

STATE APPEAL BOARD

In re: Lyon County)	
Budget Appeal)	Order
)	
)	
FY2000-2001)	June 29, 2000

BEFORE STATE AUDITOR, RICHARD D. JOHNSON; STATE TREASURER, MICHAEL L. FITZGERALD; AND THE DIRECTOR OF THE DEPARTMENT OF MANAGEMENT, CYNTHIA P. EISENHAUER:

The above captioned matter was heard on May 4, 2000 before a hearing panel consisting of Ronald J. Amosson, Executive Secretary to the State Appeal Board and presiding officer; Stephen E. Larson, Executive Officer III, Office of State Treasurer, and Katherine L. Rupp, Senior Auditor II, Office of State Auditor.

The hearing was held pursuant to Section 331.436 and Chapter 24 of the Code of Iowa. Jerry Stubbe, Chairman of the Lyon County Board of Supervisors represented the County and the spokesperson for the petitioners was Gary Twedt, Lyon County farmer and president of the Lyon County Farm Bureau.

Upon consideration of the specific objections raised by the petitioners, the testimony presented to the hearing panel at the public hearing, the additional information submitted to the hearing panel, and after a public meeting to consider the matter, the State Appeal Board has voted to sustain in part and reduce in part Lyon County's fiscal year 2001 budget as described herein.

PROCEDURAL HISTORY

The FY2001 Lyon County proposed budget summary was published in the Lyon County Reporter, Rock Rapids, Iowa on February 9, 2000, and in the Doon Press, Doon, Iowa, on February 10, 2000. The date of the public hearing for the budget was February 28, 2000, and the budget was adopted that same day.

A petition protesting the certified FY2001 Lyon County budget was filed with the Lyon County Auditor on March 24, 2000 and was received by the State Appeal Board on March 28, 2000. On the petition document, the petitioners outlined four basic objections. They objected to (1) the amount of the rural services levy, (2) payment of the public safety and land use budgets out of the rural services fund, (3) expenditure increases in service area 1 Public Safety, 3 Physical Health and Education, 5 Social Services, 8 State and Local Government Services, and 9 Interprogram Services, and (4) increase in capital project expenditures and excessive fund balances. The reason for the first objection, as stated on the petition, was that the county budgeted the revenue allocation from the local option sales tax at \$292,640, a \$104,618 decrease from the FY 1999 actual local option

sales tax revenues received. The reason given for the petitioners' second objection was that the County's public safety department and land use programs are primarily intended to benefit all county residents and therefore the expenditures should be paid from the General Fund. The percentage increases from the FY 1999 expenditures for Physical Health and Education, Social Services, Local Government Services and Interprogram Services were 12.8%, 62.8%, 36.2% and 41.8%, respectively. These increases were the reasons for third objection. The reason given for the petitioners' fourth objection was the amount of set-aside for improvements to the courthouse and jail. The petitioners said the county is contemplating the construction of a new jail and the increase in cash reserves is so the County can avoid having to obtain voter approval on a bond referendum for the new jail.

DISCUSSION

At the public hearing, Gary Twedt presented the petitioners' objections to the FY2001 Lyon County budget.

PETITIONERS

Mr. Twedt requested that the State Appeal Board "direct Lyon County Board of Supervisors to take the following actions.

1. Reduce the rural services levy by at least \$150,000 to adjust for an artificially low local sales tax revenue estimate.
2. Reduce the rural services basic tax rate to reflect rural taxpayers' share of local option sales tax revenues as indicated by the statute and the ballot approved by the unincorporated area voters.
3. Reduce specific law enforcement program expenditures from Service Area 1 to the FY 2000 level, and pay for the program from the General Fund. Reduce the rural services basic rate to reflect the transfer.
4. Eliminate land use expenditures as a Rural Services Fund expenditure, and pay for the program from the General Fund. Reduce the rural services basic rate to reflect the transfer.
5. Reduce: the designated and undesignated cash reserves in the General Fund; undesignated reserves in the Rural Services Fund; and the designated reserves in the expendable trusts."

A summary of Mr. Twedt's remarks follows:

Local Option Sales Tax

The county has underestimated local option sales tax revenues. Lyon County is estimating \$240,000 in local sales tax revenues. This is a reduction of \$140,000 or 37% compared to FY1999. The county has historically under estimated LOST revenues. The FY2000 re-estimated amount is understated by at least \$50,000 and the FY2001 estimate

is likely understated by at least \$100,000. Thus we are asking for a \$150,000 reduction in the rural services basic levy on these grounds.

