Year Expense         | 354,850           | 405,797            | 405,797             | 405,797            |
| Fire - Misc Collections                | 0                 | 0                  | 0                   | 0                  |
| Sewer Fund Cost Allocation             | 1,075,000         | 1,075,000          | 1,075,000           | 1,075,000          |
| Cash Overage/Shortage                  | 47                | 393                | 393                 | 393                |
| Treasurer - Misc Collections           | 200               | 200                | 200                 | 200                |
| City Property Damage Reim              | 230,866           | 271,221            | 271,221             | 271,221            |
| Miscellaneous Revenue                  | 270               | 62                 | 62                  | 0                  |



# GENERAL FUND

# GENERAL FUND REVENUES

| Sources of Revenue              | FY 2008<br>Actual  | FY 2009<br>Adopted | FY 2009<br>Forecast | FY 2010<br>Adopted |
|---------------------------------|--------------------|--------------------|---------------------|--------------------|
| Miscellaneous Income            | 62,545             | 36,911             | 36,911              | 36,911             |
| Court Reimbursement             | 969                | 1,597              | 1,597               | 1,597              |
| Miscellaneous Auctions          | 2,388,882          | 2,278,462          | 2,278,462           | 2,278,462          |
| <b>Total Other Revenues</b>     | <b>4,190,106</b>   | <b>4,156,533</b>   | <b>4,156,533</b>    | <b>4,156,471</b>   |
| <b>Transfers In</b>             |                    |                    |                     |                    |
| In Lieu Of Taxes-MLGW           | 52,035,774         | 53,700,000         | 49,736,536          | 52,336,536         |
| Tfr In - State Street Aid       | 16,269,798         | 16,811,000         | 16,811,000          | 16,811,000         |
| In Lieu Of Taxes-Sewer          | 3,836,532          | 3,874,897          | 3,874,897           | 3,874,897          |
| Tfr In - Sewer Operating/CIP    | 1,300,000          | 1,300,000          | 1,300,000           | 1,300,000          |
| Tfr In - Tax Sales Fund         | 0                  | 1,888              | 1,888               | 0                  |
| Tfr In - Debt Service Fund      | 0                  | 0                  | 10,000,000          | 0                  |
| <b>Total Transfers In</b>       | <b>73,442,104</b>  | <b>75,687,785</b>  | <b>81,724,321</b>   | <b>74,322,433</b>  |
| <b>Total Revenues\Transfers</b> | <b>538,497,505</b> | <b>580,802,239</b> | <b>582,705,134</b>  | <b>577,300,012</b> |



**Revenue Forecasting Methodology**

The University of Memphis forecasters independently prepare quarterly reports of major revenue updates and forecasts for use in the internal decision-making done in the City of Memphis Finance Department. The forecasts have two areas of focus: forecasts for the current fiscal year's end-of-year revenues and forecasts for the next fiscal year and for each year out for ten years.

A team of three 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 department to understand and respond to a second area of focus. In the second part of the 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 auto regressive, integrated, moving average 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.

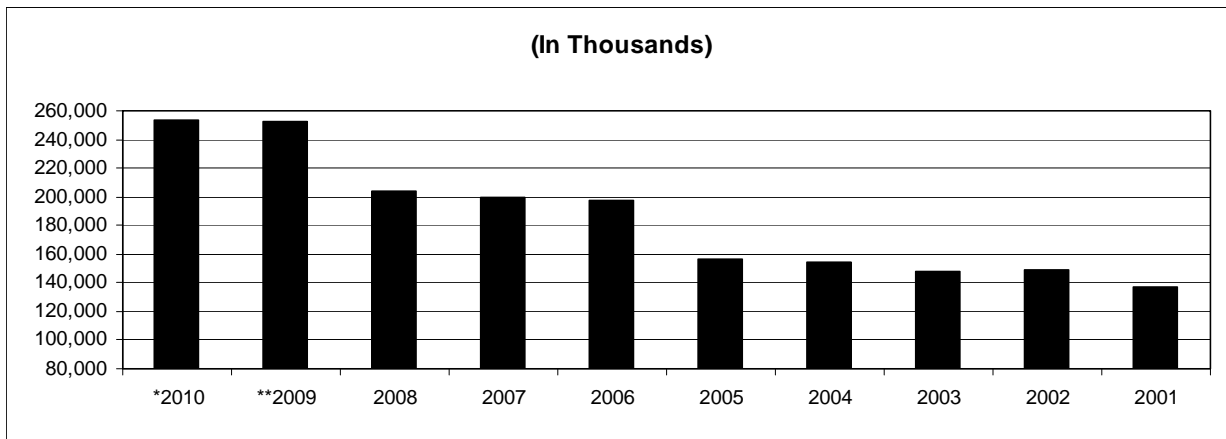
For some of the revenue sources, national and regional economic indicators are useful to add to short and long term forecast accuracy. These statistical models are combinations of auto regressive, integrated, moving average (ARIMA) modeling and regression analysis. Although some series are estimated 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 percent 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, the property tax, and the 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 percent 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.

