

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
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	5,373,104
2001-02 (Projected)	4,420,231
2002-03 (Projected)	2,714,141

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, 2003 balance is projected to be below this minimum (8.3%) due to an economic emergency use of fund balance to partially offset substantially lower interest income due to historic low interest rates. In

addition, the County plans to advance \$425,000 to the Capital Fund to continue with its space utilization master plan implementation in the Courthouse and the Bi-Centennial Building. The County may halt further implementation of this plan following the completion of the Bi-Centennial Building in FY03 until gaming revenues (which are all devoted to the Capital Fund) accumulate and allow repayment to the General Fund of any advance made in FY03. Also, the General Fund Balance will grow back to its 15% minimum balance during this halt in the multi-year master plan project.

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 recent years. 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 FY03. **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. An unintended consequence of this State action, however, is a possible reduction in direct services to clients when State revenues are down which is the situation in Iowa as in other states across the nation.

Budgeted expenditures (net of transfers) within the General Fund increased 4.1% for FY03 over FY02. Court Services is increasing in due to the anticipated costs of increased staffing at the Juvenile Detention Center when its renovation/expansion project is done at the end of calendar year 2002. These increased costs will be covered in the early years by revenues received from outside organizations housing juveniles in the County's expanded center.

The Social Services Area is increasing 6.9% due to increased rent and utility assistance levels approved for general relief recipients. The State/Local Government Services Area is decreasing 1.4% due to the smaller number of general and special elections planned for FY03. 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 FY03 General Basic levy rate is at the \$3.50 limit with the General Supplemental Fund at a \$0.23882 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 reaches 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.

