

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 30th and March 31st.) 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 Fund Balance
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	8,401,174
1999-00	5,755,164
2000-01 (Projected)	6,407,910
2001-02 (Projected)	5,426,497

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, 2002 balance meets the minimum percentage requirement of the policy at 15.9%.

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 FY01 and FY02. 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. The local option sales tax revenue represents 11% of total revenues to the General Fund in FY02. **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 2.5% for FY02 over FY01. The Public Safety area decreased slightly due to the FY01 amended budget including costs associated with the 2001 spring flooding of the Mississippi River. Also, although costs to house inmates in out of county jail facilities and the implementation of new alternatives to incarceration programs have increased in recent years, the amount budgeted in FY02 to house inmates was much lower than the amount budgeted in FY01 due in part to the success of some of the alternative programs. Court Services is increasing in part due to the cost to lease space to house the Juvenile Court Services Department. This department was relocated from the County's Bi-Centennial Building to make room for the implementation of the County's Master Space Plan renovation project. This major renovation project moves non-court and law enforcement offices from the County Courthouse to the Bi-Centennial Building to allow for more courtroom space in the Courthouse.

Physical Health and Education is increasing 5.7% due to the increase in several grant programs in the Health Department. County Environment is increasing due to a tax deed property clean up action planned in the Planning and Development Department that will be funded through State L.U.S.T. grant funds. All other service areas are increasing nominal, inflationary amounts.

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. The FY02 General Basic levy rate is at the \$3.50 limit with the General Supplemental Fund at a \$0.02 levy rate amount.

The General Supplemental Fund levy is only slightly used 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 as the County has just reached the \$3.50 General Basic Fund rate limit election costs, court services costs and risk management expenditures could all 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.

