

Boone County Finance Department

Annual Report

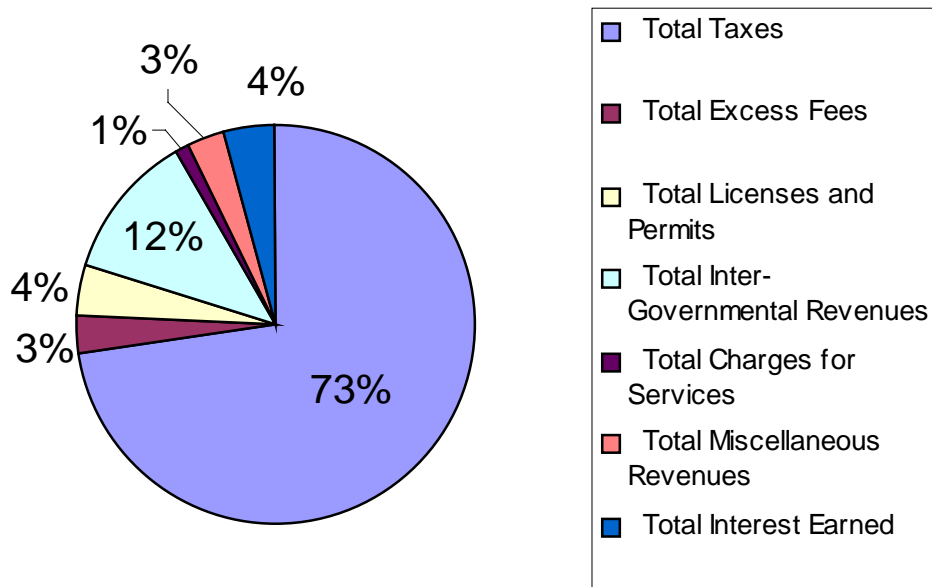
For Year Ending June 30, 2001

With the fiscal year ending June 30, 2001, the Finance Department has been very busy finalizing all annual reports. Throughout the fiscal year, the finance department issued 8745 purchase orders, paid over 15,350 invoices, issued weekly payroll and balanced twenty-five bank accounts each month. The total revenue for all funds during the fiscal year was over \$75,900,000 and the total expenses over \$48,900,000.

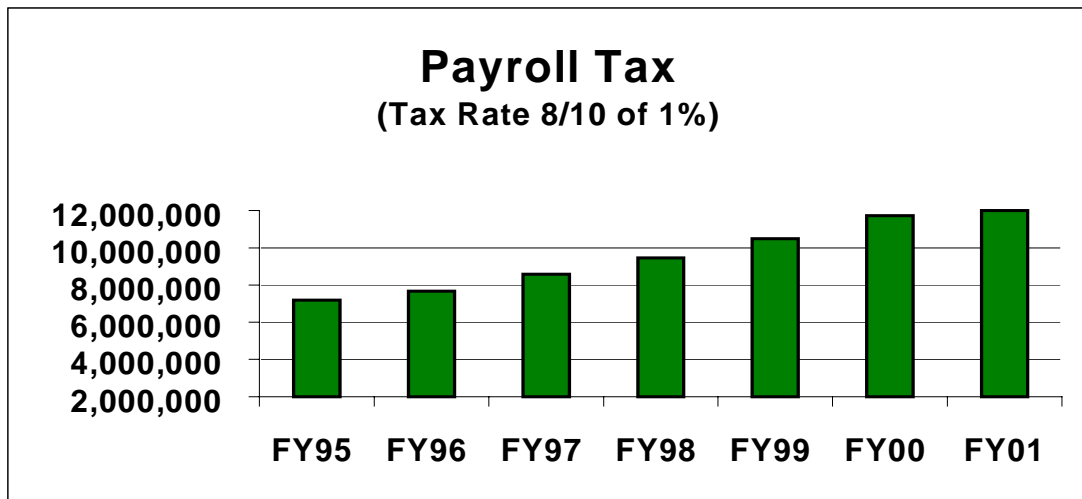
As illustrated on the graph below, 73% of the total general fund operating revenues is generated from taxes. Followed by inter-governmental revenue, money received from the federal, state or local governments, at 12% of the breakdown below. Due to the large dollar balance in the general fund, the interest drawn on our account consists of 4% of the general fund operating revenues.