**Current Property Tax**

| Year | Amount  | % Inc/Dec | Year | Amount  | % Inc/Dec |
|------|---------|-----------|------|---------|-----------|
| 2010 | 253,387 | 0.50%     | 2005 | 156,617 | 1.55%     |
| 2009 | 252,137 | 23.63%    | 2004 | 154,221 | 4.47%     |
| 2008 | 203,937 | 2.19%     | 2003 | 147,626 | -1.17%    |
| 2007 | 199,564 | 0.92%     | 2002 | 149,375 | 9.04%     |
| 2006 | 197,740 | 26.26%    | 2001 | 136,985 | 3.45%     |



\* FY 2010 Proposed

\*\* FY 2009 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.

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. City Schools and the Debt Service Fund share proceeds of this tax. There are no restrictions on property tax increases. However, tax rates are approved by Ordinance. The last decrease changed the rate from 3.43 to 3.25, effective FY 2009.

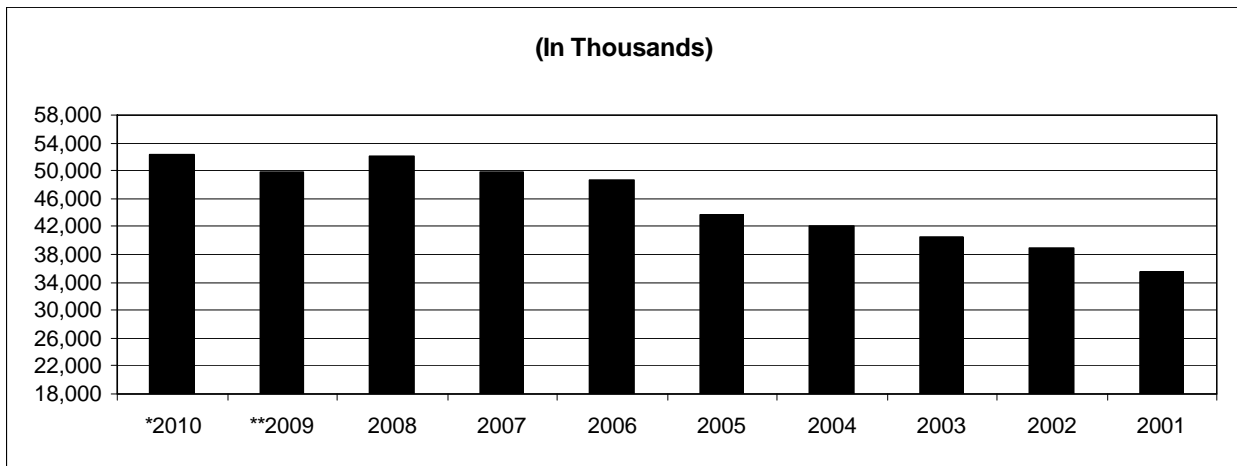
Major Influences: Annexations, Assessor Appraisal, Development and Population Growth

# GENERAL FUND

# GENERAL FUND REVENUES

## In lieu of Tax - MLGW

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 52,337 | 5.23%     | 2005 | 43,599 | 3.84%     |
| 2009 | 49,737 | -4.42%    | 2004 | 41,987 | 3.93%     |
| 2008 | 52,036 | 4.58%     | 2003 | 40,399 | 3.56%     |
| 2007 | 49,759 | 2.36%     | 2002 | 39,010 | 10.02%    |
| 2006 | 48,610 | 11.49%    | 2001 | 35,458 | -2.24%    |



\* FY 2010 Proposed

\*\* FY 2009 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. The increase from 1999 to 2000 onward is based on the implementation of the 1988 gas tax calculation. T.C.A. 7-52-307 and 7-39-404.

