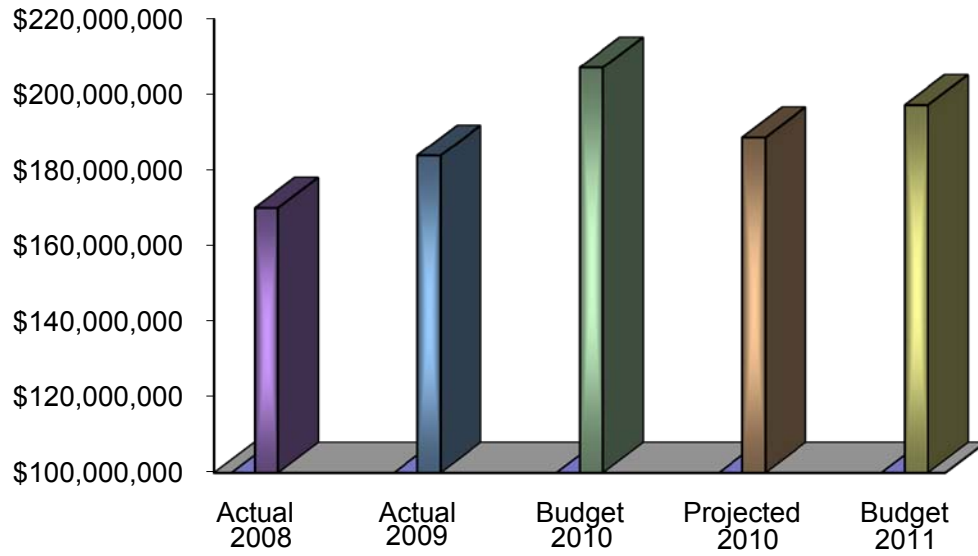


## **General Fund**

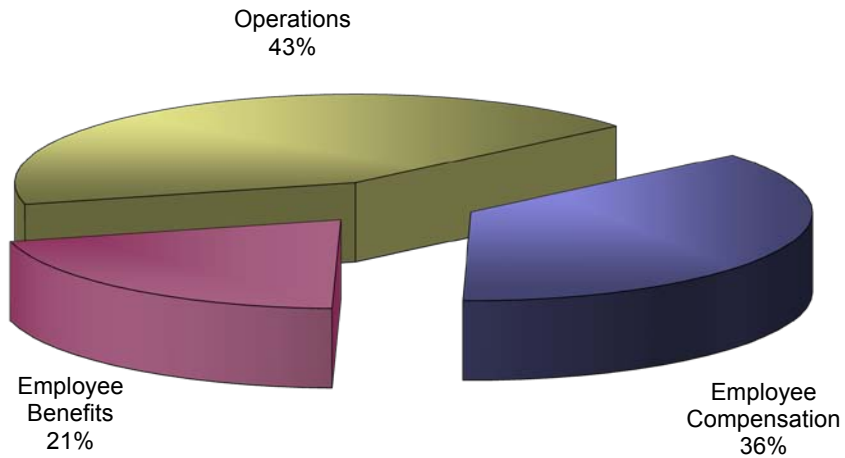
The General Fund accounts for all financial resources applicable to the general operations of County government that are not properly accounted for in another fund. This fund is the only unrestricted fund of a government unit. The basis of budgeting is the modified accrual.

The major revenue of the General Fund includes: property taxes; other local taxes; licenses and permits; intergovernmental; charges for services; fines, forfeitures, and penalties; investment income and revenue from other agencies.

