



DAVID LENOIR
SHELBY COUNTY TRUSTEE

ANNUAL REPORT
2012

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BIOGRAPHY

DAVID C. LENOIR

David C. Lenoir is a lifelong Memphian and had a successful 20-year career in the financial services industry before being elected Shelby County Trustee in 2010. During his first two years in office Mr. Lenoir has focused the efforts of the office on increasing property tax revenue. Key staff initiatives have been around three areas: Improved operational efficiency, proactive collection of delinquent taxes, and aggressive efforts to stabilize the tax base.

In his first two years in office total taxes collected have been above forecast and in 2011-12 delinquent tax collections have been above forecast. Mr. Lenoir's leadership was recognized in 2012 when he was named Trustee of the Year for West Tennessee by the Tennessee County Trustee Association.

As the county's banker, Mr. Lenoir has aggressively focused the efforts of his office on putting delinquent properties back on the tax rolls, thus increasing tax collections. He has strived to provide taxpayers with financial tools and expand their knowledge of and accessibility to banking services. Initiatives have stressed the benefits of saving and remaining debt free through his Project H.O.M.E. workshops, Home for the Holidays foreclosure prevention events and the Bank On Memphis collaboration.

In 2011, Tennessee Governor Bill Haslam asked Mr. Lenoir to serve with the Delta Leadership Institute to help address problems specific to the Delta Region with solutions that incorporate community and collaboration. Institute teams worked together to provide the energy and initiative to transform our area and to improve the quality of life for our friends and neighbors.

In 2012, he turned his attention to local needs and joined the board of directors of RISE, a Memphis-based nonprofit focused on providing financial literacy curriculum geared to low-income workers and teens.

A graduate of the University of Alabama's Culverhouse School of Accountancy, Mr. Lenoir received his B.S. in accounting and worked in the financial services industry in Memphis before seeking public office.

In his free time, he enjoys hunting and fishing with his two boys and is an avid reader. Mr. Lenoir and his wife Shannon live on a small family farm in Shelby County.



FOCUS ON THE ECONOMY

Three years after the federal government declared the Great Recession over, and on the eve of another reappraisal year, the condition of the local economy has been very much on the mind of the Trustee's Office and Trustee David Lenoir.

Mr. Lenoir has embraced the role of being the "banker for Shelby County" to keep the public and private sector informed as real estate and banking conditions have remained tenuous. Mr. Lenoir has continuously monitored and forecasted the financial and economic condition of the county and then regularly reported significant data to elected officials at all levels, as well as the business community and taxpayers. In the past fiscal year Mr. Lenoir made quarterly visits to the County Commission to brief them on the county's financial picture. Similar visits are made to local business and civic groups.

What he's found is continued economic uncertainty.

Local property values for residential and commercial real estate, while improving, are still largely at historic lows. Residential and business foreclosures, while leveling off from 2009 and 2010 historic highs, continue to be at worrisome levels. High unemployment, depressed wages, rising consumer debt, depressed new home construction and small numbers of new business start-ups are all part of the local story.

Given the county's dependence on property tax revenue to fund more than 60 percent of the county's \$1.2 billion budget, Mr. Lenoir is well aware of the importance of a vibrant local economy and the negative impact when it is not. More than anything, the Trustee's Office can be the conduit for information about the current and prospective economic conditions. In the last several years, as government at all levels, but particularly local government, has wrestled with shrinking tax revenues, that role has never been more vital to help government leaders make sound budget decisions.



PROJECT H. O. M. E. + FINANCIAL STABILITY PROGRAMS



Terica Lamb,
Manager
Community
Outreach

In Fiscal Year 2012 the Trustee's financial outreach initiative, Project H.O.M.E. (Home Ownership Made Easier), crisscrossed the City of Memphis targeting the most distressed parts of the county for its free monthly workshops.

In total, 556 people have attended the 13 Project H.O.M.E. workshops which included 11 held on Tuesday

evenings from 6-8 p.m. and 2 on a Saturday from 10 a.m. – 2 p.m. Project H.O.M.E.'s extended Saturday workshops included both financial and budgeting basics as well as the opportunity for attendees to make payments on their delinquent tax bills. This past year the Trustee's Office partnered with Regions Bank to educate taxpayers on the importance of budgeting, spending plans and credit scores. In the past year Project H.O.M.E. workshops were held at Whitehaven, Bickford, Marion Hale, Orange Mound, Ed Rice, Charles Powell-Westwood, Hickory Hill, Pine Hill, and Cunningham community centers.



In addition to the monthly workshops, the Trustee's Office continued its partnership with Memphis Alumnae Chapter of Delta Sigma Theta Sorority, Inc., to produce the Home for the Holidays foreclosure prevention event. Unfortunately, foreclosure prevention counseling continues to be a much needed service in Memphis and Shelby County. Our efforts in this area, whether through support of existing programs or producing our own events, will be an on-going effort for Project H.O.M.E. for the foreseeable future.

PARTNERS IN FINANCIAL STABILITY PROGRAMS



PROJECT H. O. M. E. + FINANCIAL STABILITY PROGRAMS



ing relationships to do so as a way to establish credit and more effectively track their spending and to save and build wealth, said Mr. Lenoir. A more focused and broadly supported Bank On Memphis will continue in 2013.

Project H.O.M.E. and Home for the Holidays programs are an outgrowth of the Bank On Memphis Initiative. These two programs are focused on financial literacy and foreclosure counseling. The program was initially launched in 2010 by the Trustee and Memphis Mayor A C Wharton to reach the area's estimated 96,000 unbanked and under-banked citizen. Bank On Memphis joined a growing list of similar programs across the country working to tackle this social and economic issue. The goal has been to encourage the city's thousands of citizens who do not have traditional bank-



DUTIES OF THE TRUSTEE

County Charter Officer

In November 2008, Shelby County citizens voted to amend the County Charter. The purpose of this amendment was to eliminate any ambiguity under the original charter approved on August 2, 1984. This Charter Amendment created County Charter officers of the Sheriff, Trustee, Register, County Clerk and Assessor. In addition, elected officials have a limit of two (2) four year terms. From a functional standpoint, each of these elected officials are to perform the same duties as previously identified by the state constitution while operating under the policies and procedures of Shelby County Government.

Although the Trustee's office has been officially identified as a County Charter Office, the duties of the Trustee are still mandated by the laws of the State of Tennessee. For example, in order to adequately perform the duties of the Trustee, the Trustee must be bonded according to T. C. A. § 8-11-103. The appropriate amount of the bond is calculated using the amount of revenue collected by the Trustee and is based on financial risk.

Duties of the Trustee

Billing + Collections

Shelby County's primary source of revenue is the ad valorem property tax. The Tennessee Constitution authorizes the tax and empowers counties and municipalities to levy and collect a property tax on all property - real, personal, or mixed use - based on its value. The Tennessee Code Annotated (TCA) authorizes the Trustee to bill and collect these taxes.

Billing + Municipalities

For greater efficiency and optimum taxpayer service, the Trustee works with municipalities in Shelby County in a joint effort to bill and collect property taxes. The Trustee serves as the billing and collection agent for Arlington and Millington to collect current and delinquent property taxes. For

Bartlett, Germantown and Collierville, the Trustee provides assistance by collecting delinquent taxes and facilitating legal processes associated with lawsuits, bankruptcies and tax sales.

\$3,327,854,711

Total Gross Receipts
by Shelby County Trustee

Banking + Operations

By state law, the Shelby County Trustee serves as the banker on behalf of Shelby County Government. In conjunction, the Trustee coordinates banking services for approximately fifteen different county offices, including various elected officials and the Shelby County Board of Education.

The Trustee oversees two disbursement systems — controlled disbursement accounts and checking accounts. These accounts represent almost 117,162 disbursements from thirty (30) separate accounts for a total in excess of \$721 million annually. The Trustee has the responsibility to verify these disbursements and ensure payment.

Accounting + Reporting

T. C. A. § 8-11-104 mandates that the Trustee account for, allocate, and disburse funds received by the county. The TCA provides that all county officials receiving and disbursing revenues of the state shall be required to adopt a system of bookkeeping and accounting that meets standards provided by the TCA. It also provides that on or before the tenth day in each month the Trustee report and make settlement for all taxes collected during the preceding month.

Funds receipted from the sources (listed on next page) are disbursed to entities within Shelby County and the Boards of Education for Shelby County and Memphis City Schools. Current property tax collections are allocated on a daily basis to five different funds: Shelby County General Operating, Shelby County Debt Service, Memphis City Schools, Shelby County Schools and Rural School Bonds. These distributions are determined by the Shelby County Board of

DUTIES OF THE TRUSTEE

Commissioners when the tax rate is approved. The portion allocated to the city and county schools is derived by using the average daily attendance provided by the school systems. The ratio for fiscal year ending 2012 was 69.24% for city schools and 30.76% for county schools (see Appendix M). In addition to the allocation of current tax collections, delinquent property tax collections are also disbursed based on the tax distribution and average daily attendance for the prior year.

Each month the Trustee receives state and local sales tax distributions from the State of Tennessee's Department of Finance and Administration. These proceeds are then forwarded to all municipalities within Shelby County after the state deducts 1.125% commission. In conjunction, state law provides for the Trustee to earn a 1% commission for handling the disbursement to the municipalities, to the general operating fund, to the city schools and the county schools. The sales tax disbursement for the city and county schools is based on an average daily attendance rate for each entity.

Fund Sources

- Property Tax
- Hotel/Motel Tax
- Gasoline Tax
- State Income Tax
- Alcoholic Beverage & Mixed Drink Tax
- Coal & Mineral Severance Tax
- TVA Replacement Sales Tax
- Local Sales Tax
- PILOT Taxes
- Wheel Tax
- Bank Excise Tax
- Fees collected by Elected Officials
- In Lieu of Tax
- Beer Tax
- Car Rental

Forecasting

The Trustee analyzes economic conditions, business patterns, new construction, and population changes in preparation for the county revenue forecast. Shelby County Commissioners use this forecast to set the tax rate and prepare the County's budget for the fiscal year. As an ongoing activity, the Trustee monitors receipts on a daily basis in comparison to forecasted revenue. The results are published to the Trustee website and provide immediate access to the latest information for both taxpayers and county leaders.

Receivable Analysis

In addition to the billing and collection of property taxes, Trustee staff monitored all tax receivables. Errors on the face of the record and double assessments were noted and corrected.

A parcel's tax may be written off if the tax was assessed in error, double assessed, or if collection is barred due to the statute of limitations. According to T. C. A. § 67-5-1806, taxes become uncollectible and collection activity is barred after the lapse of 10 years from April 1 of the year following the year in which such taxes become delinquent.

Investing + Cash Management

Investment guidelines are governed by Tennessee Law. Specifically, T. C. A. § 5-8-301 allows investments in commercial paper, certificates of deposit (CDs), and U.S. Treasury and Agency Securities to maximize interest earnings. The Trustee has a formal written policy which mimics all applicable investment statutes. Throughout the year, the Trustee's office maintained forty (40) overnight investment accounts through the State of Tennessee's Local Government Investment Pool (LGIP).

ADMINISTRATION

The Trustee's Office is comprised of eight operational departments reporting to Senior Management: the Chief Administrator, the Deputy Chief Administrator, three Directors and one Assistant Director.



Debra Gates
Chief Administrative Officer



Mary Brown
Director, Operations



Jeff Jacobs
Assistant Director, Collections



Derek Kelley
Director, Accounting



Bobby Stephenson
Director, Collections



Tina Walker
Deputy Chief
Administrative Officer

COMMUNITY RELATIONS



Robert Hill
Community Relations

Robert Hill burns up the roads of Shelby County promoting the programs and services of the Trustee's Office. As the executive director of community relations it is Mr. Hill's job to reach out to a wide range of business and civic leaders and citizens. He disseminates information about the office's Tax Freeze and Tax Relief programs, as well

as the Trustee's financial literacy program, Project H.O.M.E. Mr. Hill also serves as a policy advisor to the Trustee, and works in cooperation with the Office's Communications Department to get the Trustee in front of constituent groups and leaders in the public and private sectors.

EXECUTIVE ASSISTANT

Marnie Stewart has served as the Trustee's Executive Assistant since 2007 and takes on many duties to assist both the Trustee and Chief Administrative Officer.

In addition to normal duties, Ms. Stewart compiles and creates all presentations for the Trustee as well as coordinating and designing the Annual Report, brochures and tax notices. Ms. Stewart was also instrumental in the planning and execution of the Trustee's Office move to 157 Poplar.



Marnie Stewart
Executive Assistant

HUMAN RESOURCES

The Human Resources department provides record keeping, administers payroll and benefit programs, manages employment functions, monitors compliance with policies and procedures, and facilitates training for Trustee personnel. Human Resources also provides information regarding employee hours worked by department, attendance, and personnel costs to help Trustee management prepare budgets and monitor the effective deployment of personnel.



Bob Dunseath
Manager
Human Resources

The Trustee's office has assembled a team of experienced and well trained personnel to offer Shelby County taxpayers friendly and knowledgeable customer service. Currently, thirty (30) employees have 10 or more years of experience. Employees are encouraged to seek additional training in areas directly related to their job responsibilities. During the past year, employees participated in courses such as: Microsoft Office Excel, Access, PowerPoint, and Word; financial/investment webinars; and information technology.

In addition to helping taxpayers with Trustee assistance programs such as: Tax Freeze, Tax Relief, Wheel Tax Reimbursement, Project HOME, and Bank On Memphis, our employees help their Shelby County neighbors by participating in programs like the United Way, Susan G. Komen Race for the Cure, Feed the Need (Mid-South Food Bank), and Angel Tree. Once each month, Trustee employees donate their lunch hour to serve meals at the Memphis Union Mission.

Staffing budgets for fiscal 2012 anticipated 72 permanent and 21 temporary personnel. On June 30, 2012, staffing consisted of 70 permanent and 6 temporary employees. Technology and software improvements, effective training, and improved employee utilization contributed to reducing payroll costs.

STAFF ANNIVERSARIES

This year, 8 members of our staff were honored for their years of service to Shelby County. The Trustee appreciates these employees for the wealth of knowledge and experience they provide in service to the taxpayers.



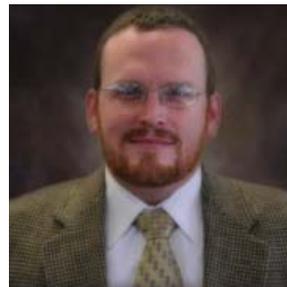
Peggy Brandon (15)



Dolly Bugg (15)



Bert Davenport (20)



Kelly Gilmer (5)



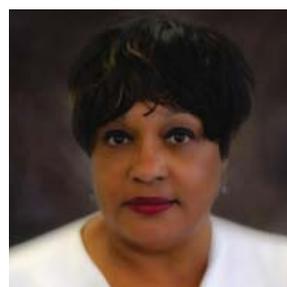
10 Homer Hamilton (10)



Charlotte Mays (5)



Kitricia McClellan (10)



Laura Scurlock (20)

ADMINISTRATION

COMMUNICATIONS

It's important that residents of Shelby County understand the role of the Trustee in county government and the number of services offered for their benefit. Too often, there is a great disconnect between our elected officials, the offices they hold and the citizens they serve.

