

Summary of Financial Results

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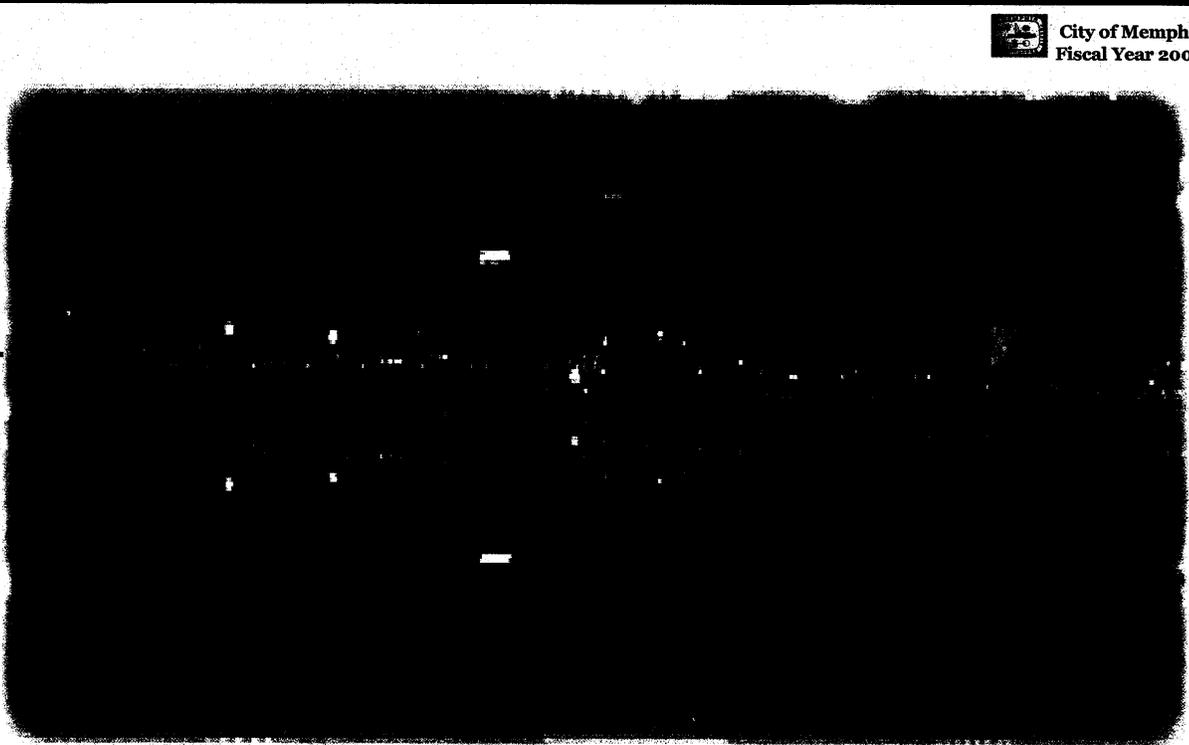
For the Quarter Ended
December 31, 2007



City of Memphis
Fiscal Year 2008

Special points of interest:

- General Fund Expenditures and Revenues
- Current Property Taxes Collected
- Explanation of Report Headings and Definitions



Memphis, TN December 31, 2007

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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 second quarter of Fiscal Year 2008. 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 December 31, 2007.

General Fund revenues in the second quarter significantly outpaced the forecast and the same period last year. For the quarter ending December 31, 2007, revenues were \$108.6 million or \$0.8 million over the forecast. The major revenue sources that contributed to the excess over forecast included \$1.7 million in local pilots and \$0.4 million in fines and forfeitures which was partially offset by property tax refunds associated with state reassessments. State sales taxes and other state collections contributed an additional \$0.2 million to the higher revenue performance. The outlook for the full year FY08 is for revenues to slow through the remainder of the fiscal year. Positive property tax collection trends are expected to continue with modest growth over budget, however, the local retail activity is slowing and results in a lower local sales tax collection forecast. Weakness in the local sales tax is partially offset by higher interest earnings income. Based on our most recent revenue forecast, we are projecting a \$6.0 to \$6.1 million surplus in General Fund revenues and transfers. Revenues and transfers are expected to total \$547.9 million compared to \$541.8 million in the FY 08 Operating Budget.

Spending in the second quarter reflects a disciplined spending trend compared to budgets. Net Division expenditures total \$126.7 million and represented 23% of the full year budget and trended lower than first quarter but ahead of the same period last fiscal year. Personnel expenditures increased 5% over the same period last year and represented 23% of the FY08 personnel budget. Material and supply expenditures trended slightly below the same period last year and represented 20% of the FY08 budget. Overall, expenditures benefited from a higher level of program revenues in the quarter compared to FY 07.

The Fire and Police Divisions were the key drivers to overall personnel spending with growth of 8% and 6%, respectively, compared to the same pe-

riod last year. Total personnel spending for the Police and Fire Divisions represented 24% and 25% of budget, respectively. It included higher overtime expense to support crime initiatives in the Police Division and to support vacancies in the Fire Division. Part-time and temporary labor cost trended down from the first quarter at 20% of budget but represented 58% of the year-to-date budget. The outlook for the full year FY08 is to continue to fill open positions across all Divisions while supplementing the Fire and Police Divisions vacancies and crime initiatives with higher overtime expense.

Material and supply spending trended to 20% of budgets for the second quarter. Spending for the quarter was helped by a higher level of expense recoveries driven by Public Works recoveries from capital programs. Parks, Police and General Services Divisions' material and supply spending was higher than the overall trend largely due to certain expenses being paid earlier in the fiscal year and higher energy and material costs. The outlook for the full year is for material and supply expenditures to be in line with FY 08 budgets.

Grants and Agencies spending also trended higher than 25% of the budget due to grants and/or subsidies being made earlier in the fiscal year. The public transportation subsidy which supports cash flow requirements at MATA is 97% of budget year-to-date. The outlook for the full year is for grants and subsidy expenditures to result in savings sufficient to offset higher spending trends in other spending categories.

Based on performance through December 31, 2007, it appears that the City is on target to meet its financial goals. Revenues are projected to be about \$6.0 million higher than budgeted revenue collections. Higher spending trends related to the establishment of the Community Enhancement Division and higher material and energy costs are projected to be offset by savings in other spending categories as the City meets its strategic objectives.

