

General Fund Revenue Analysis

Carroll County's General Fund receives revenues from over 120 sources including taxes, permit fees, State aid, user fees and investment income. Nearly 85% of the revenue comes from Real Property and Income Taxes.

Revenue In Millions	FY 10 Budget	Percent of Total	FY 10 Revised Forecast	Percent of Total	FY 11 Budget	Percent of Total	Cumulative Percent of Total
Real Property	\$183.6	51.8%	\$186.8	54.0%	\$192.0	55.0%	55.0%
Income Tax	104.0	29.3%	97.0	28.0%	102.0	29.2%	84.2%
Recordation Tax	9.0	2.5%	9.0	2.6%	10.0	2.9%	87.1%
Railroad & Public Utilities	7.4	2.1%	7.1	2.1%	7.1	2.0%	89.1%
Ordinary Business	7.1	2.0%	7.3	2.1%	7.1	2.0%	91.2%
911 Service Fee	1.2	0.3%	1.2	0.3%	1.2	0.3%	91.5%
Interest	1.7	0.5%	1.0	0.3%	0.9	0.3%	91.8%
Building Permits	0.3	0.1%	0.4	0.1%	0.4	0.1%	91.9%
Highway & Motor Vehicle	4.4	1.2%	0.5	0.1%	0.0	0.0%	91.9%
Total Major Revenues	\$318.7	89.9%	\$310.3	89.7%	\$320.7	91.9%	91.9%
Total Annual Revenues	327.7	92.4%	319.3	92.3%	329.1	94.3%	94.3%
Other Revenues	26.8	7.6%	26.8	7.7%	19.9	5.7%	100.0%
Total Revenue	\$354.5	100.0%	\$346.1	100.0%	\$349.0	100.0%	100.0%

Percentages may not add to 100% due to rounding

Top Five General Fund Revenues

Real Property Tax

Largest Revenue Source at 55.0% of Total. The Real Property Tax group includes nine separate taxes, credits and charges. The two most significant are the Real Property Tax and the Homestead Tax Credit.

Properties are assessed by the Maryland Department of Assessment and Taxation, while the Board of County Commissioners sets the property tax rate. Applying the County tax rate to the State assessment determines the amount of taxes owed.

For assessment purposes, the State divides Carroll County into three assessment groups based on Election Districts, as follows:

Group 1	New Windsor, Franklin, Mt. Airy, Berrett and Freedom
Group 2	Myers, Manchester, Hampstead and Woolerys
Group 3	Taneytown, Middleburg, Uniontown, Westminster and Union Bridge

Real property is assessed at 100% of market value with a tax rate of \$1.048 per one hundred dollars of full value. Each year the State reassesses one group, resulting in a complete reassessment of the County every three years. The Homestead Tax Credit, set by the County Commissioners, limits tax increases to no more than 7% each year. Only primary residences are eligible for this credit. Decreased assessments, regardless of the property type, are fully applied in the first year. The total of the assessed values of local property is the County's assessable base, which can change through reassessment and the loss or gain of buildings and personal property.

In order to determine our revenue projection, we consider various sources of information. The first source is the Maryland State Department of Assessments and Taxation (SDAT). They provide assessment estimates in November and March for the current, the upcoming and the second-year following tax years. These estimates are the primary source for our property tax projections and can be accessed at www.dat.state.md.us/sdatweb/stats. The second source of information is building permit activity reports, recordation reports, and real estate sales information. These reports, along with prior year data are reviewed in order to properly perform a trend analysis. These trends provide the foundation for projecting the remainder of the current fiscal year and for planning in future fiscal years.

The assessable base includes three major categories of assessment: residential property, commercial/industrial property and agricultural property. Typically, residential properties increase demand for services. Commercial/industrial and agricultural properties generally pay more in taxes than the cost of the services they require. A strong commercial/industrial base can relieve the tax burden on residents. Conversely, a relatively small commercial/industrial base increases the burden on residential taxpayers, often constraining the level of services that can be offered at a given tax rate. Immediately following this revenue summary is a three-year comparison showing Carroll County in comparison to the assessable bases of other counties and Baltimore City.

