

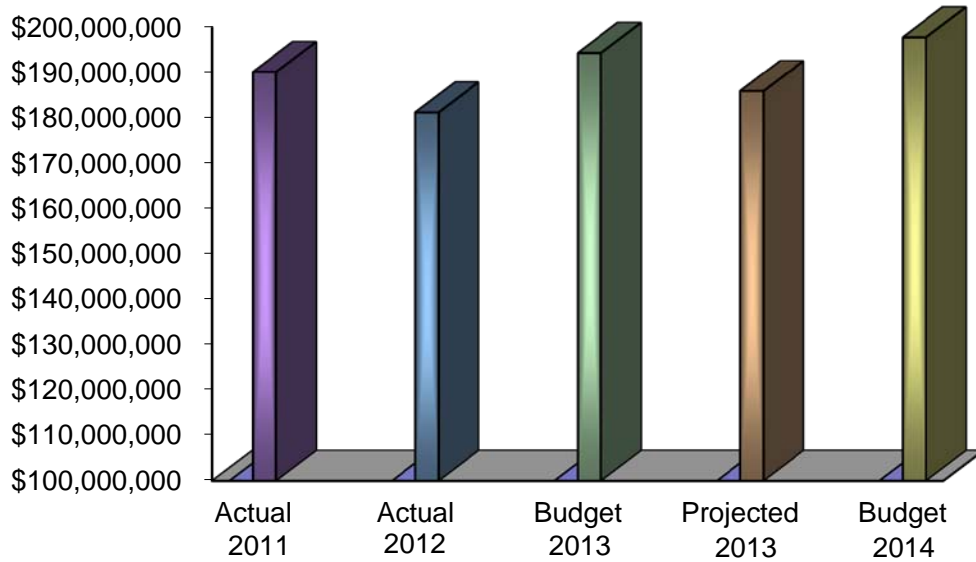
General Fund

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.

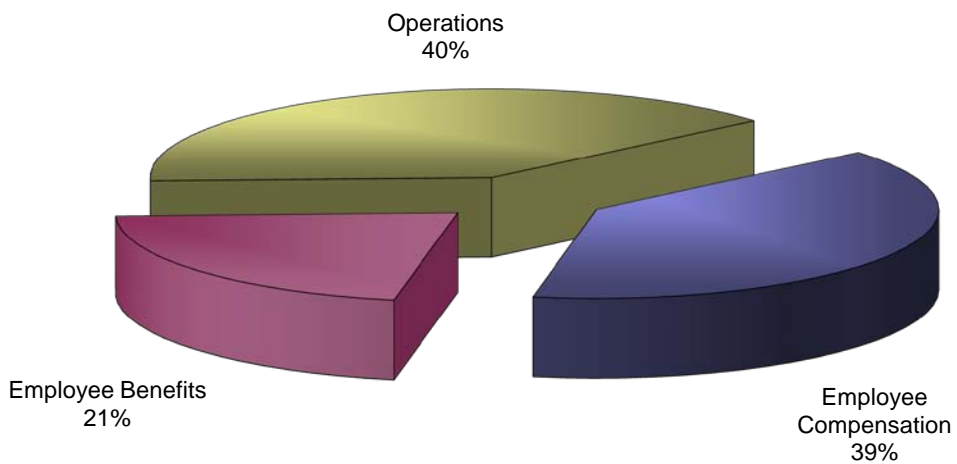
The major revenue of the General Fund includes: property taxes; other local taxes; licenses and permits; intergovernmental; charges for services; fines, forfeitures, and penalties; investment income and revenue from other agencies.

In the following General Fund schedules and departmental summaries, the Amended Budgets for FY 2013 include grant rollovers and amendments (approved by the County Commission) after the Adopted Budget process.

General Fund Expenditures



FY 2014 Expenditures by Type



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

	Actual 2011	Actual 2012	Amended Budget 2013	Projected 2013	Adopted Budget 2014
Revenues					
Taxes (Property & Bus.)	146,570,876	138,674,490	139,551,942	140,061,697	141,382,821
License and Permits	519,985	731,556	658,600	803,382	876,300
Intergovernmental	22,384,687	24,379,184	23,609,770	20,668,807	21,080,837
Charges for Services	14,701,306	12,154,681	14,002,884	11,238,905	12,909,009
Excess Fees	8,510,431	9,510,000	10,000,000	10,550,058	10,920,000
Fines forfeitures and penalties	921,509	997,619	1,171,065	1,067,494	1,078,950
Investment Earnings	438,509	346,346	427,635	360,028	412,500
Miscellaneous	2,979,096	3,362,407	5,577,471	5,307,844	5,455,490
Interfund Transfers	483,427	351,580	149,239	-	119,122
Total Revenues	197,509,826	190,507,863	195,148,606	190,058,215	194,235,029
Expenditures					
Constitutional Offices	21,450,476	21,490,424	24,960,420	23,549,402	24,518,368
Supported Agencies	9,218,140	3,821,160	3,896,618	3,826,729	3,898,476
Unassigned Departments	19,191,449	20,143,684	21,758,918	18,570,461	21,278,472
Finance	6,705,859	6,379,987	7,217,766	6,936,108	7,253,746
Public Works	15,987,104	16,134,496	17,751,890	16,830,348	18,310,380
Human Services	41,962,778	39,328,978	40,966,753	39,934,112	39,147,241
Health Services	18,777,069	17,927,724	19,845,295	18,330,764	20,882,278
Operating Transfers to other funds	56,898,879	56,033,401	58,001,197	58,001,197	62,532,115
Total Expenditures	190,191,754	181,259,854	194,398,857	185,979,121	197,821,076
Excess of Revenues Over (Under) Expenditures	7,318,072	9,248,009	749,749	4,079,094	(3,586,047)
Net Encumbrances (beginning less ending)	729,008	(784,374)	-	-	-
Beginning Fund Balance	87,920,158	95,967,238	104,430,873	104,430,873	108,509,967
Fund Balance at end of year	95,967,238	104,430,873	105,180,622	108,509,967	104,923,920