Major Influences: Municipal Electric/Gas System Equivalent Tax Laws

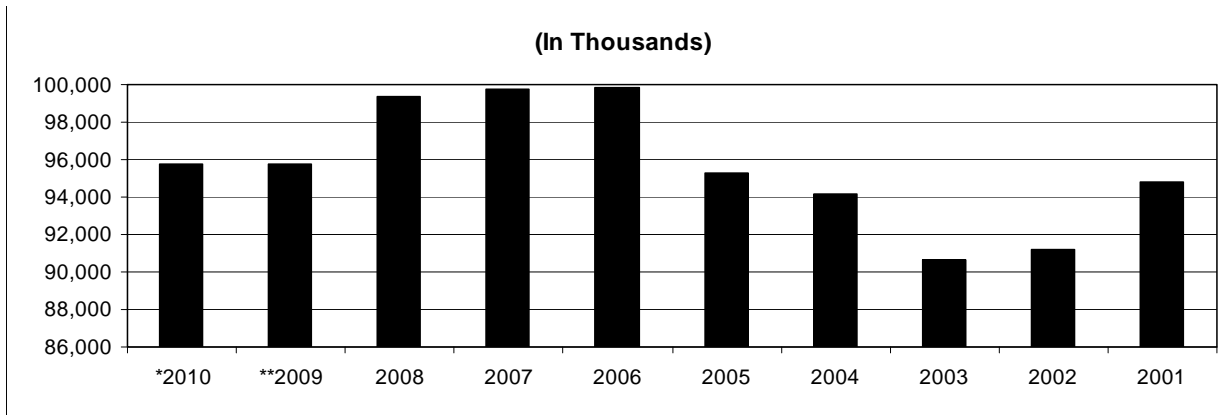


# GENERAL FUND

# GENERAL FUND REVENUES

## Local Sales Tax

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 95,764 | 0.00%     | 2005 | 95,260 | 1.21%     |
| 2009 | 95,764 | -3.63%    | 2004 | 94,123 | 3.81%     |
| 2008 | 99,371 | -0.36%    | 2003 | 90,672 | -0.62%    |
| 2007 | 99,733 | -0.14%    | 2002 | 91,238 | -3.77%    |
| 2006 | 99,875 | 4.84%     | 2001 | 94,811 | 7.35%     |



\* FY 2010 Proposed

\*\* FY 2009 Forecast

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

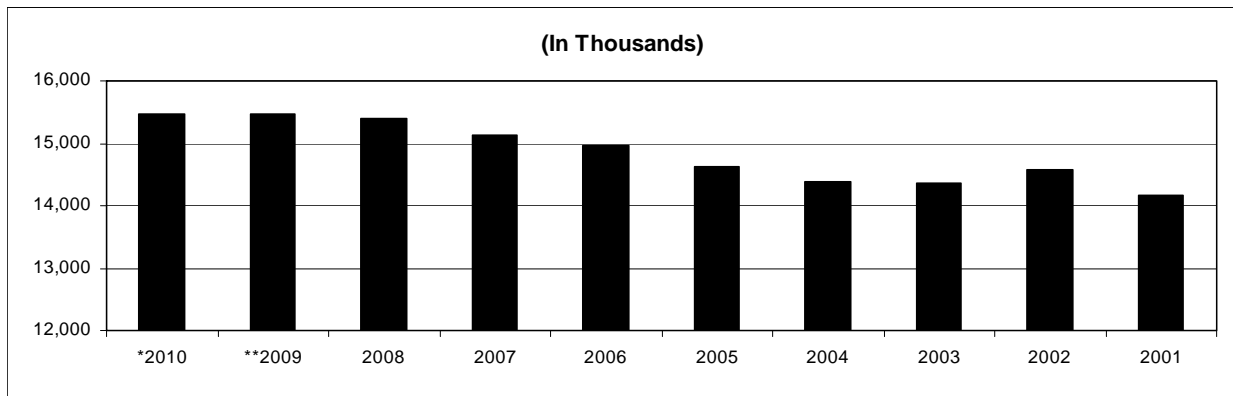
Major Influences: Annexation, Population Growth and Taxable Sales