### General Fund Expenditures



### FY 2011 Expenditures by Type



**General Fund Budget Summary  
Schedule of Revenue and Expenditures**

	Actual 2008	Actual 2009	Amended Budget 2010	Projected 2010	Adopted Budget 2011
<b>Revenues</b>					
Taxes ( Property & Bus.)	135,883,765	140,023,367	140,903,676	137,749,351	144,647,789
License and Permits	797,046	481,224	548,500	1,401,207	585,500
Intergovernmental	22,201,983	23,500,920	25,129,752	22,674,843	21,449,064
Charges for Services	12,238,156	13,637,185	12,849,824	11,968,993	13,070,788
Excess Fees	9,322,643	8,051,764	8,230,000	7,977,969	8,145,282
Fines forfeitures and penalties	1,106,095	1,090,153	1,113,800	858,377	1,090,700
Investment Earnings	1,795,707	850,568	1,000,250	473,995	455,250
Miscellaneous	4,692,778	2,772,487	5,299,951	5,359,411	5,352,161
Interfund Transfers	709,361	517,543	1,176,853	972,837	297,353
<b>Total Revenues</b>	<b>188,747,534</b>	<b>190,925,211</b>	<b>196,252,606</b>	<b>189,436,983</b>	<b>195,093,887</b>
<b>Expenditures</b>					
Constitutional Offices	20,922,213	21,852,110	22,709,010	20,902,912	22,524,514
Supported Agencies	8,437,553	8,789,426	8,874,356	8,758,564	9,174,593
Unassigned Departments	17,622,280	18,453,604	23,473,211	17,892,618	20,220,728
Finance	6,333,087	6,745,751	7,757,379	7,157,995	6,724,513
Public Works	15,561,486	16,654,514	18,011,296	15,870,686	17,774,680
Human Services	37,373,622	39,413,369	44,157,060	41,676,822	41,563,380
Health Services	18,243,048	18,918,719	22,400,935	19,124,755	21,004,599
Operating Transfers to other funds	45,641,895	53,127,489	59,894,355	57,427,483	58,336,938
<b>Total Expenditures</b>	<b>170,135,184</b>	<b>183,954,982</b>	<b>207,277,602</b>	<b>188,811,835</b>	<b>197,323,945</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>18,612,350</b>	<b>6,970,229</b>	<b>(11,024,996)</b>	<b>625,148</b>	<b>(2,230,058)</b>
<b>Net Encumbrances (beginning less ending)</b>	<b>155,320</b>	<b>(2,306)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beginning Fund Balance</b>	<b>58,334,162</b>	<b>77,101,832</b>	<b>84,069,755</b>	<b>84,069,755</b>	<b>84,694,903</b>
<b>Fund Balance at end of year</b>	<b>77,101,832</b>	<b>84,069,755</b>	<b>73,044,759</b>	<b>84,694,903</b>	<b>82,464,845</b>

Schedule of Interfund Transfers from the General Fund

HAMILTON COUNTY, TENNESSEE

TRANSFER FROM PRIMARY GOVERNMENT	Actual 2008	Actual 2009	Amended Budget 2010	Projected 2010	Adopted Budget 2011
Capital Projects	-	2,452	-	-	-
Debt Service	21,355,569	28,683,441	34,496,829	32,029,957	32,934,084
Juvenile Court Clerk	1,461,732	1,525,715	1,833,367	1,833,367	1,838,695
Sheriff	22,824,594	22,915,881	23,564,159	23,564,159	23,564,159
	<u>\$ 45,641,895</u>	<u>\$ 53,127,489</u>	<u>\$ 59,894,355</u>	<u>\$ 57,427,483</u>	<u>\$ 58,336,938</u>

## Revenue Sources

**Property taxes:** Included in property taxes is that portion of the property tax allocated to the General Fund, which is \$1.3926 per \$100 of assessed valuation. In FY 2011, one cent of tax revenue is estimated to generate \$800,000, compared to \$700,000 in FY 2010. Property tax growth projections are estimated based on current information provided by the Assessor of Property. The Assessor monitors and evaluates newly completed construction not currently on property rolls, and makes projections of values on construction in progress that is expected to be completed by the date of the property tax levy.

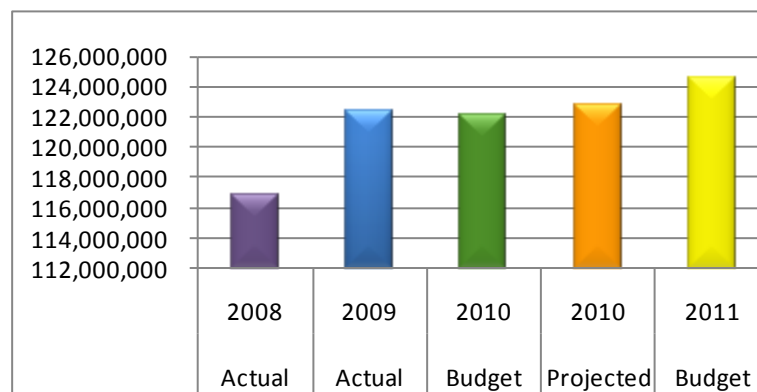
To ensure that all property that should legally be on the county assessment roll is properly listed, classified and valued, the property must first be located and identified. The office attempts to capture all new construction, additions and demolition of existing improvements as well as changes to land use and configuration. To accomplish this, personnel will track building permits, completion notices, property sales, zoning changes, and any other sources for information about property status. Field inspections of Hamilton County are performed on a regular basis and help the Assessor keep records as up to date as possible. Aerial photographs and accurately maintained maps are essential data.

