

## GENERAL FUND

The General Fund for the County of Scott accounts for all transactions of the County which pertain to the general administration and services traditionally provided to its citizens except those specifically accounted for elsewhere. Services within the General Fund include law enforcement services, legal services, emergency services, juvenile court justice services, physical health services, services to the poor, services to military veterans, services to the elderly, environmental quality services, conservation and recreation services, animal control services, county development services, representation (election) services, state administrative services and various interprogram services such as policy and administration, central services and risk management services.

The General Fund is also the primary source of appropriations to fund costs of providing these services. Consequently, considerable importance is placed, upon the fund's financial condition. The Board of Supervisors and staff's objective is to maintain an acceptable level of service for the County's citizens within the limitations of revenue sources that are available to support these activities.

An objective of maintaining the General Fund as a self-funding entity, revenues and/or available balances must be provided to support expense levels during the entire fiscal year. Consequently, the fund balance or working balance is estimated or projected at a level sufficient to fund the first three months of a new fiscal year prior to the receipt of property tax revenues in October. (In Iowa property taxes are paid in two installments due September 30<sup>th</sup> and March 31<sup>st</sup>.) The revenue sources over the past several years have been directed toward this goal in order to avoid interim financing. The following is a ten-year history of the changes in the unrestricted, unreserved General Fund balance:

| Fiscal Year         | June 30<br>Fund Balance |
|---------------------|-------------------------|
| 1991-92             | 4,542,345               |
| 1992-93             | 3,993,434               |
| 1993-94             | 2,647,080               |
| 1994-95             | 3,411,137               |
| 1995-96             | 4,464,226               |
| 1996-97             | 6,776,196               |
| 1997-98             | 6,971,767               |
| 1998-99             | 8,701,174               |
| 1999-00 (Projected) | 6,206,910               |
| 2000-01 (Projected) | 5,556,910               |

The Scott County Board of Supervisors has adopted a set of financial management policies. As a part of these financial management policies a *minimum* year-end fund balance for the General Fund was identified as 15% of annual operating expenses. The unrestricted, unreserved General Fund projected June 30, 2001 balance meets the minimum percentage requirement of the policy at 19.3%.

In recent years the Board of Supervisors has taken an aggressive stance creating reserves for various expenditures such as vehicle replacements, electronic equipment replacements, capital improvements and for risk management costs. These reserves allow for stable annual, levied transfer amounts as opposed to requiring highly fluctuating levy rates. Also, General Fund balances that exceed the minimum reserve requirement are considered for capital project funding. That is the reason behind the planned General Fund balance reductions in FY00 and FY01. Operating transfers to the Capital Projects Fund are planned to support the space utilization master plan in moving administrative offices from the Courthouse to the Bicentennial Building to make room for additional judges, as well as for the planned expansion of the County's juvenile detention center.

The addition of the 1% Local Option Sales Tax in fiscal year 1989-90 as approved by County referendum has greatly enhanced the diversity of the revenue base for the General Fund. This new revenue represents 12% of total revenues to the General Fund in 2000-01. **All estimated local option tax revenues are used to reduce the General Fund property tax requirement for the ensuing fiscal year.**

The Iowa State Legislature created a new Special Revenue Fund to account for all mental health developmentally disabled (MH-DD) expenditures and revenues as mandated by Iowa law. In the past MH-DD expenditures had increased steadily to the point where these uncontrollable State mandated expenditures accounted for almost a third of the County's General Fund operating expenses. However, in 1996 the State Legislature authorized legislation that required the State to begin to participate in a higher level in the funding of these mental health costs. In addition the State limited future growth of MH-DD expenditures that counties could legally expend over the previous year. This State action not only reduced property tax requirements by Iowa counties it also greatly reduced the funding and expenditure requirements of the General Fund below previous years' requirements.