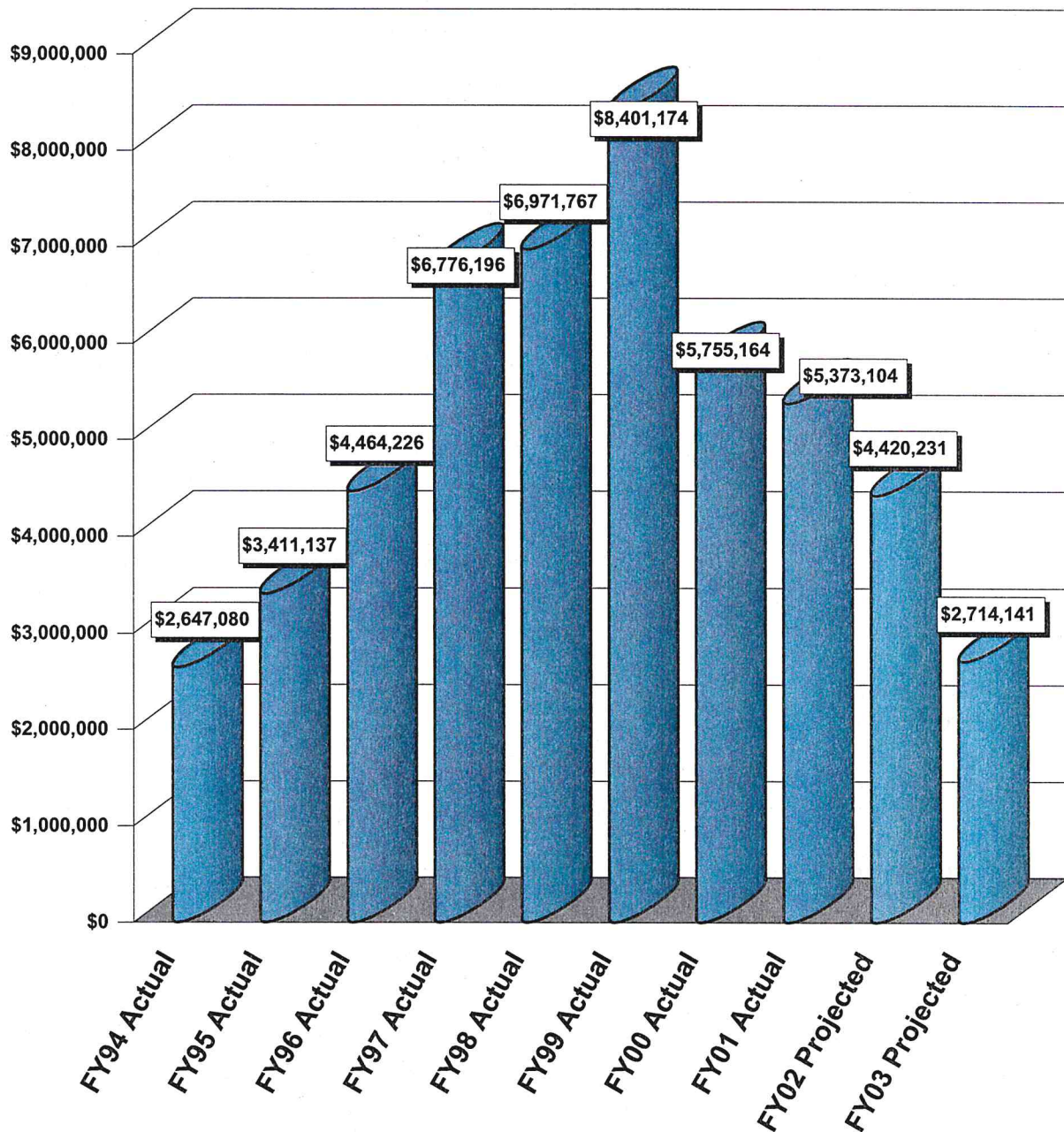


General Fund Total FUND STATEMENT

	<u>Actual 2000-01</u>	<u>Budget 2001-02</u>	<u>Revised Estimate 2001-02</u>	<u>Budget 2002-03</u>	<u>% Change From Prior Budget</u>
Beginning balance, July 1	\$ 7,416,391	\$ 8,036,985	\$ 6,916,925	\$ 5,903,799	-26.5%
Revenues	<u>33,498,665</u>	<u>34,109,427</u>	<u>34,218,817</u>	<u>35,309,337</u>	3.5%
Funds available	40,915,056	42,146,412	41,135,742	41,213,136	-2.2%
Expenditures	<u>33,998,131</u>	<u>35,159,427</u>	<u>35,231,943</u>	<u>37,075,681</u>	5.5%
Ending Balance, June 30	<u>\$ 6,916,925</u>	<u>\$ 6,986,985</u>	<u>\$ 5,903,799</u>	<u>\$ 4,137,455</u>	-40.8%
Less:					
Amount reserved for advance to Golf Course Enterprise Fund				1,423,314	
Unreserved/Undesignated Ending Balance				<u>\$ 2,714,141</u>	

GENERAL FUND UNRESERVED ENDING FUND BALANCE

TEN YEAR COMPARISON



The recommended FY03 General Fund Unreserved ending fund balance is being reduced to support one-time capital projects. The remaining \$2,714,141 represents 8.3%* of General Fund budgeted expenditures and operating transfers. The Board's Financial Management Policy requires a 15% minimum General Fund balance. The economic downturn in interest rates has necessitated additional use of fund balance.

*13.9% including the Master Plan and Golf Course funding advances

PROPOSED FY03 ONE-TIME USES OF UNRESERVED/UNDESIGNATED GENERAL FUND BALANCE

FY03 Projected *Beginning* Unreserved/Undesignated General Fund Balance \$ 4,420,231

Less Proposed One-Time Uses:

Law Enforcement Records Management System	300,000
Phase Two Jail Study	140,000
Brady Street Stadium improvements	40,000
First Tee of the Quad Cities project	65,000
Soil Contamination Cleanup	31,000
Property Acquisition	25,000
Jail Kitchen Expansion	63,000
Increase to Conservation CIP Funding	91,500
Master Plan Funding Advance	425,000
Partial offset of Interest Income Loss due to low rates	585,844

Total One-Time Uses 1,766,344

Add repayments of reserved notes receivables from small towns for 800 MHz radio system implementation 60,254

FY03 Projected *Ending* Unreserved/Undesignated General Fund Balance \$ 2,714,141