**City of Memphis
 General Fund
 Expenditures & Revenues
 Fiscal Year 2008
 (\$000)**

Division	FY 2008 Funding Budget	FY 2008 Forecast	Variance
Executive	28,811	28,811	0
Finance	5,179	5,179	0
Fire	129,581	132,729	(3,148)
Police	191,604	190,533	1,071
Parks	23,767	24,067	(300)
Public Works	19,196	18,399	797
Human Resources	9,027	8,945	82
Public Services	20,704	21,044	(340)
General Services	10,766	12,187	(1,421)
HCD	7,081	7,081	0
Community Enhancement	1,747	950	797
City Attorney	15,746	16,591	(845)
Engineering	7,892	7,576	316
City Council	1,891	1,761	130
City Court Judges	694	627	67
City Court Clerks	3,426	3,426	0
Health Services	13,225	13,225	0
Grants & Agencies	41,853	37,323	4,530
MATA	14,930	14,930	0
Total Expenditures, Net	547,120	545,384	1,736
Total Revenues	541,783	547,917	6,134
Surplus / (Deficit)	(5,337)	2,533	7,870

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

Revenue Source	YTD Actual as of 12/31	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	Bud vs Fcst Variance
Local Taxes	271,541,431	365,529,888	365,305,898	360,063,205	(5,242,693)
State Taxes (Local Share)	26,093,111	64,545,225	61,060,816	65,491,608	4,430,792
Licenses & Privileges	5,255,014	11,437,991	11,155,462	11,250,873	95,411
Fines & Forfeitures	4,410,189	7,861,194	8,147,943	8,873,855	725,912
Charges for Services	446,000	1,084,599	810,850	917,796	106,946
Use of Money	7,518	4,481,325	336,313	4,375,667	4,039,354
Federal Grants	168,336	796,205	0	168,336	168,336
Other Revenues	1,478,689	5,144,204	3,930,711	4,156,533	225,822
Transfers	47,612,478	71,830,808	91,034,745	92,619,351	1,584,606
Total Revenue	357,012,766	532,711,439	541,782,738	547,917,224	6,134,486

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

Revenue Source	YTD Actual as of 12/31	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	Bud vs Fcst Variance
Local Tax					
Current Property Tax	194,902,814	199,563,750	199,400,000	200,823,421	1,423,421
Delinquent Property Tax	2,557,528	7,950,038	6,854,854	6,981,646	126,792
In Lieu of Tax-Contractual	3,791,836	5,007,575	4,953,058	3,970,118	(982,940)
Propt Tax Int & Penalties	3,531,924	8,496,733	6,759,634	7,337,409	577,775
Bankruptcy Interest & Penalty	170	2,517	2,020	490	(1,530)
Special Assessment-Prior	52,983	85,741	101,000	93,570	(7,430)
Local Sales Tax	48,795,849	99,732,546	104,968,000	97,663,844	(7,304,156)
Alcoholic Bevq Inspection Fees	1,844,217	3,836,145	3,811,045	3,989,513	178,468
Beer Sales Tax	7,917,378	15,124,952	15,163,405	15,215,209	51,804
Gross Receipts Bus. Tax	2,896,526	8,934,648	8,264,351	8,523,004	258,653
Interest Penalties & Commissions	139,283	169,107	168,525	222,337	53,812
State Mixed Drink Tax	1,303,388	2,432,309	2,520,210	2,553,797	33,587
Bank Excise Tax	0	889,035	792,987	792,987	0
TVA-In-Lieu-Of Tax	1,648,801	5,846,313	5,196,479	5,113,121	(83,358)
Cable TV Franchise Fee	1,013,517	4,178,860	4,222,279	4,165,105	(57,174)
Warrants & Levies	1,766	0	0	1,766	1,766
MLGW/Williams Pipeline	0	315,874	315,000	315,000	0
Misc. Tax Sale Recoveries	849,468	2,534,132	1,530,150	1,863,899	333,749
Misc Franchise Tax	293,983	429,613	282,901	436,969	154,068
Total Local Taxes	271,541,431	365,529,888	365,305,898	360,063,205	(5,242,693)

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

Revenue Source	YTD Actual as of 12/31	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	Bud vs Fcst Variance
State Taxes (Local Share)					
Income Tax	0	13,003,840	9,002,000	13,000,000	3,998,000
State Sales Tax	24,968,712	49,243,889	49,800,000	50,212,938	412,938
Telecommunication Sales Tax	44,843	112,702	145,199	114,778	(30,421)
State Beer Tax	204,305	365,445	356,449	370,912	14,463
State Alcoholic Beverage Tax	123,631	250,846	231,560	247,056	15,496
Special Petroleum Products Tax	751,620	1,568,503	1,525,608	1,545,924	20,316
Total State Taxes	26,093,111	64,545,225	61,060,816	65,491,608	4,430,792
Licenses & Privileges					
Liquor By The Oz License	17,647	293,977	291,029	270,405	(20,624)
Taxi Drivers Licenses	17,309	27,055	25,462	28,217	2,755
Gaming Pub Amusement Fees	9,362	15,113	20,145	20,957	812
Wrecker Permit Fee	3,012	20,413	6,890	9,088	2,198
Miscellaneous Permits	23,898	73,762	67,738	81,783	14,045
Beer Applications	34,262	77,613	86,635	83,431	(3,204)
Auto\Veh Reg\Inspect Fee	5,115,926	10,776,258	10,504,000	10,593,112	89,112
Beer Permits	33,598	153,800	153,563	163,880	10,317
Total Licenses & Privileges	5,255,014	11,437,991	11,155,462	11,250,873	95,411
Fines and Forfeitures					
Court Fines	2,313,759	4,174,570	4,180,000	4,621,660	441,660
Court Costs	1,847,829	3,241,452	3,470,000	3,732,321	262,321
Fines & Forfeitures-Drugs	83,343	154,411	138,618	160,585	21,967
Beer Applications (Fines)	41,512	54,463	70,949	79,548	8,599
Arrest Fees	123,746	236,298	288,376	279,741	(8,635)
Total Fines & Forfeitures	4,410,189	7,861,194	8,147,943	8,873,855	725,912

