

FY23 City General Fund Revenues and Expenditures



Examining city general fund revenues and expenditures can provide important information to help officials in local decision-making. A general fund is the primary fund used by the city government. This fund is used to track all revenues and spending that are not identified for specific purposes. It is critical to track the general fund revenues and expenditures as they are associated with many day-to-day administrative and operational activities of a city. This brief report provides a breakdown of city revenues and expenditures in cities across Iowa, in aggregate, by population ranges, and by individual community.

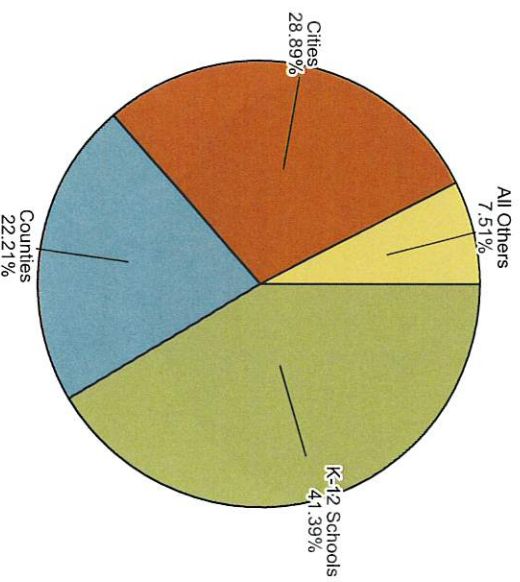
The charts included illustrate the data in a visual format. Note that individual city circumstances may vary and should be considered alongside these data. Several factors influence the breakdowns, many of which may be outside of a city's control. Each city will want to pair these visualizations with their own local circumstances and information to draw inferences of their city finance situation and trends.

Revenue Streams in Iowa

Broadly, revenue sources for state and local governments comes from three major sources: property tax, sales tax, and income taxes. Some state shared revenues such as road use tax funds and local option sales tax flow to eligible cities in Iowa. However, compared to many other states, cities in Iowa receive significantly fewer state-shared revenues. Therefore, they are more reliant on property taxes as a stable source of revenue.

Graph A illustrates the distribution of property tax dollars to local taxing authorities. Schools, cities, and counties receive the largest property tax distributions as collective categories.

For the remainder of this *research update*, the revenue and expenditure breakdowns focus on the city general fund. The general fund is often thought of as the main budget operating fund for day-to-day city operations.



Graph A

Erin Mullenix, erinmullenix@iowaleague.org
 Research Director, Iowa League of Cities
 Community Data Analyst, ISU Extension
 & Outreach Office of Community & Economic Development

Biswa Das, bdas@iastate.edu
 Associate Professor and Extension Specialist, ISU Extension
 & Outreach Office of Community & Economic Development

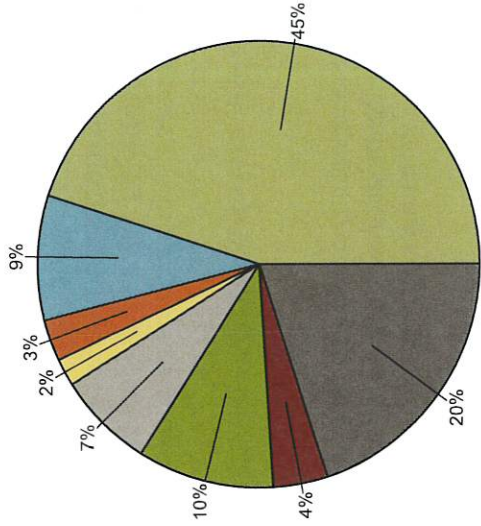
Bailey Hanson, bahanson@iastate.edu
 Extension Specialist in Geospatial Technology,
 ISU Extension & Outreach Office of Community
 & Economic Development

Rakesh Shah, rakeshks@iastate.edu
 Full Stack Developer, ISU Extension & Outreach
 Office of Community & Economic Development

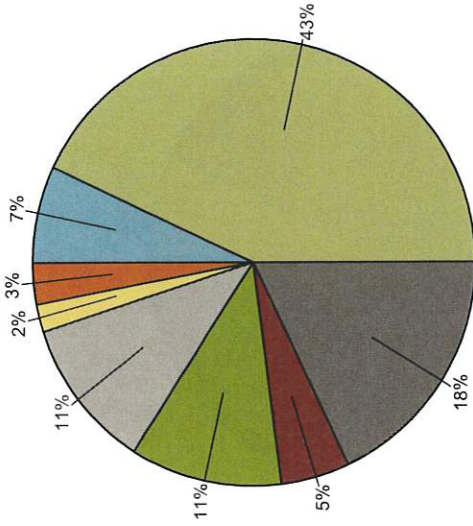
City General Fund Revenues

The charts below show a breakdown of city general fund revenues in aggregate, by population ranges, and by individual city.