During the decade that began in 2000, assessable base and property tax revenue experienced extraordinarily strong growth not witnessed since the late 1980's. This growth, like the growth of the early 1990's, was driven primarily by rising residential property values.

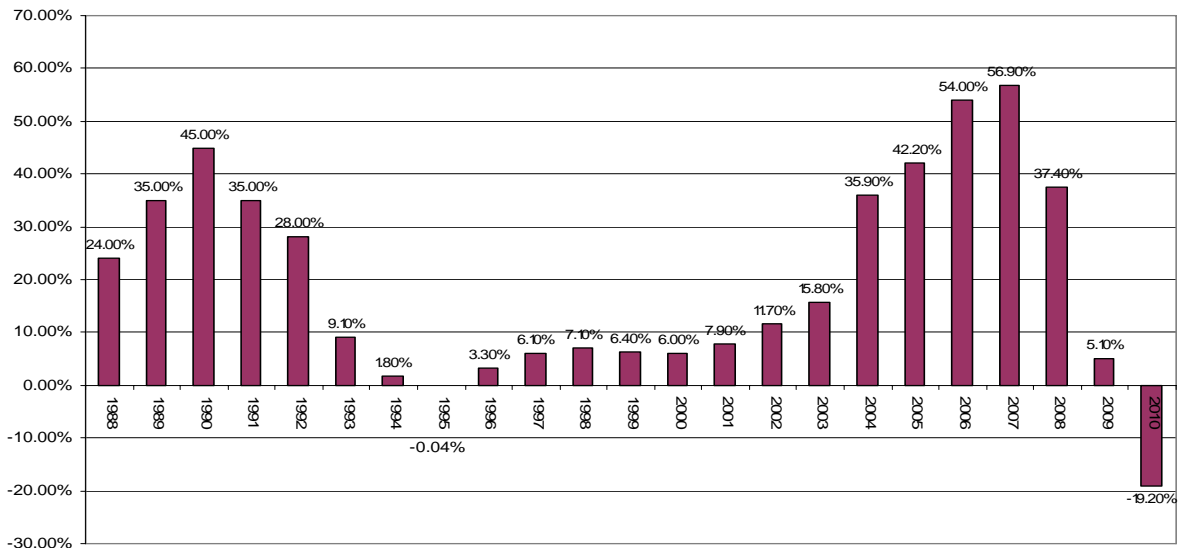
The hot real estate market began to cool down in 2006 and by 2008 the market had slowed significantly. However, primarily due to the impact of the Homestead Tax credit and to a lesser extent growth in reassessments, property tax revenue remained strong into FY 10. This trend will not continue into FY 11. Steep negative residential reassessments were recently announced for Group 1, and the expectation is that similar drops will occur in Group 2 in next year's reassessment. These drops are wiping out the deferred property tax growth associated with the Homestead tax credit. As a result, future years are likely to experience slower property tax growth than in recent years.

The Homestead Tax Credit limits assessment increases to 7% for owner-occupied residential properties during times of high assessment growth. This cap was implemented by the Board of Commissioners as a way to limit the amount a property tax bill can increase. During the mid 2000's this resulted in property tax bills increasing by only 7%, despite annual assessment increases well in excess of this rate. The cap was creating a reserve of deferred growth. The thinking was that as assessments slowed or flattened, taxable assessments would catch up with actual assessments. The result would be years of a 7% growth in property taxes. Whether assessments were rising, slowing or flattening, there would be that predictable 7% growth.

This predictable growth can be undercut by a sharp decrease in assessments, and that is what is occurring now. The recent assessment in Group 1 saw a drop of (19.2%). That resulted in the amount of deferred revenue being cut in half. When Group 2 is reassessed next year, a large portion of the remaining deferred revenue will be eliminated. By the time Group 3 are reassessed the following year, most likely all of the deferred revenue will be gone. What this means is that property taxes will grow between 3% and 4% in FY 11, 2% and 3% in FY 12, and will be flat by FY 13. Even if assessments boomed again in a year or two, it would take three years after that until growth returned to the 7% level because of the way the assessment process works.