The county has not provided property tax relief to the unincorporated area as prescribed on the ballot. 100% of the LOST is to be used for property tax relief in the unincorporated area. Rural Services Fund taxes in FY2001 are higher than they were in FY1999 a year in which no LOST revenues were received. The rural services basic tax rate increased 28% and rural basic taxes increased 34%. Meanwhile the General Fund tax rate remains unchanged. Expenditures have gone down in the General Fund with no corresponding reduction in taxes. Property tax relief has not been granted.

Unlike ballots in other counties, the Lyon County ballot actually provided explicit guidance for what property tax relief is. The ballot actually said that the revenue has to be used as an alternative to raising property taxes. The phrase "property tax relief" has a common and ordinary meaning which is to lessen, ease or lighten the burden of property taxes. It clearly does not mean to add or increase the burden of property taxes. If property taxes increased in the very year in which local sales tax revenues were first deposited in the Rural Services Fund, we can only conclude the new revenues were not used as an "alternative to raising property taxes" in the unincorporated area. As we all know, the taxes were used to increase Rural Services Fund spending.

Public Safety Expenditures

Law enforcement services are general county services and should be paid for by all county residents not just rural residents. Until FY2000, the law enforcement expenditures were considered by Lyon County to be General Fund expenditures. What has changed with the law enforcement program in the past year so that it no longer primarily benefits all county residents? We believe that there were no changes in the types of services provided and that the services remain general services. The only change seems to be that the local sales tax revenues are being deposited in the Rural Services Fund.

The county charges \$20 per capita to all the towns in Lyon County except Rock Rapids which has its own police force. This raises \$81,180. If the entire uniform patrol budget were placed in the General Fund, the average cost per capita would be \$35. But due to disproportionate amount of taxable value in the rural areas, the average cost per capita in the rural area would be \$60. Because the Sheriff is paid from the Rural Services Fund, the average cost per capita in the rural areas is \$76, while the average cost per capita in the urban areas is about \$24 including their contracted costs. Why would it cost three times as much per capita to provide police protection to the rural area as it does to the small towns? The County Sheriff's services benefit all county residents and they are primarily intended to benefit all county residents. We believe we should all share the tax burden for providing this service to our county residents and not unfairly and illegally burden one segment of our population. There is no such thing as rural patrol costs. The Sheriff's services provided to county residents are the same regardless of whether a

resident lives in the unincorporated area or any incorporated area. The Sheriff's services are not specifically tailored for one segment of the population. There are only general County Sheriff patrol costs.

Law enforcement communications and adult corrections services expenditures increased by \$42,000 and \$27,000, respectively, from FY 1999. Uniform patrol expenditures have increased \$109,000, which is a 28% increase compared to FY 1999. Lyon County shifted approximately \$387,000 in law enforcement program expenses as new appropriations to the Rural Services Fund for FY2000. This is a subject of a pending lawsuit before the Lyon County District Court. Total uniform patrol expenditures are budgeted to increase 28% compared to FY1999. But contract law enforcement cost to towns is only increasing to \$20 from \$19.35 per capital. That's an increase of only 3.4%. It is certainly not reasonable or in the interest of the public welfare to charge county consumers of county patrol services a 28% increase when city consumers of contract patrol services are only change a 5% increase. The county argues that city residents are taxed twice for police service if Sheriff's duties are placed in the General Fund. The double taxation issue is misplaced. The county may only be taxing rural areas once, but the county is charging us four times as much. The cities are not charged twice, they are charged once. They are charged once for their police protection and once for their Sheriff. The crime rates are higher in the cities, the services are better, and patrolling costs are higher and more frequent. We expect the county to charge for that general county service in the county's General Fund.

The burden of proof is the county's because uniform patrol services are new expenditures in the Rural Services Fund. The county has the burden of proof for each "item" in the budget not just for the general classes of disbursements such as public safety, law enforcement, and uniform patrol services. Meeting the burden on the general increase in uniform patrol is insufficient to meet their burden on "any increase in any item in the budget."