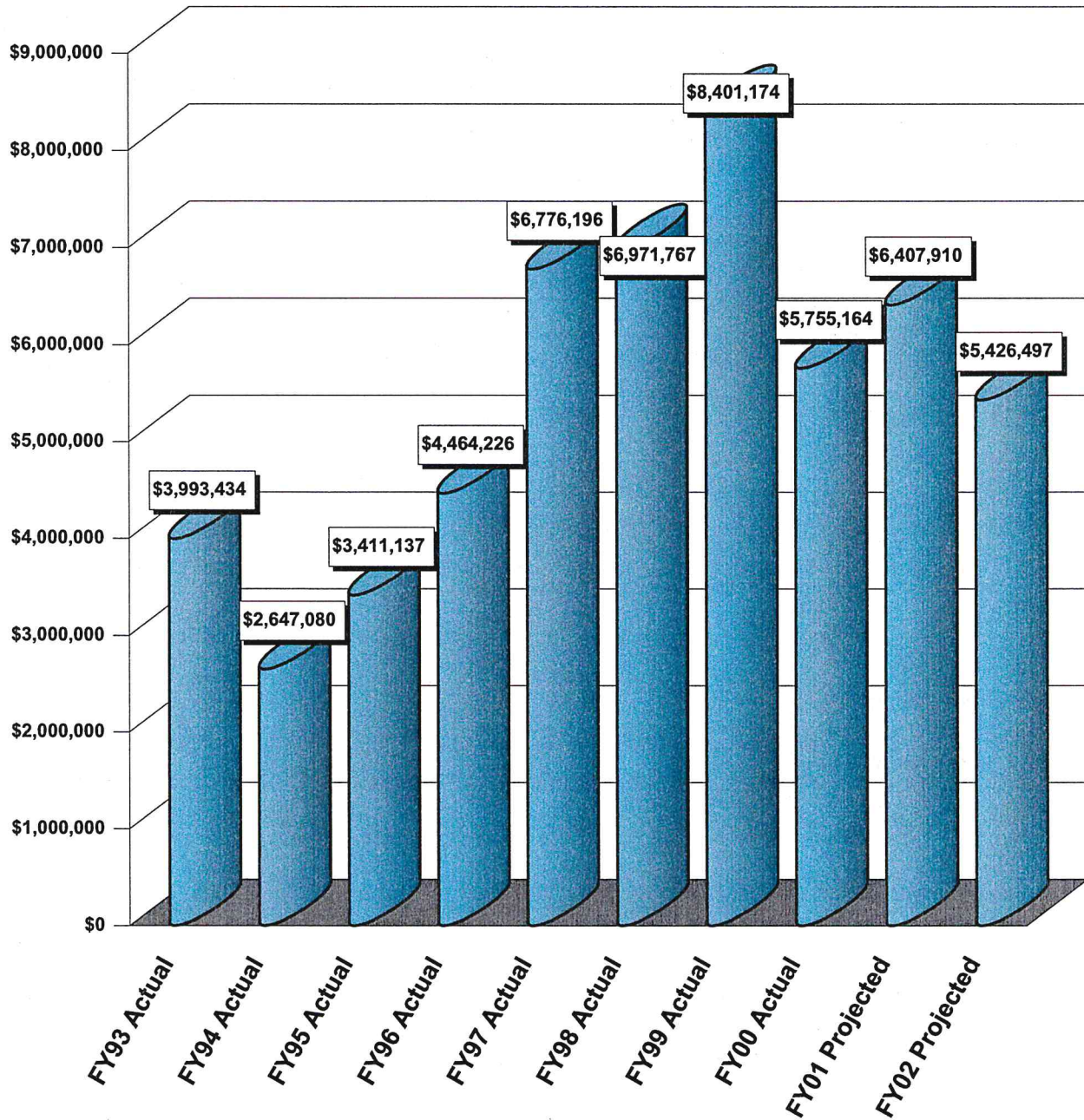


General Fund Total FUND STATEMENT

	<u>Actual</u> <u>1999-00</u>	<u>Budget</u> <u>2000-01</u>	<u>Revised</u> <u>Estimate</u> <u>2000-01</u>	<u>Budget</u> <u>2001-02</u>	<u>%</u> <u>Change</u> <u>From</u> <u>Prior</u> <u>Budget</u>
Beginning balance, July 1	\$ 9,824,487	\$ 7,630,224	\$ 7,384,239	\$ 8,036,985	5.3%
Revenues	<u>30,095,122</u>	<u>28,780,099</u>	<u>33,299,017</u>	<u>34,109,427</u>	18.5%
Funds available	39,919,609	36,410,323	40,683,256	42,146,412	15.8%
Expenditures	<u>32,535,370</u>	<u>29,430,099</u>	<u>32,646,271</u>	<u>35,159,427</u>	19.5%
Ending Balance, June 30	<u>\$ 7,384,239</u>	<u>\$ 6,980,224</u>	<u>\$ 8,036,985</u>	6,986,985	0.1%
Less:					
Amount reserved for advance to Golf Course Enterprise Fund				1,423,314	
Amount reserved for notes receivable				<u>137,174</u>	
Unreserved/Undesignated Ending Balance				<u>\$ 5,426,497</u>	

GENERAL FUND UNRESERVED ENDING FUND BALANCE

TEN YEAR COMPARISON



The recommended FY02 General Fund Unreserved ending fund balance is being reduced to support one-time capital projects. The remaining \$5,426,497 represents 15.9% of General Fund budgeted expenditures and operating transfers. The Board's Financial Management Policy requires a 15% minimum General Fund balance.

PROPOSED FY02 ONE-TIME USES OF UNRESERVED/UNDESIGNATED GENERAL FUND BALANCE

FY02 Projected <i>Beginning</i> Unreserved/Undesignated General Fund Balance	\$ 6,407,910
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Less Proposed One-Time Uses:

Property tax system rewrite	\$ 250,000
Accounting/HR systems rewrite	275,000
Law enforcement management systems	250,000
IMAX Funding	100,000
Brady Street Stadium improvements	40,000
Buffalo Bill Museum expansion project	70,000
First Tee of the Quad Cities project	65,000

