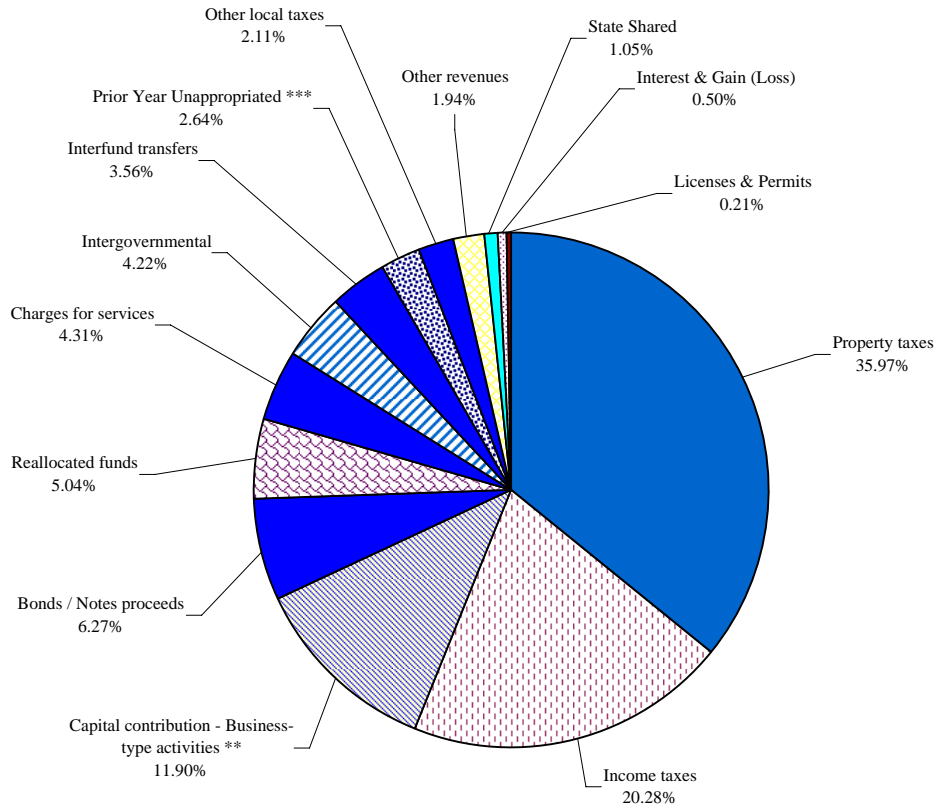


All Funds Sources - by Category

Fiscal Year 2010 Budget

\$562,319,252



<u>Category</u>	FY 08 Actual*	FY 09 Budget	% Chg from FY 08	FY 10 Budget	% Chg from FY 09
Property taxes	\$174,354,873	\$184,025,300	5.55%	\$202,264,900	9.91%
Income taxes	120,230,118	115,806,000	-3.68%	114,015,170	-1.55%
Capital contribution - Business-type activities **	947,253	8,338,192	780.25%	66,915,750	702.52%
Bonds / Notes proceeds	23,530,814	45,208,742	92.13%	35,237,182	-22.06%
Reallocated funds	0	40,832,949	100.00%	28,353,100	-30.56%
Charges for services	22,747,678	27,157,555	19.39%	24,247,377	-10.72%
Intergovernmental	16,773,453	41,342,920	146.48%	23,706,686	-42.66%
Interfund transfers	36,861,377	20,364,753	-44.75%	20,010,082	-1.74%
Prior Year Unappropriated ***	0	11,302,102	100.00%	14,858,762	31.47%
Other local taxes	23,062,535	18,337,350	-20.49%	11,876,050	-35.24%
Other revenues	6,491,879	8,365,866	28.87%	10,896,043	30.24%
State Shared	11,744,961	12,415,000	5.70%	5,915,000	-52.36%
Interest & Gain (Loss)	10,738,347	9,726,830	-9.42%	2,836,150	-70.84%
Licenses & Permits	1,666,970	1,894,000	13.62%	1,187,000	-37.33%
Total	\$449,150,258	\$545,117,559	21.37%	\$562,319,252	3.16%