**Beer Sales Tax**

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 15,474 | 0.00%     | 2005 | 14,620 | 1.65%     |
| 2009 | 15,474 | 0.53%     | 2004 | 14,382 | 0.10%     |
| 2008 | 15,392 | 1.77%     | 2003 | 14,367 | -1.49%    |
| 2007 | 15,125 | 1.14%     | 2002 | 14,585 | 2.93%     |
| 2006 | 14,954 | 2.28%     | 2001 | 14,170 | 2.47%     |



\* FY 2010 Proposed

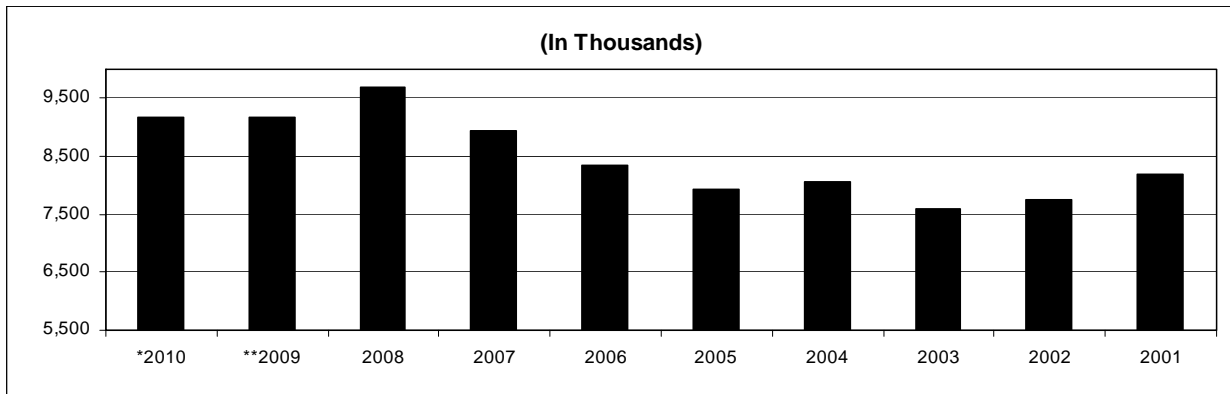
\*\* FY 2009 Forecast

This is a 17% levy on the sale of beer at wholesale. It is collected by the wholesaler from the retailer and other persons within the corporate limits of the municipality at the time of sale. Fees are remitted to the City by the wholesaler on a monthly basis. T.C.A. 57-6-103.

Major Influences: Wholesalers Price and Consumption Rates

**Gross Receipts Business Tax**

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 9,163  | 0.00%     | 2005 | 7,943  | -1.49%    |
| 2009 | 9,163  | -5.46%    | 2004 | 8,063  | 6.34%     |
| 2008 | 9,692  | 8.47%     | 2003 | 7,582  | -2.02%    |
| 2007 | 8,935  | 6.98%     | 2002 | 7,738  | -5.40%    |
| 2006 | 8,352  | 5.15%     | 2001 | 8,180  | 9.88%     |



\* FY 2010 Proposed

\*\* FY 2009 Forecast

This is a privilege tax on the exercise of most business sales, consisting of two parts:

\$15 minimum annual license fee

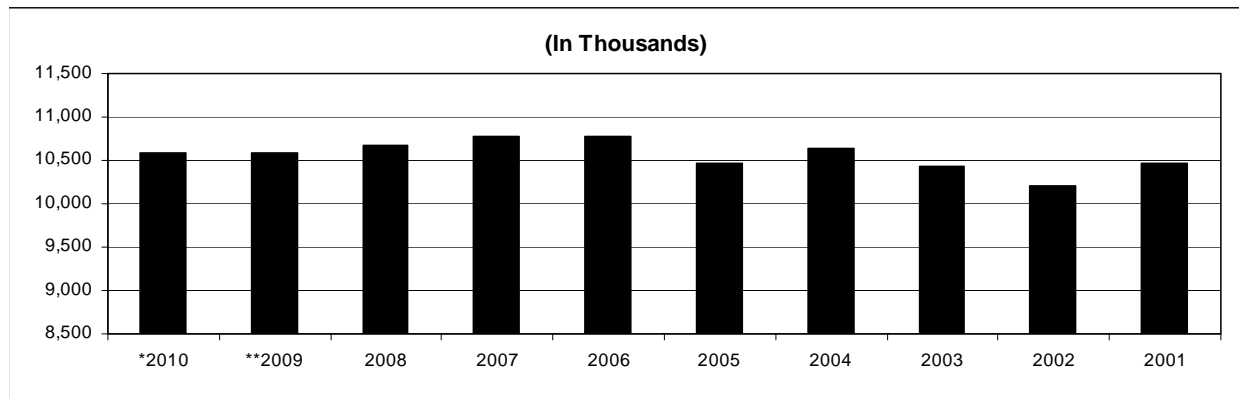
Tax on gross receipts(wholesale and retail) of the covered business activities.