Percent Of Budgeted General Fund Expenditures and Operating Transfers 8.3%

Percent including Master Plan Funding Advance and Reserve for Advance to Golf Course Enterprise Fund*

13.9%

**The Golf Course Enterprise Fund has proven itself as a successful enterprise and will begin making payments to the General Fund in FY13.*

Note: FY02 one-time uses as follows:

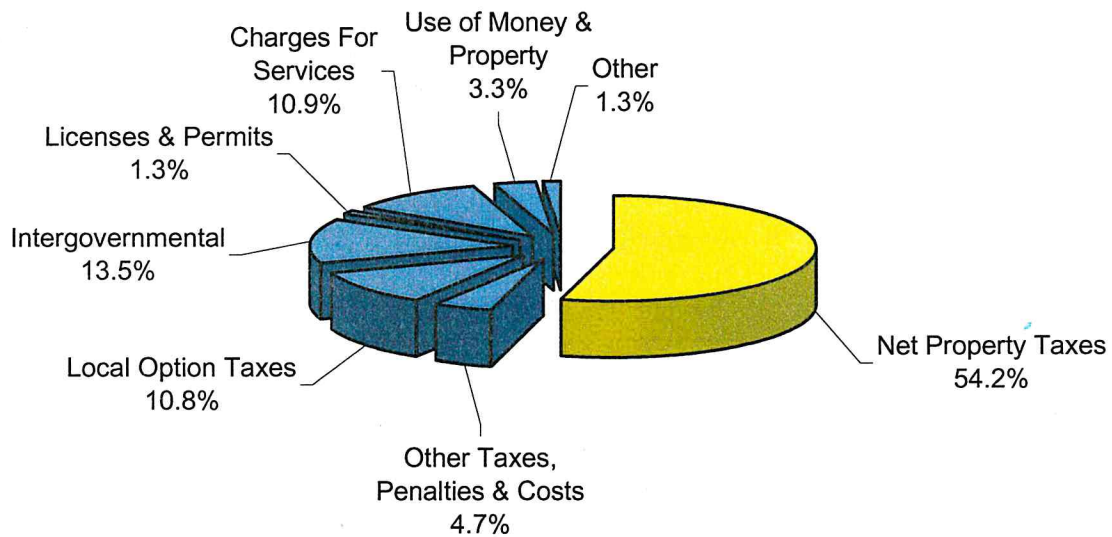
Law Enforcement Management Systems	
Automated Vehicle Locator System (AVLS)	\$ 130,500
Jail Management System	200,000
Computer Aided Dispatch System (CAD)	170,000
Civil Processing System	35,000
IMAX Funding	100,000
Brady Street Stadium improvements	40,000
Buffalo Bill Museum Expansion Project	70,000
First Tee of the Quad Cities	65,000
Brady Street Stadium improvements	40,000
Phase Two Jail Study	50,000
Soil Contamination Cleanup	45,000
Property Acquisition	<u>50,000</u>
Total	<u>\$ 995,500</u>