In the fourth quarter of 2012 the Trustee introduced a communications function within the office to help address that issue. The primary goal has been to inform the citizens of Shelby County about both existing benefit programs as well as a number of new county-wide initiatives introduced to address substantive and pervasive issues.

In the first three months the new Communications Department conducted a review of all external and internal communications activities for effectiveness and efficiency. The majority of external communications have historically been through direct correspondence with property taxpayers through letters and phone calls, both pre-recorded auto calls or directly from staff collectors. Two tri-fold brochures have been produced annually and mailed with tax notices and placed at various, but limited, locations around the county. A third tri-fold brochure was created in-house to market the Trustee's Project H.O.M.E. initiative and 1,000 copies were distributed to various housing and community development agencies.

Various reports are also prepared on a quarterly and annual basis. However, these reports have primarily been distributed to elected officials and staff in paper or electronic form. Starting this year these reports were made available on the Trustee's website.

The use of communications resources to a broad audience through such tools as the Trustee's Internet page or social media had been limited, and direct communication through e-mail is virtually non-existent. In 2012, the office revamped its website to add a number of new features and, with a dedicated communications staff person, has been able to significantly increase content on that page. The Trustee's Facebook page has had a similar experience. The Trustee's use of social media has been limited primarily to the more common Facebook to repost information about housing, banking and finance and economics, as well as office events and employee achievements and community events. The number of followers has grown by more than 300 percent.

An existing media contact list was also revamped and enlarged to include print, radio and television contacts. Using this list, the Trustee began an aggressive outreach campaign in late spring and early summer to promote Project HOME financial literacy workshops and Tax Relief/Tax Freeze, doing segments on a number of morning television shows, radio programs and issues-related articles in print. Typically, these appearances and media mentions have been posted on the Trustee's internet page and Facebook page in order to reach the broadest audience possible. The office also began issuing regularly releases to the media and public about the appearance of Trustee staff at events, its tax collection performance and updates on new initiatives.



Chris Sheffield
Communications

THE WORLD WIDE WEB

Increasingly, the world of communications is going digital and headed to the Internet. In FY12 the Trustee's Office recognized this and made significant improvements to its website, www.shelbycountystatue.com. The enhanced website makes information and services faster and more convenient for taxpayers and the general public 24/7.

Not only was the website given a new fresh look, but also a new level of functionality for Shelby County taxpayers. In collaboration with Shelby County Government Information Systems, the Trustee Office's information technology team began working with Civic Plus of Manhattan, Kansas in March 2011 to create a more powerful communication center. The new website allowed for a number of benefits for taxpayers:

- Electronic applications for the Tax Relief and Tax Freeze programs
- Online forms for Address Changes and Taxpayer Requests
- User-friendly portals for seniors and low-income taxpayers
- Taxpayer notification tools such as online calendars and automated alerts (describing Tax Sales, Financial Literacy workshops, Tax Freeze/Tax Relief Events and various mailings)
- Interactive mobile connections for smart phones and social networks
- Enhanced search capabilities, easier site navigation, and new formats
- Links to community partners

"Improvements to the website didn't stop with its roll-out," said Deputy CAO Tina Walker. During the fiscal year there were upgrades and improvements, including the introduction of new taxpayer forms available for download, she said.

The introduction of a full-time communications function for the Trustee's Office has also allowed for greater and timelier content, said Communications Director Chris Sheffield. More focus has been put on the "news" and "calendar" features as a way to quickly communicate with taxpayers about new programs and initiatives and to make them aware of when Trustee staff will be in their community offering services.

Taxpayers' use of the website had 228,589 returning visitors and 131,285 new visitors during 2011-2012.

359,874
visitors
to Trustee's Website



OPERATIONS: STAYING BEHIND THE SCENES

The Trustee's Office is not unlike most business operations today with the collection of taxes increasingly becoming a technology-orientated endeavor. In an operation that measures the task in tens of thousands, the elimination of errors and repetitive human interaction while keying in data means the potential to save a significant amount of tax dollars due to lost productivity, says Director of Operations Mary Brown.

Finding ways to harness the power of technology has been an on-going process for the Trustee's operations division, which includes its tax assistance programs, remittance, human resources, and automated payment processing functions. Automated payment functions include payments by credit card, check or at one of the Trustee's several kiosk locations. The division also maintains two remote payment sites staffed by Trustee Office employees at the Arlington Town Hall and Millington City Hall.

In the last year the Trustee's Office installed a customized Automated Credit Vouchers (ACV) software program that allows for more than 3,300 Tax Relief payments to be tables uploaded without manual keying, said Brown. Those properties are owned by elderly and disabled taxpayers enrolled in the Tax Relief program, she said. The ACV software program was designed in-house by the Trustee's own team of programmers and in the last year saved an estimated 28 hours of labor that would have been required to manually process the payments, said Brown, a 12-year veteran of the Trustee's office who became director in August 2011.

The same in-house team developed a program to apply the Tax Relief payments received from the State of Tennessee to reimburse the county or the taxpayer. In the last fiscal year there were more than 5,400 payments uploaded, she said. The automated system saved 135 hours or 3 ½ weeks, of manual data entry time as well as eliminated keying errors during the process, Brown said.

To be prepared for a natural disaster, the Operations Division conducted a payment processing disaster recovery simulation in the last year to ensure the smooth flow of funds. The office worked with its vendor to direct payments to a safe site in California during the disaster recovery exercise.

"It's important that during a natural disaster, should our office be affected, that the transfer of funds into and out of our office continues uninterrupted," Brown said. "A lot of people are counting on us."

A portrait of Mary Brown, Director of Operations, with short brown hair and a blue blazer, smiling slightly. The background is dark and out of focus.

Mary Brown
Director of
Operations

TAX ASSISTANCE PROGRAMS

The Shelby County Trustee administers two tax assistance programs for senior citizens, veterans, and people with disabilities. Personnel are experienced and knowledgeable about these programs. In addition, they are efficient at guiding participants through the application process.



Kelly Gilmer, Supervisor

Tax Freeze Program

In April of 2008, the County Commission approved the Tax Freeze Program to help senior citizens by freezing the tax amount on the senior's primary residence in future years. To qualify for this program, a taxpayer must be 65 years of age or older, have a combined household income of \$35,270 or less for 2011 and own and live in a home in Shelby County that serves as the taxpayer's primary residence. Recipients of the Tax Freeze must apply every year to keep tax amounts frozen.

In addition to the administration of the County Tax Freeze Program, the Trustee's Office contracted with the City of Bartlett and the Town of Collierville to process municipal Tax Freeze applications which resulted in benefits for 350 and 145 taxpayers, respectively.

WHEEL TAX

In the second quarter of 2012 the Trustee's Office assumed responsibility for the administration of the Wheel Tax Rebate Program. Residents are charged the tax when they register their vehicle. However, a refund of the \$50 wheel tax is provided to the elderly and disabled citizens with limited income.

The Trustee's Office processes the rebate applications by residents and tracks usage of the program in the county. In 2011 Shelby County Mayor Mark Luttrell asked the Trustee's Office to take over local administration of the program, in part, because of its extensive automation capabilities. The office has processes in place that allowed existing staff to add the program to their current responsibilities with minimal impact. The Trustee's regular interaction with the elderly and disabled who utilize the Tax Relief and Tax Freeze benefit programs further made it a natural choice for the important job.

In the first six months of its collections, the Trustee processed 3,863 Wheel Tax applications.

2011 Tax Freeze Results

- 10,226 Total inquiries
- 9,141 Applications received/processed
- 8,487 Applications approved

OPERATIONS DIVISION

TAX ASSISTANCE PROGRAMS

Tax Relief Program

The Trustee's Office administers the Tax Relief program to qualified seniors, veterans and people with disabilities by making direct contributions to the payment of taxes. The tax benefits are provided through a grant from the State of Tennessee and require no repayment. To receive benefits, the property must serve as the primary residence for the taxpayer and certain income restrictions may apply.

Tax Relief Benefits are available to:

- Taxpayers 65 years or older
- Taxpayers totally and permanently disabled
- Disabled veterans or surviving spouses of disabled veterans
- Surviving spouses of members of the military killed in action

TAX ASSISTANCE TEAM



Carolyn Arnold
Bo Mortimer

Barbara Blocker
Stella Stegall

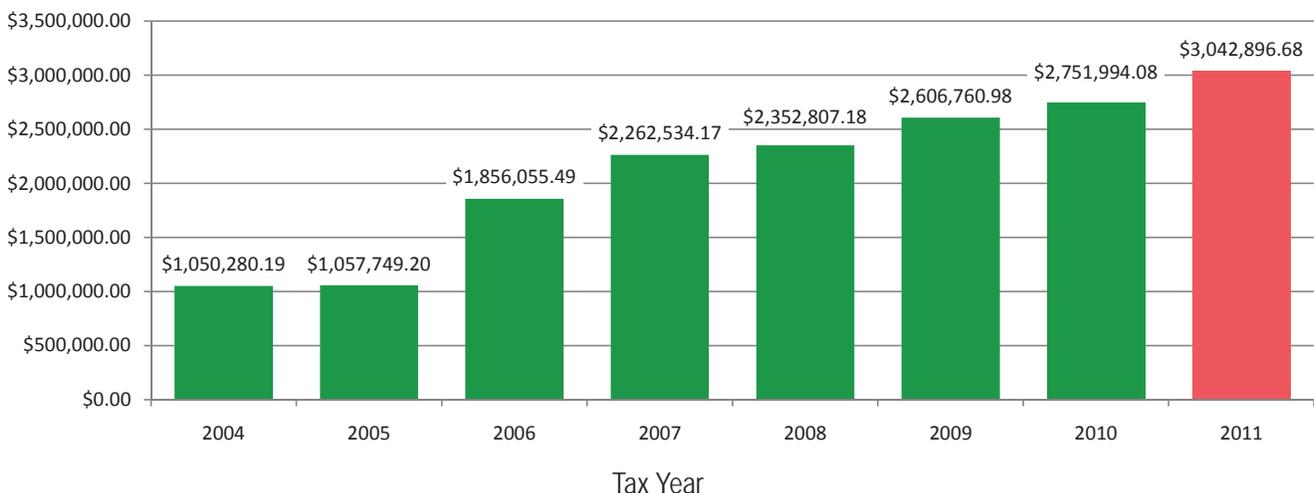
Lashina Hunter
Debra Tate

Tax Relief Recipients

Tax Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Recipients	4462	5062	5149	4736	6614	8204	8310	8483	8744	9052
Increase/decrease from previous year		11.85%	1.69%	-8.72%	28.39%	19.38%	1.28%	2.04%	2.98%	3.40%

* as of 6/30/2012

Tax Relief Dollars



OPERATIONS DIVISION

REMITTANCE - PAYMENT CENTERS

The Remittance Department processes payments from taxpayers. Those who want to make a payment to a Trustee's Office representative can do so at any of the following locations:

YEAR-ROUND BRANCHES

ARLINGTON
Arlington Town Hall
5854 Airline Rd
Monday-Thursday
9:00 a.m.—4:00 p.m.
Friday
9:00 a.m.—3:00 p.m.

MAIN OFFICE
Shelby County Trustee
157 Poplar, 2nd Floor
Monday-Friday
8:00 a.m.—4:30 p.m.

MILLINGTON
Millington City Hall
7930 Nelson St
Monday-Friday
8:00 a.m.—4:30 p.m.

SEASONAL BRANCHES

(October 1—February 29)

BARTLETT
(Wednesday & Friday)
Bartlett City Hall
6400 Stage Road
8:00 a.m.—1:00 p.m.
2:00 p.m.—4:30 p.m.

COLLIERVILLE
(Thursday)
Collierville Town Hall
500 Poplar View Pkwy
9:00 a.m.—1:00 p.m.
2:00 p.m.—4:00 p.m.

GERMANTOWN
(Monday)
Germantown City Hall
1930 Germantown Rd S
8:00 a.m.—1:00 p.m.
2:00 p.m.—4:30 p.m.

WHITEHAVEN
(Tuesday)
Regions Bank
Shelby Dr at Elvis Presley
1190 E Shelby Drive
9:00 a.m.—1:00 p.m.
2:00 p.m.—4:00 p.m.

KIOSKS

Payments can be made year-round at kiosks in the following locations:

Bank of Bartlett
6281 Stage Rd
3691 Austin Peay Hwy

Bank of America
3945 Park Ave
6060 Poplar Ave
4350 Elvis Presley Blvd
4750 Summer Ave
6725 Winchester
1591 N Germantown Pkwy

Trustee Main Office
Arlington Town Hall
Bartlett City Hall
Collierville Town Hall
Germantown City Hall
Millington City Hall
Lakeland City Hall

COUNTY CLERK'S
OFFICE
1075 Mullins Station

MOBILE CASHIERING

Mobile Cashiers spread across Shelby County during the last week of Tax Season in February provide convenient access for taxpayers. Locations for February 2012:

Benjamin Hooks Central Library
Cordova Branch Library
Frayser-Raleigh Senior Center
Gaisman Community Center
Glenview Community Center
Goodwill Homes Community Center
Hickory Hill Community Center
J. K. Lewis Senior Center
McWherter Senior Center
Orange Mound Senior Center
Pine Hill Community Center
Ed Rice Community Center
Riverview Community Center
Whitehaven Branch Library

OPERATIONS DIVISION

REMITTANCE OPERATIONS CENTER

AUTOMATED PAYMENT PROCESSING

IN-HOUSE PAYMENT PROCESSING

OPEX

When payment envelopes first enter the Trustee's Remittance Operations Center, the envelopes are opened and imaged with OPEX payment processing equipment. This automated processing environment improves efficiency by eliminating paper handling and other manual tasks. When payments are removed from envelopes and scanned, Trustee employees can view each image to ensure that information is properly captured and identified to the correct parcel.

RTLFirst

RTLFirst Software enhances back office operations by utilizing payment images instead of the actual paper. Recognition software minimizes data verification by comparing the amount of the check to the amount of taxes due via a real time look-up in the main accounts receivable database. The check images are then sent to the bank in an Image Cash Letter (ICL) file for clearing purposes.

QuickClear

QuickClear Software allows taxpayer payments taken at the teller window to be verified and converted to electronic images. The check and the payment stub are scanned to minimize operator keying errors. The check image then goes through an image quality check and into an Image Cash Letter (ICL) for the bank.