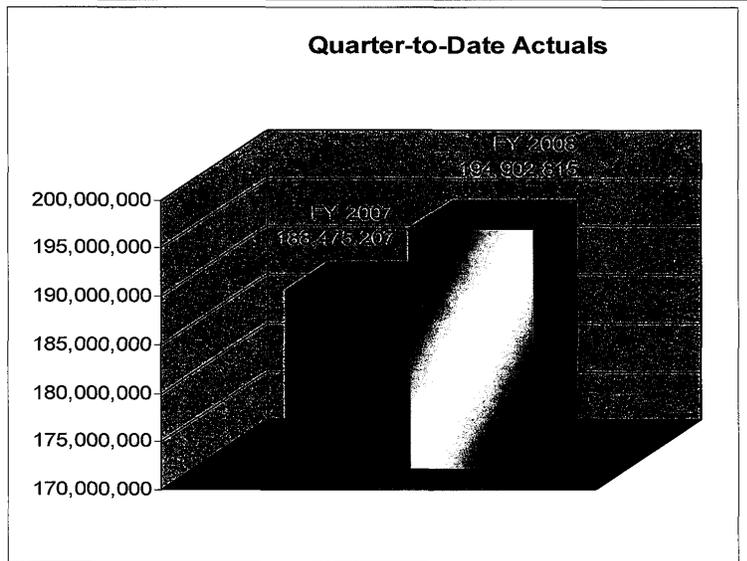
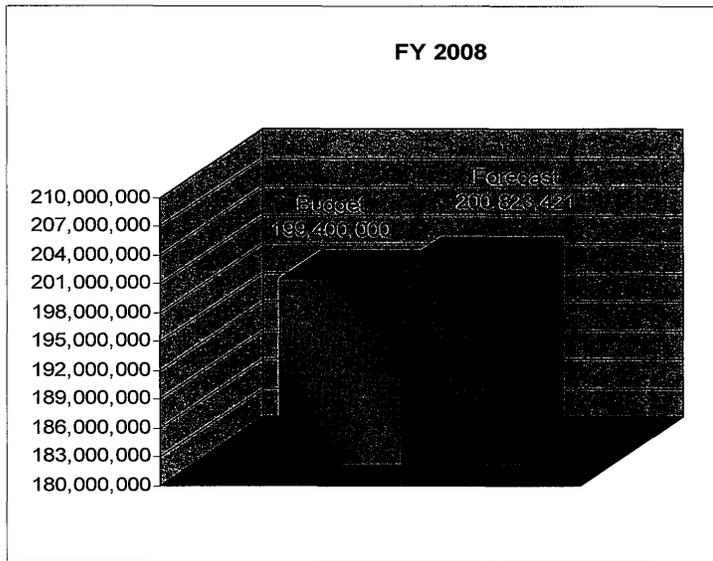
**City of Memphis
 General Fund Revenue
 Detail Analysis**

Revenue Source	YTD Actual as of 12/31	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	Bud vs Fcst Variance
Charges for Services					
Tax Sales-Attorneys Fee	260,175	763,782	489,850	595,477	105,627
Parking Meters	184,505	283	0	0	0
Traffic Signals	120	0	0	120	120
Wrecker & Storage	0	0	0	0	0
MLG&W Rent	1,200	5,534	6,000	7,199	1,199
Parking Lots	0	315,000	315,000	315,000	0
Total Charges for Services	446,000	1,084,599	810,850	917,796	106,946
Use of Money					
Interest on Investments	0	4,370,732	231,190	4,299,988	4,068,798
Net Income Investors	0	0	5,050	2,528	(2,522)
State Litigation	7,518	110,593	100,073	73,151	(26,922)
Total Use Of Money	7,518	4,481,325	336,313	4,375,667	4,039,354
Federal Grants					
Federal Grants - Other	168,336	796,205	0	168,336	168,336
Total Federal Grants	168,336	796,205	0	168,336	168,336
Other Revenues	1,478,689	5,144,204	3,930,711	4,156,533	225,822
Transfers					
MLGW Pilot	38,866,809	49,758,572	50,500,000	52,035,775	1,535,775
In Lieu of Tax-Sewer Fund	0	4,609,181	3,874,897	3,874,897	0
Mun St Aid Fund	8,745,669	16,163,055	17,357,960	17,406,791	48,831
Oper Trans In Tax Sales	0	0	1,888	1,888	0
Oper Trans In Debt Service	0	0	18,000,000	18,000,000	0
Contribution from Sewer Fund	0	1,300,000	1,300,000	1,300,000	0
Total Transfers	47,612,478	71,830,808	91,034,745	92,619,351	1,584,606
Totals	357,012,766	532,711,439	541,782,738	547,917,224	6,134,486

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

Revenue Source	YTD Actual as of 12/31	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	Bud vs Fcst Variance
Other Revenues					
Commercial Revitalization Fee	0	60,000	50,000	50,000	0
Auctions	1,189,908	2,330,372	2,222,000	2,278,462	56,462
Miscellaneous Income	18,466	56,918	25,148	36,911	11,763
Property Damage Reimbursement	29,661	235,431	301,332	271,221	(30,111)
Court Reimbursement	67	1,494	1,530	1,597	67
Unclaimed Property	0	0	0	0	0
Local Shared Revenue	0	0	0	62	62
Bad Check Charges	4,962	3,003	100	4,968	4,868
Fire - Misc Collections	0	190	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)	72	2,846	500	393	(107)
Sale of Capital Assets	27,170	148,115	5,101	31,922	26,821
Treasurer Misc. Collections	200	200	0	200	200
Insurance Refund	0	0	0	0	0
Recovery Of Prior Years	208,121	1,230,635	250,000	405,797	155,797
Sewer Fund Cost Allocation	0	1,075,000	1,075,000	1,075,000	0
Residual Equity Transfer	0	0	0	0	0
Miscellaneous Revenue	62	0	0	0	0
Transfer in(out) general fund	0	0	0	0	0
Total Other Revenues	1,478,689	5,144,204	3,930,711	4,156,533	225,822