Business activities are divided into five classifications, with each classification having different tax rates and taxable periods. Remittances from department stores, auto dealers, restaurants and drug stores, representing almost one-half of total receipts, are collected in the last two months of the fiscal year. Each county and/or incorporated municipality in which such a 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.

Major Influences: Economy, Consumer Price Index and Gross Receipts

**Auto/Vehicle Registration-Inspection Fee**

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 10,593 | 0.00%     | 2005 | 10,472 | -1.55%    |
| 2009 | 10,593 | -0.79%    | 2004 | 10,637 | 1.97%     |
| 2008 | 10,677 | -0.92%    | 2003 | 10,431 | 2.18%     |
| 2007 | 10,776 | -0.05%    | 2002 | 10,208 | -2.46%    |
| 2006 | 10,781 | 2.95%     | 2001 | 10,465 | 3.14%     |



\* FY 2010 Proposed

\*\* FY 2009 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/inspection fee as follows:

|   |                      |
|---|----------------------|
| Motorcycle .....                            | \$10.00 (private)    |
|   | \$21.00 (commerical) |
| 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 inspection fee and registration fee were combined and transferred to the County Clerk in FY 1982. The Court Clerk remits collections to the City after deducting a collection fee.

Vehicles must pass an emissions and visual safety inspection test before being issued a city registration. Registration/Inspection fees require Ordinance change and Council approval, Section 21-266 - 307 Memphis Code.

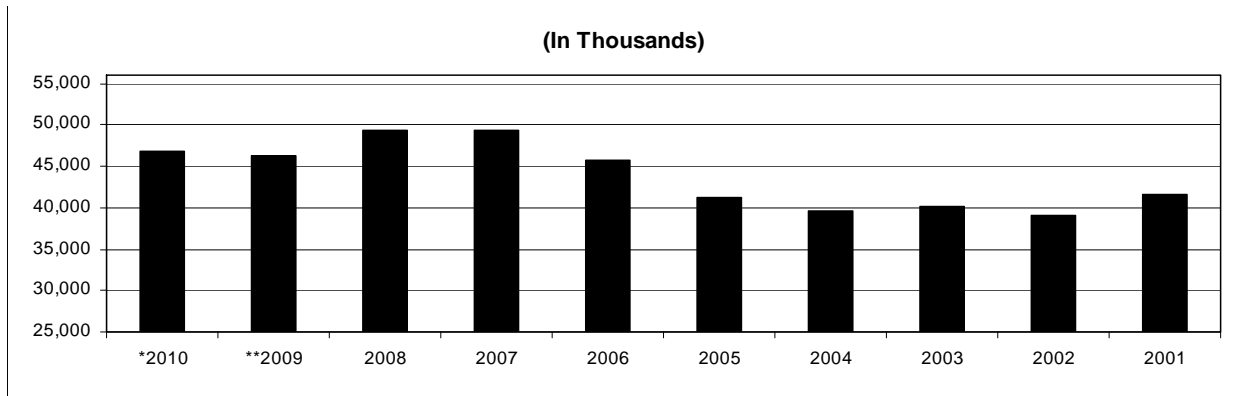
Major Influences: Auto Sales, Vehicles Inspected and Annexations

# GENERAL FUND

# GENERAL FUND REVENUES

## State Sales Tax

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 46,833 | 1.23%     | 2005 | 41,206 | 3.96%     |
| 2009 | 46,266 | -6.31%    | 2004 | 39,638 | -1.44%    |
| 2008 | 49,381 | 0.28%     | 2003 | 40,216 | 2.74%     |
| 2007 | 49,244 | 7.49%     | 2002 | 39,145 | -5.72%    |
| 2006 | 45,814 | 11.18%    | 2001 | 41,518 | 4.75%     |



\* FY 2010 Proposed

\*\* FY 2009 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, 1.0% goes to the State's General Fund. Of the 6.0%, 0.5% goes to education. Municipalities receive approximately 4.5925% of collections on 5.5% of the 6%, which is allocated among the municipalities on a per capita basis. Changes in fees requires General Assembly vote, T.C.A. 67-6-103.