Total One-Time Uses	1,050,000
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Add repayments of reserved notes receivables from small towns for 800 MHz radio system implementation	68,587
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FY02 Projected <i>Ending</i> Unreserved/Undesignated General Fund Balance	<u>\$ 5,426,497</u>
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Percent Of Budgeted General Fund Expenditures and Operating Transfers	<u>15.9%</u>
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Note: FY01 one-time uses as follows:

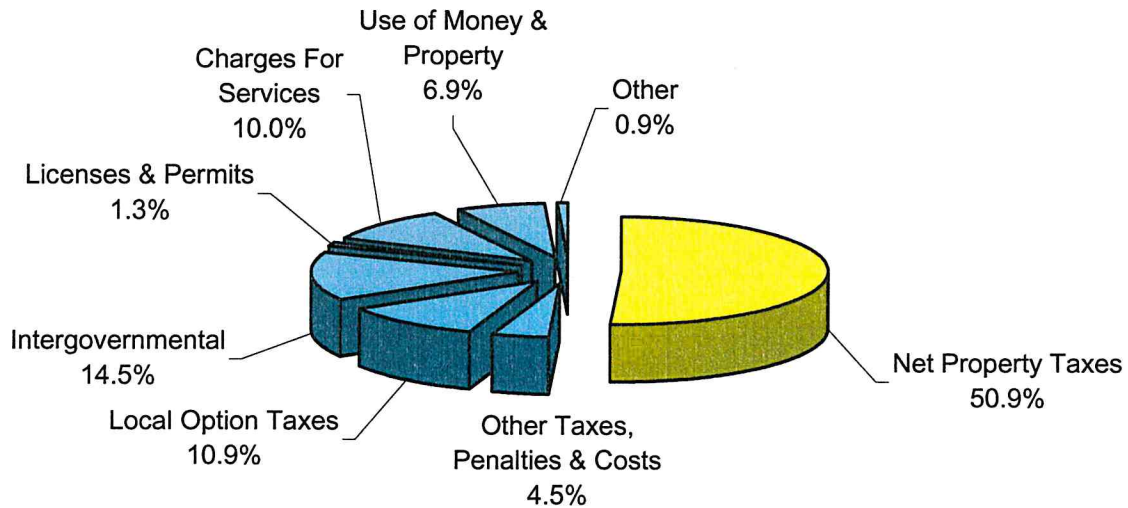
Juvenile Detention Center expansion	\$ 400,000
Property tax system rewrite	140,000
Accounting/HR systems rewrite	75,000
Law enforcement management systems	200,000
IMAX Funding	100,000
Brady Street Stadium improvements	<u>40,000</u>
 Total	 <u><u>\$ 955,000</u></u>

