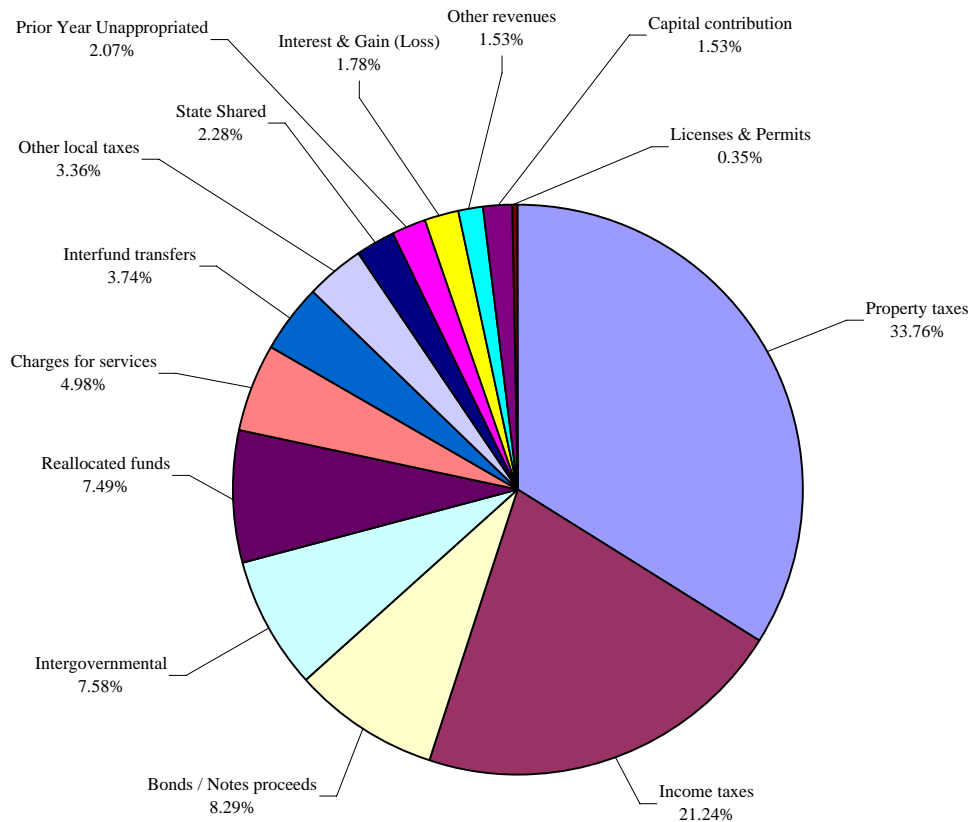


All Funds Sources - by Category

Fiscal Year 2009 Budget

\$545,117,559



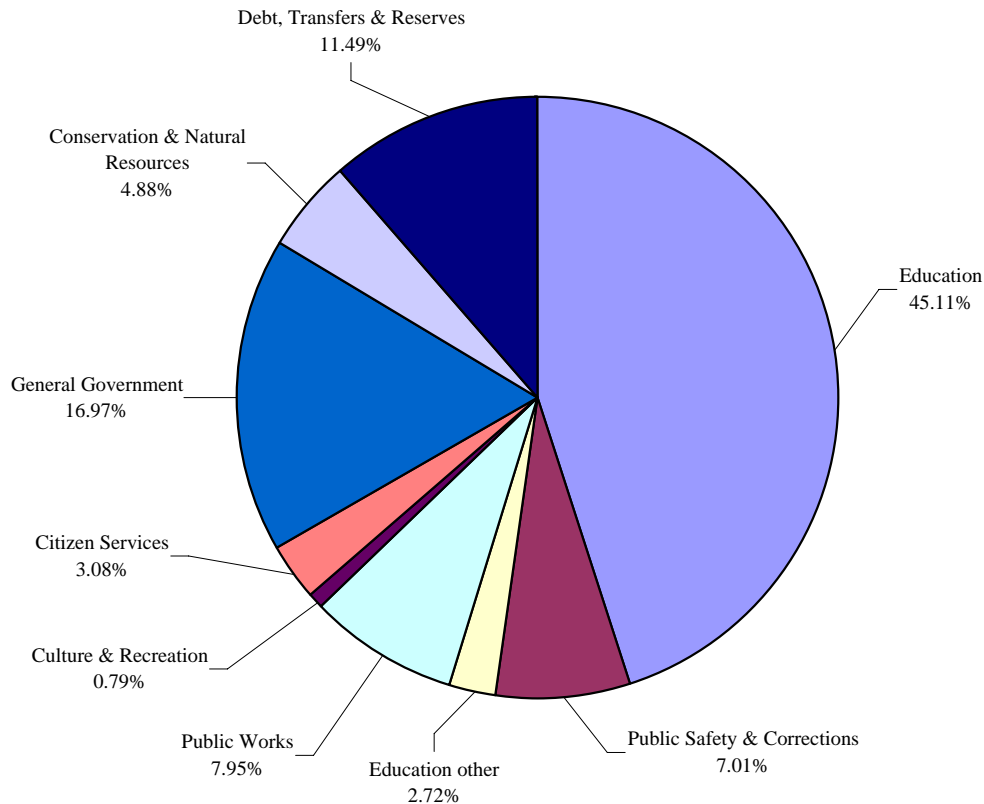
Category	FY 07 Actual*	FY 08 Budget	% Chg from FY 07	FY 09 Budget	% Chg from FY 08
Property taxes	\$158,112,936	\$170,574,900	7.88%	\$184,025,300	7.89%
Income taxes	106,921,331	113,833,697	6.46%	115,806,000	1.73%
Bonds / Notes proceeds	26,417,270	111,748,916	323.01%	45,208,742	-59.54%
Intergovernmental	14,253,803	39,523,346	177.28%	41,342,920	4.60%
Reallocated funds	0	164,510		40,832,949	24720.95%
Charges for services	22,123,560	23,004,700	3.98%	27,157,555	18.05%
Interfund transfers	20,992,147	29,933,086	42.59%	20,364,753	-31.97%
Other local taxes	27,396,055	33,235,500	21.31%	18,337,350	-44.83%
State Shared	12,729,241	13,475,000	5.86%	12,415,000	-7.87%
Prior Year Unappropriated	0	13,542,642		11,302,102	-16.54%
Interest & Gain (Loss)	17,440,828	12,217,150	-29.95%	9,726,830	-20.38%
Other revenues	9,399,093	21,005,481	123.48%	8,365,866	-60.17%
Capital contribution	6,299,361	5,361,820	-14.88%	8,338,192	55.51%
Licenses & Permits	1,781,585	1,535,000	-13.84%	1,894,000	23.39%
Total	\$423,867,210	\$589,155,748	39.00%	\$545,117,559	-7.47%