Major Influences: Population (relative to State) and Taxable Sales

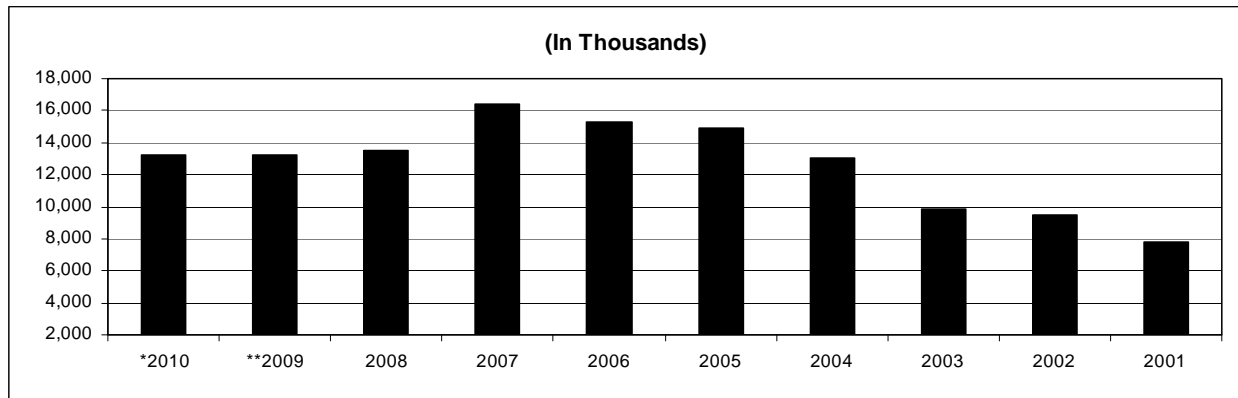


# GENERAL FUND

# GENERAL FUND REVENUES

## Delinquent Property Tax w/ Interest

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 13,248 | 0.00%     | 2005 | 14,881 | 13.86%    |
| 2009 | 13,248 | -1.82%    | 2004 | 13,069 | 32.18%    |
| 2008 | 13,493 | -17.96%   | 2003 | 9,887  | 3.89%     |
| 2007 | 16,447 | 7.42%     | 2002 | 9,517  | 22.09%    |
| 2006 | 15,311 | 2.89%     | 2001 | 7,795  | 38.63%    |



\* FY 2010 Proposed

\*\* FY 2009 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 Assessor Appraisal