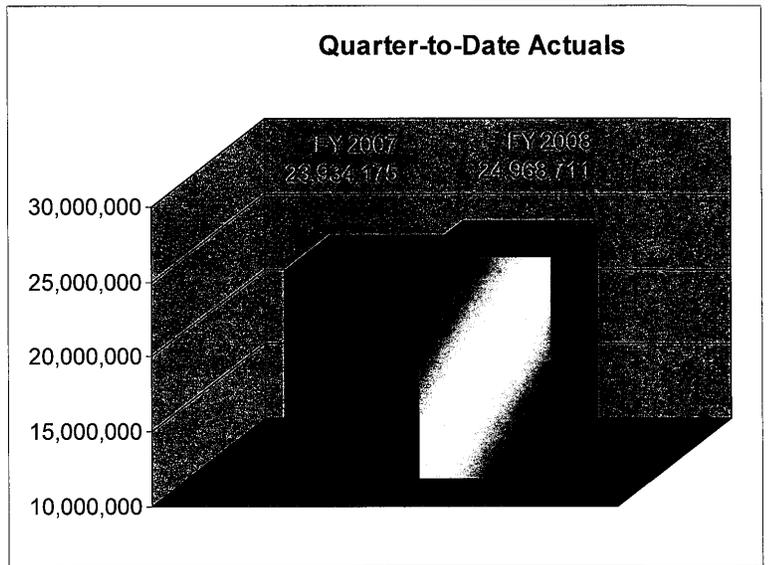
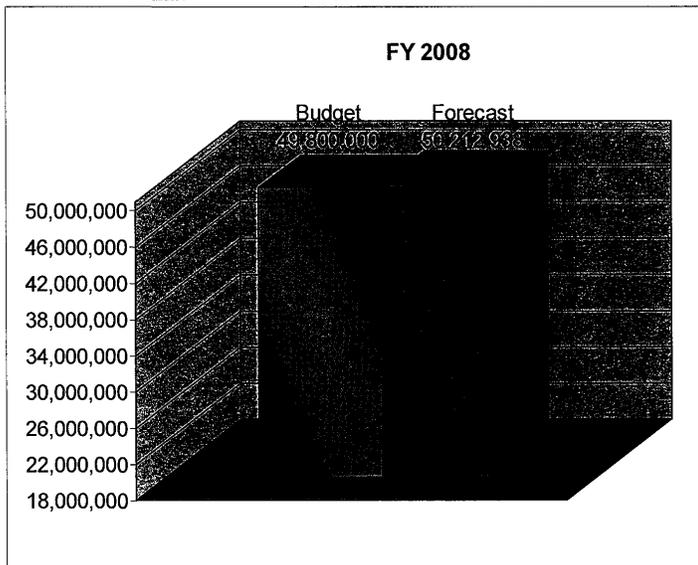
CURRENT PROPERTY TAX



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	178,093,639	178,043,473	184,158,289	184,158,289
QTR 2	10,381,565	10,378,642	10,744,526	10,744,525
QTR 3	6,767,047	6,765,139	2,320,606	-
QTR 4	4,321,499	4,212,746	3,600,000	-
TOTAL	199,563,750	199,400,000	200,823,421	194,902,814

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	1,423,421	0.71%	6,427,610	3.41%

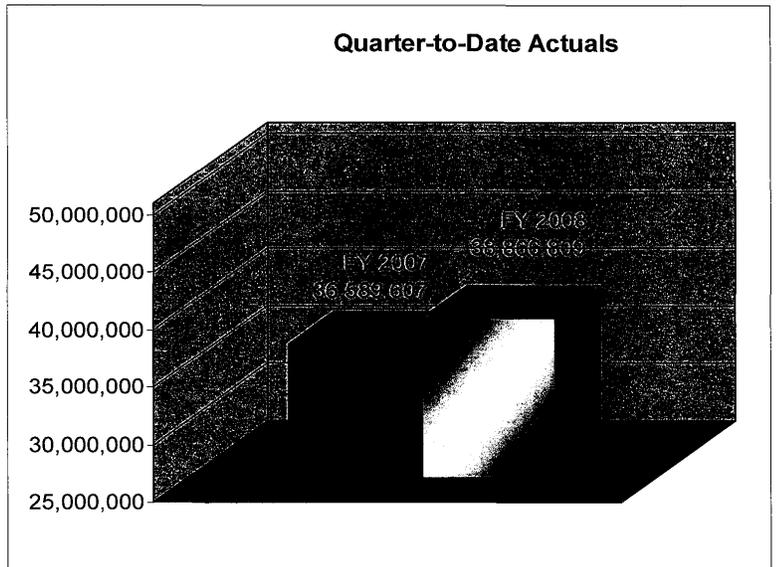
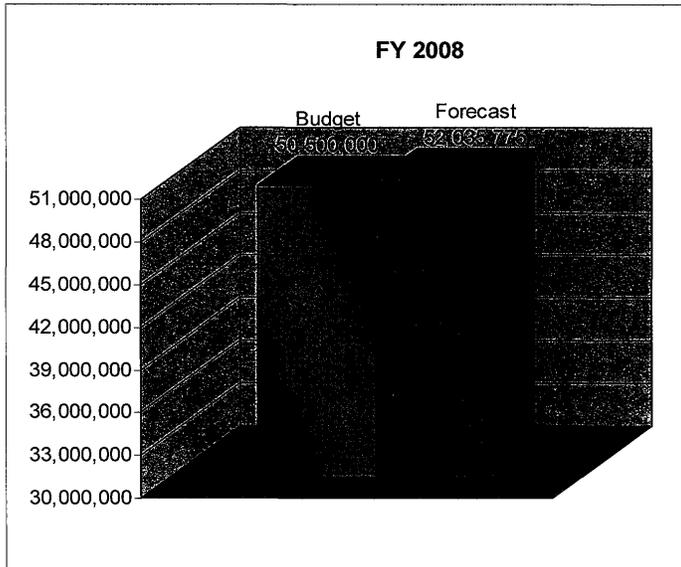
STATE SALES TAX



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	11,978,160	12,207,588	12,620,529	12,620,529
QTR 2	11,956,015	12,185,020	12,348,182	12,348,182
QTR 3	12,695,920	12,939,097	12,939,097	-
QTR 4	12,613,794	12,468,295	12,305,130	-
TOTAL	49,243,889	49,800,000	50,212,938	24,968,711

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	412,938	0.83%	1,034,536	4.32%