Budgeted expenditures (net of transfers) within the General Fund increased 10.1% for 2000-01 over 1999-00. The Public Safety area is increasing substantially due to higher costs associated with the overcrowding problem at the jail. Both costs to house inmates in out of county jail facilities and the implementation of new alternatives to incarceration programs have caused this increase. Court Services is decreasing due to a change in the accounting and payment of the State juvenile justice program. Juvenile justice program costs above the County's base amount are now paid directly by the State instead of passing through the County first and then reimbursed.

Physical Health and Education is increasing 7% due to the implementation of recently approved organizational changes and staff position upgrades in the Health Department. Social Services is decreasing due to lower general relief costs and the termination of a pass through agency grant. The 7.9% increase in the County Environment area is due to organization changes approved in the Conservation Department in the previous year, new 800 MHz radio system access fees and maintenance costs, and increasing health insurance premium costs.

State and Local Government Services costs are increasing due to the higher election costs incurred during a presidential election year. Finally, Interprogram Services costs are increasing due to the impact of a 25% increase in health insurance premiums.

The General Fund is comprised of two levying funds - the General Basic Fund and the General Supplemental Fund. The General Basic Fund has a \$3.50 rate per \$1,000 taxable valuation limitation. The General Supplemental Fund is for specific services and expenditures as outlined in Section 331.424 of the Code of Iowa and include such services as elections, court services, and risk management service (see Financial Management Policies in the Supplemental Information section of this budget document for a complete listing). Current law requires counties to levy the General Basic Fund maximum levy prior to utilizing the General Supplemental Fund levy. However, the 2000-01 General Basic levy rate is \$3.48 or 99.4% of the maximum levy rate of \$3.50.

The General Supplemental Fund levy is not needed at this time due to the new Special Revenue Fund created by Iowa law for MH-DD revenues and expenditures. Also it is noted that should the County reach the \$3.50 General Basic Fund rate limit election costs, court services costs and risk management expenditures could be levied under the General Supplemental Fund levy which has no levy rate limitation under Iowa law. Thus, the Board of Supervisors continues to have considerable latitude in the determination of an expense level to fund the services to be provided to its citizens. Future economic conditions and the growth of non-tax revenues will also play a part in future required tax levy levels.