* FY 07 Actual figures are from the CAFR

All Funds Uses - by Category

Fiscal Year 2009 Budget

\$545,117,559



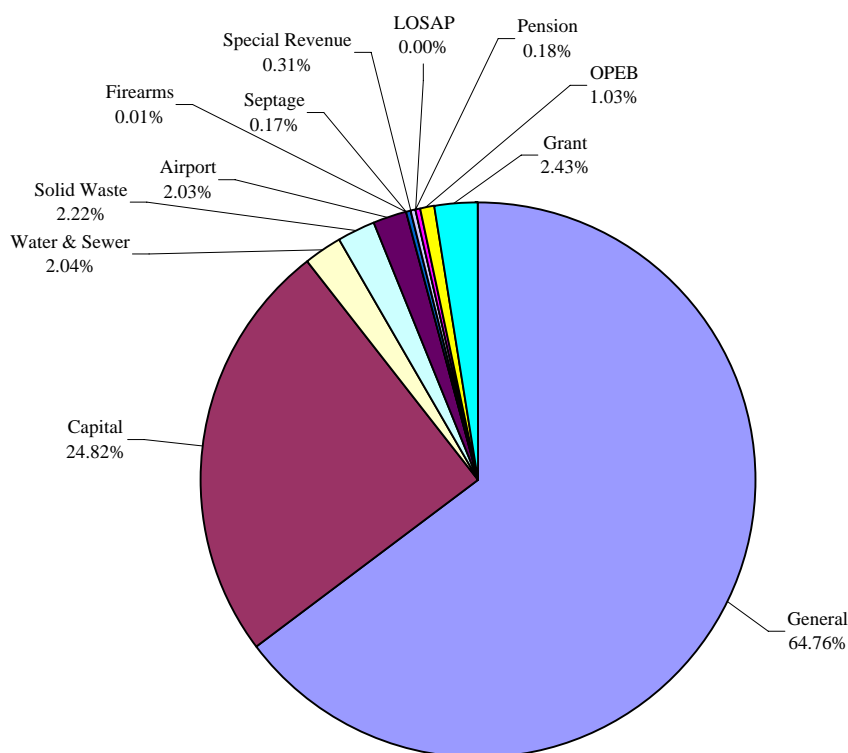
Category	FY 07 Actual*	FY 08 Budget	% Chg from FY 07	FY 09 Budget	% Chg from FY 08
Education	\$180,032,265	\$247,784,597	37.63%	\$245,915,940	-0.75%
Public Safety & Corrections	29,914,418	36,017,086	20.40%	38,201,976	6.07%
Education other	8,248,082	13,732,500	66.49%	14,828,870	7.98%
Public Works	38,467,249	42,108,415	9.47%	43,348,117	2.94%
Culture & Recreation	3,002,886	5,589,670	86.14%	4,300,520	-23.06%
Citizen Services	8,656,730	15,925,406	83.97%	16,769,101	5.30%
General Government	72,108,684	126,503,001	75.43%	92,503,946	-26.88%
Conservation & Natural Resources	18,431,909	20,695,360	12.28%	26,614,489	28.60%
Debt, Transfers & Reserves	32,180,811	80,799,713	151.08%	62,634,600	-22.48%
Total	\$391,043,035	\$589,155,748	50.66%	\$545,117,559	-7.47%

* FY 07 Actual figures are from the CAFR.

All Funds Uses - by Fund

Fiscal Year 2009 Budget

\$545,117,559



<u>Fund</u>	FY 07 Actual*	FY 08 Budget	% Chg from FY 07	FY 09 Budget	% Chg from FY 08
General	\$295,199,862	\$328,372,000	11.24%	\$353,000,000	7.50%
Capital	61,686,068	187,127,907	203.36%	135,297,971	-27.70%
Water & Sewer	7,849,747	20,045,896	155.37%	11,097,950	-44.64%
Solid Waste	7,935,237	10,874,660	37.04%	12,115,710	11.41%
Airport	2,128,067	11,291,222	430.59%	11,056,160	-2.08%
Firearms	58,238	40,000	-31.32%	75,100	87.75%
Septage	402,898	832,750	106.69%	919,200	10.38%
Special Revenue	3,034,095	10,985,500	262.07%	1,712,350	-84.41%
LOSAP	434,655	1,000,000	130.07%	0	-100.00%
Pension	149,343	985,423	559.84%	958,230	-2.76%
OPEB	324,092	4,966,200	1432.34%	5,615,800	13.08%
Grant	11,840,733	12,634,190	6.70%	13,269,088	5.03%
Total	\$391,043,035	\$589,155,748	50.66%	\$545,117,559	-7.47%

* FY 07 Actual figures are from the CAFR.

All Funds Revenue Summary

All Funds revenue is projected to exceed \$545 million in FY 09. Nearly half of this amount will come from property taxes and income taxes. Total revenue is \$44 million below FY 08 primarily due to a decrease in budgeted bonds.