All ICL transactions are debited electronically from the taxpayer's account directly by the Trustee. This process virtually eliminates the need for paper check handling and expedites cash availability to the Trustee's Office.

Remote Deposit Capture

Remote deposit capture is used for non-tax related payments deposited with the Trustee's Office. Checks are scanned, amounts are verified and a virtual deposit is transmitted to the bank as an ICL File. This process extends deposit deadlines and minimizes the need for courier runs to the bank. Remote deposits are used for checks submitted to the Trustee by elected officials.

\$99,675,804.24
processed via Remote Deposit



Clark Butler
Lynora Hayes-Clark
Koya Neal

Mary Gibson
Joni Howard
Jeanifer Stocks



Shelley Hardee
Arlington City Hall

Nikki Pindell
Millington City Hall

OPERATIONS DIVISION

REMITTANCE OPERATIONS CENTER

AUTOMATED PAYMENT PROCESSING

ELECTRONIC MORTGAGE PAYMENTS

After the Trustee database is updated with the current tax rate, the property values from the Assessor and any address changes, the Trustee creates data files for mortgage companies and escrow agents. These files contain tax balances for property located in various municipalities as well as Shelby County. Mortgage companies then send large payment files to the Trustee in December of each year. Due to the collaborative effort between the Trustee and the mortgage companies, these payment files can be sent as early as December 15th, giving the Trustee an opportunity to receive and invest the revenue for increased interest earnings.

During FYE 2012, the Trustee's Office received over \$236 million in electronic mortgage payments.

KIOSK + WEBSITE PAYMENTS

Kiosks + Credit Card/E-Check

Taxpayers may pay by credit card or eCheck at one of 16 convenient kiosks strategically placed throughout the county.

Kiosk payments totaled \$19,869,278.49 in FYE 2012, representing 12,375 transactions (a decrease of 10.93% from the previous year). Although the kiosk payments have slightly declined, the overall usage of electronic payments (kiosk and website) has increased by 3.63% .

New programming features were added in FYE 2010 to enhance the user experience. Payments are no longer restricted to personal checks but now include business checks, cashier's checks and money orders. All check payments are processed to the bank as images for clear-

ing purposes. Payments are no longer posted by batch but are posted as soon as the taxpayer hits the "enter" key. A "shopping cart" allows a taxpayer to pay on multiple properties and/or multiple years in one transaction. This programming convenience saves time and confusion as taxpayers owning multiple properties use the kiosks for quick and easy payment processing.

Website + Credit Cards

\$19,869,278.49
in payments taken at kiosks

Using the Trustee's website, taxpayers may submit payments using credit card information in a secure exchange environment. Special software routes information directly to and from the credit card network where the transaction is either approved or declined. Upon acceptance, the information is compiled electronically for funding to the Trustee's bank account. In turn, transactional data is posted to the Trustee database online, day to reduce tax balances on properties. The benefits to the Trustee are improved funds availability for disbursement and investment services along with quicker availability of funds. Taxpayer benefits include the convenience of 24 hour service, 7 days a week.

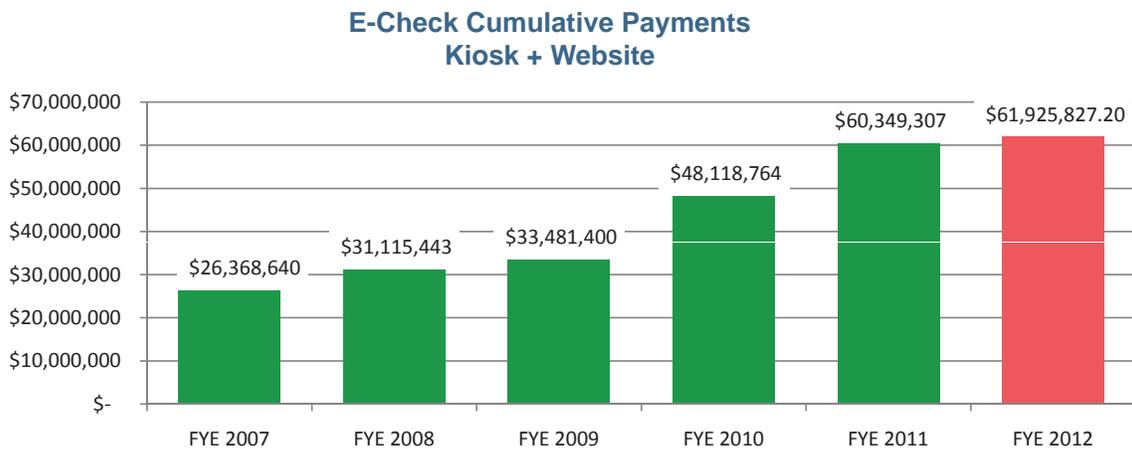
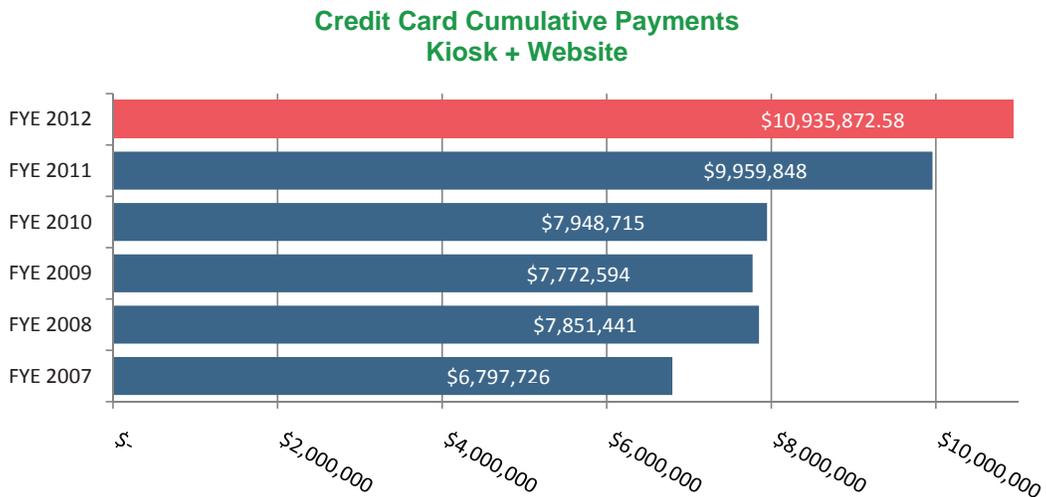
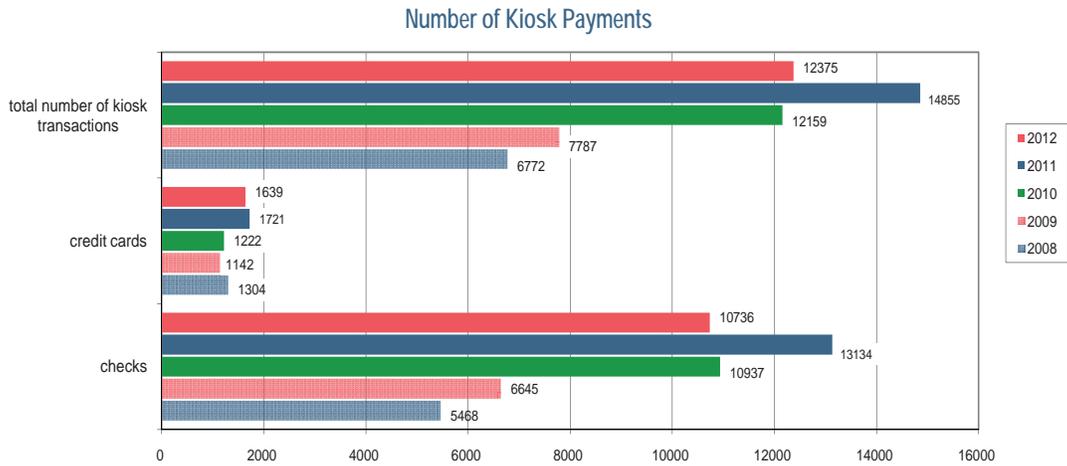
Website + E-Check

Since January 2002, a taxpayer may pay taxes via the Trustee website using information found on the MICR line of a paper check. Once the information is entered online, the payment is immediately posted to the taxpayer's parcel. An electronic file is created, sent to the bank and then the bank, in turn, debits the taxpayer and credits the Trustee.

OPERATIONS DIVISION

REMITTANCE OPERATIONS CENTER

AUTOMATED PAYMENT PROCESSING



OPERATIONS DIVISION

REMITTANCE OPERATIONS CENTER

AUTOMATED PAYMENT PROCESSING

PCI COMPLIANCE: COUNTY CONTINUES TO STRENGTHEN PROTECTION OF TAXPAYER DATA

As early as 2007 Shelby County began the process of becoming compliant with the Payment Card Industry (PCI) Data Security Standard. Since 2010 the Trustee's Office has worked with a number of county offices to help their operations become PCI compliant.

"As the banker for Shelby County, the Trustee has devoted time and resources to this issue," said Tina Walker deputy chief administrative officer for the Trustee's Office.

Because the risk to the county is great, Shelby County created a PCI Compliance Subcommittee in 2010 to get county offices PCI compliant as quickly and efficiently as possible, said Debra Gates, the Shelby County Trustee's Chief Administrative Officer. The PCI Compliance Subcommittee is an offshoot of the county's Information Technology Steering Committee and is chaired by Gates.

Committee members include the county offices that process payment cards, as well as county-wide information technology staff and a project consultant with the accounting firm CBIZ Inc., which the county contracted with in 2011 to assist in PCI compliance.

It is no small undertaking.

The major credit card brands developed a set of comprehensive requirements to facilitate the adoption of consistent data security measures. There are more than 250 separate security controls that fall into 12 requirements within six major areas. A merchant may be required to meet all or a portion of those depending on the type of data collected or financial transaction.

Those major areas include: Building and maintaining a secure network; protecting cardholder data; maintaining a vulnerability management program; Implementing strong access control measures; regularly monitoring and testing networks; and maintaining an information security policy.

In terms of credit card transactions, the Trustee and Clerk offices have the highest dollar value of sales while the County Clerk and General Sessions Court Clerks have greatest transaction volume. For the seven county offices or entities that process credit cards, the total number of transactions in the most recent fiscal year was more than 135,000, with total credit card sales in excess of \$22.5 million.



OPERATIONS DIVISION

RECORDS RETENTION



Bert Davenport,
Supervisor

This team is dedicated to digitizing the many printed documents generated and sorted within the Trustee's Office, as well as documents sent by other government offices and taxpayers. In addition, the Records Retention Team is charged with monitoring state statutes as they relate to document retention.

As a result, document retention schedules are routinely reviewed and updated. Their efforts are directed solely to making research more efficient.

During Fiscal Year 2011-2012, the Records Retention Team destroyed 346 boxes of imaged documents. This movement from paper to image and then destruction is important due to office and warehouse space limitations.

Trustee staff are encouraged to rely on images rather than paper. To create even more storage space and maintain permanent records as required by statute, the Trustee's Office is currently re-searching the cost to convert those records into microfilm. The cost of copying an image to microfilm is significantly cheaper than going from paper to microfilm.



Permanent Records:

- Lawsuit Exhibit Book
- E&I Assessor
- INL Contracts
- Check Register
- PILOT Contracts
- Municipality Billing
- Assessor Change Electronic Files
- Documentation of Receivable Modification Billing



Loray Everett



Anita Bowdery

COLLECTIONS: SHOW ME THE MONEY

The collection of taxes is part art and part science. In the last fiscal year the Collections Division got a big assist on the science end.

The vast majority of Shelby County's residents pay their property taxes on time and in full. However, there is no shortage of those that can't, won't or don't. About \$50 million a year in property taxes goes delinquent. That's where Director of Collections Bobby Stephenson and his team of 19 collectors come in. Through a combination of auto calls, direct mail and personal calls and litigation, collectors work every day to make sure homeowners and business owners are up-to-date on their current taxes or are taking steps to pay delinquent taxes.

The division took a significant step forward in its collections efforts in the last fiscal year with the installation of the new Titanium ORE collections software. "This is a big step for us and it will help track collection productivity," Stephenson said. "We've had no specific collections software for 11 years."

The software program has almost 50 features vital to the collections process, including callback scheduling, credit bureau reporting, litigation processing, payment plan processing and data import/export, said Stephenson, a 21-year veteran of the Trustee's Office.

Titanium works hand-in-glove with a number of other collections programs including an automated calling software system and skip tracing software, said Stephenson.

of other collections programs including an

While it is too early for specific results, Stephenson said there is no doubt the investment in Titanium by the county will pay significant dividends in the form of higher collections and, possibly, smaller delinquencies.

High tech systems like Titanium are a long way from the days when collectors were deputized by the county sheriff and carried badges while making personal visits to delinquent taxpayers, said Stephenson. The only remnant of that practice came in the last year when one collections department employee began posting delinquent notices on homes, businesses and lots. The hand-delivered notices were effective, Stephenson said.

"A neon paper notice taped to a door got a property owner's attention when nothing else would," he said.

A portrait of Bobby Stephenson, Director of Collections. He is an older man with white hair and a beard, wearing a dark suit, white shirt, and a striped tie. He is smiling slightly and looking towards the camera.

Bobby Stephenson
Director of Collections

COLLECTIONS DIVISION

COLLECTIONS + MAILROOM



Jim Martin, Supervisor

The Delinquent Collection Division includes a staff of professional tax collectors experienced in using techniques designed to expedite the collection process by motivating taxpayers to pay delinquent taxes. The

authority for the Trustee to collect taxes is found in the

Tennessee Constitution Article 2, Section 28.

In addition to normal collection activity the Delinquent Collection Division is responsible for mailroom operations, monitoring of bankruptcy, processing property through tax sale and lawsuits to enforce tax collections.

\$31,715,100
collected from delinquent parcels

MAILROOM OPERATIONS

Assessment

The Trustee requires information from the Shelby County Assessor of Property and the Shelby County Board of Commissioners in order to print and mail a tax bill. Upon receipt of the tax rate and certified roll from the Assessor, the Trustee staff begins the billing process.

Tax Rate

The County Board of Commissioners sets a tax rate on all properties. County Commissioners consider the revenue forecast (a joint effort between the Department of Finance and the Trustee) and the county budget requirements to determine the tax rate. For fiscal year 2011-2012, the tax rate was \$4.02 for properties inside the Memphis city limits and \$4.06 for all other properties (Appendix L). The \$0.04 difference funds the bond payments, both principal and interest for the Arlington High School.

Certified Roll

The Assessor has until May 20th of each year to deliver the total certified assessed value of taxable property within Shelby County to the Trustee. The Assessor is required to assess the value of all new construction and improvements not previously included on the assessment roll and to assess the value of deletions from the assessment roll.