* FY 08 Actual figures are from the CAFR

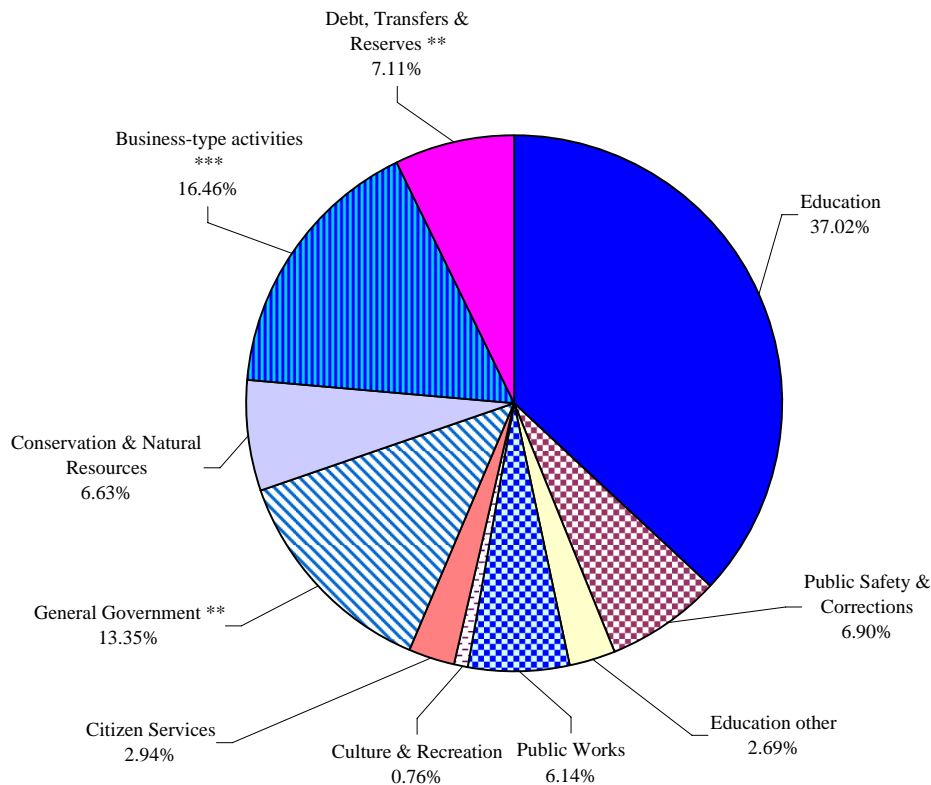
** The FY 10 budget includes \$66.9M in Federal Aviation Administration and Maryland Aviation Administration funds.

*** Prior Year Unappropriated, although not an actual revenue, is included because its an appropriated revenue.

All Funds Uses - by Category

Fiscal Year 2010 Budget

\$562,319,252



<u>Category</u>	FY 08 Actual*	FY 09 Budget	% Chg from FY 08	FY 10 Budget	% Chg from FY 09
Education	\$202,507,541	\$245,915,940	21.44%	\$208,142,677	-15.36%
Public Safety & Corrections	34,911,616	38,201,976	9.42%	38,807,445	1.58%
Education other	12,157,594	14,828,870	21.97%	15,114,250	1.92%
Public Works	23,836,368	21,819,557	-8.46%	34,544,830	58.32%
Culture & Recreation	2,673,624	4,225,420	58.04%	4,260,340	0.83%
Citizen Services	6,223,834	16,769,101	169.43%	16,552,982	-1.29%
General Government **	89,903,153	93,936,016	4.49%	75,056,144	-20.10%
Conservation & Natural Resources	20,499,296	26,614,489	29.83%	37,278,949	40.07%
Business-type activities ***	21,273,403	35,264,120	65.77%	92,583,777	162.54%
Debt, Transfers & Reserves **	45,238,866	47,542,070	5.09%	39,977,858	-15.91%
Total	\$459,225,295	\$545,117,559	18.70%	\$562,319,252	3.16%

* FY 08 Actual figures are from the CAFR.