The Assessor of Property estimates fair market value for all property in the county. Fair market is defined as how much a property would sell for, in an open market, under normal circumstances. The laws governing the tax appraisal process in Tennessee are based upon the same principles and procedures that are used throughout the appraisal profession. There are three basic approaches to the valuation of real property:

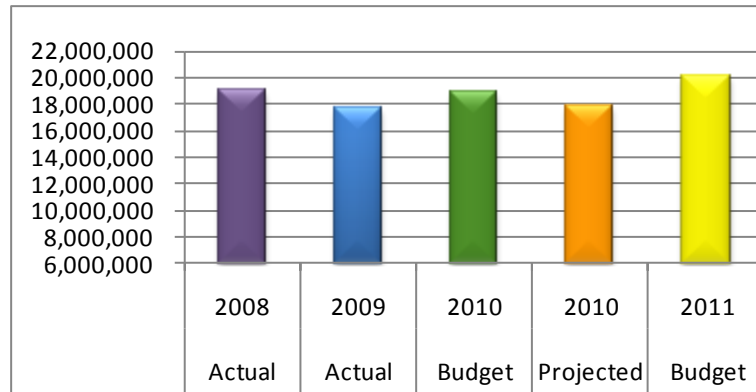
- a. The MARKET approach involves comparison of a property to other properties with similar characteristics that have recently been sold.
- b. The COST approach involved estimating the replacement cost of a structure, and adjusting that estimate to account for depreciation.
- c. The INCOME approach is an analysis of a property's value based on its capacity to generate revenue for the owner.

Reappraise Hamilton County on a four year cycle, as required by State law, to maintain appraisals at market value and to ensure equity of appraisals throughout the jurisdiction. Every county in Tennessee is on either a four, five, or six year cycle of reappraisal. Hamilton County's four year cycle consists of three years of comprehensive on-site reviews of every parcel of property in the county, followed by revaluation of all property in the fourth year.

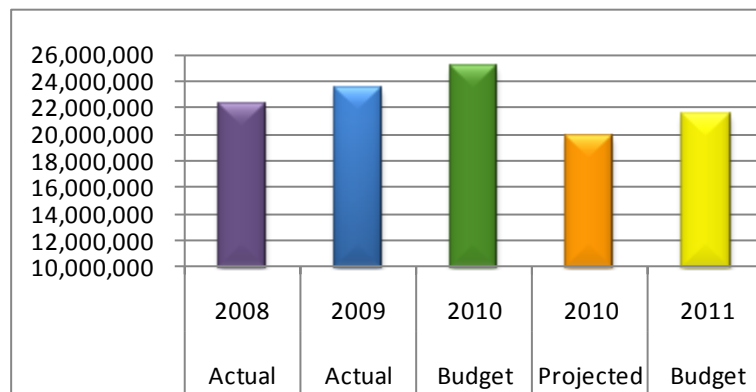
Payments in lieu of taxes from the utility companies in the County and from the Tennessee Valley Authority (TVA) and the Electric Power Board are also in this category. The TVA payment is projected to remain constant. In accordance with federal law, TVA makes payments in lieu of taxation to states in which its power operations are carried on and in which it has acquired properties previously subject to state and local taxation. TVA pays five percent of its gross power revenues to such states and counties. The Electric Power Board (EPB) also submits in lieu of tax payments to Hamilton County. The 2011 estimated tax equivalent payments for EPB are expected to increase by 12.2%.