Operating Revenue Breakdown

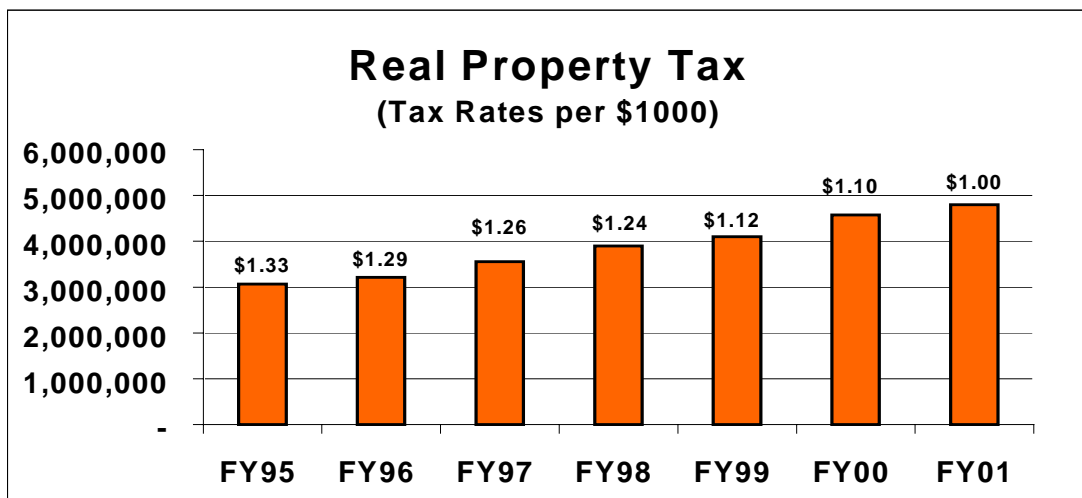
Fiscal Year 2001



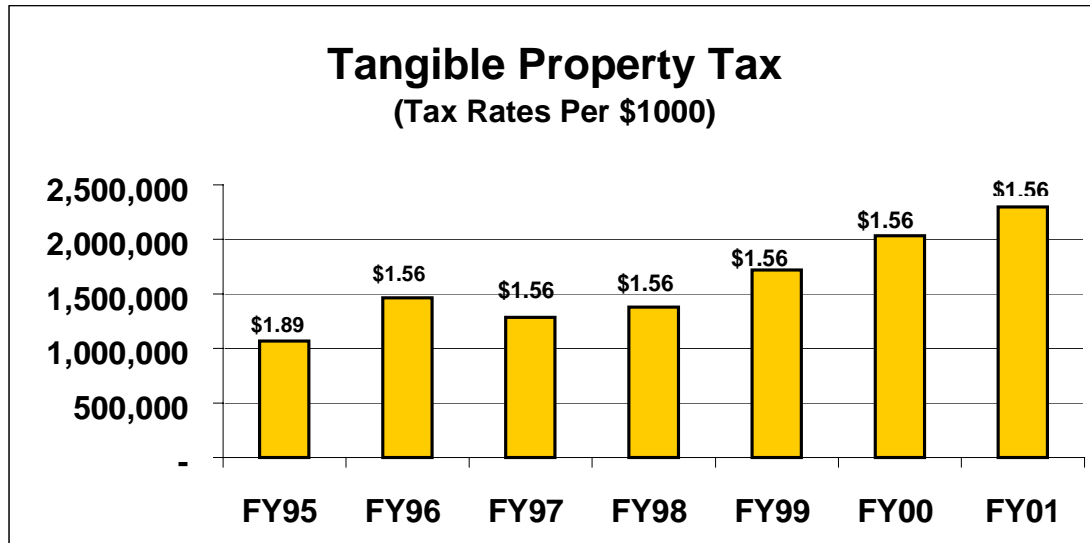
The general fund collected over \$21.5 million in taxes. The largest tax collected in Boone County and the most rapid growing is the payroll tax. As shown in the graph, the general fund payroll tax has increased within the last seven years by more than \$4,800,000 or 66.8%, leveling off this year with an increase of only 2.26%. This tax is generated from wages earned in Boone County. Payroll tax is deducted from employees' earnings at a rate of .8% to a maximum of \$307.80 for the current year. The tax rate has remained the same, since inception, while the gross earnings maximum has only increased slightly.