The fluctuation between FY 2013 and 2014 is due to our increase in long-term borrowing and an increase in employee medical premiums.

TRANSFER FROM PRIMARY GOVERNMENT	Actual 2011	Actual 2012	Amended Budget 2013	Projected 2013	Adopted Budget 2014
Capital Projects	233,268	131,958	-	-	-
Debt Service	31,262,757	30,233,839	31,221,645	31,221,645	35,357,329
Juvenile Court Clerk	1,838,695	1,868,718	1,950,666	1,950,666	2,009,893
Sheriff	23,564,159	23,798,886	24,828,886	24,828,886	25,164,893
	56,898,879	56,033,401	58,001,197	58,001,197	62,532,115



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 2014, one cent of tax revenue is estimated to generate \$842,293, compared to \$834,213 in FY 2013. 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.

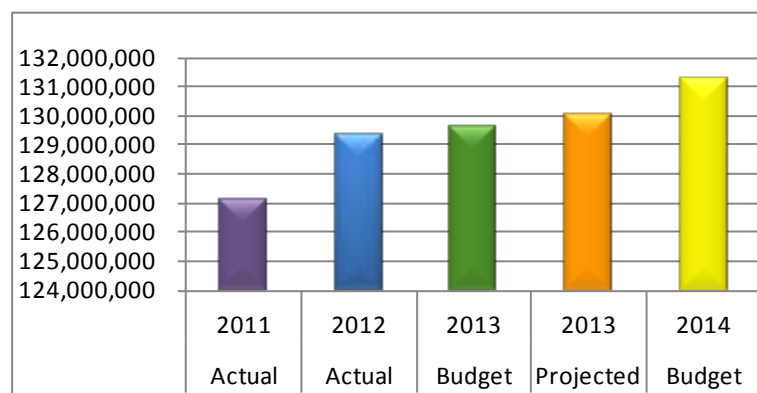
To ensure that all property that should legally be on the county assessment roll is properly listed, classified and valued, the property must first be located and identified. The office attempts to capture all new construction, additions and demolition of existing improvements as well as changes to land 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:

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

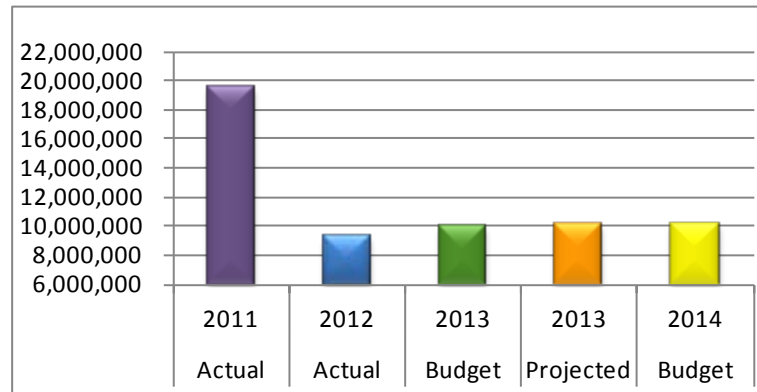
The Assessor also reappraises Hamilton County properties on a four year cycle, as required by State law, to maintain appraisals at market value and to ensure equity of appraisals throughout the jurisdiction. Every county in Tennessee is on either a four, five, or six year cycle of reappraisal. Hamilton 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 2014 estimated tax equivalent payments for EPB are expected to decrease by 0.22%.

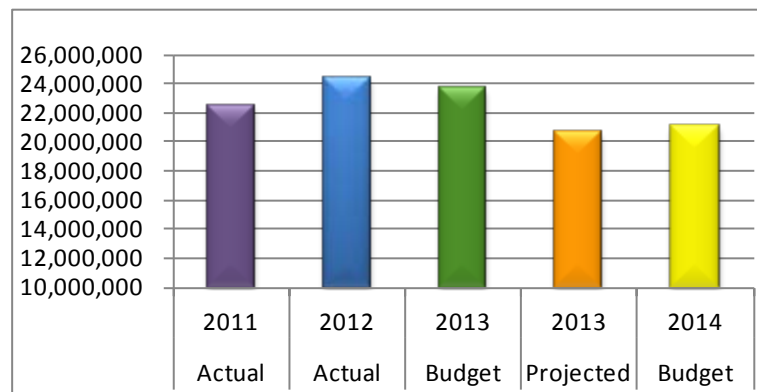


Other local taxes: The two main components are the local option sales tax and the gross receipts tax. General government estimates an increase of 1.55% in sales taxes collected in FY 2014.