The law authorizes taxes and the allocation of funds for a service if the service is provided to all county residents. Under chapter 331, these services can only be classified as general county services and General Fund taxes and appropriations. Section 331.428(2) of the Iowa Code only allows appropriations from the Rural Services Fund for "rural county services" which are primarily intended to benefit those persons residing in the unincorporated areas of the county. The County Sheriff's responsibilities are not primarily intended to benefit rural residents, so the expenditures should not be paid from the Rural Services Fund. The County Sheriff has jurisdiction, responsibility and duties within the entire county including the cities. The Sheriff has a long list of statutory responsibilities. They are found or relate to Iowa Code 331.651 through 331.661, Ch 1B and Ch 356. These duties include, but are not limited to, serving Iowa Department of Revenue subpoenas, serving legal processes, providing law enforcement for district judges and magistrate, carry out election duties, enforce child labor laws, enforce the

state liquor laws and running the county jail. The Sheriff is required to perform these duties for all county residents.

Before the property tax levies were consolidated into General Fund, Rural Services Fund and Debt Service Fund levies in 1983, the legislature set separate levies for many expenditures classification in each fund. The specific expenditures that came out of the Rural Services Fund were: library maintenance, library contracts with cities, secondary roads, road clearing, aviation authority, ambulance, and sanitary disposal projects. Except for a couple minor levies applied only to farmland, every other levy was applied to all property in the county. The general sheriff duties were subject to a general county limit that was based on population per section 331.421 and 331.422 of the 1983 Iowa Code.

Cash Reserves

Lyon County has a history of growing reserves. In 1999, the State Appeal Board did not order a reduction in General Fund cash reserves because the county had demonstrated that the fund balance in the General Fund will be used in the FY 2000 and FY2001 for a communication center jail project. Contrary to county's stated intentions, no jail project has been budgeted either as an amendment to the FY 2000 budget or in the FY 2001 budget. Courthouse and Jail projects are not budgeted in the FY 2001 budget, but are included in the fund balances. The jail project is estimated to be \$3.5 million. The county stated that \$1 million would be used from fund balance and the remainder from bonds. No matter how much the jail costs, the county will have to issue bonds. The voters will have some kind of direct voice in the project. The county has no plans to issue bonds. They have some interest in some land and a jail committee has been doing some traveling, but the essence of the county's position is this. We have been saving money for a new jail for two years and there are still no firm plans to build one. Certainly the expenditure of funds is not included in any budget yet proposed. \$425,000 in the General Fund and \$175,000 in Expendable Trusts have been designated by the county for the jail project. The county has created a Jail Trust fund which isn't a trust fund at all, but rather a General Fund cash reserve. The Notice of Public Hearing states that the capital expenditures for the jail and courthouse are in the FY 2001 budget which is not accurate. The expenditures may be in some future budget. Last year the county told taxpayers and the State Appeal Board that groundbreaking would be in the summer of 2000. But no movement has been made to even issue bonds

Reserves have consistently exceeded their targets and even budgeted General Fund reserves are growing.

Land use

Land use expenditures are budgeted to increase by \$6,016 from FY 1999. In FY 2000, land use expenditures were moved from the General Fund to the Rural Services Fund. Land use is not a rural county service, and we request that this entire appropriation be

returned to the General Fund. Secondly, we ask that the county prove that each item within the land use and building control budget is necessary, reasonable and in the interest of public welfare. The jurisdictional parameters of county zoning determining whom the service was benefiting are not an appropriate test for determining whom the service is primarily benefiting. The test is whether the services are primarily intended to benefit those persons residing in the county outside of incorporated areas.

Other objections

The petitioners also objected to increases in service areas 3, Physical Health and Education: 5, Social Services:8, State and Local Government Services; and 0, Nonprogram Expenditures, Disbursements and Other Financing Uses. We are asking you to request that the county show that the items increased were necessary, reasonable and in the interest of the public welfare. The petitioners believe that the proposed increases are part of the county's continuing pattern of over-budgeting. The petitioners believe that the county has increased expenditures in an attempt to increase cash reserves.

LYON County Response

Lyon County's responses to part one of the petitioners' concerns are as follows:

Rural Services levy

Lyon County does not feel that the rural service levy is unreasonable. If you average out the last five years it would amount to a levy of \$2.80428. The proposed levy for FY 2001 is \$2.63923. The Rural Services Fund balance has been dropping, as requested by the Farm Bureau.

Payment of public safety and land use from rural service.

Incorporated areas are being taxed for patrol services in their city budget and then again in the county General Fund budget. Unincorporated areas should have this expenditure in the Rural Service Fund. Deputy Sheriff's salaries, Overtime, FICA and IPERS, Health Insurance and Unemployment expenditures totaling \$407,995 are charged to the Rural Services Fund. Land use is for zoning. The total land use expenditure for FY2001 is \$12,000.