As the graph below illustrates the real property tax dollars have escalated every year with an increase of 4.9% from last year. The tax rate, shown above each bar per \$1000 assessment, has decreased since Fiscal Year 1995. Over the past seven years the real property tax dollars have increased by 57% even though the tax rate has decreased by \$.33 per every \$1000. This is due to the increase in property assessments and new growth in Boone County.

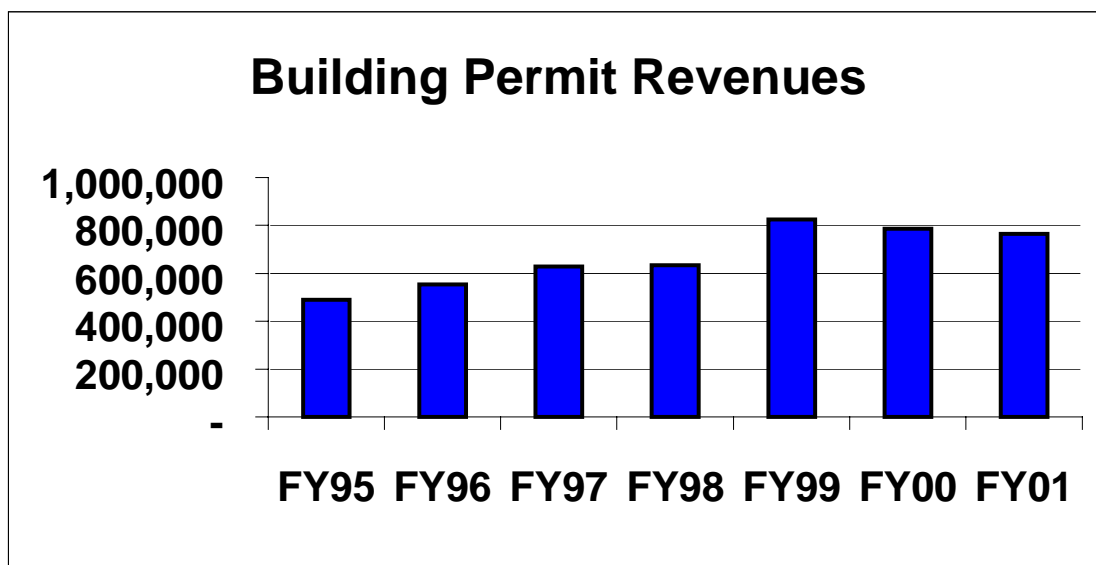


Another material tax would be the tangible personal property tax generating more than two million dollars annually. This tax rate has not varied since Fiscal Year 1996, although the dollars collected have increased by 115% since FY95. Last year, the tax dollars inclined by over 13% and is projected to decrease in the future due to the finished goods inventory's taxation being phased out.



The franchise taxes, real estate and tangible, declined in excess of \$400,000 since last year. This decrease is due to the state's delay of the certified assessment of the airlines and cable television and therefore payment was not due before June 30th. This number should be over budget for next year.

The largest license or permit collections by the County are the building permit fees. This revenue has increased 56% over the past seven years, peaking in FY99, with a slight decline over the prior two years.