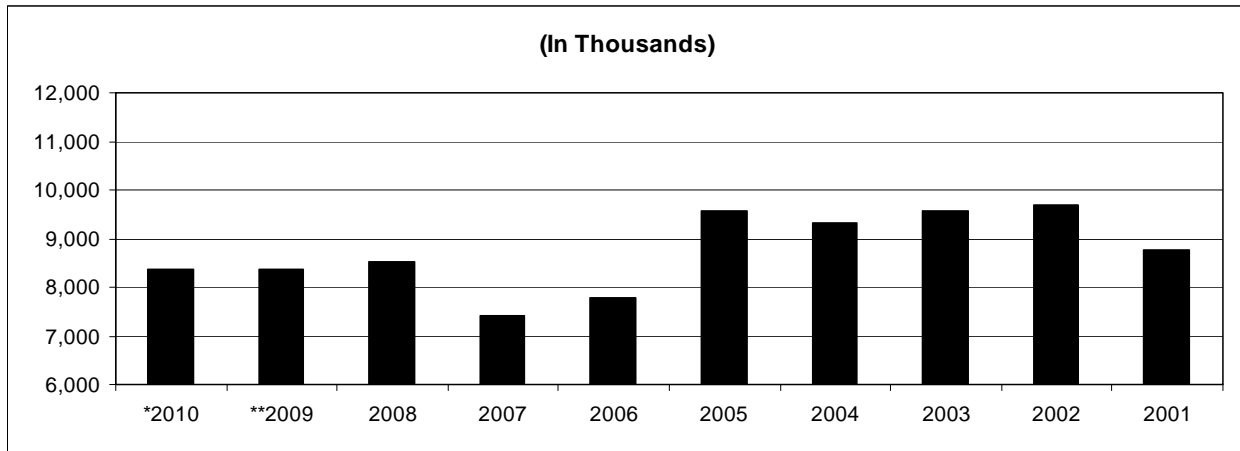


# GENERAL FUND

# GENERAL FUND REVENUES

## Court Costs/Fines

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 8,354  | 0.00%     | 2005 | 9,583  | 2.88%     |
| 2009 | 8,354  | -1.91%    | 2004 | 9,315  | -2.65%    |
| 2008 | 8,517  | 14.85%    | 2003 | 9,569  | -1.40%    |
| 2007 | 7,416  | -4.76%    | 2002 | 9,705  | 10.55%    |
| 2006 | 7,787  | -18.74%   | 2001 | 8,779  | 8.51%     |



\* FY 2010 Proposed

\*\* FY 2009 Forecast

The City Court Clerk collects all City Courts 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. A portion of the collections is earmarked to the City Board of Education for driver education sources. Fees require Ordinance change and Council approval, Section 11-24-25 Memphis Code.

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

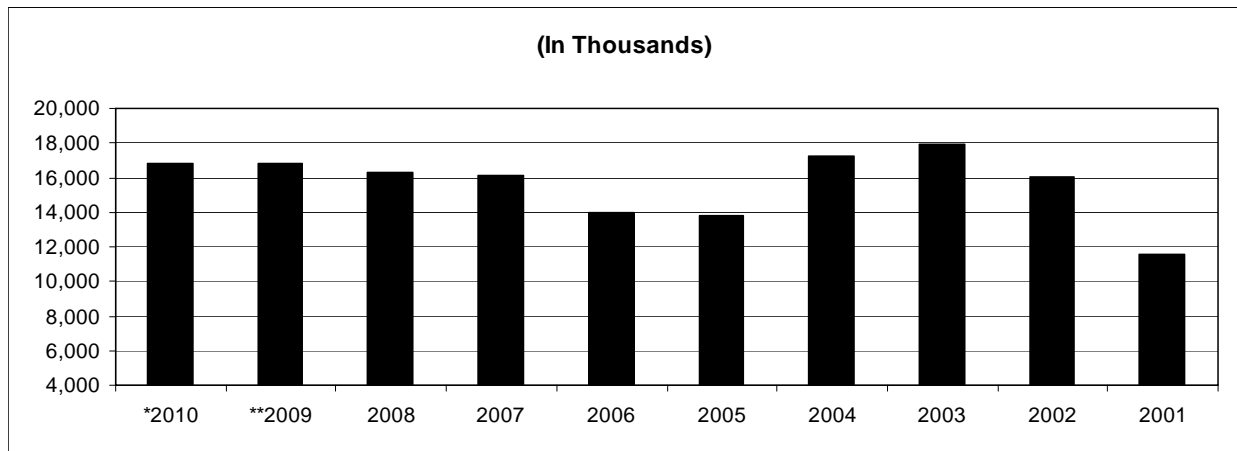


# GENERAL FUND

# GENERAL FUND REVENUES

## Municipal State Aid

| Year | Amount | % Inc/Dec | Year | Amount | % Inc/Dec |
|------|--------|-----------|------|--------|-----------|
| 2010 | 16,811 | 0.00%     | 2005 | 13,842 | -19.84%   |
| 2009 | 16,811 | 3.33%     | 2004 | 17,267 | -3.89%    |
| 2008 | 16,270 | 0.66%     | 2003 | 17,966 | 11.79%    |
| 2007 | 16,163 | 15.29%    | 2002 | 16,071 | 38.61%    |
| 2006 | 14,019 | 1.28%     | 2001 | 11,594 | 110.97%   |



\* FY 2010 Proposed

\*\* FY 2009 Forecast

Approximately 12.7% of the .20 cents per gallon collected from gasoline pursuant to T.C.A. 67-3-201 is distributed to the municipalities in proportion to the population of each municipality, as it bears to aggregate population of all municipalities according to the federal census, 8.8% of taxes collected from .17 cents per gallon of diesel is distributed to municipalities as stated in T.C.A. 54-4-203, T.C.A. 67-3-202.

Major Influences: Population and Gasoline Sales