**General Fund Total
REVENUE SOURCES**

	Actual 1999-00	Budget 2000-01	Revised Estimate 2000-01	Budget 2001-02	% Change From Prior Budget
Taxes Levied on Property	\$ 14,772,012	\$ 16,008,667	\$ 16,056,506	\$ 16,782,259	4.8%
Less: Uncollected Delinquent Taxes-Lev	11,347	7,278	11,347	11,347	55.9%
Less: Credits To Taxpayers	698,368	654,599	698,369	698,369	6.7%
Net Current Property Taxes	14,062,297	15,346,790	15,346,790	16,072,543	4.7%
Add: Delinquent Property Tax Revenue	11,347	7,278	11,347	11,347	55.9%
 Total Net Property Taxes	 14,073,644	 15,354,068	 15,358,137	 16,083,890	 4.8%
 Penalties, Interest & Costs On Taxes	 489,444	 482,310	 467,578	 497,078	 3.1%
Other County Taxes	103,313	96,665	103,313	103,313	6.9%
Total Other Taxes, Penalties & Costs	592,757	578,975	570,891	600,391	3.7%
 Local Option Taxes	 3,341,526	 3,331,120	 3,356,618	 3,457,316	 3.8%
Utility Tax Replacement Excise Tax	-	819,230	819,230	807,721	(1.4%)
 Intergovernmental :					
State Shared Revenues	115,360	130,000	130,000	130,000	0.0%
State Grants & Reimbursements	1,717,812	2,700,964	2,714,700	2,807,795	4.0%
State Credits Against Levied Taxes	698,368	654,599	698,369	698,369	6.7%
Other State Credits	614,292	589,097	627,275	627,275	6.5%
Federal Grants & Entitlements	44,198	41,666	45,486	42,666	2.4%
Contr & Reimb From Other Govts	319,242	398,642	226,117	270,941	(32.0%)
Payments in Lieu of Taxes	1,989	2,110	2,110	2,110	0.0%
Subtotal Intergovernmental	3,511,261	4,517,078	4,444,057	4,579,156	1.4%
 Licenses & Permits	 427,082	 383,705	 402,555	 416,730	 8.6%
Charges For Services	3,070,599	3,035,318	3,102,010	3,171,475	4.5%
Use of Money & Property	2,121,568	1,903,969	2,449,655	2,193,809	15.2%
 Other:					
Fines, Forfeitures & Defaults	66,775	51,000	57,200	51,200	0.4%
Miscellaneous	349,232	171,520	229,164	237,739	38.6%
Proceeds of Fixed Asset Sales	40,678	6,500	9,500	10,000	53.8%
Total Other	456,685	229,020	295,864	298,939	30.5%
 Total Revenues before transfers	 27,595,122	 30,152,483	 30,799,017	 31,609,427	 4.8%
 Transfers in from:					
General Basic	2,500,000	-	2,500,000	2,500,000	
Total transfers in	2,500,000	-	2,500,000	2,500,000	
 GRAND TOTAL REVENUES	 \$ 30,095,122	 \$ 30,152,483	 \$ 33,299,017	 \$ 34,109,427	 13.1%

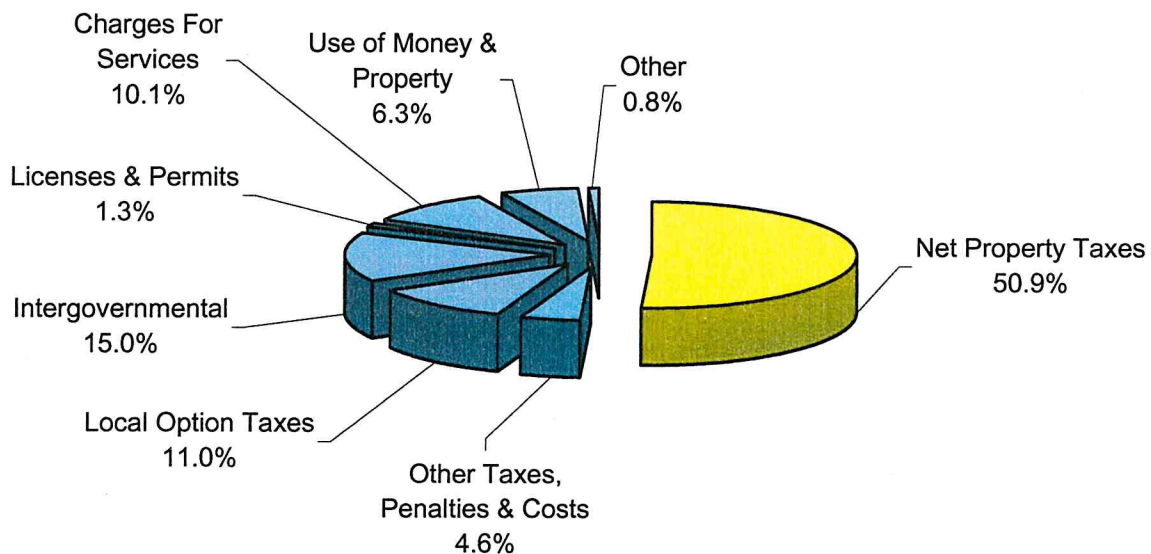
GENERAL FUND REVENUES BY TYPE

FY02 BUDGET



The allocation of revenue sources to the General Fund remains fairly constant for FY02 compared to the previous year.