The graph below shows the average reassessment of the individual groups. As mentioned above, one-third of the County is assessed each year. Each point on the graph is the average reassessment of one of the three areas. The graph also illustrates the cyclical nature of property assessments.

Carroll County Assessments



Income Tax

Second Largest Revenue Source at 29.2% of Total. Income tax is calculated as a percentage of net taxable State income. The Commissioners set the rate at 3.05%, below the State cap of 3.2%. The State Comptrollers Office administers, collects and distributes this tax to the counties and municipalities.

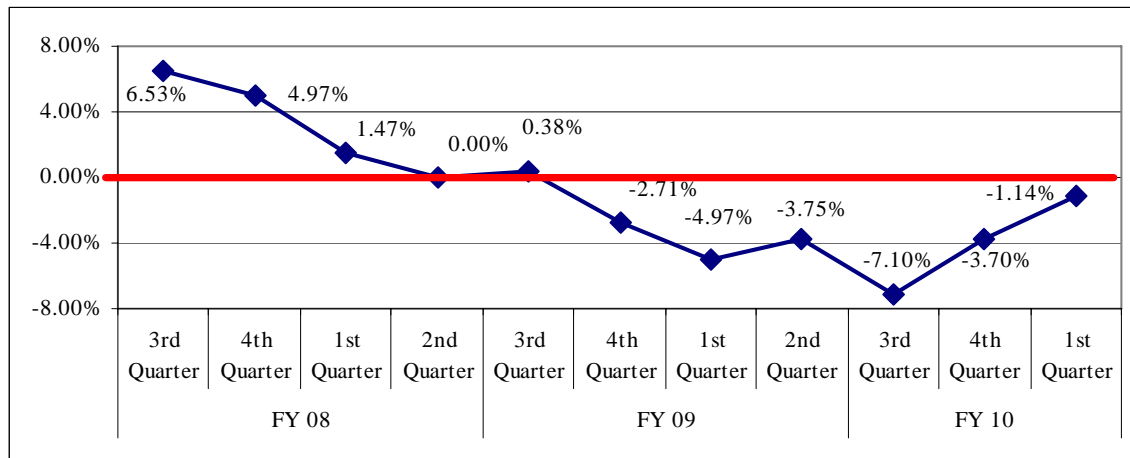
Income tax is primarily a general fund revenue; however, 9.1% of income tax is dedicated to the capital budget for school construction and debt service.

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.

The FY 11 Budget is set at \$102 million, which is \$2 million below the FY 10 budget, but \$5 million above the FY 10 forecast of \$97 million. It is also nearly \$6 million below our actual collections in FY 08. Our estimate of a 5% increase from the adjusted FY 10 projection consists of an expectation of 4% base-line growth plus an additional 1% due to reconciling distributions. This projection is higher than the State's Board of Revenue Estimates growth projection for FY 11 is 3%. The main reason is that Carroll's income levels are higher than the State's, and Carroll's unemployment rate is lower than the states. In addition, a higher proportion of Carroll's income taxes come from withholding of wages and salaries. Other jurisdictions in the State have a higher portion of their income taxes coming from estimated payments, which cover everything from small businesses to investments. Estimated payments and the income associated with them are more volatile, and have fallen at a greater rate than wage and salaries.

Approximately 90% of income tax revenue is received in quarterly distributions of withholdings and estimated payments. The graph below shows the growth in the distributions from the same period in the prior year. We've seen a downward trend for a few years now; however, it appears that the bottom has been reached and the beginnings of a recovery are starting to emerge.

Growth on quarterly Income Tax Distributions



In the FY 10 budget process, the State decided to take a portion of the local income tax reserve. This reserve was funded with local income taxes. The counties will have to replenish their portion of the reserve beginning in FY 13. Carroll County's portion is estimated to be \$10 million to be paid back over ten years. In the FY 11 budget process, the State again decided to take a portion of the local income tax reserve to help balance their budget. However, they will replenish these funds in the future.

Recordation

Third Largest Revenue Source at 2.9% of Total. Recordation tax is calculated on the value of recorded mortgages, deeds and other documents conveying title or creating liens on real and personal property. Recordation revenue is directly affected by the economy and housing market.