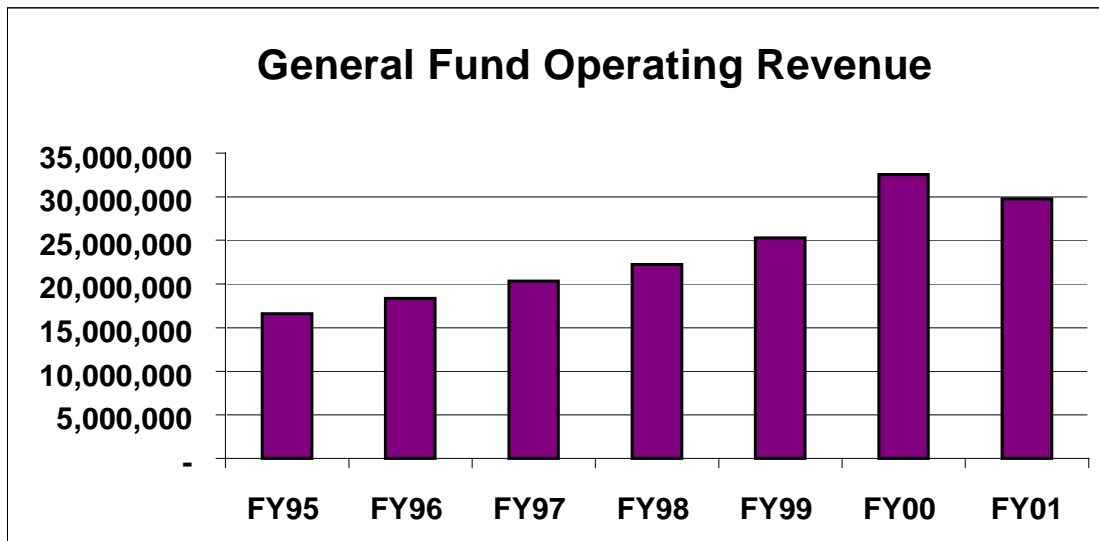
Other material revenue changes occurring during the year are mainly pass-through dollars, except for juvenile housing per diem, landfill user fees and interest on deposits. The juvenile housing per diem completed its first full year of reimbursements in FY01 hence the increase.

The landfill user fees increased by 51% this year due to approximately \$57,000 received in July from Bavarian for the months of January through June 2000. These fees are due by the fifteenth of each following month and after being contacted by the Solid Waste Coordinator, Bavarian has submitted more timely payments.

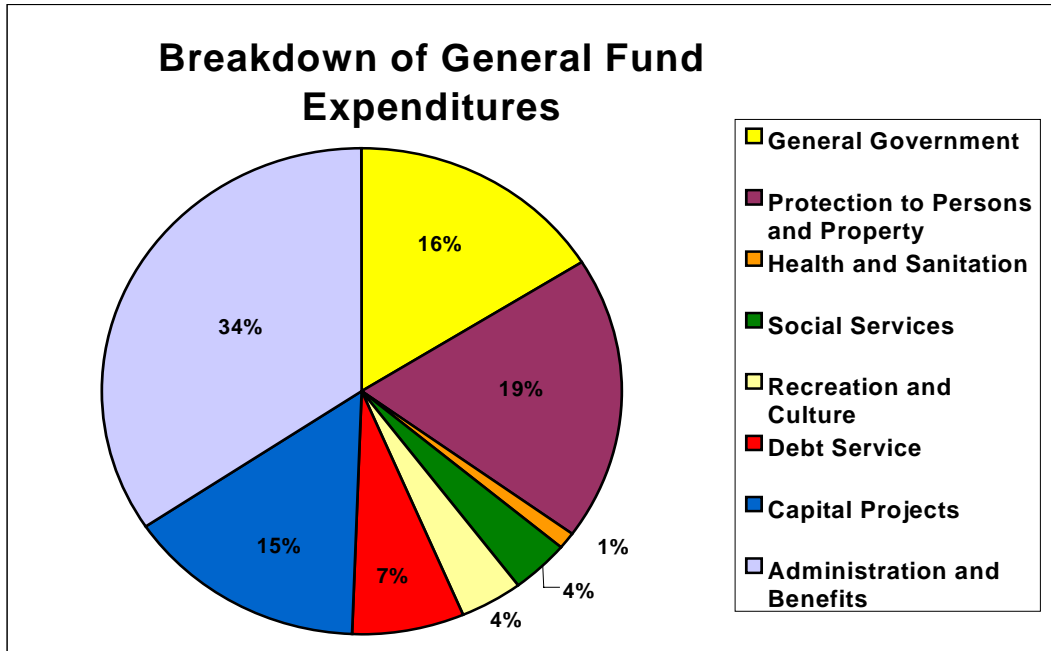
The interest on deposits increased by 14.9% or over \$150,000 for the year. The large cash balance maintained in the general fund throughout the year was the reason for the increase since our interest rates declined by 2.47% throughout the fiscal year.