Expenditure increases

Generally the increases have be due to health insurance and salaries. For FY 2001, our health insurance rates are expected to go up 22%. Salaries for elected officials are set by a compensation board. Union employees' salaries are set in the union contract, or with arbitration, and department heads have discretion over the remaining employees. Lyon County has tried to keep salary increases capped at 5% for full-time and 7% for part-time employees.

Capital projects and excess fund balances

The courthouse was built in 1917 and upkeep is needed to retain its appearance and stability. The construction of a new jail, communication center and Sheriff's office was objected to in the FY00 budget appeal. Lyon County has a 72-year-old facility which does not meet current jail standards. At present time, Lyon County has a jail facility which needs many improvements Lyon County has been trying to set aside monies for a new facility, but one can not reasonably expect that this is how a new facility will be financed. Other options must be explored and Lyon County has a jail committee that is exploring these options. A bond election has not been ruled out and it is a real possibility for the November 7, 2000 general election. The FY 2000 estimated budget has designated fund balances for General Fund of \$200,000 and Jail Trust Fund of \$225,000. Also, Insurance Trust Fund has a designated balance of \$60,000 for future self-insuring project. FY 2001 budget has designated ending fund balances of \$525,000 for jail project and \$175,000 for jail trust and \$60,000 for future self-insuring project in the insurance trust fund, and \$60,000 in the Courthouse Trust Fund for courthouse repairs and improvements. These designations have been lawfully adopted into the minutes of the Board of Supervisors and entered onto budget forms as instructed by the Department of Management.

Lyon County's General Fund balance has continued to go down with the exception of FY99. Fund balances are being utilized. Lyon County is not stockpiling money in order to forego a bond election. The amount set aside represents approximately one fifth of the estimated cost of the facility at today's prices. The Board of Supervisors are the representative body who have the responsibility of determining "need". It is the responsibility of the Supervisors as well as the various other elected officials and department heads to meet the needs of all the citizens of the county.

FINDINGS OF FACT

1. The ballot language creating the local option sales and services tax stated that the tax rate shall be 1% effective October 1, 1998, the tax shall be imposed in the unincorporated area of the County, "Revenues from the sales and services tax are to be allocated in the unincorporated are of the County as follows: One Hundred percent (100%) for property tax relief to be used as an alternative to raising property taxes."
2. Section 331.421 of the Iowa Code state that rural county services are "the services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas..."

3. Per the Department of Revenue and Finance the LOST estimates for FY 2000 and FY 2001 are \$282,084 and \$324,566, respectively.
4. The Iowa Department of Management County Budget Instructions for Fiscal Year 2000/2001 states "Fund Balance – Unreserved/Designated represents fund balance unreserved, but officially designated for specific future use. In order to legitimately fit this designated classification the specific future use for the designated fund balance must have been lawfully adopted into the minutes of the Board of Supervisors. Such designations should follow only after thoughtful consideration and planning – with the full intention of the funds being used to fulfill the designation. The proper fund to account for these designated funds is the fund that the moneys are being generated from – the moneys should not be transferred to another fund, such as a capital projects fund, until the time an asset is to be acquired, or until the year a project is started."
5. The County organized a Jail Board that held its first meeting on January 26, 2000. The role of the Board is to "(1) provide a recommendation to the Board of Supervisors about the jail facility, (2) discuss finding options, and (3) better understand the needs of the jail and be able to explain them to the public."
6. At the February 23, 2000 Jail Board meeting it was discussed with the building consultants that the time frame for the project would be 1½ years and cost around \$2.9 million.
7. Lyon County adopted a levy of \$2.63923 for the Rural Services Basic fund, which is less than the maximum of \$3.95.

CONCLUSIONS OF LAW

The State Appeal Board has jurisdiction over the parties and the subject matter of this appeal, pursuant to Iowa Code sections 24.28 and 331.436.

BASIS OF DECISION

Local Option Sales Tax (LOST)

The County budgeted \$240,000 in LOST receipts for FY2001. However, recent estimates by the Iowa Department of Revenue and Finance indicate the County should receive approximately \$324,000 for that budget year. The Department indicated that the receipts for FY2000 would be less than FY1999 because the County was in an "overpaid status" in FY1999. The estimated LOST receipts for FY2001 should be adjusted upward by \$84,000 to reflect the most recent estimates. Accordingly, property taxes should be reduced in the Rural Services Fund in FY2001 by \$84,000 to reflect this adjustment.