The certified roll is actually an electronic file formatted to upload into the Trustee's tax collection system. Assessed values are multiplied by the tax rate to determine the amount of property taxes due. All electronic information introduced into the Trustee database is reviewed for accuracy and balanced to the certified roll from the Assessor.

300,357

tax notices mailed for the 2011 tax year annual billing

Printing & Mailing Tax Bills

For Shelby County, taxes become due and payable on the first Monday in October and become delinquent on March

1 of the following year. Taxpayers begin to receive bills as early as July and August of each year. Shelby County tax



Peggy Brandon



Dolly Bugg



Homer Hamilton



Walter Mathes



Yolanda Mathis

COLLECTIONS DIVISION

COLLECTIONS + MAILROOM

bills for realty, personalty taxes, payments in lieu of tax (INL), and the Public Utility and Transportation taxes are mailed first. Tax bills for municipalities follow immediately. Once all the current tax bills are mailed, bills are then prepared and mailed to taxpayers owing delinquent taxes.

Other Mailroom Activities

The Collections Division performs a variety of mailroom functions for multiple mailings (in excess of 34) throughout the tax year. Though tax season begins in October and ends in February, the Collection Department works year round to prepare and process over 1 million pieces of outgoing mail. High speed color printers enable the Trustee to print all tax notices and brochures in-house. The Trustee continues to benefit from an annual savings of approximately \$50,000 from the purchase and implementation of these printers.

Ownership Updates

The Trustee and Assessor of Property share property ownership information to provide accurate and timely billing to taxpayers. Chandler Reports is used to supplement that effort by providing deed research and electronic ownership updates in a timely manner. Each month between 1,600 and 2,200 ownership updates are received and processed by the Trustee.

As a result of this collaborative effort "return mail" was reduced by almost 5,000 pieces (33% less) from the previous year. As returned mail is reduced, taxpayer contact is more productive, resulting in higher tax revenue.

over
\$550,000
collected through payment plans

Payment Plans

The Trustee employs full time collectors that focus on the collection of delinquent taxes. These collectors offer payment plan options before other more serious collection efforts become necessary. Collection activities occur year-round to increase cash flow for the county and the municipalities.

A payment plan suspends tax sale procedures (for delinquent realty taxes) or bank account garnishments (for delinquent personalty taxes). The suspension of a tax sale or garnishment remains in effect as long as the taxpayer upholds the payment plan agreement. The payment plan does not preclude other statutorily authorized collection activity such as lawsuits.

Plan participants must pay current taxes timely in order to remain in the payment plan.

A down payment equal to either the oldest delinquent tax year or 10% of the total outstanding tax liability is necessary to enter into a payment plan. For fiscal year ending 2012, the Trustee collected \$554,280 through payment plans, an increase of almost 17%. Much of this growth can be attributed to the Project H.O.M.E. (Home Ownership Made Easier) Financial Stability Programs (see pages 4-5)



Charlotte Mays



Gladiola McCoy



Linda Piggee



Laura Scurlock



Autumn Vrska

COLLECTIONS DIVISION

LEGAL REMEDIES

Auto Calls

Auto-call technology has been used at the Trustee's Office since 2005 and has proven to be a cost-effective way to collect delinquent taxes. These calls warn delinquent taxpayers of the additional costs of impending lawsuits and other legal action. This year, verbiage was changed to convey greater urgency to the taxpayers, bringing greater response and more delinquent tax dollars to the County.



Nathon Currie
Special Projects, Collections

Lawsuits

A tax lien becomes the first lien on real and personal property effective January 1 of the tax year. Property taxes are personal debts of the property owners and if delinquent, can be collected by legal action.

23,528
Delinquent Properties
as of June 30, 2012

T. C. A. § 67-5-2403 and T. C. A. § 67-5-2005 allows the Trustee to file suit to collect delinquent personalty and realty taxes respectively. Taxpayers are notified of pending litigation by phone calls, letters, and publication of intent to file suit in local newspapers. The realty lawsuit will be filed in Chancery Court on March 22, 2013. The Trustee is allowed to add the costs of the suit to the delinquent tax bill.

Credit Bureau Reporting

Delinquent taxpayers that have been included in the annual realty and personalty lawsuits can expect to have this information made available to credit bureaus through court records. As the taxpayer attempts to obtain credit, the reported property lien has been noted on the taxpayer's credit report and may be resolved as a result of this collection effort. The Trustee received an average of 14 credit bureau inquiries each month.

COLLECTION SOFTWARE

In FY2012 the Trustee's office introduced a new collections software expected to dramatically improve results for the Collections Division purchased from industry leader CR Software.

The Trustee's office has used a collection software tool since 1991, however it had been more than decade since a new system had been purchased. In that time tremendous enhancements have been made that would help the office meet numerous goals.

This software gives the Trustee an automated system that manages, organizes, prioritizes, tracks, and assists in the resolution and/or payment of outstanding taxes, interest, penalties, fines, fees, and any other monies owed to the County.

Additionally, the new system is expected to eliminate many of the inefficiencies inherent in working collection accounts without adequate software support. Some of those include time spent inputting data to produce productivity reports, time spent to develop and run queries to locate parcels for collectors and the inability to effectively match owners of multiple properties which creates multiple contacts by different collectors.

Collectors began using the new product in the latter part of the fiscal year. However, early results show investment in the product was a sound decision. The Trustee's Office is confident that increased use of the new software will result in increased revenue and improved collection efficiency.



COLLECTIONS DIVISION

LEGAL REMEDIES

\$3,994,466

collected from bankruptcy cases during FYE 2012

Bankruptcy Claims

The Shelby County Trustee files claims with the United States Bankruptcy Court to recover delinquent taxes from taxpayers who enter into bankruptcy. Specifically, the Bankruptcy Department is responsible for filing claims to receive tax payments from the distributions of the Bankruptcy Court. At the end of fiscal year 2012, payments of \$3,994,466 were received (Appendix F) and there were 2,693 active bankruptcy cases. A case can represent taxes due on one or several parcels. Payments include distributions under Chapters 7, 11 and 13 filings. This year, the Trustee's Office processed almost 800 bankruptcy payments for a total average of more than \$330,000 each month.

PERSONALTY COLLECTIONS

Taxpayers must annually file a schedule listing the tangible personal property used in business. The Assessor appraises and assesses taxable tangible personal property and the Trustee collects this tax. If these taxes become delinquent, the Legal Department utilizes three methods to collect this tax. After the normal process of phone calls and letters, the delinquent tax may be collected by distress warrant and sale of the personal property on which taxes are owed; by lawsuit against the taxpayer, and/or by garnishment.

Distress Warrants

Distress warrants are pre-seizure notices (citations) served not less than 10 days prior to seizure or sale. Distress warrants are generally personally delivered to the business owner by a Deputy Trustee. The distress warrant serves



Allealiar Carter
Bebs Hord



Drew Daniel
Tracey Polk

as an official demand for payment and is posted in a public place; it also serves as a progressive step in the process of seizing assets.

Sale of Personal Property Assets

The Trustee's Office is permitted by T. C. A. § 67-5-2003 to seize business assets of a business owner who fails to pay delinquent taxes or who fails to provide documentation of business closure.

Equipment (personal property) can be physically removed from a business and sold to satisfy delinquent taxes, interest, penalties, costs and attorney's fee. Officers conducting the sale must have the personal property present when it is sold and must be allowed to retain all commissions, costs and necessary expenses of removing and storage of the property seized.

Garnishments

When distress warrants prove ineffective, a business owner's bank account or wages may be garnished. The Trustee makes every effort to contact the taxpayer before garnishing funds.



Kitricia McClellan
Supervisor, Legal

COLLECTIONS DIVISION

LEGAL REMEDIES

REALTY COLLECTIONS

The Assessor places a value on commercial, industrial, residential, and farm land. If real property taxes are not paid by the delinquency date, the Trustee follows a procedure outlined by the Tennessee constitution leading to tax sale and property transfer.

Pre-Tax Sale Research

Scheduling property for tax sale proved to be an effective means of motivating delinquent taxpayers to make payment arrangements for past due taxes. Tax sales begin with about 1,500 parcels. However, a significant number of taxpayers take advantage of the ample opportunities to pay before the sale date. In order to shore up this effort, tax sale properties are assigned to collectors to contact as many owners/heirs as possible. Collectors make a concerted effort to obtain each taxpayer's contact information in order to improve service of process if such action become necessary. Fewer parcels are removed from tax sale due to improper notification. Additionally, taxpayer contact resulted in many taxpayers saving their property from tax sale by making payment arrangements.

Tax Sale

A Tax Sale is the final method used by the Trustee's Office to collect delinquent realty property taxes. When the court commissions the sale of a property, that property enters into a tax sale. Properties are offered for sale with a minimum bid of taxes, interest, penalty and fees owed. Competitive bidding often results in property being sold for more than the taxes due. Excess funds are then held by Chancery Court.

This fiscal year saw a dramatic increase in payments prior to tax sale. The Tax Sale staff developed and introduced a new criteria to increase the urgency for property owners to pay delinquent taxes.



Wendie Blanton
Supervisor, Tax Sale

Sales are subject to the right of redemption. Within one year from the date of confirmation of the sale, anyone with a legal or equitable interest in a property may "redeem" that property by paying taxes, interest, penalties and costs.



Ardena Cole
Sabrina Samuels

Marvin Greer
Charmyrn Taylor

The Trustee typically conducts four tax sales each year. Tax sales are held in the Shelby County Commission Chambers in the Shelby County Administration Building located at 160 N. Main Street.

Public Disclosure of Tax Sale Property

The Legal Department provides photographs of properties sold in the tax sale and properties made available to the public by the Shelby County Land Bank. Photographs are available for viewing through the Trustee's website, www.shelbycountystatetrustee.com. Click on either the Tax Sale or Shelby County Land Bank link for further options.

COLLECTIONS DIVISION

LEGAL REMEDIES

Tax Sales Held in Fiscal Year Ending 2012

Tax Sales	Date Held	Properties Sold to Individuals	Properties Sold to Shelby County	Total Collected from Property Sold to Individuals at Tax Sale	Total Collected Prior to Tax Sale	Last Date to Redeem
0802	9/20/2011	28	142	\$480,209.68	\$2,587,104.26	10/18/2012
0803	12/1/2011	26	449	\$223,663.17	\$899,284.55	1/24/2013
0804	3/7/2012	10	208	\$184,294.62	\$987,786.72	4/26/2013
0901	6/8/12	34	176	\$1,128,492.61	\$5,148,764.00	8/1/2013
	Totals	98	975	\$2,016,660.08*	\$9,622,339.53	

*Subject to owners' right of redemption

The final number of properties subject to tax sale is impacted by payments, the condition of the property and any unresolved legal issues.



ACCOUNTING: MAKING THINGS ADD UP

Numbers. The Accounting Department staff lives and breathes them. The Trustee's accounting staff takes its checks and balances role serious.

The last fiscal year has seen some notable challenges and accomplishments, said Director of Accounting Derek Kelley, who marks his 9th year in the Trustee's Office.

In those 12 months, the accounting department's staff tackled projects that should have positive implications for the long-term effectiveness and efficiency of the Trustee's Office, he said.

The majority of the elected officials and County's Department of Finance were transitioned to Payee Positive Pay. This allows for the clearing of checks written and provides an additional layer of protection against fraud, Kelley said.

The Accounting Department assisted with the installation of a new collections software office-wide and the related balancing of the financial transactions that were migrated into the new software from the old, he said. More than 1.9 million receivable balances and all related supporting transactions were converted to the new software. Additionally, the Department continues to be part of on-going efforts by the Trustee's Office to become compliant with the Payment Card Industry (PCI) Data Security Standard.

The impact of a new county-wide consolidated school system was felt in the Accounting Department, which began planning for the implementation of a new accounts payables payment product by Regions Bank dubbed iPayables.

iPayables creates an electronic file of a bill and converts it to a method of payment, be it ACH, check or other form, Kelley said. As with most new accounting software products, iPayables automates a process that - not too long ago - was done by hand, was labor intensive and susceptible to human error.

But automation doesn't remove the chance for human error completely. That's why in the last year the department had a risk assessment audit performed on an internal automated procedure to issue a refund when there is a property assessment change. At the request of the Trustee, an outside independent certified public accounting firm was engaged to review the assessment change procedure and refund process with an eye towards identifying lapses in controls and identifying any significant findings.

A portrait of Derek Kelley, Director of Accounting, wearing a dark suit, white shirt, and a purple striped tie. He is looking directly at the camera with a neutral expression.

Derek Kelley
Director of Accounting

ACCOUNTING DIVISION

TREASURY MANAGEMENT



Kristi Francavilla,
Treasury and Finance
Coordinator

T. C. A. § 5-8-301 authorizes the Trustee to invest county funds for Shelby County Government, Shelby County Schools, elected officials, and various county offices. Treasury analysts within the Trustee's Office continually monitor economic and market conditions to maximize interest earnings.

All investments are made in compliance with state guidelines and include:

- Bonds, notes or treasury bills
- Certificates of Deposit & Certificate of Deposit Account Registry Service (CDARS)
- Pooled Investment Fund established by Title 9, Chapter 4, Part 7
- Commercial Paper or other debt securities
- Agencies of the United States Government

In addition to the daily investment of county tax dollars, other county offices rely on the Trustee to generate interest earnings through active cash management strategies. These strategies include

the use of controlled disbursement accounts, zero-balance depository accounts, and accounts held at the Tennessee Local Government Investment Pool (LGIP). Each day, cash flow requirements are closely monitored in order to identify and invest excess balances.

During 2009 - 2010, financial markets constrained earnings as the Federal Reserve held interest rates between 0.00% - 0.25%. As a result, earnings remained at low levels. With the continued decline in investment yields, the portfolio mix shifted from long-term (greater than 1 year) Agencies to short-term instruments such as Certificates of Deposit, CDARS, and Public Funds Deposit accounts. Though spreads on short-term instruments grew tighter, the Trustee portfolio continued to surpass performance benchmarks.