The parks and recreation fees have increased by only 10% since FY95. Fiscal Year 1998 was the highest revenue generated by the Parks and it has been decreasing ever since. The last two years have fell short of projected figures mainly due to a decline in softball, basketball and volleyball teams.

The overall general fund operating revenue shows a 10.2% decrease for the fiscal year. This decline is result of the sale of the Woodspoint property in the prior year and after removing these from last year a 3 % increase is evident.



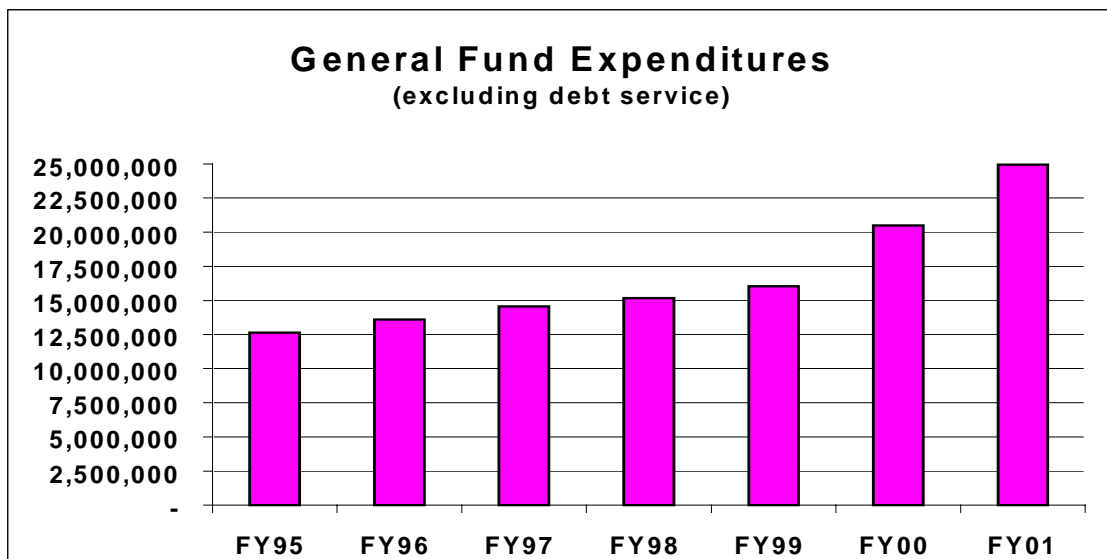
The general fund expenditures for the fiscal year totaled \$26,806,498. The general fund consists of an eight-area breakdown of expenses, classified by the state and listed on the pie chart to follow.



The administration and fringe benefit section is the largest at 34% of the total general fund expenditures. This section encompasses contracts with other agencies, contributions, utilities, liability insurance, and fringe benefits for every department excluding only Jail, Assisted Housing and Golf Course.