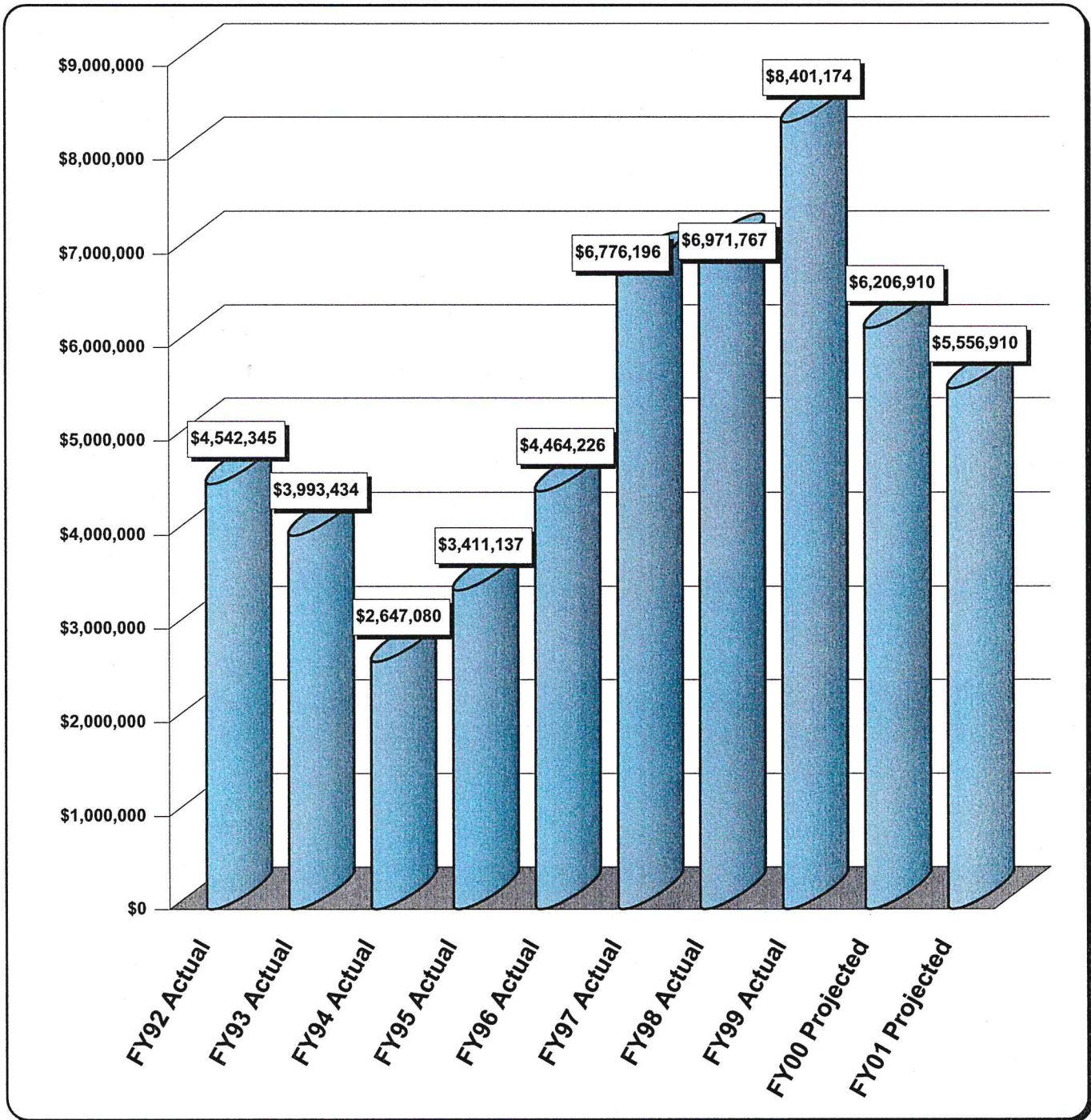


**General Fund Total  
FUND STATEMENT**

|   | <b>Actual<br/><u>1998-99</u></b> | <b>Budget<br/><u>1999-00</u></b> | <b>Revised<br/>Estimate<br/><u>1999-00</u></b> | <b>Budget<br/><u>2000-01</u></b> | <b>%<br/>Change<br/>From<br/>Prior<br/>Budget</b> |
|---|----------------------------------|----------------------------------|--|----------------------------------|---|
| Beginning balance, July 1                                     | \$ 8,395,081                     | \$ 16,636,552                    | \$ 9,824,488                                   | \$ 7,630,224                     | -54.1%  |
| Revenues  | <u>28,697,945</u>                | <u>26,407,656</u>                | <u>26,765,076</u>                              | <u>28,780,099</u>                | 9.0%  |
| Funds available   | 37,093,026                       | 43,044,208                       | 36,589,564                                     | 36,410,323                       | -15.4%  |
| Expenditures  | <u>27,268,538</u>                | <u>27,587,886</u>                | <u>28,959,340</u>                              | <u>29,430,099</u>                | 6.7%  |
| Ending Balance, June 30                                       | <u>\$ 9,824,488</u>              | <u>\$ 15,456,322</u>             | <u>\$ 7,630,224</u>                            | 6,980,224                        | -54.8%  |
| Less:   |                                  |                                  |  |                                  |   |
| Amount reserved for advance to<br>Golf Course Enterprise Fund |                                  |                                  |  | <u>1,423,314</u>                 |   |
| Unreserved Ending Balance                                     |                                  |                                  |  | <u>\$ 5,556,910</u>              |   |

# GENERAL FUND UNRESERVED ENDING FUND BALANCE

## TEN YEAR COMPARISON



The recommended FY2000-01 General Fund Unreserved ending fund balance is being reduced \$650,000 to support a one-time capital project (Juvenile Detention Center expansion project). The remaining \$5,556,910 represents 19.3% of General Fund budgeted expenditures. Board policy requires a 15% minimum General Fund balance. (The reduction in fund balance in FY00 is due to a transfer to the CIP Fund for the Space Utilization Master Plan remodeling project.)