The County certified a Rural Services Basic tax rate of \$2.63923 per \$1000 of assessed valuation for an estimated property tax revenue of \$958,051. The maximum rate the county could levy is \$3.95, which would generate property tax revenues of \$1,433,865. The total of LOST estimated by the Department of Revenue and Finance for FY2001 is \$324,566. The county is not levying in excess of its authority when the LOST revenues are combined with property tax revenues.

County Sheriff Expenditures

Iowa Code Section 331.421(2) defines "rural county services" as "...the services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas...". The City of Rock Rapids has its own police force and does not contract with the county for these services. All other cities in Lyon County have a contract with the county to provide for the safety of the public within their city. Lyon County has determined that certain expenditures are to be funded from the Rural Services Fund because the expenses are primarily intended to benefit the persons residing outside the incorporated city area.

Expenses from the Rural Services Fund would also include those for public safety in the cities with which the County has a service agreement for public safety. This is due in part because the revenue from those service contracts is deposited in the Rural Services Fund.

Specific spending increases in uniform patrol were identified and justified by the county as being due to increased salaries for the deputies, rising insurance costs and scheduled replacement of two sheriff patrol cars rather than the typical one car. The increase of 4.85% over FY2000 budget in law enforcement communications was identified, justified and appeared reasonable since it is primarily due to salaries and benefits and equipment repair and maintenance. The increases in adult corrections were identified as primarily due to salary increases in an attempt to attract qualified individuals. These increases appear to be necessary and reasonable.

Land Use Expenditures

The planning and zoning department is primarily responsible for planning and zoning administration of the unincorporated area of the county. The county has no jurisdictional authority over any incorporated areas of the county for this activity.

The county budgeted \$12,000 for FY2001. The FY1999 actual expenditures were \$5,984 which represents an increase of \$6,016. This increase was identified as being related to a lawsuit, increased activities of the zoning commission and updating their zoning records. This increase does not represent a significant part of the county's budget and has been justified by the county.

Fund Balances

According to Department of Management budget instructions, funds should not be transferred to an Expendable Trust Fund until the year in which the project is started. Lyon County has not budgeted expenditures for the construction of the jail, other than \$50,000 in the Jail Trust Fund for the demolition of a building. Therefore, the funds in the Jail Trust Fund should remain in the General Fund until the County decides to construct the jail.

During the FY2000 Budget Appeal Hearing, the County provided a timeline for the construction of the communication center jail project in the summer of 2000. The County has not proceeded with this project according to that timeline, and expenditures for it have not been included in the FY2001 budget. Further investigation of the potential facility is being conducted before final decisions are made in the upcoming months.

Significant changes in currently available funding would be inappropriate until those final decisions are made within a reasonable length of time. As a result of the FY2000 budget appeal, the County was allowed to retain significant funds within the General Fund balance to assist with financing the planned facility. Those funds should remain available at the present time, but additional funds should not be accumulated through a planned budget surplus. The FY2001 budget should not result in either an increase or a decrease in the budgeted ending balance.

Rural Service Fund balances are estimated to be at 20.975% of expenditures which is a reasonable percentage.

ORDER

Based on the financial position of the County, information provided by the parties involved, the wording on the LOST ballot, and in reviewing the historical data of Lyon County, the State Appeal Board orders the following action:


General Fund:


Transfer the Jail Trust Fund ending balance of \$175,000 into the General Fund. Reduce the General Fund tax levy by \$230,000. This reduction will result in a projected General Fund ending balance which is unchanged from the projected General Fund beginning balance after recognizing the effects of transferring the balance of the Jail Trust Fund to the General Fund.

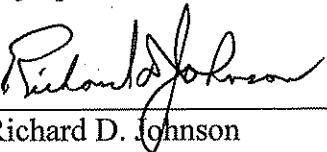
Rural Basic Fund:

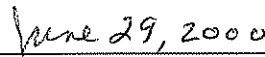
Reduce the Rural Services tax levy in Lyon County by \$84,000 due to the underestimation of the LOST revenues.