Recordation spiked in the middle part of the 2000's due to low interest rates, strong housing demand and rapidly rising home values. This revenue reached an all-time high of \$22.8 million in FY 06. However, by FY 07, the slow down in the real estate market began to negatively impact recordation and revenue dropped to \$18.9 million. By FY 09 it was down to \$9.2 million.

After several years of declining revenues, our budget for FY 10 was set at \$9.0 million, based on FY 09 activity that suggested that we may have reached the bottom of the housing market. This seems to be the case, as our revised FY 10 Forecast remains at \$9.0 million. The housing market slowdown continues to negatively impact both the number of units being sold and the value of each transaction.

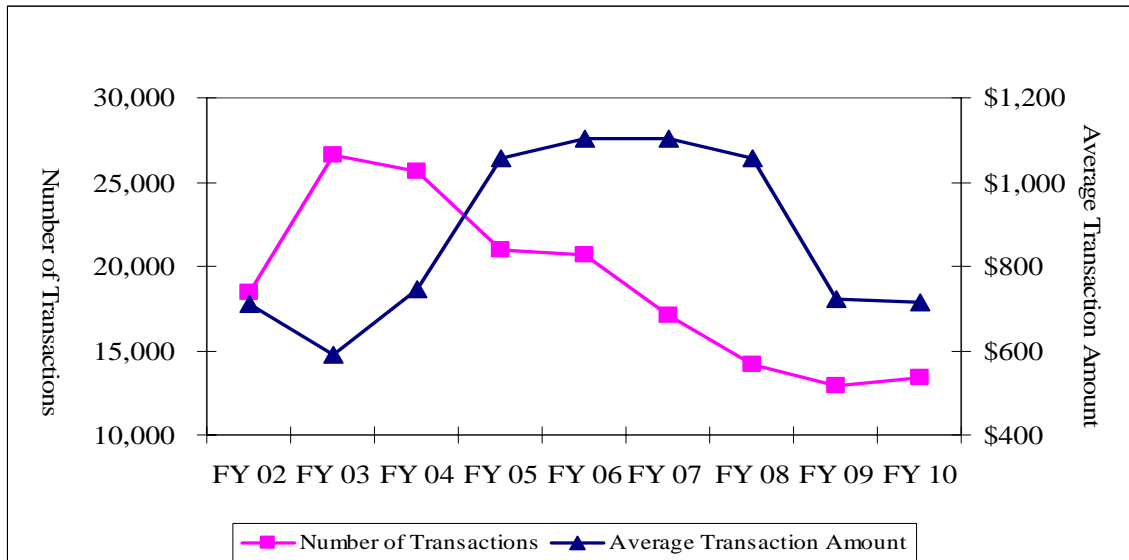
Our expectation is the FY 09-10 timeframe will end up being the bottom of the market. With FY 10 on target to match FY 09, and with some signs of increasing activity in construction and home sales, we are setting the FY 11 budget at \$10.0 million. We arrived at this projection after analyzing our trend history and the real estate market with an emphasis on the local market.

We review predictions from experts within the housing industry. Just as we heard in FY 10, we are now hearing that the recovery will begin in FY 11. We tend to agree with this belief. We believe the bottom was reached in FY 10 and that incremental improvement will begin in FY 11.

Finally, we look to the local real estate market, particularly through accessing the Metropolitan Regional Information Systems database. Factors such as average home sale price, total units on the market, and average days on the market and active listings were reviewed. Comparisons were made between CY 2008 and CY 2009. This data shows prices have continued to drop in CY 09. The belief has been this needs to happen in order to attract buyers back into the market. And recent data suggests it is having the desired impact. The number of units sold in CY 09 is up 10.7%. The days on the market has dropped 4.8% in CY 09. Both of these are positive signs of improvement in the housing market. The expectation is this increased activity should help to stabilize prices.

Recordation revenue is driven by the number of transactions and the amount per transaction. The chart below shows the average transaction amounts leveled off in FY 07, before dropping in FY 08. This slide accelerated in FY 09, before leveling off in FY 10. This chart also shows the number of transactions leveling off in FY 06 and then falling off significantly over the next few years. This drop off continued into FY 09, before leveling off and beginning to climb in FY 10. In FY 11 we expect the average transaction amount to climb to \$750, 7% growth, while we expect the number of transactions to climb to 13,250, 4% growth. Our expectation is both the average value and number of transactions have reached the bottom and are now showing signs of improvement.