**General Fund Total
REVENUE SOURCES**

	<u>Actual 2000-01</u>	<u>Budget 2001-02</u>	<u>Revised Estimate 2001-02</u>	<u>Budget 2002-03</u>	<u>% Change From Prior Budget</u>
Taxes Levied on Property	\$ 16,001,184	\$ 16,782,259	\$ 16,833,870	\$ 18,294,441	9.0%
Less: Uncollected Delinquent Taxes-Lev	8,613	11,347	9,180	9,180	(19.1%)
Less: Credits To Taxpayers	750,798	698,369	752,147	785,938	12.5%
Net Current Property Taxes	15,241,773	16,072,543	16,072,543	17,499,323	8.9%
Add: Delinquent Property Tax Revenue	8,613	11,347	9,180	9,180	(19.1%)
Total Net Property Taxes	15,250,386	16,083,890	16,081,723	17,508,503	8.9%
Penalties, Interest & Costs On Taxes	522,155	497,078	517,530	524,030	5.4%
Other County Taxes	119,007	103,313	124,183	124,183	20.2%
Total Other Taxes, Penalties & Costs	641,162	600,391	641,713	648,213	8.0%
Local Option Taxes	3,196,756	3,457,316	3,395,627	3,497,496	1.2%
Utility Tax Replacement Excise Tax	802,715	807,721	807,469	884,252	9.5%
Intergovernmental :					
State Shared Revenues	107,907	130,000	100,000	100,000	(23.1%)
State Grants & Reimbursements	2,551,486	2,807,795	2,692,929	2,623,673	(6.6%)
State Credits Against Levied Taxes	750,798	698,369	752,147	785,938	12.5%
Other State Credits	787,939	627,275	632,356	632,356	0.8%
Federal Grants & Entitlements	73,910	42,666	48,000	23,500	(44.9%)
Contr & Reimb From Other Govts	333,083	270,941	258,162	194,462	(28.2%)
Payments in Lieu of Taxes	2,195	2,110	2,195	2,195	4.0%
Subtotal Intergovernmental	4,607,318	4,579,156	4,485,789	4,362,124	(4.7%)
Licenses & Permits	385,507	416,730	410,145	411,345	(1.3%)
Charges For Services	3,419,091	3,171,475	3,232,756	3,512,215	10.7%
Use of Money & Property	2,351,576	2,193,809	993,525	1,052,280	(52.0%)
Other:					
Fines, Forfeitures & Defaults	69,325	51,200	50,700	50,700	(1.0%)
Miscellaneous	270,197	237,739	1,107,370	370,709	55.9%
Proceeds of Fixed Asset Sales	4,632	10,000	12,000	11,500	15.0%
Total Other	344,154	298,939	1,170,070	432,909	44.8%
Total Revenues before transfers	30,998,665	31,609,427	31,218,817	32,309,337	2.2%
Transfers in from:					
General Basic	2,500,000	2,500,000	3,000,000	3,000,000	20.0%
Total transfers in	2,500,000	2,500,000	3,000,000	3,000,000	20.0%
GRAND TOTAL REVENUES	\$ 33,498,665	\$ 34,109,427	\$ 34,218,817	\$ 35,309,337	3.5%

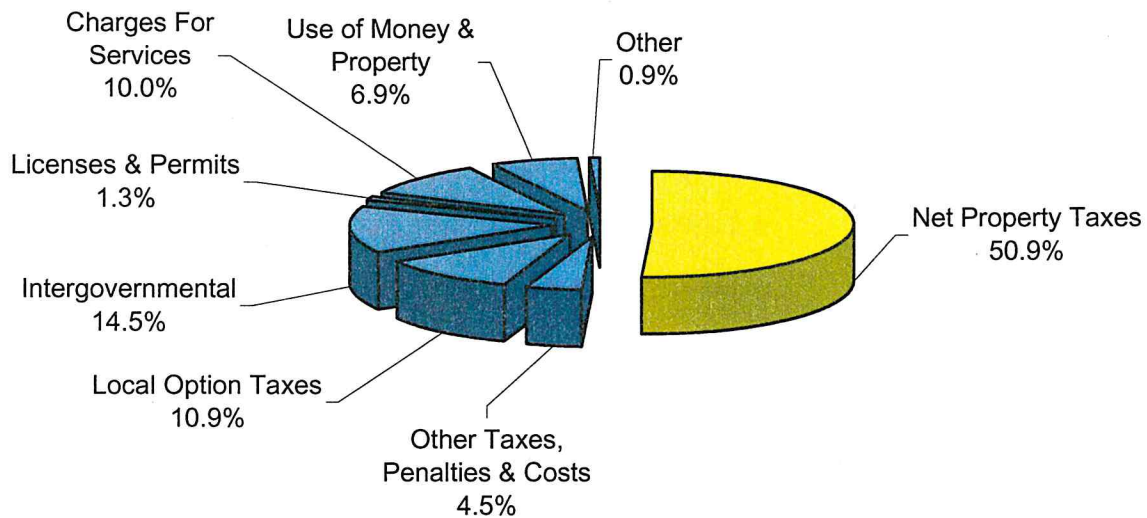
GENERAL FUND REVENUES BY TYPE

FY03 BUDGET: \$32,309,337



The amount of revenues received from net property taxes are increasing due to the partial offset of the substantial reduction in interest income as a result of historic low interest rates.