# PROPOSED FY2000-01 ONE-TIME USES OF UNRESERVED GENERAL FUND BALANCE

**FY 2000-01 Projected *Beginning* Unreserved General Fund Balance** \$ 6,206,910

**Less Proposed One-Time Uses:**

Juvenile Detention Center Expansion \$ 650,000

Total One-Time Uses 650,000

**FY 1999-2000 Projected *Ending* Unreserved General Fund Balance** \$ 5,556,910

**Percent Of Budgeted General Fund Expenditures** 19.3%

Note: FY00 one-time uses as follows:

|                               |                     |
|-------------------------------|---------------------|
| Space Utilization Master Plan | \$ 2,500,000        |
| 800 MHz Radio System          | <u>480,230</u>      |
| Total                         | <u>\$ 2,980,230</u> |

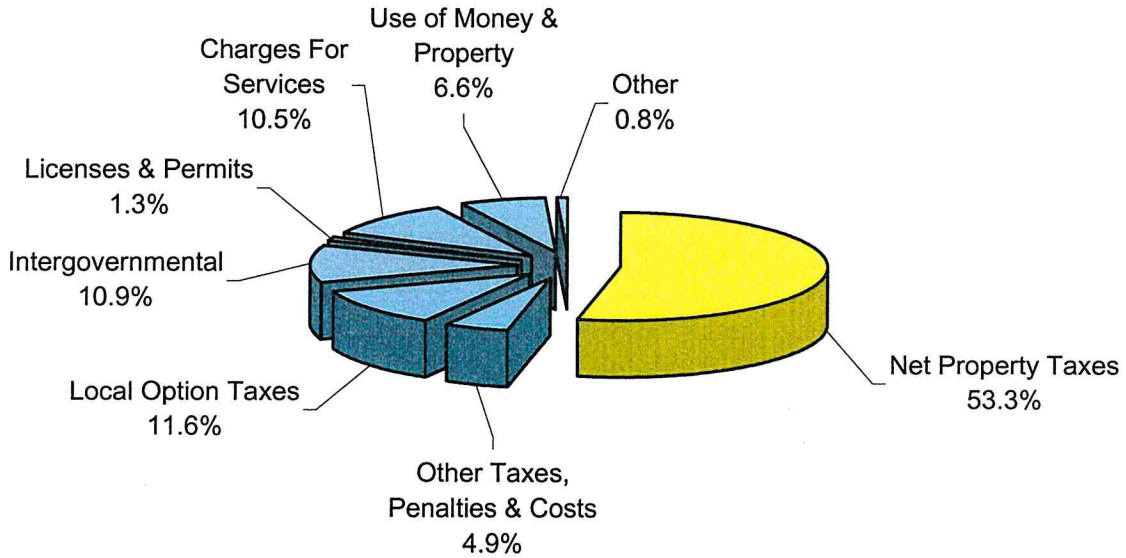
**General Fund Total  
REVENUE SOURCES**