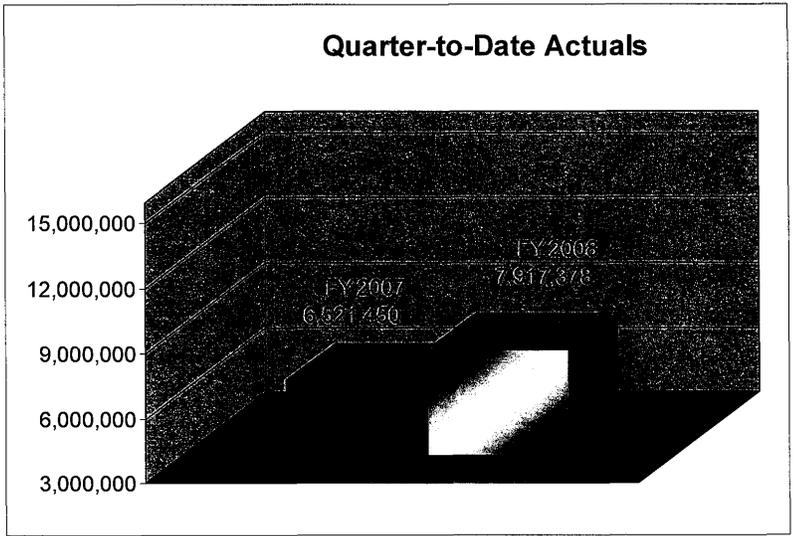
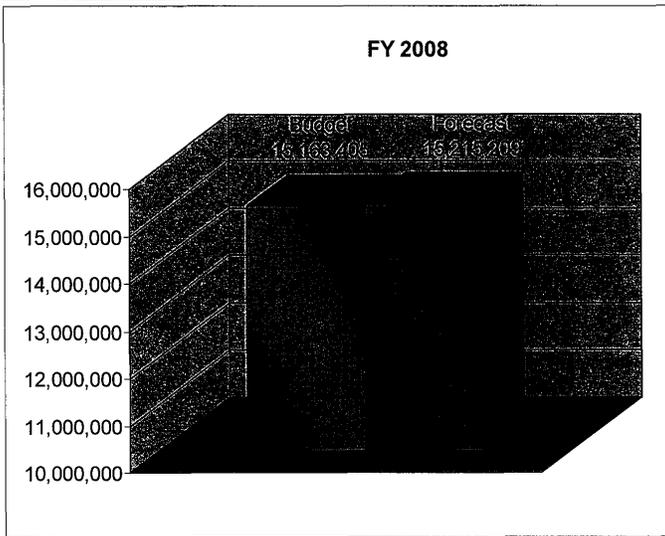
MLGW PILOT



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 2	36,589,607	37,134,810	38,866,809	38,866,809
QTR 4	13,168,965	13,365,190	13,168,966	-
TOTAL	49,758,572	50,500,000	52,035,775	38,866,809

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	1,535,775	3.04%	2,277,202	6.22%

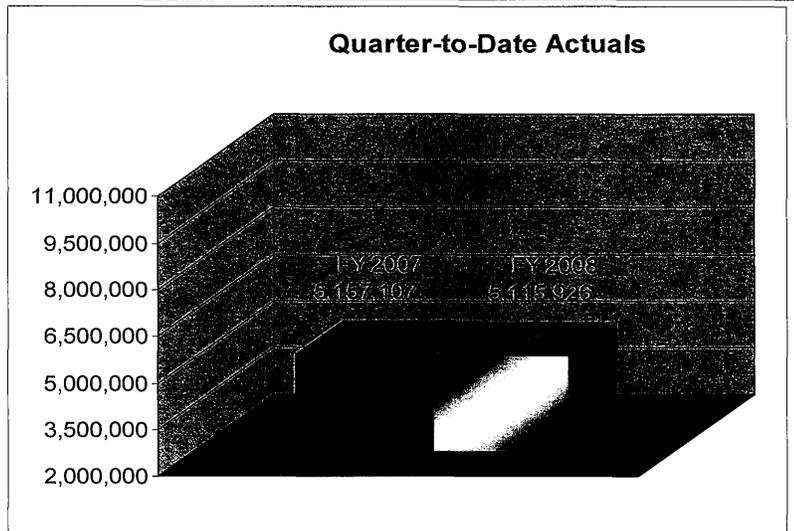
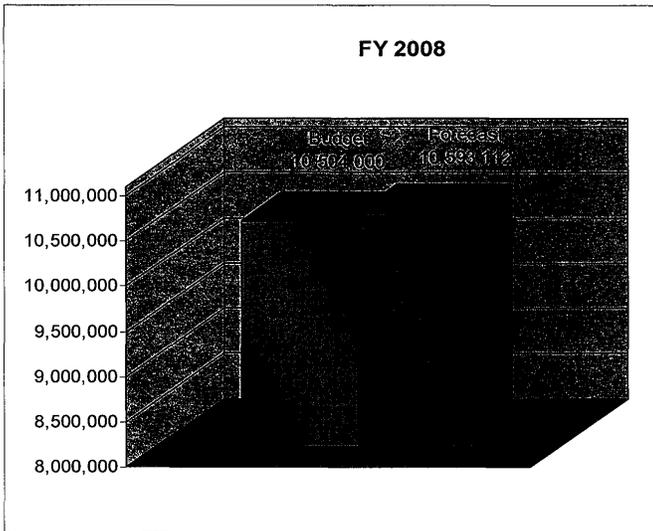
BEER SALES TAX



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	4,166,869	4,177,462	4,229,266	4,229,267
QTR 2	2,354,581	2,360,567	3,688,110	3,688,111
QTR 3	4,518,334	4,529,821	3,321,837	-
QTR 4	4,085,168	4,095,555	3,975,996	-
TOTAL	15,124,952	15,163,405	15,215,209	7,917,378

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	51,804	0.34%	1,395,928	21.41%

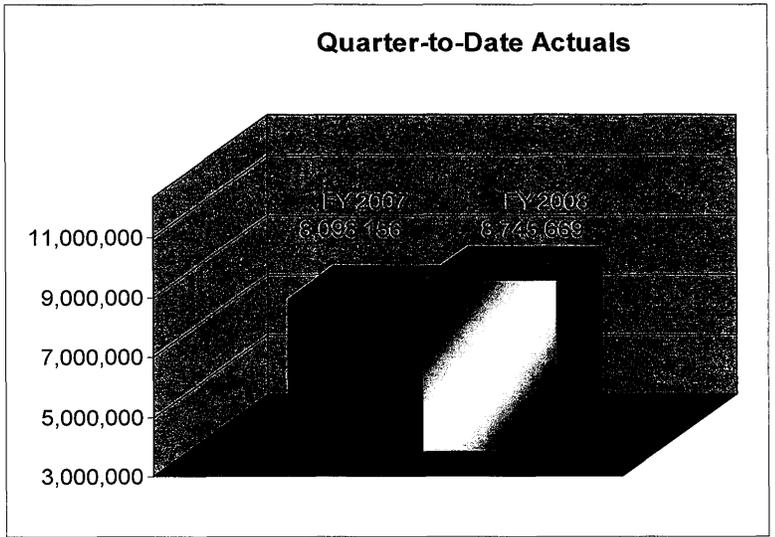
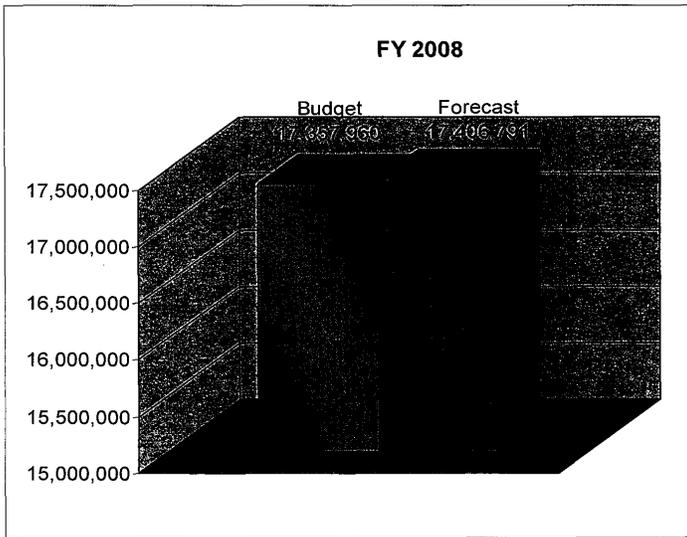
AUTO REGISTRATIONS