Revenue In Millions	FY 07 Actual	Percent of Total	FY 08 Budget	Percent of Total	FY 09 Budget	Percent of Total	Cumulative Percent of Total
Property Taxes	\$158.1	37.3%	\$170.6	29.0%	\$184.0	33.8%	33.8%
Income Taxes	106.9	25.2%	113.8	19.3%	115.8	21.2%	55.0%
Bonds / Notes proceeds	26.4	6.2%	111.7	19.0%	45.2	8.3%	63.3%
Intergovernmental	14.3	3.4%	39.5	6.7%	41.3	7.6%	70.9%
Reallocated funds	0.0	0.0%	0.2	0.0%	40.8	7.5%	78.4%
Charges for Services	22.1	5.2%	23.0	3.9%	27.2	5.0%	83.4%
Interfund transfers	21.0	5.0%	29.9	5.1%	20.4	3.7%	87.1%
Other local taxes	27.4	6.5%	33.2	5.6%	18.3	3.4%	90.5%
State Shared	12.7	3.0%	13.5	2.3%	12.4	2.3%	92.7%
Prior Year Unappropriated	0.0	0.0%	13.5	2.3%	11.3	2.1%	94.8%
Interest & Gain (Loss)	17.4	4.1%	12.2	2.1%	9.7	1.8%	96.6%
Other revenues	9.4	2.2%	21.0	3.6%	8.4	1.5%	98.1%
Capital contribution	6.3	1.5%	5.4	0.9%	8.3	1.5%	99.7%
Licenses & Permits	1.8	0.4%	1.5	0.3%	1.9	0.3%	100.0%
Total Revenue	\$423.9	100.0%	\$589.2	100.0%	\$545.1	100.0%	

Percentages may not add to 100% due to rounding

Below are explanations of each of these revenues. Additional details on the source of these revenues and the processes used to arrive at the budgeted amounts can be found in the various fund sections.

Top 5 All Fund revenues

Property Taxes

Largest revenue at 33.8% of the total. The Property Tax group includes twelve separate taxes, credits and charges. The two most significant are the Real Property tax, which the County Commissioners set at \$1.048 per one hundred dollars of assessed value, and the Homestead Tax Credit, also set by the Commissioners, which caps the amount taxes can increase on a primary residence at 7% a year. Property tax is primarily a general fund revenue; however, 3% is dedicated to the capital budget for agricultural preservation, roads and bridge improvements.

Property taxes are estimated by several methods, including trend analysis, economic analysis, and real estate analysis. The primary means, however, are the assessments provided by the Maryland Department of Assessment and Taxation, and full detail is provided on their web site which can be accessed at www.dat.state.md.us/sdatweb/stats.

Income Tax

Second largest revenue at 21.2% of total. Income tax is calculated as a percentage of net taxable State income. The Commissioners set the rate at 3.05%, although there is a State cap of 3.20%. The State Comptrollers Office administers, collects and distributes this tax to the counties and municipalities. Income tax is primarily a general fund revenue; however, 9.1% of income tax is dedicated to the capital budget for school construction and debt service.

The budget for income tax is based on several factors, including a trend analysis of recent distributions, economic analysis of changes made at the State level, the local and national economy and estimates provided by the State Comptroller's Office.

Bonds / Notes proceeds

Third largest revenue at 8.3% of the total. The County issues general obligation bonds to provide funds for construction of major capital facilities such as libraries, parks and schools. The bonds are obligations of the County for which its full faith and credit are pledged. The principal sources of repayment for the bonds are general revenues of the county including property taxes and income taxes. Bonds issued for enterprise funds, such as Utilities or the Airport, while still general obligation bonds, are expected to be paid from enterprise fund revenues, such as area connection charges or rents.

Bonds are not budgeted in the same way as other revenues, whereby we estimate how much property or income tax we will collect. We decide how much debt to issue based on several factors including, debt affordability guidelines, our six-year Operating Plan, availability of PAYGO funds, as well as the need for and timing of capital projects. In FY 09 we budget less than half the bonds we budgeted in FY 08, which is largely due

to the new Manchester Valley High School. Most of the appropriation for the new high school was budgeted in FY 08.

Intergovernmental [State & Federal]

Fourth largest revenue at 7.6% of the total. The County receives federal and state funding for several reasons, including revenue sharing, grants, reimbursements and construction funding. State and Federal funding is used primarily in the general, capital and grant funds. The largest source of funding is \$25 million from the State Interagency Committee for the South Carroll Fine Arts addition and the Westminster HVAC. The second largest source of funding goes to the grant budget. This includes more than \$10 million in various federal and state funds that are used for aging, economic development, public safety, housing, transportation, recreation and social services programs.