|   | <b>Actual<br/>1998-99</b> | <b>Budget<br/>1999-00</b> | <b>Revised<br/>Estimate<br/>1999-00</b> | <b>Budget<br/>2000-01</b> | <b>%<br/>Change<br/>From<br/>Prior<br/>Budget</b> |
|---|---------------------------|---------------------------|---|---------------------------|---|
| Taxes Levied on Property                        | \$ 13,658,514             | \$ 14,820,814             | \$ 14,768,203                           | \$ 16,008,667             | 8.0%  |
| Less: Uncollected Delinq Taxes-Levy Yr          | 4,657                     | 7,278                     | 7,278                                   | 7,278                     | 0.0%  |
| Less: Credits To Taxpayers                      | 650,856                   | 707,210                   | 654,599                                 | 654,599                   | -7.4%   |
| Net Current Property Taxes                      | 13,003,001                | 14,106,326                | 14,106,326                              | 15,346,790                | 8.8%  |
| Add: Delinquent Property Tax Revenue            | 4,657                     | 7,278                     | 7,278                                   | 7,278                     | 0.0%  |
| <b>Total Net Property Taxes</b>                 | <b>13,007,657</b>         | <b>14,113,604</b>         | <b>14,113,604</b>                       | <b>15,354,068</b>         | <b>8.8%</b>                                       |
| Penalties, Interest & Costs On Taxes            | 420,615                   | 461,110                   | 469,810                                 | 482,310                   | 4.6%  |
| Other County Taxes                              | 96,665                    | 96,312                    | 96,665                                  | 96,665                    | 0.4%  |
| <b>Total Other Taxes, Penalties &amp; Costs</b> | <b>517,279</b>            | <b>557,422</b>            | <b>566,475</b>                          | <b>578,975</b>            | <b>3.9%</b>                                       |
| Local Option Taxes                              | 3,317,574                 | 3,207,501                 | 3,234,097                               | 3,331,120                 | 3.9%  |
| Utility Tax Replacement Excise Tax              | -                         | -                         | -                                       | 819,230                   | 0.0%  |
| <b>Intergovernmental :</b>                      |                           |                           |   |                           |   |
| State Shared Revenues                           | 128,916                   | 107,029                   | 130,000                                 | 130,000                   | 21.5%   |
| State Grants & Reimbursements                   | 2,068,971                 | 1,969,296                 | 1,503,186                               | 1,512,505                 | -23.2%  |
| State Credits Against Levied Taxes              | 650,856                   | 707,210                   | 654,599                                 | 654,599                   | -7.4%   |
| Other State Credits                             | 574,771                   | 557,519                   | 574,770                                 | 589,097                   | 5.7%  |
| Federal Grants & Entitlements                   | 248                       | -                         | 42,812                                  | 41,666                    | 0.0%  |
| Contr & Reimb From Other Govts                  | 345,245                   | 317,050                   | 348,567                                 | 214,717                   | -32.3%  |
| Payments in Lieu of Taxes                       | 2,110                     | 2,299                     | 2,110                                   | 2,110                     | -8.2%   |
| <b>Subtotal Intergovernmental</b>               | <b>3,771,118</b>          | <b>3,660,403</b>          | <b>3,256,044</b>                        | <b>3,144,694</b>          | <b>-14.1%</b>                                     |
| Licenses & Permits                              | 362,164                   | 371,445                   | 404,249                                 | 383,705                   | 3.3%  |
| Charges For Services                            | 3,183,546                 | 2,900,640                 | 2,972,786                               | 3,035,318                 | 4.6%  |
| Use of Money & Property                         | 1,797,528                 | 1,358,931                 | 1,991,977                               | 1,903,969                 | 40.1%   |
| <b>Other:</b>                                   |                           |                           |   |                           |   |
| Fines, Forfeitures & Defaults                   | 99,061                    | 51,000                    | 51,000                                  | 51,000                    | 0.0%  |
| Miscellaneous                                   | 325,756                   | 180,210                   | 167,344                                 | 171,520                   | -4.8%   |
| Proceeds of Fixed Asset Sales                   | 1,131                     | 6,500                     | 7,500                                   | 6,500                     | 0.0%  |
| <b>Total Other</b>                              | <b>425,948</b>            | <b>237,710</b>            | <b>225,844</b>                          | <b>229,020</b>            | <b>-3.7%</b>                                      |
| <b>Total Revenues before transfers</b>          | <b>26,382,814</b>         | <b>26,407,656</b>         | <b>26,765,076</b>                       | <b>27,960,869</b>         | <b>5.9%</b>                                       |
| <b>Transfers in from:</b>                       |                           |                           |   |                           |   |
| General Basic                                   | 2,300,000                 | -                         | -                                       | -                         | 0.0%  |
| Recorder's Record Mgt                           | 15,131                    | -                         | -                                       | -                         | 0.0%  |
| <b>Total transfers in</b>                       | <b>2,315,131</b>          | <b>-</b>                  | <b>-</b>                                | <b>-</b>                  | <b>0.0%</b>                                       |
| <b>GRAND TOTAL REVENUES</b>                     | <b>\$ 28,697,945</b>      | <b>\$ 26,407,656</b>      | <b>\$ 26,765,076</b>                    | <b>\$ 28,780,099</b>      | <b>9.0%</b>                                       |