Recordation Activity



Railroad and Public Utilities

Fourth Largest Revenue Source at 2.0% of Total. Property taxes for both railroads and public utilities are combined into one revenue. A tax rate of \$1.048 per \$100 of assessed value is applied to railroad real property, while a tax rate of \$2.62 is applied to railroad personal property and both to the real and personal property of public utilities.

In Carroll County, approximately 85% of these collections come from two utility companies: BGE and Verizon. RR&PU revenue in FY 09 reached \$7.1M. In FY 10 it is projected to reach \$7.1 million based on State provided assessment estimates which can be accessed at www.dat.state.md.us/sdatweb/stats. In FY 11 no growth is expected, so it is budgeted at \$7.1M.

Ordinary Business

Fifth Largest Revenue Source at 2.0% of Total. All corporations are required to file personal property tax returns with the State. The taxable value of personal property is based on its original value less an annual depreciation allowance with a tax rate of \$2.62 per \$100 of assessed value. Commercial and manufacturing inventory, manufacturing

machinery, farm implements, and livestock are exempt from local taxation. Ordinary business is influenced by the economy and growth in the commercial/industrial base. Revenue growth of approximately 2% is projected for FY 10 based on State provided assessment estimates, which can be accessed at www.dat.state.md.us/sdatweb/stats.

Other Revenues of Note

Highway User Revenue

Highway User Revenue is a State-shared revenue based on motor fuel taxes, vehicle titling tax, vehicle registration fees, and corporate income tax. The State allocates revenue based on road mileage and vehicle registrations. Historically, Carroll County received approximately 2.2% of the total distribution.

This revenue has decreased dramatically in recent years. In FY 07 Carroll received \$11.8 million. This amount dropped steadily in FY 08 and FY 09, reaching \$9.3 million. This decrease was due to the economic downturn that slowed vehicle sales and reduced the amount of travel. In FY 10 the State indicated they were going to keep approximately \$5.0 million of the expected funds to help balance their budget. So, our budget was set at \$5.0 million with \$4.4 million in the Operating Budget and \$0.6 million in the Capital Budget. However, as the fiscal year began and the economic pressures continued, the State indicated they would be keeping 90% of the budgeted amount to help balance their budget. At this point we lowered our forecast to \$0.5 million and kept it in the Operating Budget.

The State FY 11 Budget lowers this revenue to \$0.3 million in order to offset some FY 10 funding that was already received by the County. HUR in FY 11 and beyond is entirely appropriated to the Capital budget, and is no longer a part of our Operating Plan. In FY 12 the State will maintain the FY 10 funding of \$0.5 million. In FY 13 the State will adopt a new funding formula that while providing some additional funding beyond the FY 11-12 level will be a fraction of what the old formula provided to the County. In our Capital Budget we assume some this additional funding will be available under the new formula; however, most of it is not built into our plan. We expect that by FY 13 the State will decide it is not in a position to noticeably increase aid to local government.

Interest Income

The County invests revenue receipts until they are needed to pay for expenditures. Maryland State law dictates a conservative investment approach to protect taxpayers' money. Carroll County invests primarily in short-term investments such as Maryland Local Government Investment Pool, Bankers' Acceptances, Repurchase Agreements, U.S. Government Agency, and U.S. Government sponsored instruments.

This revenue budget is based on a combination of factors. First, a trend analysis is performed on historical portfolio balances and interest rates. Second, we review capital projects likely to be constructed, to determine when tax dollars appropriated are likely to

be spent. This helps in determining whether the portfolio balance is likely to experience a material change, beyond what the trend analysis reflects. Third, we review the current market conditions and we follow the Federal Reserve pronouncements, in order to determine the expected interest rate.

During FY 08 the housing market slowed dramatically. The Fed reacted by lowering the federal funds rate from 5.25% to 2.00%. During FY 09, as the economy continued to struggle the rate was lowered several more times. Ultimately it reached the 0%-0.25% target range. In FY 10 it has remained unchanged.