FY02 BUDGET : \$31,609,427

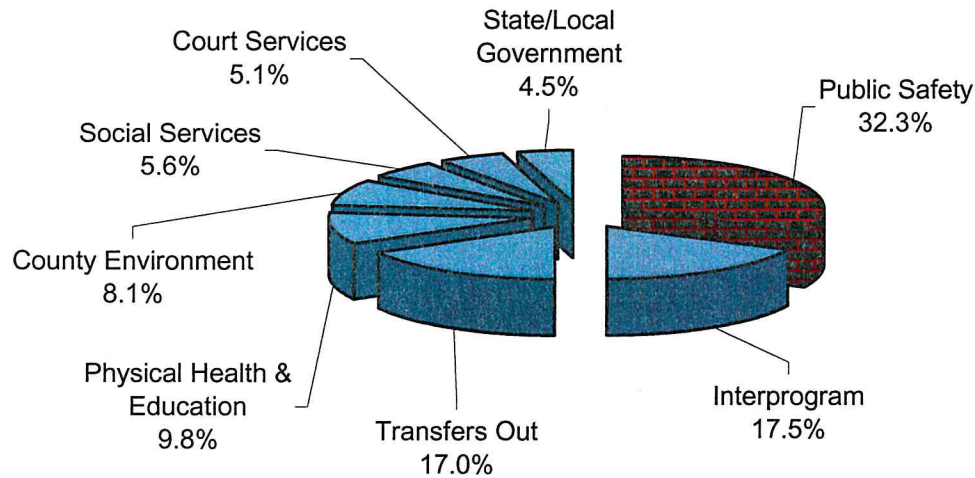


**GENERAL FUND EXPENDITURES
BY SERVICE AREA**

SERVICE AREA	<u>Actual 2000-01</u>	<u>Budget 2001-02</u>	<u>Revised Estimate 2001-02</u>	<u>Budget 2002-03</u>	<u>% Change From Prior Budget</u>
Public Safety	\$ 10,868,276	\$ 11,643,468	\$ 11,375,053	\$ 11,982,433	2.9%
Court Services	1,378,948	1,551,016	1,602,948	1,897,539	22.3%
Physical Health & Education	3,160,393	3,482,697	3,480,643	3,632,174	4.3%
Social Services	1,815,698	1,926,613	1,927,511	2,060,363	6.9%
County Environment	2,601,159	2,967,027	2,989,742	3,015,758	1.6%
State/Local Government	1,658,522	1,707,747	1,668,803	1,683,609	-1.4%
Interprogram	<u>5,824,175</u>	<u>6,279,617</u>	<u>6,124,658</u>	<u>6,506,321</u>	3.6%
SUBTOTAL BEFORE TRANSFERS	27,307,171	29,558,185	29,169,358	30,778,197	4.1%
Transfers out to:					
General Supplemental	2,500,000	2,500,000	3,000,000	3,000,000	20.0%
Secondary Roads	554,366	570,997	570,997	588,127	3.0%
Capital Improvements	2,896,769	1,858,425	1,819,768	2,037,537	9.6%
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	1,066	-	-	-	
Conservation CIP Reserve	<u>66,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total transfers	6,690,960	5,601,242	6,062,585	6,297,484	12.4%
GRAND TOTAL EXPENDITURES	<u>\$ 33,998,131</u>	<u>\$ 35,159,427</u>	<u>\$ 35,231,943</u>	<u>\$ 37,075,681</u>	5.5%

GENERAL FUND EXPENDITURES BY SERVICE AREA

FY03 BUDGET: \$37,075,681



This graph shows that the single largest General Fund expense category is for Public Safety costs. It is noted that the FY03 budget amount for Transfers Out includes a funding advance to the capital Fund toward the master space plan.

FY02 BUDGET: \$35,159,427