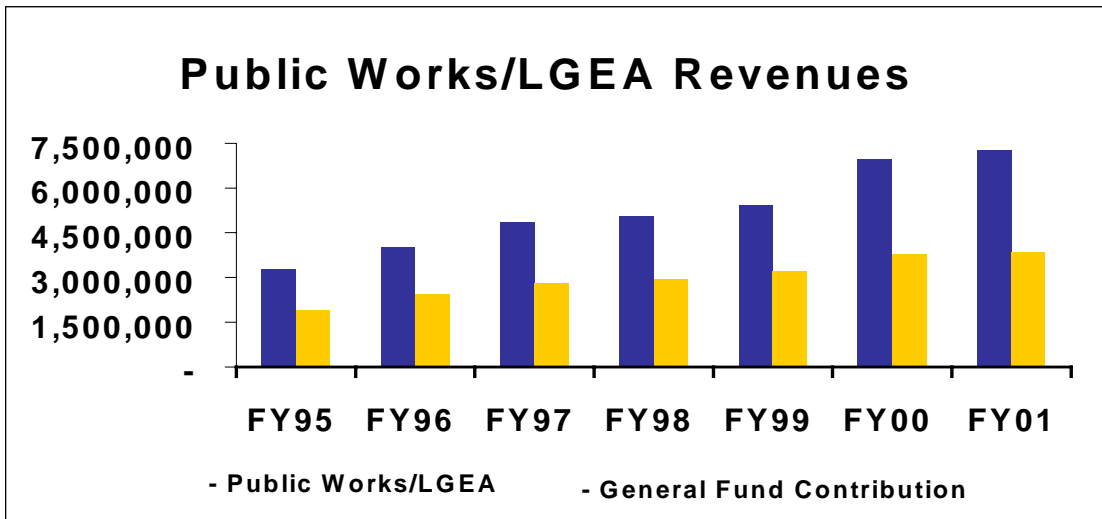
General Government, Protection to Persons and Property, Health and Sanitation, Social Services, and Recreation, encompasses all nineteen County departments, excluding only Public Works. These departments make up 44% of the entire general fund actual expenditures.

The general fund expenditures comparing the previous seven years, excluding debt service can be viewed in the bar graph below.