STATE APPEAL BOARD


Cynthia P. Eisenhauer
Chairperson


Michael L. Fitzgerald
Vice Chairperson


Richard D. Johnson
Member


Date

**Lyon County
Fiscal 2001 Budget Protest
General Fund Analysis**

Property Taxes Levied:

Fiscal Year	Taxes Levied	Dollar Change Prior Year	Percent Change Prior Year	Percent Change from 1997	Net Current Property Taxes
1996	1,441,994				1,098,213
1997	892,506	(549,488)	-38.106%		803,295 (1)
1998	937,327	44,821	5.022%	5.022%	850,832
1999	1,500,000	562,673	60.030%	68.066%	1,376,606
2000 - Org	1,558,800	58,800	3.920%	74.654%	1,424,952
2000 - Adj	1,558,800	58,800	3.920%	74.654%	1,424,952 (2)
2001	1,529,498	29,498	1.967%	71.371%	1,395,650
2001-Alt	1,299,498	(259,302)	-16.635%	45.601%	1,165,650 (3)

(1) Beginning in FY97, mental health is budgeted in the MH-DD Services Fund.

(2) Amounts per the certified budget following the State Appeal Board Order.

(3) Reduced taxes by \$230,000 which represents the estimated budget increase over prior years adjusted balance after the State Appeal Order.

Other County Tax (Includes LOST)

Fiscal Year	Budget	Actual/Estimated	Percent Difference	Source of Actual Amounts
1996	1,100	1,183	7.545%	County
1997	850	82,652	9623.765%	County (2)
1998	146,186	290,968	99.040%	County
1999	180,200	396,941	120.278%	County (1)
2000 - Org	187,600	277,570	47.958%	County re-estimate
2000 - Adj	200	1,300	550.000%	County re-estimate
2001	30,602	30,602	0.000%	County Budget

(1) FY 99 was the first budget with history to estimate LOST.

(2) Fiscal year 1997 was a partial year for local option sales tax since it was the first year.

(3) Used budgeted amount since there is not a good source for history.

Other Receipts

Fiscal Year	Budget	Actual/Estimated	Percent Difference	Source of Actual Amounts	Transfers In
1996	\$ 967,321	1,608,007	66.233%	County	\$ -
1997	888,547	1,291,807	45.384%	County	-
1998	934,674	1,174,813	25.692%	County	276
1999	926,766	1,323,399	42.798%	County	-
2000	994,092	1,370,058	37.820%	Estimated (1)	-
2001	953,953	1,314,738	37.820%	Estimated (1)	-
2001 - Alt	953,953	1,314,738	37.820%	Estimated (1)	175,000 (2)

(1) Estimated at 137.820% of budget which is the average of 1997 through 1999.

County had a significant increase in 1996 intergovernmental revenues over budget. Excluded 1996 from the average.

(2) Transferred the Jail Trust Fund to the General Fund.

**Lyon County
Fiscal 2001 Budget Protest
General Fund Analysis**

Disbursements					
Fiscal Year	Budget	Actual/Estimated	Percent Difference	Source of Actual Amounts	Transfers Out
1996	\$ 3,367,011	2,979,744	-11.502%	County	\$ 50,000
1997	2,469,323	2,231,008	-9.651%	County	76,000
1998	2,584,949	2,325,747	-10.027%	County	50,276
1999	2,773,414	2,569,688	-7.346%	County	50,000
2000 - Org	2,875,609	2,596,014	-9.723%	Estimated (1)	300,000
2000 - Adj	2,497,213	2,254,409	-9.723%	Estimated (1)	300,000
2001	2,615,634	2,361,316	-9.723%	Estimated (1)	150,000

(1) Estimated at 90.277% of budget which is the average of 1996 through 1999.

Fund Balances						
Fiscal Year Ended June 30,	Budget	Actual/Estimated	Difference	% Budgeted Balance to Disbursements	% Actual Balance to Disbursements	
1996	\$ 30,035	1,190,860	(1,160,825)	0.879%	39.306%	
1997	25,016	1,061,606	(1,036,590)	0.983%	46.017%	
1998	1,216	1,002,472	(1,001,256)	0.046%	42.191%	
1999	342,325	1,479,730	(1,137,405)	12.125%	56.485%	
2000 - Org	547,049	1,656,296	(1,109,247)	17.227%	57.192%	
2000 - Adj	738,045	1,721,631	(983,586)	26.385%	67.398%	(1)(2)
2001	769,968	1,951,305	(1,181,337)	27.841%	77.700%	(3)
2001 - Alt.	714,968	1,896,305	(1,181,337)	25.852%	75.510%	(4)

(1) County 2000 re-estimated ending balance is \$1,155,397.

