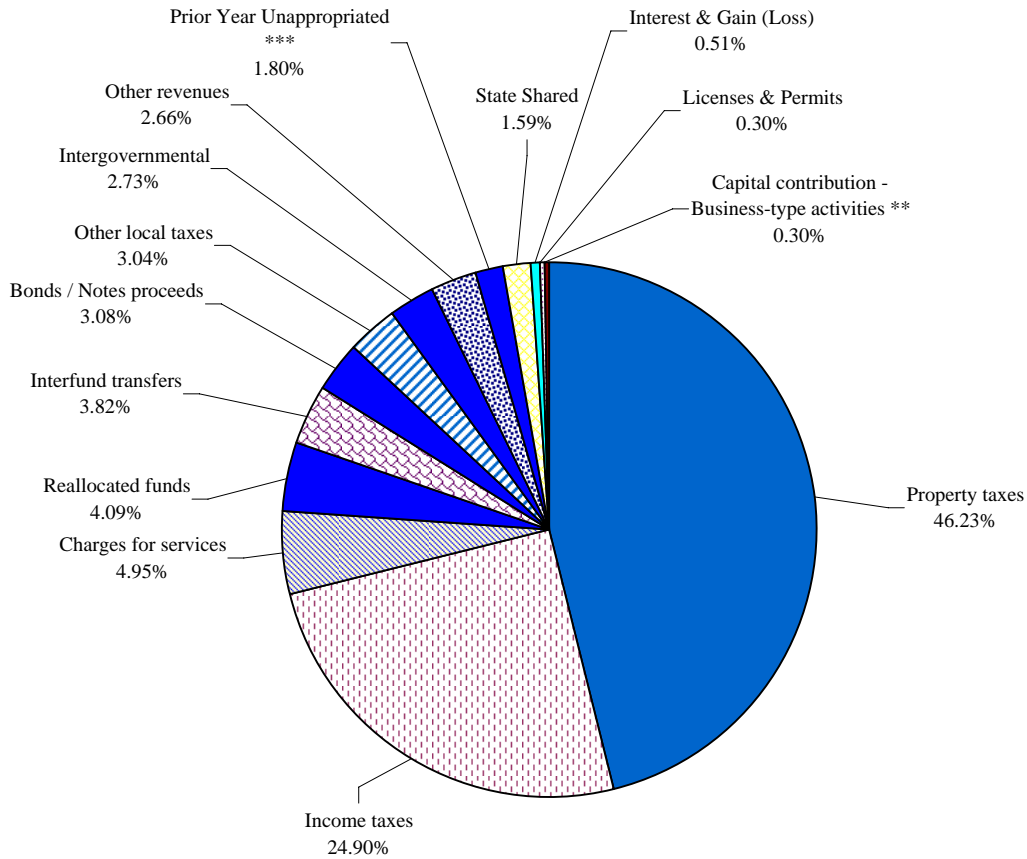


All Funds Sources - by Category

Fiscal Year 2011 Budget

\$451,375,387



<u>Category</u>	FY 09 Actual*	FY 10 Budget	% Chg from FY 09	FY 11 Budget	% Chg from FY 10
Property taxes	\$189,079,529	\$202,264,900	6.97%	\$208,688,900	3.18%
Income taxes	112,763,102	114,015,170	1.11%	112,405,000	-1.41%
Charges for services	20,518,085	24,247,377	18.18%	22,328,825	-7.91%
Reallocated funds	0	28,353,100	100.00%	18,453,593	-34.92%
Interfund transfers	25,430,201	20,010,082	-21.31%	17,252,970	-13.78%
Bonds / Notes proceeds	76,919,244	35,237,182	-54.19%	13,891,901	-60.58%
Other local taxes	16,798,205	11,876,050	-29.30%	13,734,000	15.64%
Intergovernmental	15,042,612	23,706,686	57.60%	12,321,082	-48.03%
Other revenues	5,862,421	10,896,043	85.86%	12,017,915	10.30%
Prior Year Unappropriated ***	0	14,858,762	100.00%	8,103,281	-45.46%
State Shared	10,300,922	5,915,000	-42.58%	7,167,572	21.18%
Interest & Gain (Loss)	379,242	2,836,150	647.85%	2,305,830	-18.70%
Licenses & Permits	1,288,525	1,187,000	-7.88%	1,360,350	14.60%
Capital contribution - Business-type activities **	535,849	66,915,750	12387.80%	1,344,168	-97.99%
Total	\$474,917,937	\$562,319,252	18.40%	\$451,375,387	-19.73%