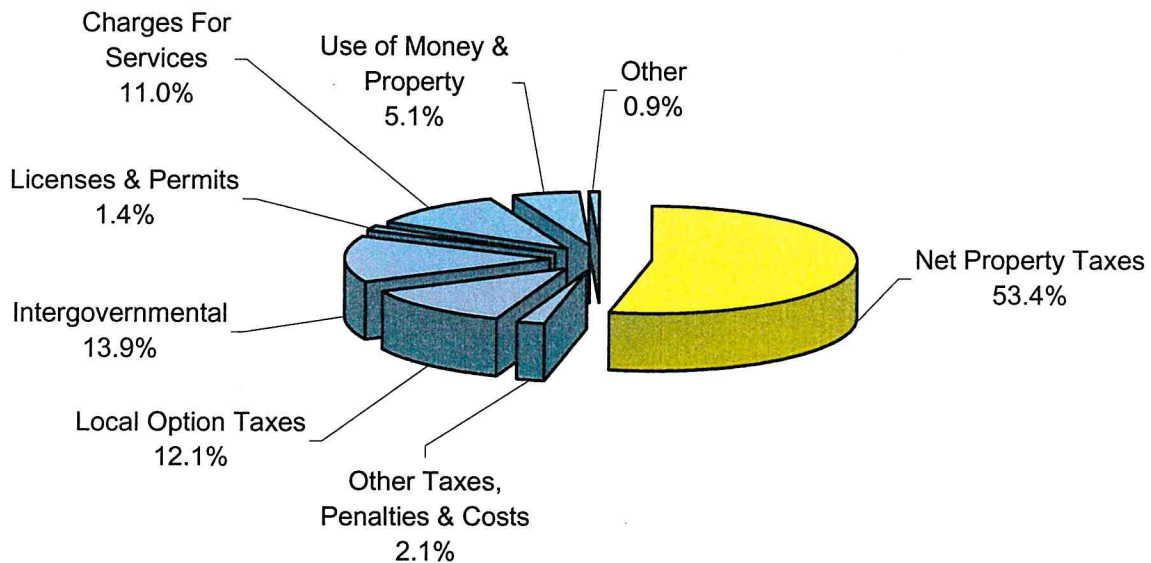
# GENERAL FUND REVENUES BY TYPE

## FY01 BUDGET



Although net property taxes remain at the same percentage of total General Fund revenues, other taxes are increasing due to the shift in utilities property taxes to a replacement excise tax.