\$1,455,462.54

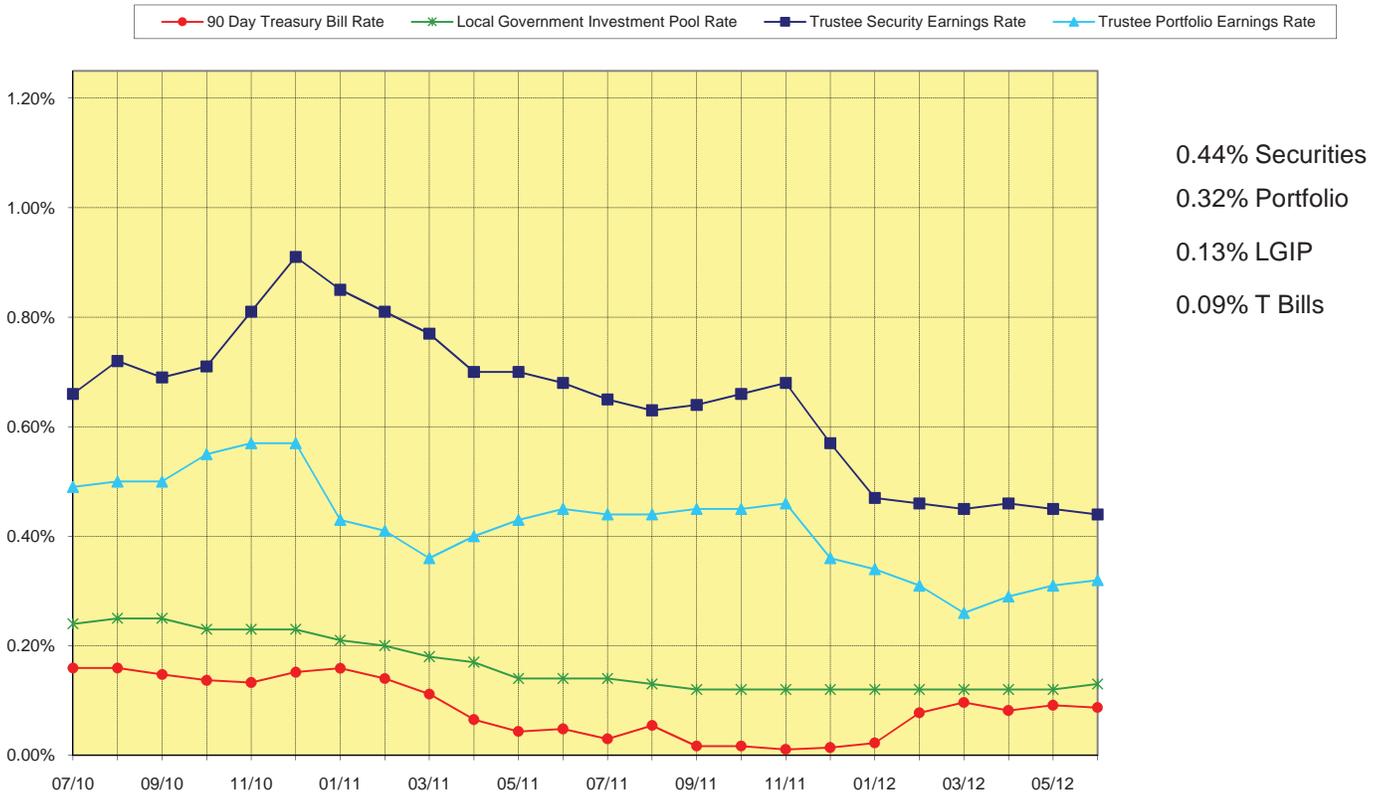
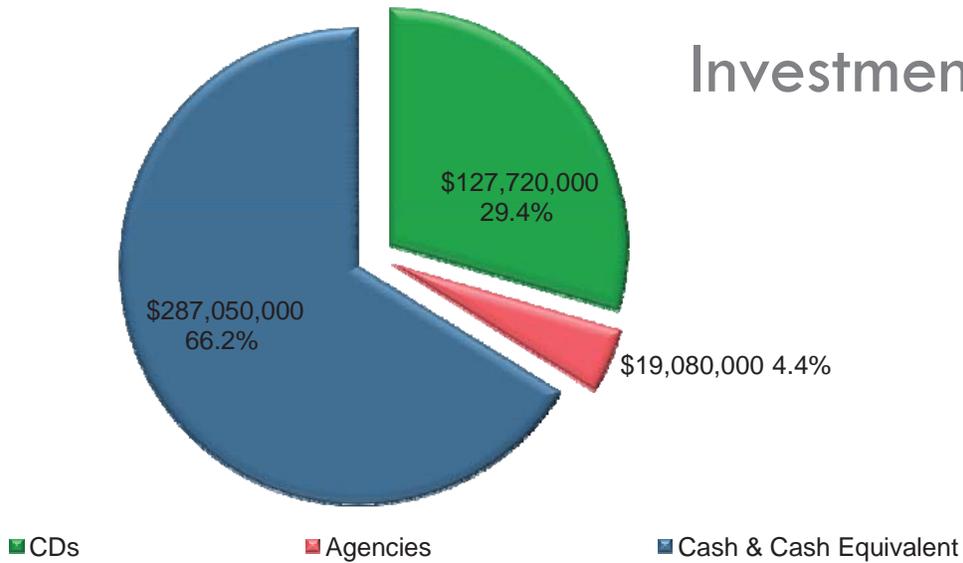
Interest earned for
participating county offices.
(see Appendix G)

*In addition to overnight
investment of idle balances,
Treasury Management purchased
58 securities with extended maturities
totaling \$531,940,973.97
for Shelby County Government,
Shelby County Schools, and elected officials.*

ACCOUNTING DIVISION

TREASURY MANAGEMENT

Investments Portfolio



ACCOUNTING DIVISION

ACCOUNTING



John Ruppel, Manager

The Accounting Department is responsible for recording and allocating tax collections as well as disbursing those funds on behalf of the various funds and entities within Shelby County, including the City of Memphis Board of Education and the Shelby County Board of Education.

Tennessee statutes require all county officials receiving and disbursing revenues to adopt a system of bookkeeping and accounting that meets certain minimum standards. In order to provide a more efficient and reliable mechanism for the accounting of monetary activity, the Trustee's office uses Microsoft Dynamics GP software. Microsoft Dynamics includes modules for basic general ledger accounting, accounts payable, accounts receivable, payroll and human resources. In addition, this suite of products includes a web-based portal used to share information, generate reports and manage projects.

Over \$2.9 billion in net county revenue is recorded by the Accounting Department each fiscal year (see Appendix H).

\$3,327,829,833

Total County Gross Receipts
by Shelby County Trustee

Assessment Changes

The Accounting Department maintains a tax balance for all properties within Shelby County by monitoring and updating assessed values.

27,369
Assessment Changes

The Assessor of Property may correct an assessment no later than March 1 of the second year following the tax year if an error or omission occurred on the part of the Assessor. Once the tax roll is certified, tax appeals are generally heard first at the local level by the County Board of Equalization and then any decision may be appealed at the State Board of Equalization. Once a decision and a change order is issued, the Trustee's Accounting Department is responsible for processing all such orders. These orders may increase or decrease the assessed value of property.

The Trustee's Office continues to receive a high level of appeals further decreasing the tax rolls, as has been seen in tax years 2009 - 2011.



Joe Brown
Vicky Johnson

Valerie Flood
Pam Lee

Annette Griffith
Carlin Stuart

ACCOUNTING DIVISION

ACCOUNTING/BANKING

11,587

Refunds Processed

Refunds

Refunds occur when a taxpayer overpays the amount of tax due or if an appeal results in a tax

decrease after taxes have been paid. The refund may first be applied to any outstanding tax liability if the taxpayer has other property or other years due. Although state guidelines mandate a 60 day turnaround for all refunds, Trustee office policy requires refunds to be processed within twenty (20) business days to better accommodate taxpayer needs.

Although the number of refunds has decreased from the previous two years, the Trustee's Office continues to experience dramatic increases in the total volume and dollars refunded compared to prior reappraisal years.

With a desire to make the refund process more efficient and timely, the Trustee's Office contracted with an outside firm to audit the RAS (Refund Automated System). The auditors found that the Accounting Department had sufficient internal controls to reduce the risk of fraud or theft.

Purchasing

During FYE 2011, the Trustee's Office moved under the umbrella of the Shelby County Purchasing Department. Most purchases are handled through a centralized department.

BANKING

T. C. A. § 5-8-201- 5-8-210 outlines the duties of the Trustee to secure the funds of the county and to establish a checking system that can be used by all the various elected officials and county funds.

Positive Pay + Payee Positive Pay

With the aid of technology the Trustee uses a special procedure called "Positive Pay" to detect check fraud and to prevent a financial loss to the county.

Each check presented for payment at a Regions branch or in a deposit coming through the Federal Reserve is compared to a file supplied to the bank by one of the Shelby County Offices. If the account number, check number, date or amount of the check do not match information, an exception is created and action is required by the issuing office. Checks that are not properly authorized are returned. This review is done on every check and every checking account funded by the Trustee's Office. In addition, some accounts are verified down to the Payee.

32

Accounts managed on a daily basis and monitored by Positive Pay

0

Successful fraudulent items

Cumulative Net Billing Change

Realty, Personalty, In Lieu of and Public Utilities

Fiscal Year	Increase	Decrease	Net Decrease
2012	\$492,500,924	\$894,950,026	\$402,449,101
2011	\$470,930,603	\$856,291,809	\$385,361,206
2010	\$449,388,121	\$803,945,527	\$354,557,406
2009	\$425,323,331	\$752,953,097	\$327,629,766
2008	\$400,217,717	\$714,589,003	\$314,371,286
2007	\$345,341,087	\$646,829,425	\$301,488,338
2006	\$326,903,053	\$607,470,140	\$280,567,087
2005	\$294,326,001	\$556,866,805	\$262,540,804
2004	\$251,576,412	\$503,117,917	\$251,541,505
2003	\$171,875,417	\$387,816,524	\$215,941,107

ACCOUNTING DIVISION

PILOTS



Kristi Francavilla,
Coordinator

PILOT Contracts

The Payment in Lieu of Taxes (PILOT) program is offered to entice new businesses to locate in Shelby County. The program is also used to encourage the expansion of existing businesses through reduced tax amounts.

New PILOT Contracts for FYE 2012

KTG USA LP
Onyx Medical
Blue City Brewery
Praxair Inc
Saddle Vineyards LP
ALCO Northside Partners LP
The Regency at Raleigh LLC
Grahamwood Place Apartments
Parkview Memphis Apartments
Strike King
New Life Cove Willow Lake LLC

Some examples of negotiated terms include:

- A freeze on the tax assessment at a certain amount for a fixed time frame.
- A payment amount based on a percentage of the current assessment.
- An agreement by the business to create a specified number of jobs within a targeted salary range.

485

PILOT Contracts
administered
during 2011-2012

11

New PILOT contracts
during FYE 2012

The new PILOT properties are added to the Trustee tax collection system in accordance with contract specifications.

All contracts are recommended by the individual boards and executed by the appropriate Mayor(s). The following agencies are authorized to negotiate PILOTS:

- EDGE Board
- Center City Revenue Finance Corporation
- City Of Memphis, Health, Education and Welfare
- Shelby County Health, Education, and Welfare
- City of Germantown, IDB*
- Town of Collierville IDB*
- Town of Arlington IDB*
- City of Bartlett IDB*
- City of Millington IDB*

*IDB = Industrial Development Board

INFORMATION TECHNOLOGY

To paraphrase, information fuels knowledge and knowledge is power. In the case of the Trustee's Office, that power leads to a more effective and efficient operation. The Trustee's IT capabilities are largely to be credited for keeping collections ahead of projections in a tough economic environment, while at the same time managing costs as the county's budget has come under increasing scrutiny.

Doing every job to its utmost begins and ends with having the correct information at hand. The Trustee appreciates that fact and has continued to challenge the IT staff to press forward with automation of dozens of routine and repetitive tasks. The goal has been to put information into the hands of staff, elected officials and taxpayers.

The Information Technology team is comprised of both programmers who create new IT solutions for the Trustee's proprietary software system, and hardware staff who maintain the office's robust system of laptops, desktops, printers, copiers and servers. Due to the changing technical nature of the job, IT staff is continually seeking opportunities to enhance their skill base, said Deputy Chief Administrative Officer Tina Walker. Continuing education has focused on certifications in systems security, training and professional development. Members of the team are members of the Association for Work Process Improvement and the Association for Financial Professionals as part of their on-going efforts to incorporate "best practices" into the operations of the Trustee's Office.

Among the biggest challenges for the IT staff was preparing for the move to 157 Poplar from 160 N. Main. The Information Technology Team was responsible for the correct wiring of the space and then testing devices once cable and wiring was installed, as well as maintaining the on-going operation at 160 N. Main, Walker said.

As part of the move to 157 Poplar the IT department was also responsible for the implementation of a new security protocol for both data and the physical space. Protection of sensitive taxpayer personal data and retrieval of taxpayer data has become an increasingly vital part of the IT team's role, both in case of natural disasters as well as from electronic, or cyber crimes.

In the last fiscal year, the IT team, in cooperation with Remittance, conducted three simulations testing the payment processing procedure. Two of those tests involved the successful shipment of payments to a remote site in California, Walker said. The transactions involved live payments from taxpayers, she said.



Niharika Pilla, MIS



Leslie Pannell,
Hardware Manager

Software



Mary Ouyang



Natasha Velaga



Radhika Velivelli

Hardware



Tiara Moustafa



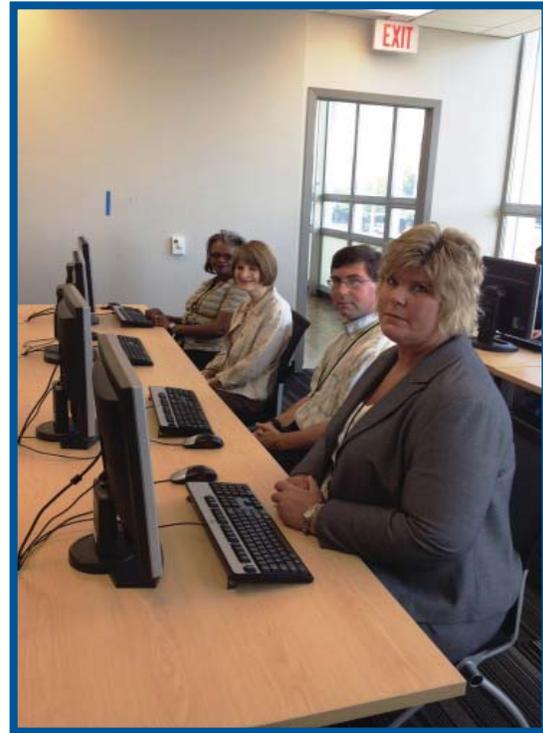
Thai Nguyen



Elliott Stablein

INFORMATION TECHNOLOGY

TEST TEAM



Trustee's Test Team (clockwise, from left):
Nihar Pilla, Wendie Blanton, Stella Stegall, Pam Lee
Mary Gibson, Mary Brown, Carlin Stuart, Leslie Pannell