* FY 09 Actual figures are from the CAFR

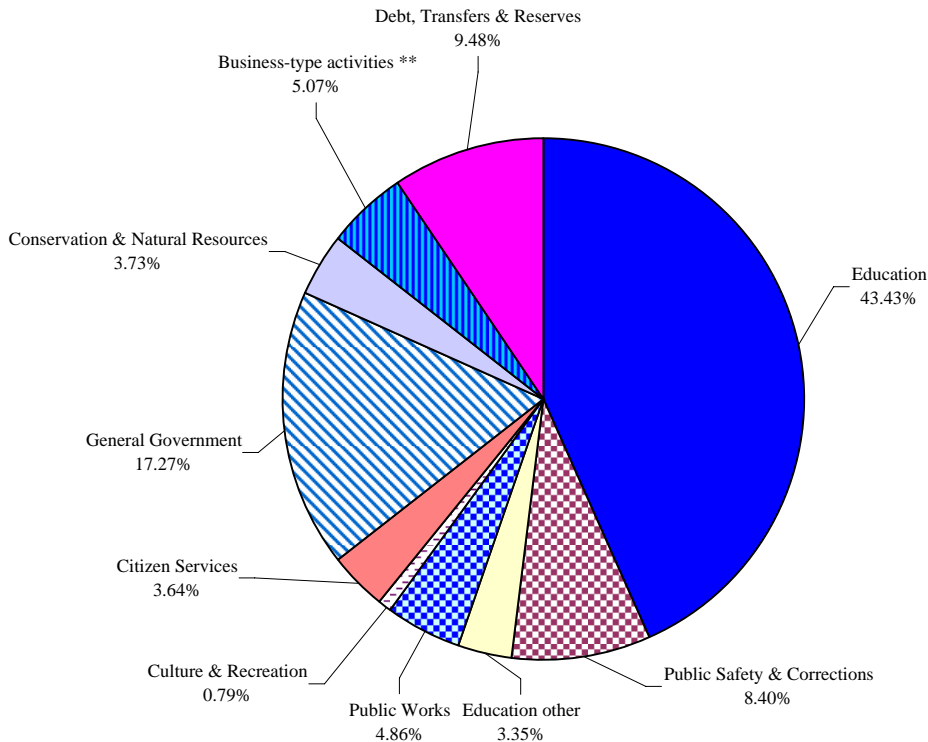
** The FY 10 budget includes \$66.9M in Federal Aviation Administration and Maryland Aviation Administration funds.

*** Prior Year Unappropriated, although not an actual revenue, is included in the Budget because it's an appropriated revenue.

All Funds Uses - by Category

Fiscal Year 2011 Budget

\$451,375,387



Category	FY 09 Actual*	FY 10 Budget	% Chg from FY 09	FY 11 Budget	% Chg from FY 10
Education	\$248,045,170	\$208,142,677	-16.09%	\$196,012,000	-5.83%
Public Safety & Corrections	37,433,470	38,807,445	3.67%	37,893,290	-2.36%
Education other	19,320,533	15,114,250	-21.77%	15,108,250	-0.04%
Public Works	22,085,116	34,544,830	56.42%	21,936,990	-36.50%
Culture & Recreation	2,431,863	4,260,340	75.19%	3,567,400	-16.26%
Citizen Services	6,063,748	16,552,982	172.98%	16,412,239	-0.85%
General Government	93,110,844	75,056,144	-19.39%	77,948,734	3.85%
Conservation & Natural Resources	30,758,475	37,278,949	21.20%	16,827,530	-54.86%
Business-type activities **	16,900,664	92,583,777	447.81%	22,865,074	-75.30%
Debt, Transfers & Reserves	35,250,490	39,977,858	13.41%	42,803,880	7.07%
Total	\$511,400,373	\$562,319,252	9.96%	\$451,375,387	-19.73%

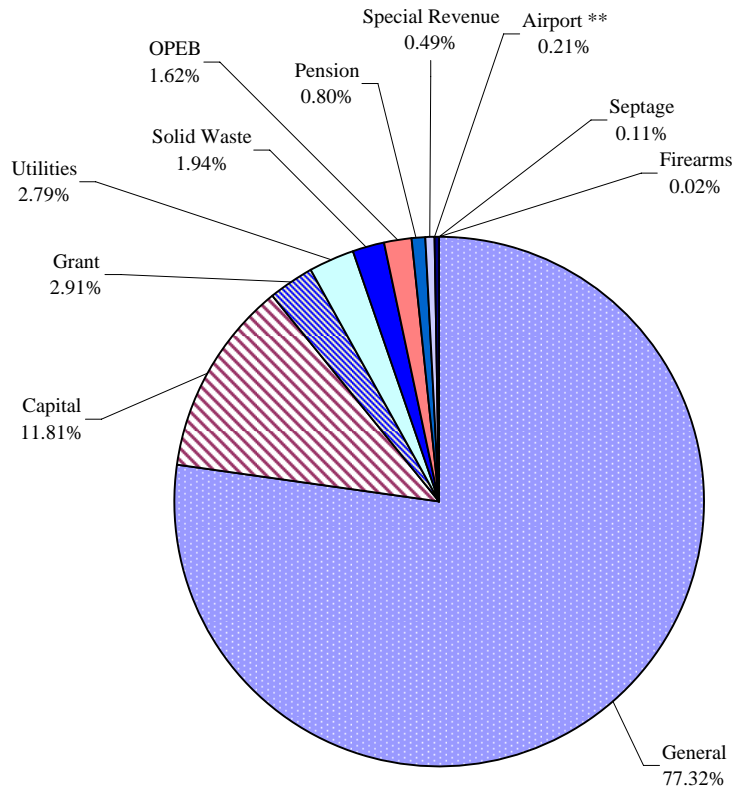
* FY 09 Actual figures are from the CAFR.