(2) Fund balance in FY00 included \$800,000 for jail project. Undesignated balance is \$921,631 which is 36.08% of disbursements.

(3) Fund balance in FY01 included \$525,000 for designated fund balance for jail project. Undesignated balance is \$1,426,305 which is 56.8% of disbursements.

(4) Fund balance includes \$700,000 for designated fund balance for jail project. Undesignated balance is \$1,196,305 which is 47.64% of disbursements.

**Lyon County
Fiscal 2001 Budget Protest
Rural Basic fund Analysis**

Property Taxes Levied:

Fiscal Year	Taxes Levied	Dollar Change Prior Year	Percent Change Prior Year	Percent Change from 1996	Net Current Property Taxes
1996	\$ 953,793				\$ 859,174
1997	994,946	41,153	4.315%	4.315%	899,946
1998	1,028,036	33,090	3.326%	7.784%	938,688
1999	948,194	(79,842)	-7.766%	-0.587%	877,763
2000 - Org	1,075,187	126,993	13.393%	12.727%	1,004,821
2000 - Adj	725,187	(350,000)	-32.552%	-23.968%	(1) 663,284
2001	958,051	232,864	32.111%	0.446%	896,148
2001 - Alt	874,051	148,864	20.528%	-8.361%	812,148

- (1) Amounts per the certified budget following the State Appeal Board Order.
(2) Reduced taxes due to underestimated LOST revenues of \$84,000.

Other County Tax (Includes LOST)

Fiscal Year	Budget	Actual/ Estimated	Percent Difference	Source of Actual Amounts
1996	1,020	75	-92.647%	County
1997	20	53	165.000%	County
1998	25	30	20.000%	County
1999	20	53	165.000%	County
2000	200,020	282,084	41.028%	Estimated (1)(2)
2001	256,979	341,545	32.908%	Estimated (2)(3)

- (1) All LOST was recorded in the Rural Services Fund
(2) Estimated at Department of Revenue and Finance estimates for FY2000 and FY2001.
(3) Included revenues other than LOST identified by the County of \$16,979.

Other Receipts

Fiscal Year	Budget	Actual/ Estimated	Percent Difference	Source of Actual Amounts	Transfers In
1996	\$ 84,850	112,369	32.433%	County	
1997	89,800	105,117	17.057%	County	
1998	98,650	113,394	14.946%	County	
1999	109,750	94,376	-14.008%	County	
2000	93,816	164,876	75.744%	County re-estimate (1)	
2001	167,463	185,914	11.018%	Estimated (2)	

- (1) Used County Re-estimated amount since it was significantly higher than budget.
(2) Estimated at 111.018% of budget which is the average of 1996 through 1999.

**Lyon County
Fiscal 2001 Budget Protest
Rural Basic fund Analysis**

Disbursements					
Fiscal Year	Budget	Actual/ Estimated	Percent Difference	Source of Actual Amounts	Transfers Out
1996	\$ 51,360	49,984	-2.679%	County	\$ 850,000
1997	116,770	95,782	-17.974%	County	850,000
1998	104,220	97,713	-6.244%	County	850,000
1999	78,210	75,157	-3.904%	County	875,000
2000 - Org	101,892	92,613	-9.107%	Estimated (1)	875,000
2000 - Adj	458,101	416,382	-9.107%	Estimated (1)	875,000
2001	488,095	443,644	-9.107%	Estimated (1)	875,000

(1) Estimated at 90.893% of budget which is the average of 1996 through 1999.

Fund Balances					
Fiscal Year Ended June 30,	Budget	Actual/ Estimated	Difference	% Budgeted Balance to Disbursements	% Actual Balance to Disbursements
1996	\$ 252,966	250,991	1,975	28.065%	27.888%
1997	304,243	310,325	(6,082)	31.470%	32.811%
1998	406,659	414,724	(8,065)	42.617%	43.761%
1999	431,245	436,759	(5,514)	45.241%	45.967%
2000 - Org	793,549	920,927	(127,378)	81.232%	95.175%
2000 - Adj	227,218	255,621	(28,403)	17.044%	(1) 19.794%
2001	184,713	360,584	(175,871)	13.551%	27.345%
2001 - Alt	100,713	276,584	(175,871)	7.389%	20.975%

(1) Budget amount is the re-estimated ending fund balance