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	2,503,658	2,440,404	2,509,553	2,509,553
QTR 2	2,653,449	2,586,410	2,606,372	2,606,373
QTR 3	2,462,833	2,400,610	2,400,610	-
QTR 4	3,156,318	3,076,576	3,076,577	-
TOTAL	10,776,258	10,504,000	10,593,112	5,115,926

	YTD Change			
	Change Amount	Change %	Amount	YTD Change %
	FY 2008 Forecast	FY 2007 Forecast	FY 2008 Actuals	FY 2008 Actuals
	vs	vs	vs	vs
	FY 2008 Budget	FY 2007 Budget	FY 2007 Actuals	FY 2007 Actuals
TOTAL	89,112	0.85%	(41,181)	-0.80%

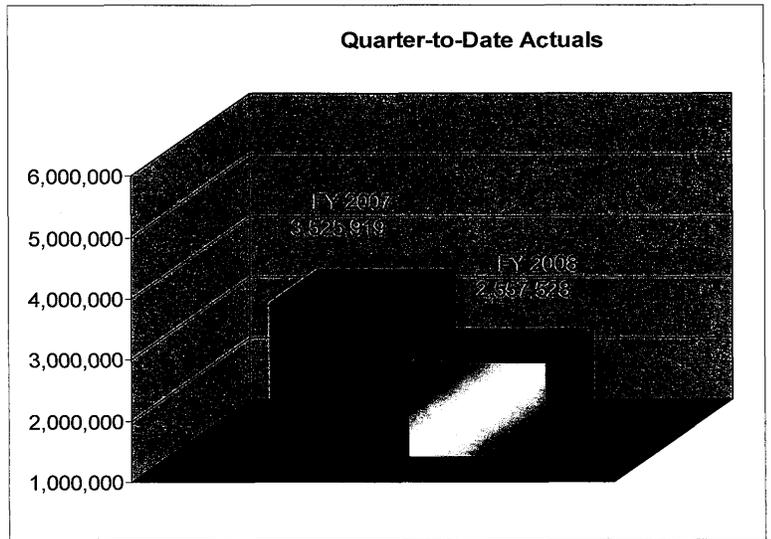
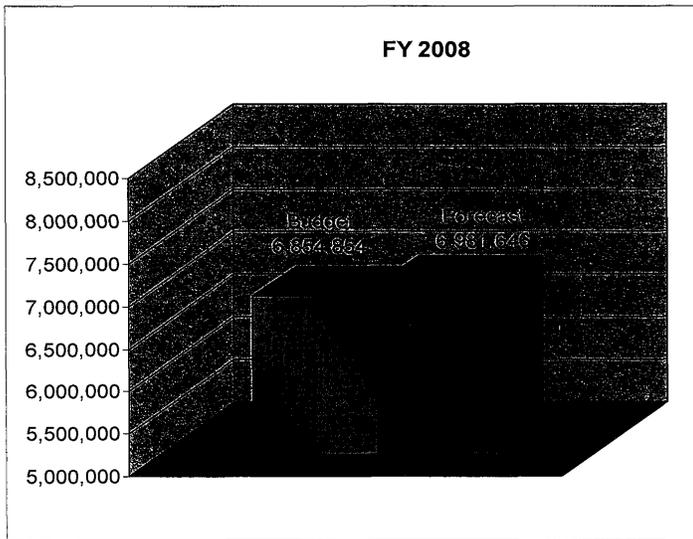
MUNICIPAL STATE AID



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	4,082,965	4,384,810	4,483,582	4,483,582
QTR 2	4,015,191	4,312,027	4,262,087	4,262,087
QTR 3	4,115,986	4,420,274	4,420,274	-
QTR 4	3,948,913	4,240,849	4,240,848	-
TOTAL	16,163,055	17,357,960	17,406,791	8,745,669

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	48,831	0.28%	647,513	8.00%

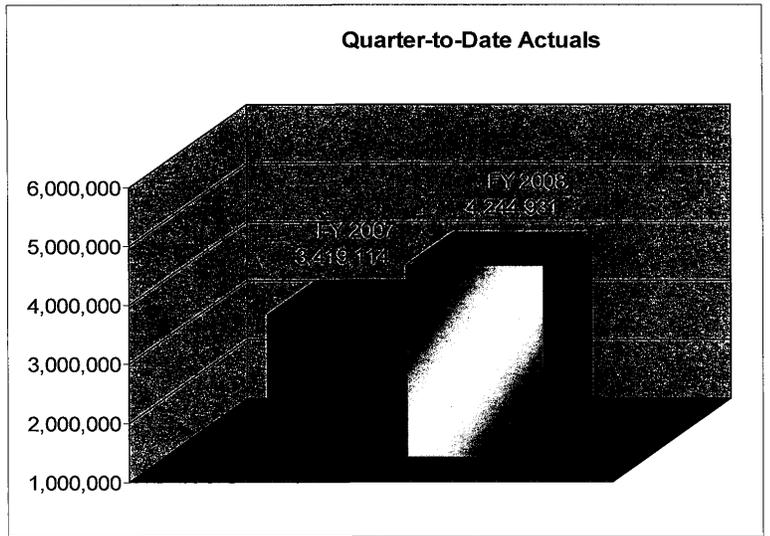
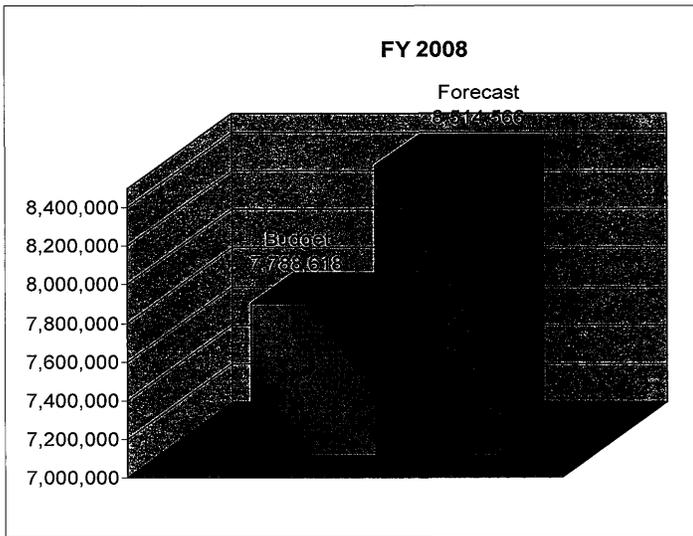
DELINQUENT PROPERTY TAX