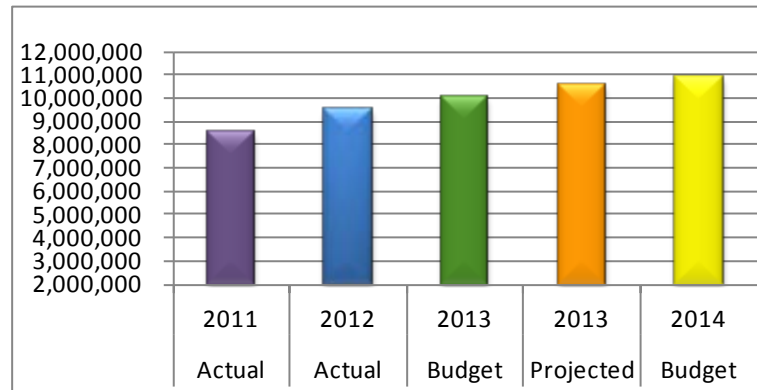
Projected sales tax revenues are based on actual sales tax trended over a five-year cycle. General government's share is approximately 20 percent of a 2.25 percent local option sales tax generated from the unincorporated areas of Hamilton County, with the remainder going to schools. The gross receipts tax is estimated at \$5.6 million and is based on a class schedule, broken down by type or product sold.



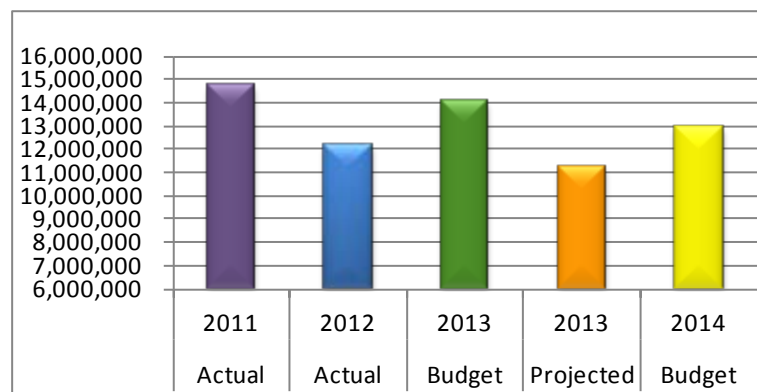
Intergovernmental revenue: Consists of \$12 million in revenue from the State of Tennessee for the Health Department and Highway Department (gasoline & motor fuel tax). This revenue category also includes \$2.6 million in Federal and State funds for boarding prisoners, \$.95 million in State Income Tax allocation and other miscellaneous revenue from Federal, State and local governments totaling \$5.6 million. Intergovernmental revenue projections are provided by the individual departments based on approved resolutions for grants to be received in the 2014 budget year.



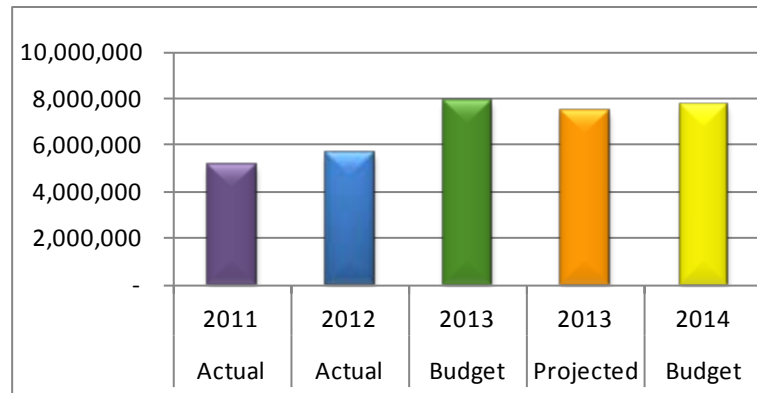
Excess fees: Includes excess fees from the Constitutional Offices in Hamilton County (Trustee, Register of Deeds, Clerk & Master, Criminal Court Clerk, County Clerk and Circuit Court Clerk). Excess fees are the remainder of all fees collected less all office salaries and fringe benefits and a reserve for three months salary. These fees are estimated at \$11 million for FY 2014. 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 \$1.6 million, estimated ambulance fees of \$9.7 million, and miscellaneous fees of \$1.5 million. The estimates are provided by the individual departments.



Miscellaneous: This category includes revenue earnings for Engineering Services of \$2.2 million, Fines-Forfeitures and Penalties of \$1.1 million, \$1.2 million for cable TV franchise fees, Interest cost of \$.4 million, and \$.6 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.