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

All Funds Uses - by Fund

Fiscal Year 2011 Budget

\$451,375,387



Fund	FY 09 Actual*	FY 10 Budget	% Chg from FY 09	FY 11 Budget	% Chg from FY 10
General	\$340,261,352	\$354,500,000	4.18%	\$349,000,000	-1.55%
Capital	135,278,575	93,085,159	-31.19%	53,296,466	-42.74%
Grant	14,034,014	13,056,266	-6.97%	13,112,847	0.43%
Utilities	8,169,257	11,617,870	42.21%	12,577,159	8.26%
Solid Waste	7,487,843	10,697,400	42.86%	8,742,220	-18.28%
OPEB	2,338,902	6,225,000	166.15%	7,298,000	17.24%
Pension	361,076	1,643,000	355.03%	3,590,000	118.50%
Special Revenue	1,674,450	1,226,050	-26.78%	2,213,000	80.50%
Airport **	777,692	69,690,142	8861.15%	944,620	-98.64%
Septage	388,398	496,450	27.82%	518,075	4.36%
Firearms	77,475	81,915	5.73%	83,000	1.32%
LOSAP	551,339	0	-100.00%	0	0.00%
Total	\$511,400,373	\$562,319,252	9.96%	\$451,375,387	-19.73%

* FY 09 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 be \$451 million in FY 11 with two-thirds of this amount coming from property taxes and income taxes. Total revenue is \$111 million, or 20%, below FY 10. This decrease is primarily due to dedicated revenues coming from the State and Federal Aviation Administrations [\$67M] that were budgeted in FY 10, but not in FY 11. Without these dedicated funds, total revenue would be down nearly \$45 million or 8.9%.

Revenue In Millions	FY 09 Actual	Percent of Total	FY 10 Budget	Percent of Total	FY 11 Budget	Percent of Total	Cumulative Percent of Total
Property Taxes	\$189.1	39.8%	\$202.3	36.0%	\$208.7	46.2%	46.2%
Income Taxes	112.8	23.7%	114.0	20.3%	112.4	24.9%	71.2%
Charges for Services	20.5	4.3%	24.2	4.3%	22.3	5.0%	76.1%
Reallocated funds	0.0	0.0%	28.4	5.0%	18.5	4.1%	80.2%
Interfund transfers	25.4	5.4%	20.0	3.6%	17.3	3.8%	84.0%
Bonds / Notes proceeds	76.9	16.2%	35.2	6.3%	13.9	3.1%	87.1%
Other local taxes	16.8	3.5%	11.9	2.1%	13.7	3.0%	90.1%
Intergovernmental	15.0	3.2%	23.7	4.2%	12.3	2.7%	92.8%
Other revenues	5.9	1.2%	10.9	1.9%	12.0	2.7%	95.5%
Prior Year Unappropriated	0.0	0.0%	14.9	2.6%	8.1	1.8%	97.3%
State Shared	10.3	2.2%	5.9	1.1%	7.2	1.6%	98.9%
Interest & Gain (Loss)	0.4	0.1%	2.8	0.5%	2.3	0.5%	99.4%
Licenses & Permits	1.3	0.3%	1.2	0.2%	1.4	0.3%	99.7%
Capital contribution – Business-type activities	0.5	0.1%	66.9	11.9%	1.3	0.3%	100.0%
Total Revenue	\$474.9	100.0%	\$562.3	100.0%	\$451.4	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 46.2% 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, approximately 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 24.9% of the 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.

Charges for services

Third largest revenue at 5.0% of the total. The County receives funding for services in the enterprise, general and grant funds. 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 various

sources related to building inspections, permitting and review fees as well as admission and concessions fees at County parks. There are also fees that come from reimbursements from local agencies. 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.

Reallocated funds

Fourth largest revenue at 4.1% 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 11 budget.

In FY 10 we are reallocating \$19 million in funds from 19 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.

Inter-Fund Transfers

Fifth largest revenue at 3.8% 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.

Remaining All Fund Revenues

Bonds/Notes proceeds

3.1% 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 11 we are budgeting fewer bonds, \$14M, than in FY 10 (\$35M) and FY 09 (\$77M). After several years of budgeting for large capital projects, a return to lower level is as expected.

Other local taxes

3.0% 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.

Intergovernmental [State & Federal]

2.7% 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 to support senior housing programs, health programs, and meal programs for the elderly. These funds are also used to provide rental subsidies to the elderly, handicapped, disabled, and families with low income. Additionally, these funds are used to develop community based services which help to promote positive outcomes for children, youth and families.

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.

Other revenues

2.7% 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.

Prior Year Unappropriated

1.8% 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 11 budget is based on the audited fund balance of FY 09.

State Shared

1.6% of the total. This includes revenues from the State Interagency Committee for school construction and Rural Legacy for land preservation. 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

0.3% 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.

Capital contribution – Business-type activities

0.3% of the total. This category is based on specific and dedicated revenues that are budgeted to capital projects in the utilities fund such as 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 11.

In FY 10 this category included \$67M 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.