FY01 BUDGET

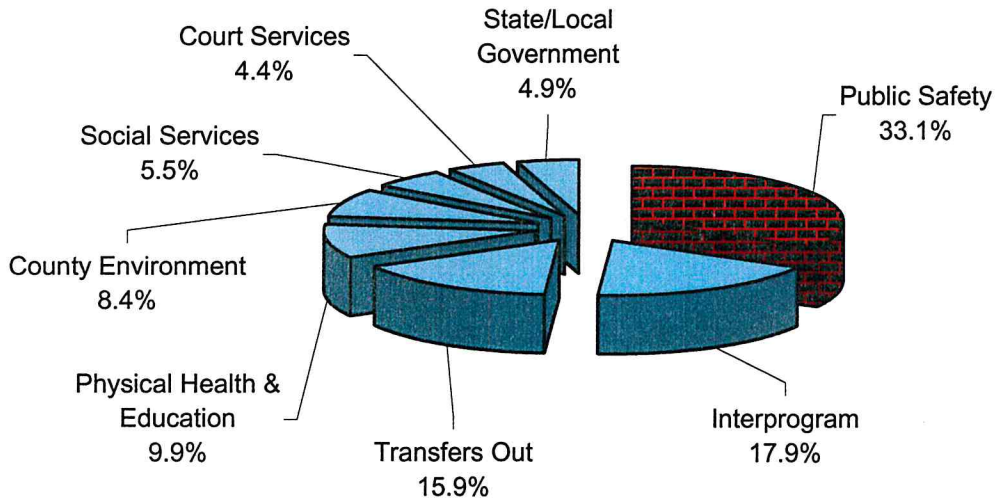


**GENERAL FUND EXPENDITURES
BY SERVICE AREA**

SERVICE AREA	Actual 1999-00	Budget 2000-01	Revised Estimate 2000-01	Budget 2001-02	% Change From Prior Budget
Public Safety	\$ 9,357,444	\$ 11,751,509	\$ 10,746,626	\$ 11,643,468	-0.9%
Court Services	1,267,778	1,390,190	1,398,823	1,551,016	11.6%
Physical Health & Education	2,499,286	3,294,241	3,341,348	3,482,697	5.7%
Social Services	1,671,307	1,873,129	1,849,656	1,926,613	2.9%
County Environment	2,336,674	2,773,389	2,773,003	2,967,027	7.0%
State/Local Government	1,509,901	1,678,695	1,552,188	1,707,747	1.7%
Interprogram	<u>5,439,162</u>	<u>6,075,644</u>	<u>5,722,809</u>	<u>6,279,617</u>	3.4%
SUBTOTAL BEFORE TRANSFERS	24,081,552	28,836,797	27,384,453	29,558,185	2.5%
Transfers out to:					
General Supplemental	2,500,000	-	2,500,000	2,500,000	
Secondary Roads	538,219	554,366	554,366	570,997	3.0%
Capital Improvements	4,667,356	1,220,000	1,520,632	1,858,425	52.3%
Vehicle Replacement	171,820	171,820	171,820	171,820	0.0%
Electronic Equipment	500,000	500,000	500,000	500,000	0.0%
Conservation Equipment Reserve	76,423	-	-	-	
Conservation CIP Reserve	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	
Total transfers	8,453,818	2,446,186	5,261,818	5,601,242	129.0%
GRAND TOTAL EXPENDITURES	<u>\$ 32,535,370</u>	<u>\$ 31,282,983</u>	<u>\$ 32,646,271</u>	<u>\$ 35,159,427</u>	12.4%

GENERAL FUND EXPENDITURES BY SERVICE AREA

FY02 BUDGET



This graph shows that the single largest General Fund expense category is for Public Safety costs. It is noted that the FY01 budget amount for Transfers Out did not include an interfund transfer to the General Supplemental Fund.

FY01 BUDGET