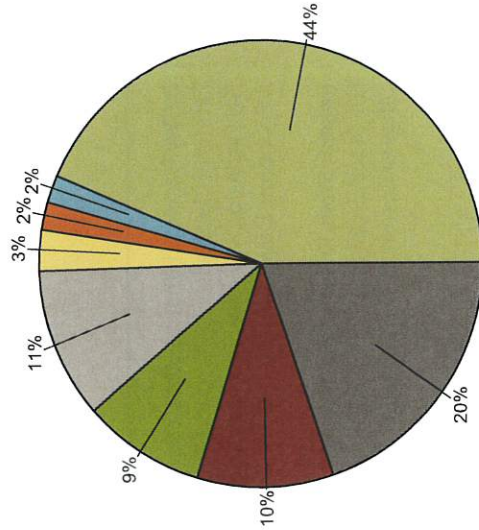
Graph B



Graph C



Graph D - Atlantic, Iowa



Graph B shows the statewide average of budgeted city general fund revenues for fiscal year 2023, for all cities in Iowa. On average, the largest subcategory of general fund revenues is property taxes, which accounts for approximately 46% of the total general fund revenues. Cities rely on property tax as a more stable source of revenues.

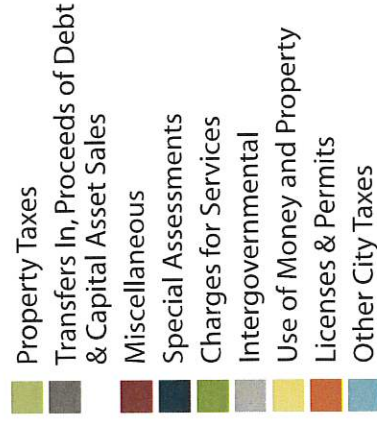
Economic conditions as well as legislation, among other factors, can impact city general fund revenues.

Generally, the size of the community, by population and taxable valuation is relative to the level of resources available.

Graph C features a breakdown of general fund revenues for the population range in which the selected city falls, so that the user can begin to look at how these revenues compare with cities of similar populations.

Each city has its own breakdown of general fund revenues. Graph D features the breakdown of general fund revenues specific to the selected city. Note that there are many factors and local characteristics that impact a city's breakdown. It is important to understand these local factors; comparisons cannot always be made purely based upon population or other factors.

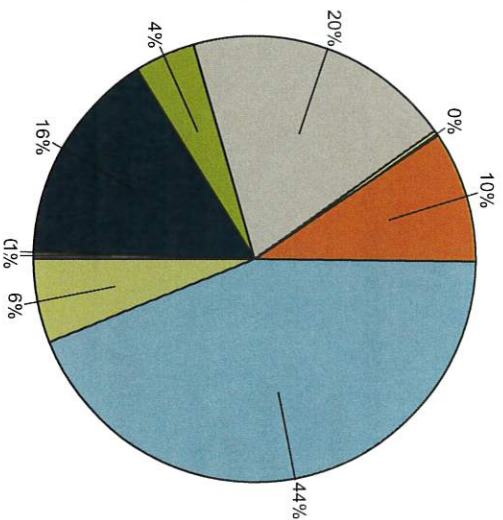
More detail on general fund categories and subcategories is included in the appendices.



City General Fund Expenditures

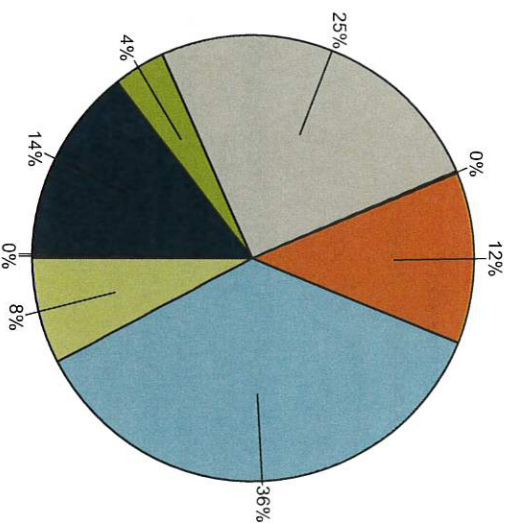
The charts below show a breakdown of city general fund expenditures in aggregate, by population ranges, and by individual city.

Graph E



On average, the largest subcategory of general fund expenditures is for public safety services, accounting for approximately 44%. Particularly for expenditures, cities vary a fair amount on these breakdowns depending upon services they offer. Often times, relative population impacts the general fund expenditure trends, with larger cities offering more types of services overall. Similar to many service industries, cities typically have significant portions of their general fund expenditures allocated to employee wages and benefits. These are also subject to inflation and insurance premium increases. Cities' budgets are also impacted by mandates, incurred obligations such as pension costs, and legislation.