Budgeting State and Federal funds is varied. In some cases, particularly construction funding, there is a specific appropriation in the State budget. In cases where there is not a specific amount, such as the Highway User Revenue which is formula based, estimates are provided by the government agency that oversees the revenue. Other revenues, such as grants are usually subject to a combination of trend analysis and informed opinion.

Reallocated funds

Fifth largest revenue at 7.5% of the total. These funds consist of reallocated bonds, reallocated general fund transfer, reallocated property taxes and reallocated impact fees. These funds were previously appropriated to various projects. However, the current budget no longer includes these projects. So, these sources of funding are being reallocated to projects included in the FY 09 budget.

In FY 09 we are reallocating nearly \$41 million in funds from 25 different projects. The amount that we can reallocate depends on numerous factors, including projects that were completed under budget to projects that were eliminated. The very nature of these types of decisions prevents it from being predictable or consistent with previous years.

Miscellaneous All Fund Revenues

Charges for services

5.0% of the total. The county receives funding for services in the enterprise fund, general fund and grant fund. In the enterprise fund the primary sources of revenue are water and sewer usage and connection fees, tipping fees, waste removal fees, and airport sales and rental fees. Rate modeling is used to forecast future needs and to set the appropriate rates to support the fund. Additionally, trend analysis is used in combination

with the rate modeling to more accurately determine future revenue streams. In the general fund, the primary sources of revenue are public safety, public works, recreation and general government. These fees come from state and federal reimbursements related to the detention center and from various fees related to building inspections, permitting and review fees as well as admission and concessions fees at county parks. The fees charged are based on a combination of factors. Trend analysis is used to keep fees closely connected to the rising costs incurred in the county. Additionally, fee analysis is performed to align the rates with actual costs incurred. Rate studies are also performed for fees reimbursed by the state or federal government to ensure accuracy. In the grant fund, the primary source of these revenues is recreation and farm museum endowment fees.

Inter-Fund Transfers

3.7% of the total. Due to governmental accounting procedures, revenues that are transferred between funds are shown twice. For instance, impact fees, which are used in the capital budget primarily to pay for school construction, originate in the special revenue fund. When impact fees are used they must be transferred from the special revenue fund to the capital fund. This means that using \$1 million of impact fees will actually add \$2 million to all funds revenue total. Each fund, special revenue and capital, will show that \$1 million. The methods for budgeting inter-fund revenues are varied. Some inter-fund transfers are linked to specific revenue, such as impact fees and the 9.1% of local income tax dedicated for school debt service. In these cases, trend and economic analysis are employed. Other inter-fund revenues, however, are not specific, such as general fund transfers to grants or capital. Here the emphasis is on the general fund as a whole. Overall revenue growth and available balances in the six-year Operating plan are examined and analyzed.

Other local taxes

3.4% of the total. This includes Recordation, Impact fees, Admission fees and 911 fees. Recordation makes up 80% of these fees. Trend analysis, current housing market and opinions from industry experts are the sources of this budget.

State Shared

2.3% of the total. This includes Highway user revenue and Police aid grants. Both of these come from the state. The State of Maryland provides estimates to the County for these grants; however, our own economic and legislative analysis is also considered.

Prior Year Unappropriated

2.1% of the total. This is the amount of revenue in excess of budget plus the amount of unspent appropriated dollars. Carroll County law requires that surplus funds be

budgeted as revenue in the next fiscal year. The FY 09 budget is based on the audited fund balance of FY 07.

Interest & Gain / (Loss)

1.8% of the total. The primary source of this revenue is interest earned on investments. The budget is based on our economic and monetary analysis, as well as consultation with the County's Investment Officer.

Other revenues

1.5% of the total. This group includes revenues from the general, capital, grant, enterprise fund and trust funds. These revenues are budgeted based on numerous methods, including trend analysis, economic analysis, and estimates provided by State and Federal agencies.

Capital contribution

1.5% of the total. These funds reflect appropriations in the utilities and the airport funds, most notably area connection charges and private contributions. The budgeted revenues are based on appropriations to the capital budget, so they will vary according to the need for and timing of capital projects.

Licenses & Permits

0.3% of the total. These are general fund dollars. These funds are charged for the various services requested by residents and contractors. These revenues are budgeted based on numerous methods, including trend analysis, economic analysis, and real estate analysis.