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	1,471,494	1,370,626	1,675,901	1,675,901
QTR 2	2,054,425	1,913,599	881,626	881,627
QTR 3	2,530,565	2,357,101	2,357,101	-
QTR 4	1,893,554	1,213,528	2,067,018	-
TOTAL	7,950,038	6,854,854	6,981,646	2,557,528

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	126,792	1.85%	(968,391)	-27.46%

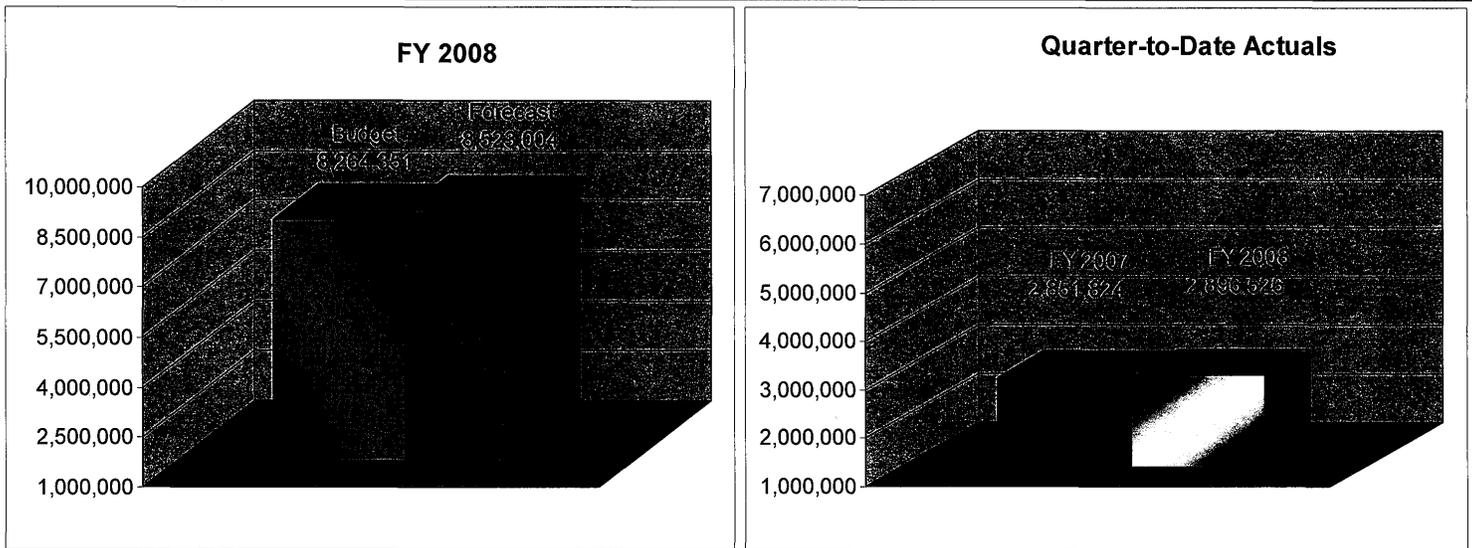
COURT COSTS AND FINES



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	1,794,504	1,846,550	2,224,882	2,224,882
QTR 2	1,624,610	1,672,432	2,020,048	2,020,048
QTR 3	2,281,814	2,351,630	2,351,630	-
QTR 4	1,869,505	1,918,006	1,918,006	-
TOTAL	7,570,433	7,788,618	8,514,566	4,244,931

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	725,948	9.32%	825,817	24.15%

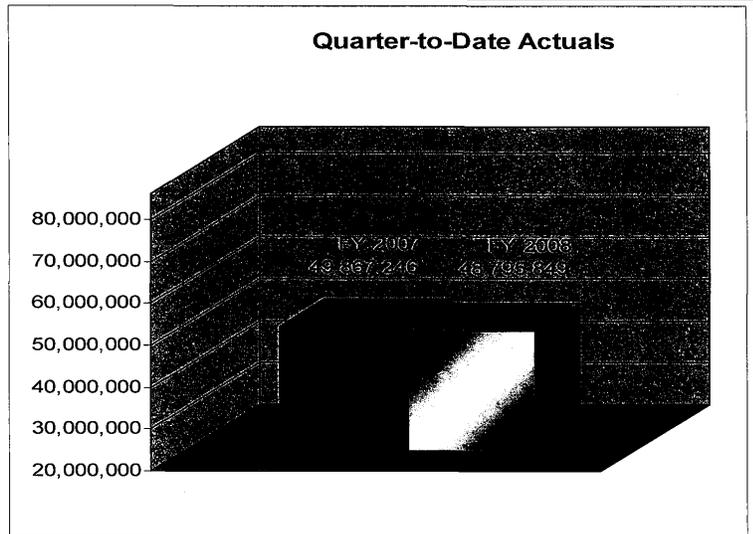
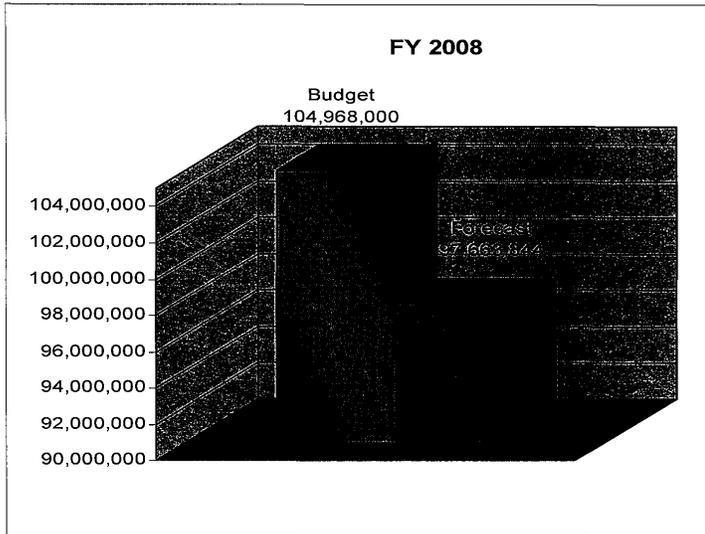
GROSS RECEIPTS TAX