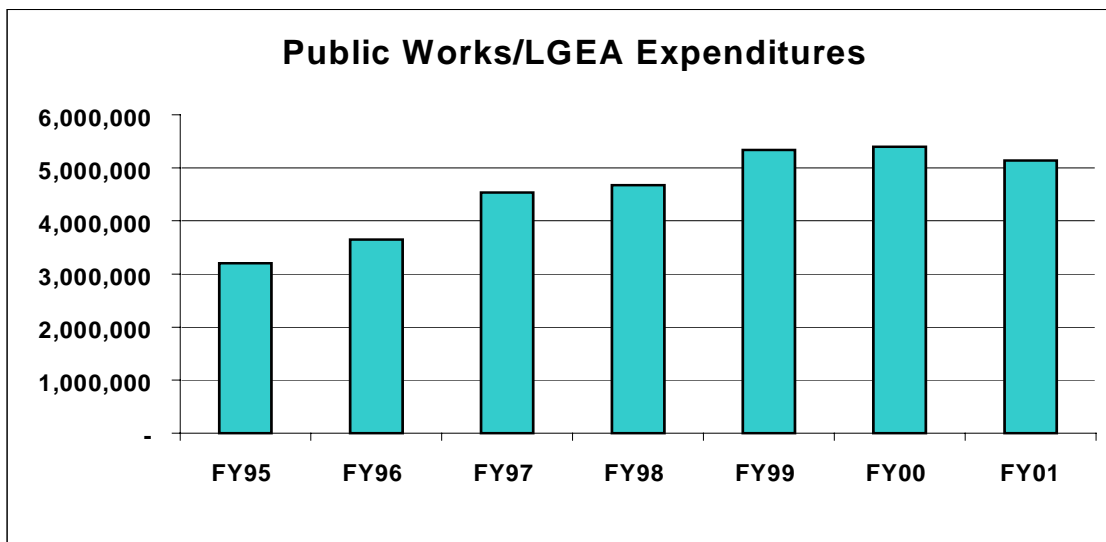


As previewed on the previous page, FY01 shows an increase in General fund expenditures of approximately \$4,500,000. This 22% jump is mainly due to capital project expenditures of over \$4 million, including the new courts building, Northbend Road, rural expansion water, Hebron - Burlington sewer and scattered sewer assessment projects.

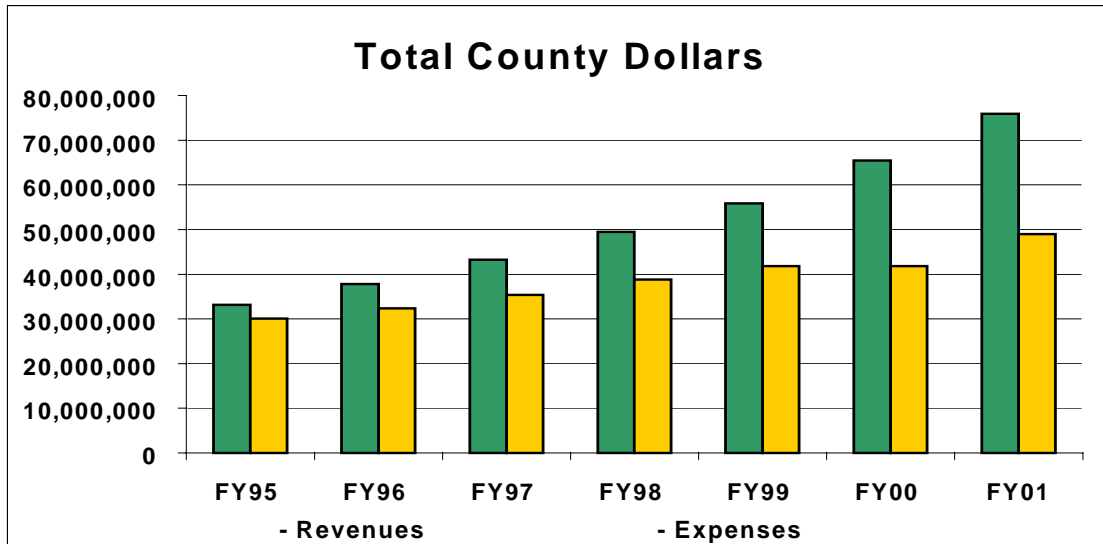
The Public Works and Local Governmental Economic Assistance Funds are combined in the graph to follow. These monies are exclusively used for the Public Works Department. As you can see the revenues show a steady increase in both the revenues received by the department and the general fund contribution to the roads.



As seen below, the expenditures for the Public Works and LGEA Funds show a 5% decrease for the current year. A portion of this decrease is due to the maturity of an outstanding bond.



The entire County's financial statement revenue totals \$75,920,228 for the Fiscal Year 2001. This amount is a 16% increase over last year, primarily due to the fund balances and capital reserves held over for long term water, sewer, road and park projects. The graph below indicates this large revenue dollar increase of more than \$10,000,000, of which \$8,000,000 is the increase of the general fund surplus. The expenses for Fiscal Year 2001 increased by more than \$7,000,000 as capital projects started to move forward.



To summarize the annual financial report for Fiscal Year 2001 Boone County is still in excellent financial condition and the revenues are steadily increasing each year. Even though the ending balance in the General Fund has grown immensely over the last 5 years, the Fiscal Court's Fiscal Year 2002 Budget explains future capital spending for this surplus. Many improvements in roads, sewers, water and parks will happen in the near future.