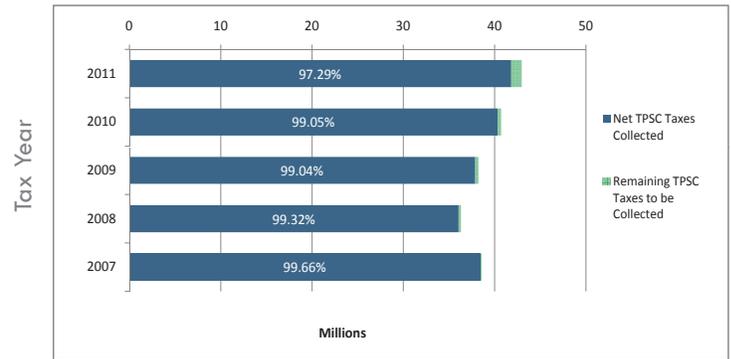
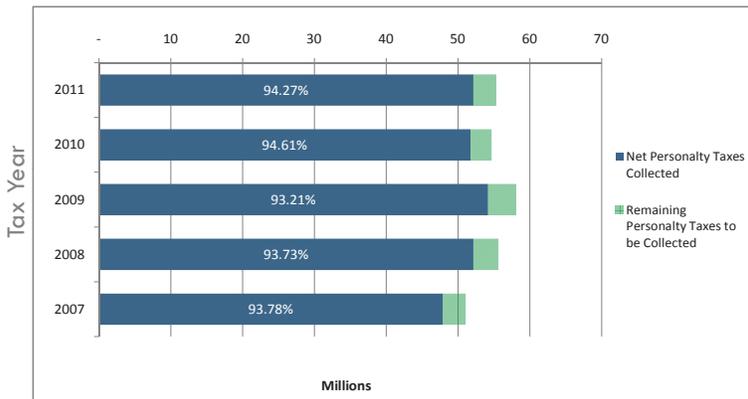
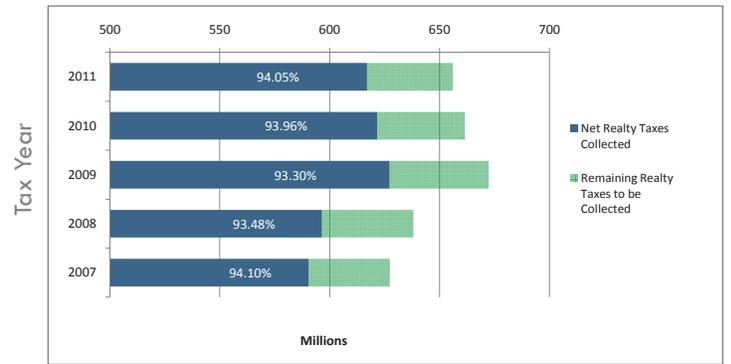
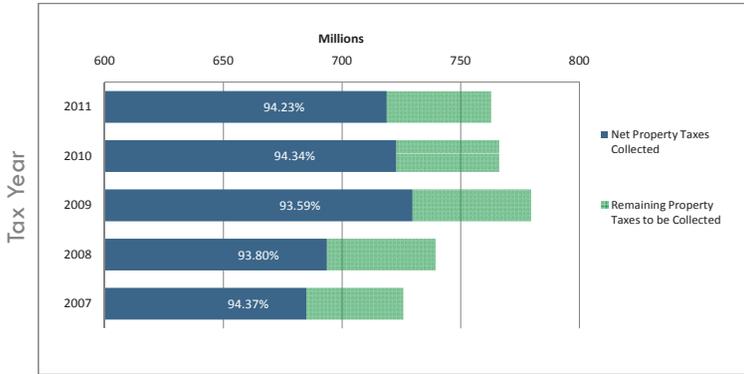
Keeping the Trustee's hardware and software systems up-to-date and secure is a time consuming, but necessary, function for the tax collection and reporting process. In the last decade much of the collection process has been automated, said Deputy Chief Administrative Officer Tina Walker. That's good, in terms of efficiency and effectiveness, and has allowed the office to do more with less, she says. However, such automation also requires the Trustee's IT staff to regularly update existing programs and then test those procedures. The office's in-house STAR system has more than 900 procedures which constantly require testing and "migrating up," or improving upon to keep up with technology," Walker says. The same is true for its Website, which operates on a CivicPlus platform but is continuously tweaked to create transparency and give taxpayers more online capabilities.

That's where the Trustee's Test Team plays such an important role. The team, formed in FY2011, is comprised of employees from each department, including accounting, Tax Relief, payment processing and collections. Members of the team regularly assess the functionality of STAR looking for ways to automate processes, Walker said. In the last fiscal year the team tested 17 releases or upgrades to STAR, 15 to STAR.net (the second generation of STAR), and 12 improvements to shelbycountytrustee.com. Website improvements in the last year included extended search capabilities, news and event calendars and land bank features.

APPENDICIES

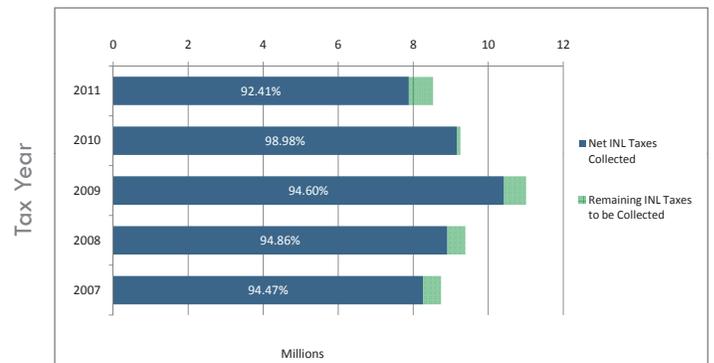
APPENDIX B

TOTAL NET TAXES BILLED + COLLECTED



"TPSC" taxes were created by T. C. A. § 67-5-501, which classifies certain property associated with utilities and railroads as real property for purposes of the property taxation.

Examples include but are not limited to the following: surface, underground or elevated railroads, and railroad structures, substructures and superstructures, tracks and the metal thereon; telephone, broadcast, transmission and telegraph poles, supports, conduits, towers and enclosures for electrical conductors upon, above and underground and pipes and conduits used for wire, cables and lines buried underground; mains, pipes, pipelines and tanks permitted or authorized to be built, laid or placed in, upon or under any public or private street or place for conducting steam, heat, water, oil, electricity or any property, substance or product capable of transportation or conveyance therein or that is protected thereby.



APPENDIX C

TAX YEARS 2003-2011

Tax Year 2003						
Fiscal Year	Ending Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
06/30/2004	\$625,150,436	\$10,426,486	\$38,765,233	\$52,909,095	\$589,478,848	\$31,954,197
06/30/2005		\$4,819,881	\$2,975,893	\$6,429,115	\$21,078,331	\$12,242,526
06/30/2006		\$1,749,782	\$1,990,140	\$4,072,526	\$6,061,196	\$5,848,726
06/30/2007		\$461,188	\$548,253	\$969,680	\$2,092,480	\$3,796,007
06/30/2008		\$183,529	\$1,241,690	\$1,817,152	\$521,324	\$2,882,765
06/30/2009		\$82,582	\$59,449	\$454,341	\$292,940	\$2,277,515
06/30/2010		\$11,090	\$332,463	\$788,943	\$143,180	\$1,688,946
06/30/2011		\$978	\$13,377	\$305,693	\$51,502	\$1,346,105
06/30/2012		\$1,365	\$7,752	\$142,522	\$35,786	\$1,176,915
TOTAL	\$625,150,436	\$17,736,881	\$45,934,250	\$67,889,067	\$619,755,587	

Tax Year 2004						
Fiscal Year	Ending Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
06/30/2005	\$623,817,338	\$7,291,366	\$36,620,604	\$41,694,888	\$593,786,343	\$32,248,077
06/30/2006		\$3,221,021	\$4,498,217	\$6,455,249	\$21,444,647	\$12,067,419
06/30/2007		\$1,106,703	\$915,313	\$1,838,140	\$6,462,652	\$5,788,644
06/30/2008		\$321,562	\$1,985,056	\$1,867,651	\$2,092,863	\$4,134,747
06/30/2009		\$279,126	\$310,742	\$952,484	\$663,165	\$3,108,967
06/30/2010		\$227,858	\$405,777	\$995,341	\$281,991	\$2,465,269
06/30/2011		\$19,424	\$7,575	\$290,997	\$154,651	\$2,046,620
06/30/2012		\$19,960	\$780	\$182,867	\$69,450	\$1,815,043
TOTAL	\$623,817,338	\$12,487,020	\$44,744,064	\$54,277,617	\$624,955,762	

Tax Year 2005						
Fiscal Year	Ending Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
06/30/2006	\$705,407,738	\$18,403,796	\$23,483,292	\$33,318,308	\$673,527,041	\$40,449,478
06/30/2007		\$5,768,510	\$3,764,247	\$7,960,976	\$27,197,274	\$14,823,984
06/30/2008		\$1,980,797	\$3,941,291	\$4,460,052	\$7,899,771	\$8,386,250
06/30/2009		\$1,049,326	\$671,181	\$1,792,806	\$2,099,443	\$6,214,508
06/30/2010		\$45,000	\$404,936	\$976,368	\$673,594	\$5,014,481
06/30/2011		\$835,887	\$20,384	\$379,405	\$2,334,140	\$3,157,208
06/30/2012		\$5,485	\$7,264	\$250,520	\$184,854	\$2,734,582
TOTAL	\$705,407,738	\$28,088,801	\$32,292,595	\$49,138,435	\$713,916,116	

Tax Year 2006						
Fiscal Year	Ending Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
06/30/2007	\$724,668,410	\$9,241,905	\$20,735,217	\$31,121,767	\$685,292,068	\$38,231,697
06/30/2008		\$3,356,145	\$5,883,421	\$7,827,797	\$26,761,803	\$12,881,663
06/30/2009		\$1,503,636	\$2,149,286	\$3,461,828	\$5,985,049	\$7,087,709
06/30/2010		\$403,909	\$615,581	\$1,173,134	\$2,767,918	\$4,166,147
06/30/2011		\$31,438	\$237,678	\$709,624	\$829,323	\$2,896,316
06/30/2012		\$8,363	\$46,969	\$359,446	\$460,988	\$2,131,215
TOTAL	\$724,668,410	\$14,545,397	\$29,668,152	\$44,653,596	\$722,097,149	

APPENDIX C

TAX YEARS 2003-2011

Tax Year 2007

Fiscal Year		Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
Ending							
06/30/2008		\$731,736,508	\$8,261,655	\$46,219,438	\$52,202,909	\$693,213,742	\$40,800,950
06/30/2009			\$3,074,742	\$4,730,625	\$5,488,237	\$26,015,948	\$17,102,028
06/30/2010			\$1,018,039	\$1,261,542	\$2,325,579	\$8,072,716	\$8,983,419
06/30/2011			\$51,459	\$732,117	\$1,153,780	\$2,881,029	\$5,732,186
06/30/2012			\$102,761	\$21,951	\$457,926	\$1,193,027	\$4,205,943
TOTAL		\$731,736,508	\$12,508,656	\$52,965,673	\$61,628,430	\$731,376,462	

Tax Year 2008

Fiscal Year		Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
Ending							
06/30/2009		\$745,579,467	\$16,382,954	\$24,297,327	\$30,444,399	\$710,026,412	\$45,788,937
06/30/2010			\$2,892,156	\$4,991,823	\$5,317,065	\$27,771,995	\$20,583,857
06/30/2011			\$530,873	\$1,015,067	\$1,483,262	\$10,422,020	\$10,224,515
06/30/2012			\$428,738	\$167,945	\$933,789	\$3,382,942	\$6,504,467
TOTAL			\$20,234,721	\$30,472,162	\$38,178,514	\$751,603,368	

Tax Year 2009

Fiscal Year		Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
Ending							
06/30/2010		\$803,283,323	\$18,043,193	\$14,985,221	\$38,619,092	\$747,733,455	\$49,959,189
06/30/2011			\$6,611,231	\$3,994,576	\$9,903,178	\$31,474,854	\$19,186,963
06/30/2012			\$3,923,822	\$1,965,414	\$5,703,306	\$9,934,213	\$9,438,681
TOTAL			\$28,578,246	\$20,945,211	\$54,225,577	\$789,142,522	

Tax Year 2010

Fiscal Year		Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
Ending							
06/30/2011		\$788,606,951	\$11,866,978	\$15,010,326	\$37,420,446	\$734,755,648	\$43,308,161
06/30/2012			\$2,683,847	\$4,349,129	\$4,499,501	\$25,178,483	\$20,663,153
TOTAL			\$14,550,825	\$19,359,455	\$41,919,947	\$759,934,131	

Tax Year 2011

Fiscal Year		Original Billing	Refunds	Supplements	Cancellations	Paid	Receivable Balance
Ending							
06/30/2012		\$773,555,134	\$8,847,147	\$14,686,822	\$25,449,711	\$727,663,439	\$43,975,933

APPENDIX D
COLLECTION PERCENTAGE
TAX YEARS 2002-2011
AS OF JUNE 30, 2012

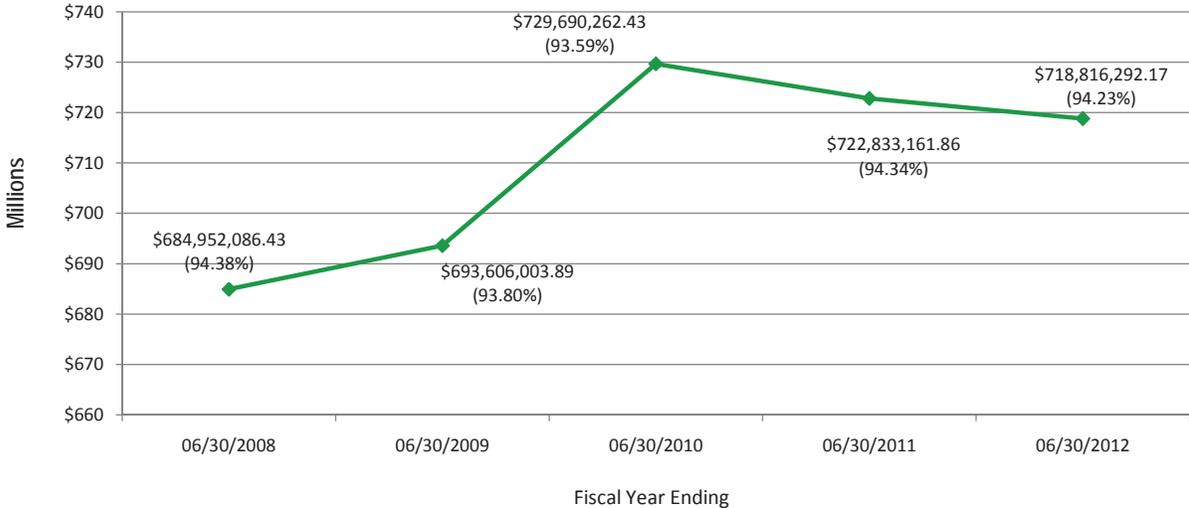
Tax Year	Net Billed	Net Paid	Percent Collected	Receivable Balance
2002	\$562,391,918	\$561,348,363	99.81%	\$1,043,555
2003	\$603,195,621	\$602,018,706	99.80%	\$1,176,915
2004	\$614,805,191	\$612,990,148	99.70%	\$1,815,043
2005	\$689,114,935	\$686,380,252	99.60%	\$2,734,682
2006	\$709,682,966	\$707,551,751	99.70%	\$2,131,215
2007	\$723,073,541	\$718,867,702	99.42%	\$4,205,839
2008	\$737,873,219	\$731,368,647	99.12%	\$6,504,572
2009	\$770,002,957	\$760,564,276	98.77%	\$9,438,681
2010	\$766,046,459	\$745,383,305	97.30%	\$20,663,153
2011	\$762,792,225	\$718,816,292	94.23%	\$43,975,933