Graph F



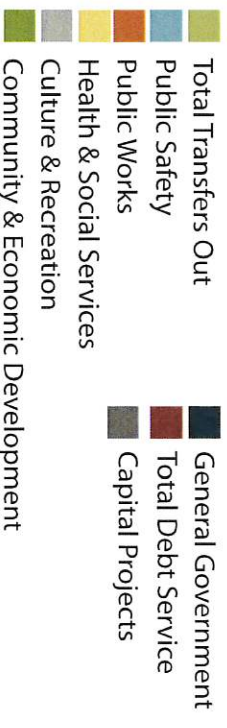
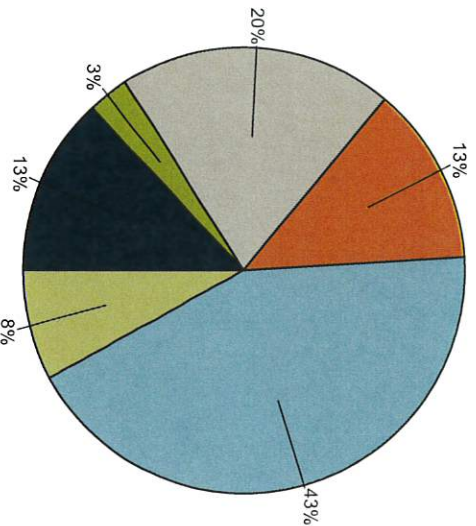
Graph E shows the statewide average of budgeted city general fund expenditures for fiscal year 2023, for all cities in Iowa. As a reminder, the general fund does not include activities such as utilities which are a major expense included in the overall operation of a city.

The size of the community (population) may also impact differences in service levels that are provided. Graph F features a breakdown of general fund expenditures for the population range in which the selected city falls, so that the user can begin to look at how these expenditures compare with cities of similar populations.

Each city has its own breakdown of general fund expenditures. Graph G features the breakdown of these expenditures specific to the selected city. Note that there are many factors and local characteristics that impact a city's breakdown. It is important to understand these local factors; comparisons cannot always be made purely based upon population or other factors.

More detail on general fund categories and subcategories is included in the appendices.

Graph G - Atlantic, Iowa



General Fund Revenue Categories

Appendix 1

Taxes Levied

Property taxes
Delinquent property taxes
Tif revenues

Other City Taxes

Utility tax replacement excise taxes
Utility franchise tax
Pari-mutuel wager tax
Gaming wager tax
Mobile home taxes
Hotel/motel taxes
Other local option taxes

Licenses and Permits

City licenses
City permitting

Use of Money and Property

Interest earned on investments
Rental revenues (property and equipment)

Intergovernmental

Federal grants and reimbursements
Road use taxes
Other state grants and reimbursements (including state replacement claim post SF-295)
Local grants and reimbursements

Charges for Fees and Service

Water utility
Sewer utility
Electric utility
Gas utility
Parking
Airport
Landfill/garbage
Hospital
Transit
Cable TV, internet, telephone
Housing authority
Storm water utility
Other fees and charges

Special Assessments

Special assessments revenue

Miscellaneous

Miscellaneous

General Fund Transfers In, Proceeds of Debt, and

Proceeds of Capital Asset Sales

Proceeds of debt (excluding TIF internal borrowing)
Proceeds of capital asset sales
Regular operating transfers in
Internal TIF loan transfers in

General Fund Expenditure Categories

Appendix 2

Public Safety

- Police Department / Crime prevention
- Jail
- Emergency management
- Flood control
- Fire department
- Ambulance
- Building inspections
- Miscellaneous protective services
- Animal control
- Other public safety

Public Works

- Roads, bridges and sidewalks
- Parking – meter and off-street
- Street lighting
- Traffic control and safety
- Snow removal
- Highway engineering
- Street cleaning
- Airport (if not enterprise)
- Garbage (if not enterprise)
- Other public works

Health and Social Services

- Welfare assistance
- City hospital
- Payments to private hospitals
- Health regulation and inspection
- Water, air and mosquito control
- Community mental health
- Other health and social services

Culture and Recreation

- Library services
- Museum, band and theater
- Parks
- Recreation
- Cemetery
- Community center, zoo and marina
- Other culture and recreation

Community and Economic Development

- Community beautification
- Economic development
- Housing and urban renewal
- Planning and zoning
- Other community and economic development

General Government

- Mayor, council and city manager
- Clerk, treasurer and finance administration
- Elections
- Legal services and city attorney
- City hall and general buildings
- Tort liability
- Other general government

Debt Service

- Governmental capital projects
- TIF capital projects

General Fund Transfers Out

- Regular transfers out
- Internal TIF loan / repayment transfers out