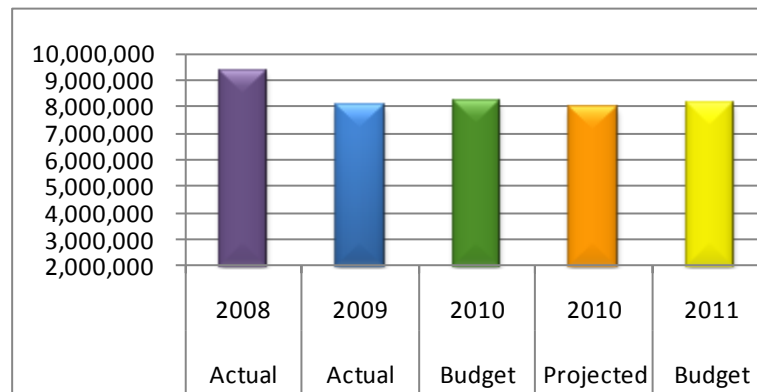
**Other local taxes:** The two main components are the local option sales tax and the gross receipts tax. General government is estimated to receive sales taxes collected to remain constant at \$13.15 million in FY 2011. Projected sales tax revenues are based on actual sales tax trended over a five-year cycle. General government's share is approximately 20 percent of a 2.25 percent local option sales tax generated from the unincorporated areas of Hamilton County, with the remainder going to schools. The gross receipts tax is estimated at \$4.01 million and is based on a class schedule, broken down by type or product sold.



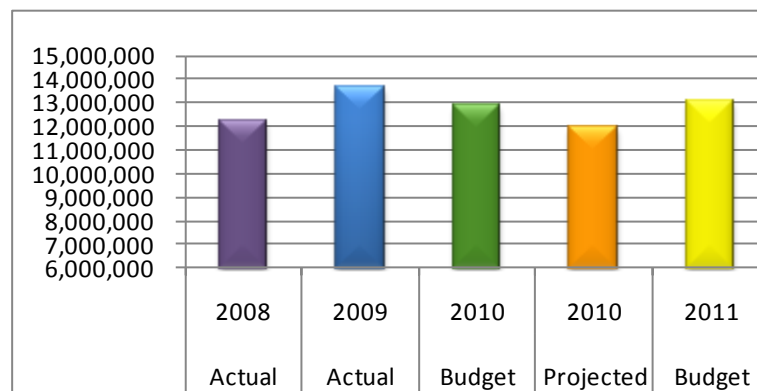
**Intergovernmental revenue:** Consists of \$12.04 million in revenue from the State of Tennessee for the Health Department and Highway Department (gasoline & motor fuel tax). This revenue category also includes \$2.79 million in Federal and State funds for boarding prisoners, \$1.1 million in State Income Tax allocation and other miscellaneous revenue from Federal, State and local governments. Miscellaneous revenue for Federal, State and local programs total \$5.47 million. Intergovernmental revenue projections are provided by the individual departments based on approved resolutions for grants to be received in the 2011 budget year.



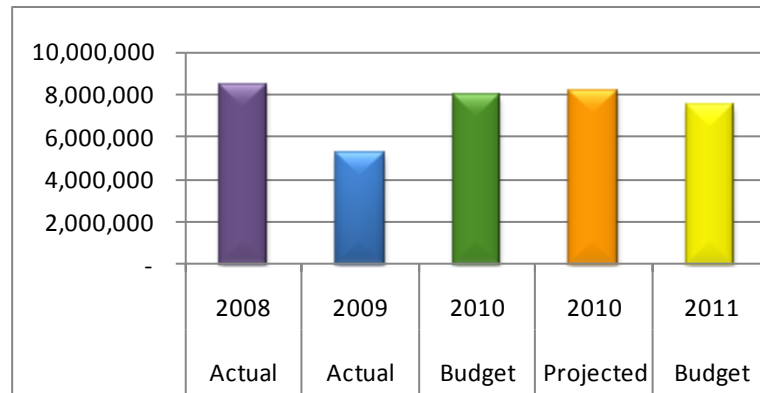
**Excess fees:** Includes excess fees from the Constitutional Offices in Hamilton County (Trustee, Register of Deeds, Clerk & Master, Criminal Court Clerk, County Clerk and Circuit Court Clerk). Excess fees are the remainder of all fees collected less all office salaries and fringe benefits and a reserve for three months salary. These fees are expected to decrease 1.03% for FY 2011. Excess Fee projections are provided by the individual Constitutional Offices.



**Charges for current services:** This category represents anticipated revenues from customer paid fees including charges for Health Services of \$3.31 million, estimated ambulance fees of \$8.13 million, and miscellaneous fees of \$1.63 million. The estimates are provided by the individual departments.



**Miscellaneous:** This category includes revenue earnings from Fines-Forfeitures and Penalties of \$1.09 million, engineering services of \$2.19 million, \$1 million for cable TV franchise fees and \$3.2 million in other miscellaneous revenue.



**Interfund Transfers:** Included in this category are transfers from other funds and reflect amounts to be spent from the General Fund but reimbursed by component units.