APPENDIX E

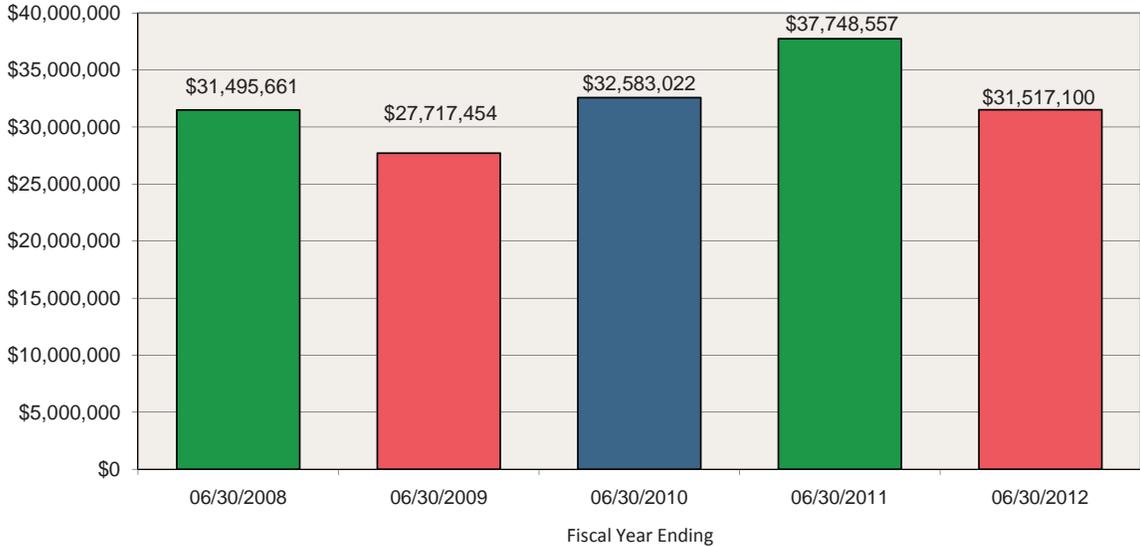
Net Property + Delinquent Tax Collected

Property Taxes Collected

(Total Net - Realty, Personalty, TPSC & INL)
as of June 30 of each year

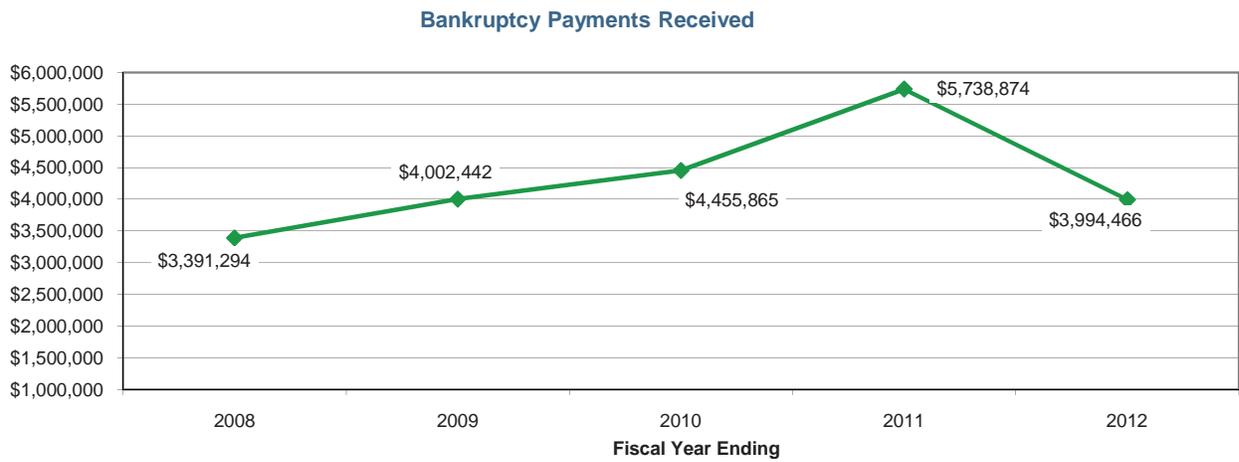


Net Delinquent Tax Collections Realty & Personalty - Prior Years *After Commission and Refunds*



APPENDIX F

COLLECTIONS - Bankruptcy



APPENDIX G

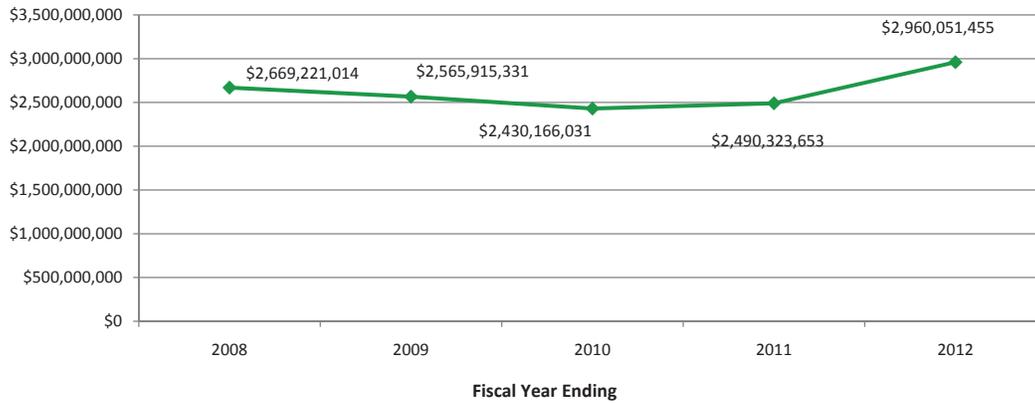
INTEREST EARNED

County Office	Interest Earned
Chancery Court	\$27,368.49
Circuit Court	\$9,875.03
County Clerk	\$12,799.75
Criminal Court	\$2,059.13
District Attorney	\$4,101.56
General Sessions - Civil	\$20,333.20
General Sessions - Criminal	\$6,247.44
Juvenile Court Clerk	\$522.17
Law Library	\$71.55
Probate	\$1,645.64
Register	\$2,026.14
Trustee	\$16,484.39
Shelby County Schools	\$101,527.00
Shelby County Government	\$1,216,061.81
Shelby County Sheriff's Office	\$896.46
Uptown Redevelopment	\$33,442.78
Grand Total	\$1,455,462.54

APPENDIX H

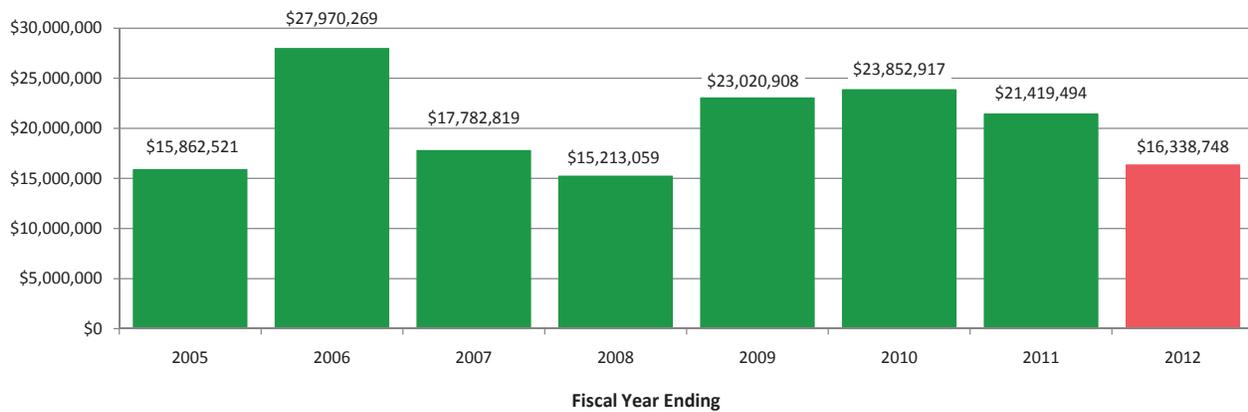
ACCOUNTING - NET RECEIPTS + REFUNDS

Net County Tax Receipts - Before Commission

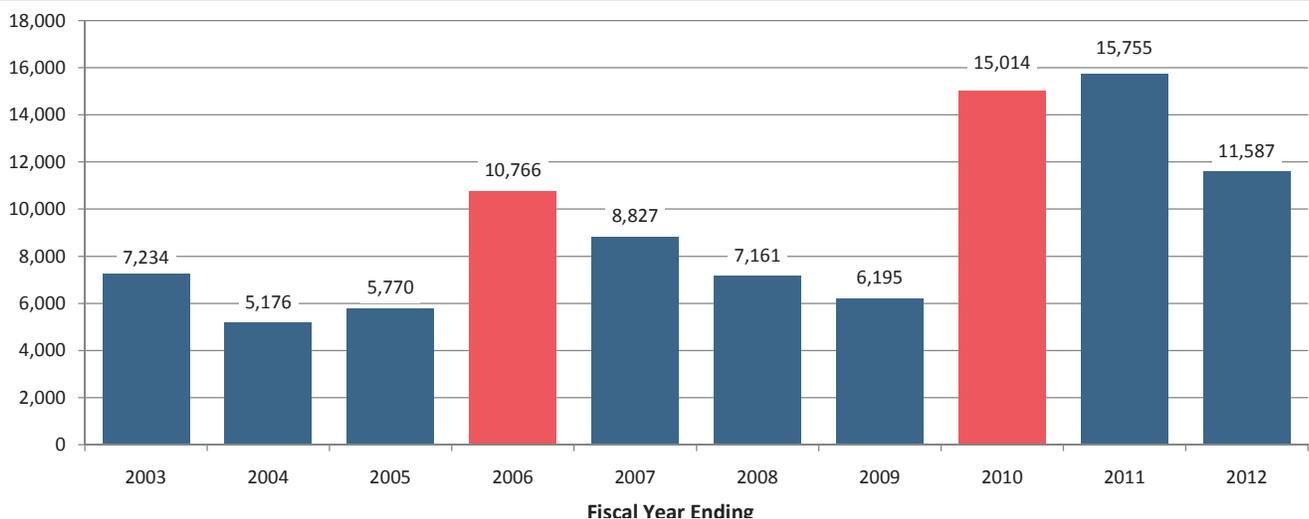


Total Refund Dollars by Year

Tax & Interest/Penalty - All Tax Types



Number of Refunds Processed



APPENDIX I

ACCOUNTING - PILOT REVENUE

Tax Revenue Subject to PILOT Contracts						
Tax Year	# of Parcels	Assessment	Tax Based on Assessment	Tax Based on PILOT Contract	Difference (1)	Anticipated Collateral Revenue (2)
2011	485	\$1,450,985,199	\$58,622,885	\$8,583,793	\$50,039,092	\$125,097,730
2010	493	\$1,424,414,906	\$57,465,228	\$9,290,797	\$48,174,431	\$120,436,077
2009	524	\$1,502,746,627	\$60,593,109	\$11,086,664	\$49,506,444	\$123,766,111
2008	565	\$1,247,086,848	\$50,114,871	\$9,417,233	\$40,697,637	\$101,744,093
2007	561	\$1,221,975,262	\$49,272,503	\$8,756,309	\$40,516,194	\$101,290,485
2006	568	\$1,438,948,447	\$58,048,477	\$8,703,374	\$49,345,103	\$123,362,757
2005	592	\$1,474,135,781	\$59,555,085	\$10,690,525	\$48,864,560	\$122,161,400
2004	570	\$1,348,063,008	\$54,461,746	\$9,964,974	\$44,496,772	\$111,241,930
2003	555	\$1,253,924,771	\$50,658,561	\$8,742,847	\$41,915,714	\$104,789,285
2002	523	\$1,076,487,842	\$40,798,889	\$8,760,022	\$32,038,867	\$80,097,167

Above chart is as of June 30 for each Tax Year

- 1) Difference in contractual billing and billing based on assessment
- 2) Anticipated collateral revenue is an estimate of the additional tax revenue generated due to job creation and investment in the community.