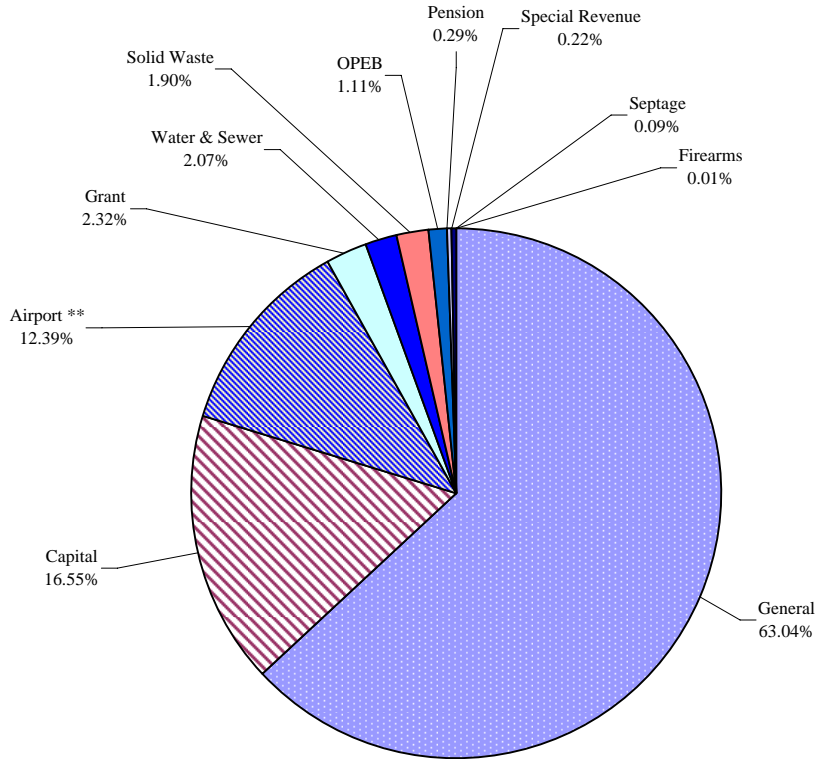
** In compliance with GASB 27, 43, and 45, the appropriations for the Pension and OPEB Trust Funds are now included in the Fringe Benefits budget. Previously, these appropriations were shown under Inter-Fund Transfers. For comparison purposes, the FY 09 Budget has been adjusted to reflect this Accounting change.

*** The FY 10 budget includes \$66.9M in Federal Aviation Administration and Maryland Aviation Administration funds

All Funds Uses - by Fund

Fiscal Year 2010 Budget

\$562,319,252



<u>Fund</u>	FY 08 Actual*	FY 09 Budget	% Chg from FY 08	FY 10 Budget	% Chg from FY 09
General	\$317,093,616	\$353,000,000	11.32%	\$354,500,000	0.42%
Capital	93,968,424	135,297,971	43.98%	93,085,159	-31.20%
Airport **	3,097,618	11,056,160	256.92%	69,690,142	530.33%
Grant	13,221,950	13,269,088	0.36%	13,056,266	-1.60%
Water & Sewer	10,056,546	11,097,950	10.36%	11,617,870	4.68%
Solid Waste	7,648,918	12,115,710	58.40%	10,697,400	-11.71%
OPEB	1,988,540	5,615,800	182.41%	6,225,000	10.85%
Pension	214,817	958,230	346.07%	1,643,000	71.46%
Special Revenue	10,965,730	1,712,350	-84.38%	1,226,050	-28.40%
Septage	395,824	919,200	132.22%	496,450	-45.99%
Firearms	74,497	75,100	0.81%	81,915	9.07%
LOSAP	498,815	0	-100.00%	0	0.00%
Total	\$459,225,295	\$545,117,559	18.70%	\$562,319,252	3.16%

* FY 08 Actual figures are from the CAFR.

** The FY 10 budget includes \$66.9M in Federal Aviation Administration and Maryland Aviation Administration funds.

All Funds Revenue Summary

All Funds revenue is projected to exceed \$562 million in FY 10 with half of this amount coming from property taxes and income taxes. Total revenue is \$17 million or 3.2% above FY 09, primarily due to dedicated revenues coming from the State and Federal Aviation Administrations that can only be used for an airport capital project. Without these dedicated funds, total revenue would be down nearly \$50 million or 9.2%.