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	1,902,263	1,759,550	1,828,013	1,828,013
QTR 2	949,561	878,323	1,068,514	1,068,513
QTR 3	1,154,624	1,068,000	1,068,000	-
QTR 4	4,928,200	4,558,478	4,558,477	-
TOTAL	8,934,648	8,264,351	8,523,004	2,896,526

	Change Amount	Change %	YTD Change Amount	YTD Change %
	FY 2008 Forecast vs FY 2008 Budget	FY 2008 Forecast vs FY 2008 Budget	FY 2008 Actuals vs FY 2007 Actuals	FY 2008 Actuals vs FY 2007 Actuals
TOTAL	258,653	3.13%	44,702	1.57%

LOCAL SALES TAX



	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2008 Actual
QTR 1	25,226,963	26,776,593	24,114,748	24,114,748
QTR 2	24,640,283	26,153,876	24,681,101	24,681,101
QTR 3	26,530,287	28,159,978	25,807,769	-
QTR 4	23,335,013	23,877,553	23,060,226	-
TOTAL	99,732,546	104,968,000	97,663,844	48,795,849

	Change Amount FY 2008 Forecast vs FY 2008 Budget	Change % FY 2008 Forecast vs FY 2008 Budget	YTD Change Amount FY 2008 Actuals vs FY 2007 Actuals	YTD Change % FY 2008 Actuals vs FY 2007 Actuals
TOTAL	(7,304,156)	-6.96%	(1,071,397)	-2.15%

**City of Memphis
 General Fund
 Net Expenditures*
 Fiscal Year 2008
 (\$000)**

Division	YTD Actual as of 12/31/07	FY 2008 Forecast	YTD Actual As % of Forecast
Executive	10,360	28,811	35.96%
Finance	2,077	5,179	40.10%
Fire	64,537	132,729	48.62%
Police	95,612	190,533	50.18%
Parks	12,645	24,067	52.54%
Public Works	3,186	18,399	17.32%
Human Resources	2,546	8,945	28.46%
Public Services	8,373	21,044	39.79%
General Services	5,406	12,187	44.36%
HCD	3,094	7,081	43.69%
Community Enhancement	0	950	0.00%
City Attorney	5,719	16,591	34.47%
Engineering	3,891	7,576	51.36%
City Council	787	1,761	44.69%
City Court Judges	284	627	45.30%
City Court Clerks	1,592	3,426	46.47%
Health Services	6,612	13,225	50.00%
Grants & Agencies	19,083	37,323	51.13%
MATA	14,430	14,930	96.65%
Total Expenditures, Net	260,234	545,384	47.72%

* Expenditures shown net of departmental revenues.

GENERAL FUND PROGRAM REVENUES BY ACCOUNT
December 31, 2007
Year to Date Actual Compared to Budget

	Gen Fund Operating Divisions	% Budget	Budget FY 2008	Budget to Actual Variance
Local Taxes	511,015	57.37%	890,793	(379,778)
Licenses & Permits	430,297	82.50%	521,568	(91,271)
Fines & Forfeitures	478,237	47.12%	1,015,000	(536,763)
Charges for Services	11,999,401	45.69%	26,262,014	(14,262,613)
Federal Grants	3,347	0.87%	383,882	(380,535)
State Grants	650,830	82.01%	793,567	(142,737)
Intergovernmental Revenues	1,778,450	50.00%	3,556,901	(1,778,451)
Other Revenues	2,287,453	51.18%	4,469,017	(2,181,564)
Total Revenues YTD	<u>18,139,030</u>	47.87%	<u>37,892,742</u>	<u>(19,753,712)</u>

GENERAL FUND PROGRAM REVENUES BY DIVISION
December 31, 2007
Year to Date Actual Compared to Budget

	Gen Fund Operating Divisions	% Budget	Budget FY 2008	Budget to Actual Variance
Executive	50,599	4.20%	1,206,004	(1,155,405)
Finance	43,665	291.10%	15,000	28,665
Fire	10,059,270	51.27%	19,621,358	(9,562,088)
Police	1,699,653	72.69%	2,338,345	(638,692)
Parks	3,135,347	41.49%	7,556,956	(4,421,609)
Public Works	73,403	15.45%	475,195	(401,792)
Human Resources	8,422	84.22%	10,000	(1,578)
Public Services	1,854,676	44.56%	4,162,111	(2,307,435)
General Services	570,438	56.09%	1,016,963	(446,525)
HCD	15,000	-	0	15,000
Grants & Agencies	0	0.00%	4,500	(4,500)
City Attorney	1,402	-	0	1,402
City Engineer	610,519	41.15%	1,483,563	(873,044)
City Court Clerks	16,636	605.61%	2,747	13,889
Total Revenues YTD	<u>18,139,030</u>	47.87%	<u>37,892,742</u>	<u>(19,753,712)</u>

**City of Memphis
Current Taxes
Fiscal Year 2008
(\$000)**

Collections	Budgeted Tax Collections	Actual Collections YTD	Collection as % of Budget
General	199,400	196,247	98.42%
Debt Service	73,104	71,361	97.62%
CIP	334	329	98.50%
Total Collected	272,838	267,937	98.20%

General Fund Explanation of Report Headings and Definitions

Headings

FY 2008 Revised Budget is the Adopted Budget plus the encumbrance carryover budget from FY 2007.

FY 2008 Funding Budget is the Adopted Budget plus the encumbrance carryover budget from FY 2007 plus budget amendments.

FY 2008 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 2008 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. Expenditures less than budget or target are expressed as

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.