APPENDIX J

Collection Percentage as of June 30, 2012 Including Delinquent Tax Balances

	Tax Year 2011	Tax Year 2010	Tax Year 2009	Tax Year 2008	Tax Year 2007	Tax Year 2006	Tax Year 2005	Tax Year 2004	Tax Year 2003	Tax Year 2002
Original Tax	773,555,134	788,606,951	803,283,323	745,579,467	731,736,403	724,668,410	705,407,738	623,817,338	625,150,436	587,662,472
Supplements	14,686,822	19,359,455	20,945,211	30,472,266	52,965,568	29,668,152	32,850,105	45,265,470	46,531,454	40,524,382
Cancellations	(25,449,731)	(41,919,947)	(54,225,577)	(38,178,514)	(61,628,430)	(44,653,596)	(49,143,009)	(54,277,617)	(68,486,270)	(65,799,733)
Adjusted Billing	762,792,225	766,046,459	770,002,957	737,873,219	723,073,541	709,682,966	689,114,834	614,805,191	603,195,620	562,387,121
Payments	(727,663,439)	(759,934,131)	(789,142,522)	(751,603,368)	(731,376,462)	(722,097,148)	(714,470,386)	(625,477,168)	(619,755,587)	(579,578,180)
Refunds	8,847,147	14,550,825	28,578,246	20,234,721	12,508,761	14,545,397	28,090,134	12,487,020	17,736,882	18,234,196
Net Taxes Paid	(718,816,292)	(745,383,305)	(760,564,276)	(731,368,647)	(718,867,702)	(707,551,751)	(686,380,252)	(612,990,148)	(602,018,706)	(561,343,984)
Balance Due	\$ 43,975,933	\$ 20,663,153	\$ 9,438,681	\$ 6,504,572	\$ 4,205,839	\$ 2,131,215	\$ 2,734,582	\$ 1,815,043	\$ 1,176,915	\$ 1,043,137
Net taxes paid to adjusted billing		97.30%	98.77%	99.12%	99.42%	99.70%	99.60%	99.70%	99.80%	99.81%
Attorney	1,617,317	1,727,948	1,316,523	1,083,262	1,083,182	1,028,812	1,088,805	1,106,230	1,182,455	943,424
Other	32,974	15,867	(8,117)	(2,552)	2,810	(389)	(1,950)	(2,845)	359	(12,533)
Returned Ck	201,576	115,943	53,792	45,576	13,185	40,003	28,948	9,812	11,270	26,730
Title Search	880,603	745,773	653,403	611,643	661,753	599,200	674,421	535,378	547,070	510,803
I&P	10,611,512	11,431,910	9,023,556	8,179,518	7,958,604	7,891,728	7,600,145	7,567,995	7,601,574	6,458,996
I&P and Fees Paid	(13,343,982)	(14,037,441)	(11,039,156)	(9,917,446)	(9,719,534)	(9,559,354)	(9,390,370)	(9,216,570)	(9,342,728)	(7,927,420)
	(732,160,274)	(759,420,747)	(771,603,432)	(741,286,094)	(728,587,236)	(717,111,105)	(695,770,622)	(622,206,718)	(611,361,434)	(569,271,404)
Net taxes, I&P and fees paid to adjusted billing	95.98%	99.14%	100.21%	100.46%	100.76%	101.05%	100.97%	101.20%	101.35%	101.22%

Delinquent Tax Summary

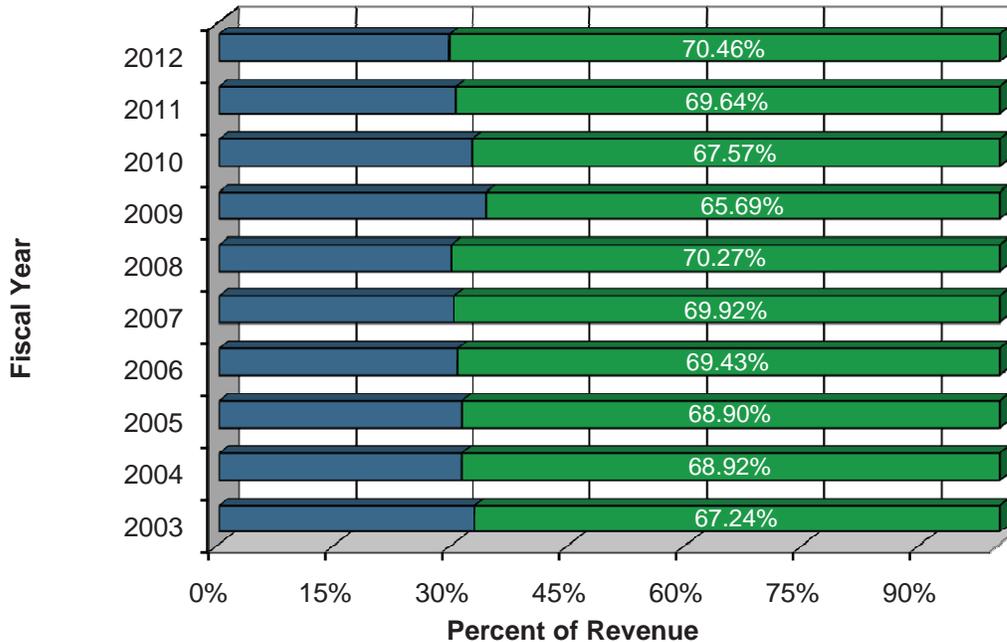
As of 6/30/12	As of 6/30/11	As of 6/30/10	As of 6/30/09	As of 6/30/08	As of 6/30/07	As of 6/30/06	As of 6/30/05	As of 6/30/04	As of 6/30/03
94,961,674	90,988,242	96,521,227	86,768,783	75,843,215	71,432,974	70,992,085	64,896,450	64,571,965	64,755,633
Delinquent Tax Due									

APPENDIX K

OFFICE REVENUE VS. EXPENDITURES

Fiscal Year	Trustee Revenue	Trustee Expenditures	Returned to General Fund
2003	16,656,473	5,456,937	11,199,536
2004	17,708,026	5,503,052	12,204,974
2005	18,321,611	5,698,866	12,622,745
2006	20,901,647	6,389,098	14,512,549
2007	22,025,549	6,625,834	15,399,715
2008	22,539,177	6,700,828	15,838,349
2009	20,891,636	7,166,902	13,724,734
2010	21,509,663	6,974,842	14,534,821
2011	22,037,442	6,690,237	15,347,205
2012	21,969,727	6,490,931	15,478,796

**Percentage of Trustee Revenue
Returned to General Fund
Ten Year Analysis**



APPENDIX L

HISTORICAL COUNTY TAX RATES

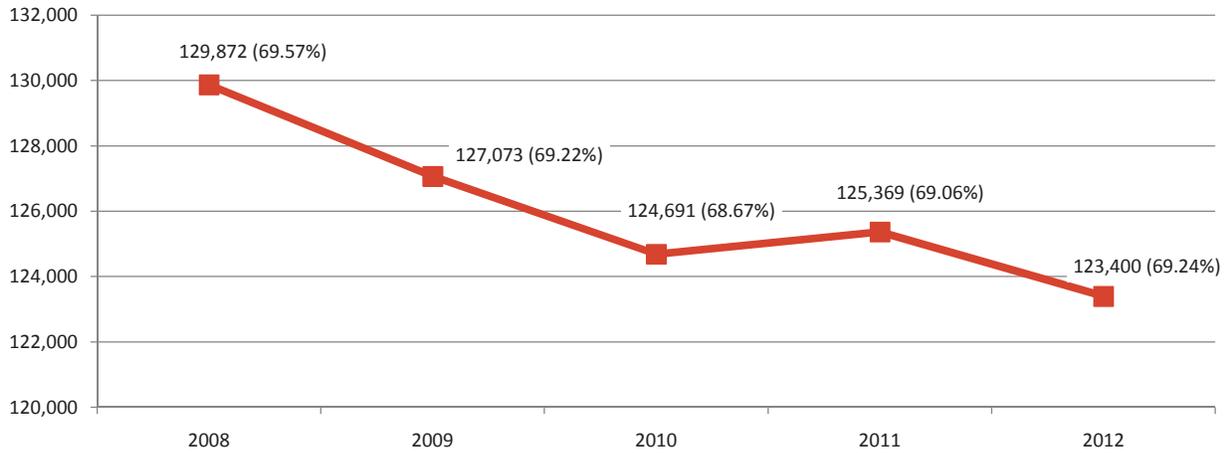
1900-2012

1900	\$ 1.01	1932-1934	\$ 0.99
1901	\$ 1.10	1935	\$ 0.97
1902	\$ 1.05	1936-1938	\$ 0.96
1903	\$ 1.27	1939-1945	\$ 0.95
1904	\$ 1.17	1946-1947	\$ 0.99
1905	\$ 1.11	1948-1957	\$ 1.05
1906	\$ 1.18	1958-1959	\$ 1.15
1907	\$ 1.45	1960	\$ 1.84
1908	\$ 1.42	1961-1968	\$ 2.21
1909-1910	\$ 1.50	1969	\$ 2.45
1911	\$ 1.46	1970	\$ 2.60
1912-1916	\$ 1.39	1971-1972	\$ 2.85
1917-1918	\$ 1.68	1973-1979	\$ 4.00
1919	\$ 1.72	1980-1982	\$ 3.30
1920	\$ 0.86	1983	\$ 3.66
1921-1922	\$ 1.29	1984-1990	\$ 3.78
1923	\$ 1.26	1991	\$ 2.88
1924	\$ 1.25	1992-1997	\$ 3.16
1925	\$ 1.20	1998	\$ 2.82
1926	\$ 1.25	1999-2000	\$ 3.54
1927-1929	\$ 1.18	2001-2002	\$ 3.79
1930	\$ 1.16	2003-2008	\$ 4.04 & \$ 4.09
1931	\$ 0.93	2009-2012	\$ 4.02 & \$ 4.06

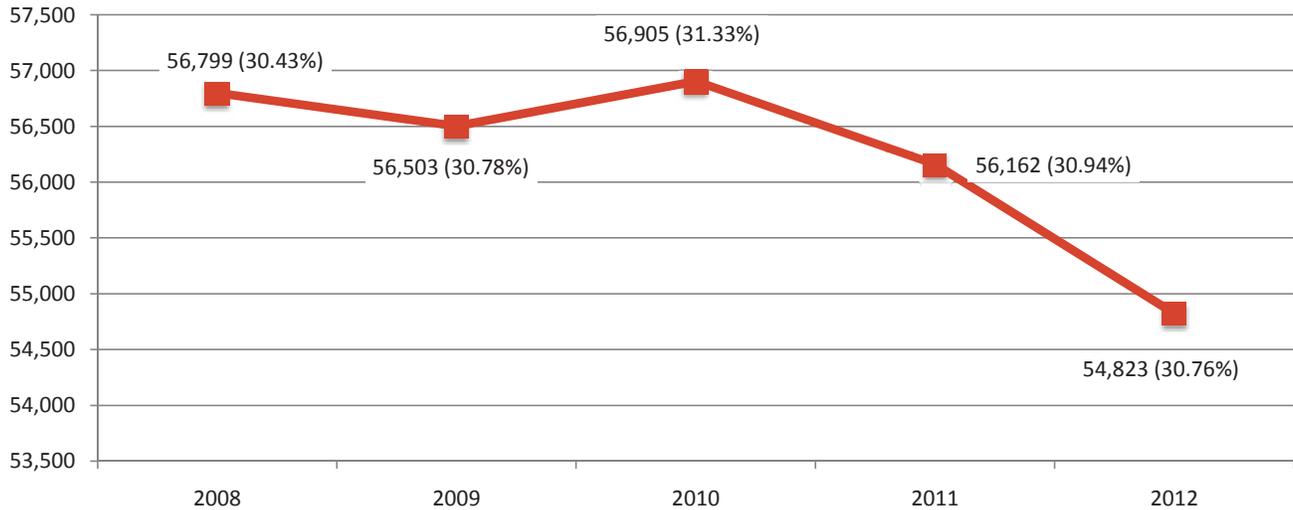
APPENDIX M

AVERAGE DAILY ATTENDANCE CITY + COUNTY SCHOOL TAX DISTRIBUTION

Memphis City Schools



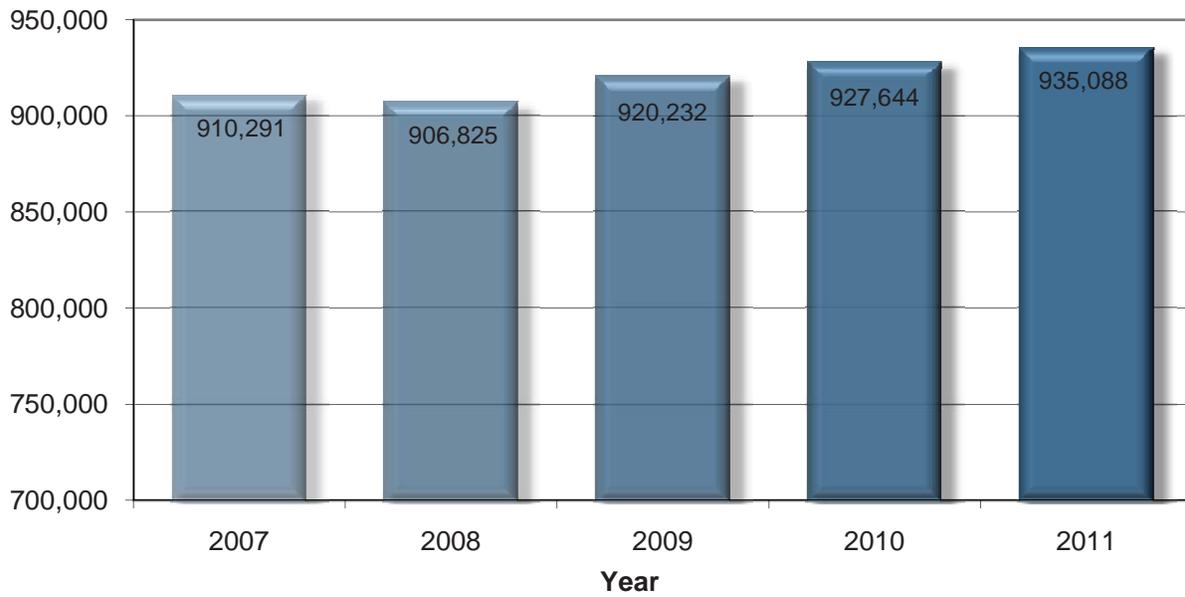
Shelby County Schools



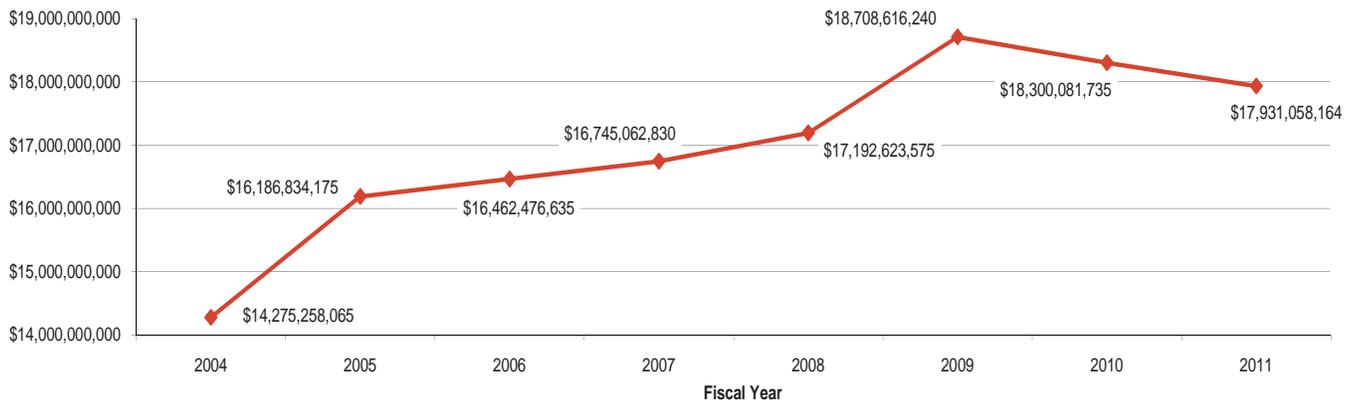
APPENDIX N

SHELBY COUNTY GROWTH STATISTICS

Shelby County Population Growth



Total Assessed Realty & Personalty Tax Base



GOALS FOR THE FUTURE

At the publishing of this annual report the Trustee's office is preparing to assume the responsibility of the City of Memphis Tax collections beginning February 1, 2013. Negotiations began as early as 1991 with the late Trustee, Bob Patterson and culminated with Trustee David Lenoir and Memphis Mayor A C Whar-
ton recognizing and acting upon this much needed efficiency in government. The staff of the Trustee's office is proud to be a part of this transformation in government.