Revenue In Millions	FY 08 Actual	Percent of Total	FY 09 Budget	Percent of Total	FY 10 Budget	Percent of Total	Cumulative Percent of Total
Property Taxes	\$174.4	38.8%	\$184.0	33.9%	\$202.3	36.0%	36.0%
Income Taxes	120.2	26.8%	115.8	21.2%	114.0	20.3%	56.3%
Capital contribution – Business-type activities	0.9	0.2%	8.3	1.5%	66.9	11.9%	68.2%
Bonds / Notes proceeds	23.5	5.2%	45.2	8.3%	35.2	6.3%	74.4%
Reallocated funds	0.0	0.0%	40.8	7.5%	28.4	5.0%	79.5%
Charges for Services	22.7	5.1%	27.2	5.0%	24.2	4.3%	84.0%
Intergovernmental	16.8	3.7%	41.3	7.6%	23.7	4.2%	88.0%
Interfund transfers	36.9	8.2%	20.4	3.7%	20.0	3.6%	91.5%
Prior Year Unappropriated	0.0	0.0%	11.3	2.1%	14.9	2.6%	94.2%
Other local taxes	23.1	5.1%	18.3	3.4%	11.9	2.1%	96.3%
Other revenues	6.5	1.4%	8.4	1.5%	10.9	1.9%	98.2%
State Shared	11.7	2.6%	12.4	2.3%	5.9	1.1%	99.3%
Interest & Gain (Loss)	10.7	2.4%	9.7	1.8%	2.8	0.5%	99.8%
Licenses & Permits	1.7	0.4%	1.9	0.3%	1.2	0.2%	100.0%
Total Revenue	\$449.2	100.0%	\$545.1	100.0%	\$562.3	100.0%	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 36.0% 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 20.3% 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.

Capital contribution – Business-type activities

Third largest revenue at 11.9% of the total. This category is based on specific and dedicated revenues that are budgeted to capital projects in the utilities and the airport funds, such as Federal Aviation Administration [FAA], Maryland Aviation Administration [MAA], area connection charges and private contributions. These revenues are based on appropriations budgeted to fund capital projects and do not reflect revenues that are necessarily collected in FY 10.

Most significant to this category is the \$67 million in FAA and MAA funding, which can only be used for the airport runway extension project. Based on Federal and State laws, the FAA and MAA will fund 95% and 2.5%, respectively, of approved projects. At this time a decision has not been made by the Board of County Commissioners to proceed with this project; however, it is included in the budget.

Bonds/Notes proceeds

Fourth largest revenue at 6.3% 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 10 we are budgeting fewer bonds than in FY 09. After several years of budgeting for large capital projects, a return to lower level is as expected.

Reallocated funds

Fifth largest revenue at 5.0% 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 10 budget.

In FY 10 we are reallocating \$28 million in funds from 39 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.

Remaining All Fund Revenues

Intergovernmental [State & Federal]

4.3% 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 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. The second largest source of funding is \$4.7 million from the Federal Highway/Bridge program.

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.

Charges for services

4.2% of the total. The county receives funding for services in the enterprise fund, general fund and grant fund. The intention, unless otherwise determined, is that certain activities and services pay for themselves through user fees and are not supported through general tax dollars or other non related revenue sources.

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.

For the general fund and the grant 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 determine revenue projections based on the current rate and fee structure. Additionally, fee analysis is performed to determine if the current rate and fee structure needs to be adjusted in order meet actual costs incurred. Rate studies are also performed for fees reimbursed by the state or federal government to ensure accuracy.

Inter-Fund Transfers

3.6% of the total. Due to governmental accounting requirements, 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.

Prior Year Unappropriated

2.6% 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 10 budget is based on the audited fund balance of FY 08.

Other local taxes

2.1% 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.

Other revenues

1.9% 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.

State Shared

1.1% 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.

Interest & Gain/(Loss)

0.5% 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.

Licenses & Permits

0.2% 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.