## FY00 BUDGET

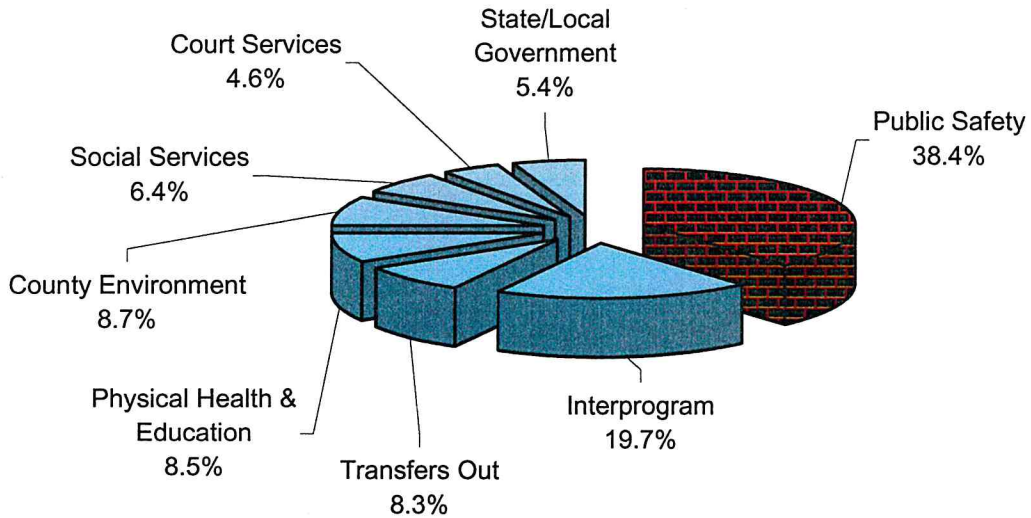


**GENERAL FUND EXPENDITURES  
BY SERVICE AREA**

| <b>SERVICE AREA</b>              | <b>Actual<br/>1998-99</b> | <b>Budget<br/>1999-00</b> | <b>Revised<br/>Estimate<br/>1999-00</b> | <b>Budget<br/>2000-01</b> | <b>%<br/>Change<br/>From<br/>Prior<br/>Budget</b> |
|----------------------------------|---------------------------|---------------------------|---|---------------------------|---|
| Public Safety                    | \$ 8,658,629              | \$ 9,284,008              | \$ 9,439,954                            | \$ 11,307,584             | 21.8%   |
| Court Services                   | 1,619,084                 | 1,692,363                 | 1,247,700                               | 1,342,190                 | -20.7%  |
| Physical Health & Education      | 2,134,187                 | 2,338,529                 | 2,381,081                               | 2,503,282                 | 7.0%  |
| Social Services                  | 1,769,356                 | 1,922,045                 | 1,761,910                               | 1,873,129                 | -2.5%   |
| County Environment               | 2,233,586                 | 2,384,944                 | 2,446,622                               | 2,573,389                 | 7.9%  |
| State/Local Government           | 1,449,209                 | 1,478,827                 | 1,481,701                               | 1,598,695                 | 8.1%  |
| Interprogram                     | <u>4,478,582</u>          | <u>5,401,701</u>          | <u>5,243,153</u>                        | <u>5,785,644</u>          | 7.1%  |
| <b>SUBTOTAL BEFORE TRANSFERS</b> | 22,342,632                | 24,502,417                | 24,002,121                              | 26,983,913                | 10.1%   |
| <b>Transfers out to:</b>         |                           |                           |   |                           |   |
| Secondary Roads                  | 522,543                   | 538,219                   | 538,219                                 | 554,366                   | 3.0%  |
| Capital Improvements             | 1,431,543                 | 1,875,430                 | 3,747,180                               | 1,220,000                 | -34.9%  |
| Vehicle Replacement              | 171,820                   | 171,820                   | 171,820                                 | 171,820                   | 0.0%  |
| Electronic Equipment             | <u>500,000</u>            | <u>500,000</u>            | <u>500,000</u>                          | <u>500,000</u>            | 0.0%  |
| <b>Total transfers</b>           | 2,625,906                 | 3,085,469                 | 4,957,219                               | 2,446,186                 | -20.7%  |
| <b>GRAND TOTAL EXPENDITURES</b>  | <u>\$ 24,968,538</u>      | <u>\$ 27,587,886</u>      | <u>\$ 28,959,340</u>                    | <u>\$ 29,430,099</u>      | 6.7%  |

# GENERAL FUND EXPENDITURES BY SERVICE AREA

## FY01 BUDGET



This graph shows that the single largest General Fund expense category is for Public Safety costs which are also rising as a % of total General Fund expenditures to to the jail overcrowding problem.

## FY00 BUDGET