As a result of these rate reductions, short-term investment rates dropped. Callable investments were called early. Short-term investments were reinvested at lower rates, while longer term investments haven't earned much more. These dramatic decreases have directly impacted our interest income. In FY 08 we collected \$8.6 million. In FY 09 this amount dropped to \$4.0 million. Our FY 10 Forecast has been lowered to \$0.9 million, and we believe that will be the low point.

Going into FY 11 the weighted average of the current portfolio is down to 0.7%. The market rate for short-term investments is 0.3% and for longer-term investments is 0.9%. At this point, there are very few investments earning more than 1.3%, without a long-term commitment. For FY 10 \$1.0 million is budgeted. This budget is based on maintaining a \$200 million portfolio earning an average rate of 0.5%.

911-Service Fee

The State of Maryland requires all counties to have in operation an enhanced 911 system. In order to partially fund this expense, Carroll County imposes a monthly service fee of 75 cents on all telephones, both cellular and landlines. With no significant growth in the number of lines foreseen, the FY 11 budget of \$1.2 million is largely unchanged from FY 10.

Building Permits

Building permit fees are collected for construction and modification of residential and commercial/industrial buildings. Until FY 07 building permits generated at least \$1 million annually; however, a combination of a housing market slowdown and changes in the Maryland Department of Environment's water requirements led to a significant reduction in revenue. Our projection for FY 10 is \$0.3 million. With some signs of growth in FY 10, the budget for FY 11 is being set at \$0.4 million. Countywide, the housing market and water issues are expected to limit revenue growth, but we are expecting an increase due to opening the expansion of the water treatment plant in the Freedom Area.

Annual Revenues

Annual revenues, ranging from property taxes to park entrance fees, generate more than 90% of total revenue. Individual revenues may from year to year experience

different rates of growth, or in some cases decline, but over the past ten years annual revenues as a whole, with few exceptions, increased between 4% and 10% each year. Only when revenues are sustainable will on-going expenditures, such as the addition of services or staffing, be funded.

Other Revenues

Revenues that are not considered reoccurring are given separate recognition in the Budget. Referred to as other revenues or below the line, these funds vary greatly from year to year. The largest component at \$9.9 million in FY 11 is dedicated local income tax revenue for Public School construction that is transferred from the Capital Fund to the General Fund to pay school related debt service. The second largest component of other revenues is the prior year unappropriated reserve, which is commonly referred to as the surplus. The unappropriated reserve budgeted for FY 11 is approximately \$8.1 million.

State Revenue Cuts

Most of what the State considers Local Aid is funding to the School System, the Library, the Community College and the Health Department. What is actual aid to local governments is a fraction of that. The largest component is Highway User Revenue, but Police Aid and Prisoner Reimbursement are also significant. All three of these revenues were cut in FY 10, and the Governor's FY 11 budget is to maintain these cuts.

In FY 09, Highway User Revenue, Police Aid and Prisoner Reimbursement combined for approximately \$13 million to Carroll County Government. In FY 10 these revenues will generate approximately \$1 million with the same amount expected for FY 11.

Highway User Revenue is usually \$10 million to \$12 million revenue. In FY 10 and FY 11 it is \$0.5 million revenue. Police Aid is usually \$1 million revenue. In FY 10 and FY 11 it is \$0.6 million revenue. Highway User Revenue and Police Aid are more or less the State sharing revenue with local governments. Even though this sharing is codified in State law, it could be argued that the State is under no obligation to provide these funds to the counties.

Prisoner Reimbursement is a different concept. Here the State is housing State prisoners in local jails. Not reimbursing county governments for the expense of housing State prisoners is an unfunded mandate. Prior to FY 10 the State would reimburse the Carroll County \$60 a day for eligible State prisoners housed. The rate was negotiated between each County and the State. In FY 10 this program was converted to a grant program. All Counties would receive the same \$45 a day for eligible State prisoners housed. The program, however, was not funded in FY 10 and is not planned to be funded in FY 11. Previously, Carroll County was receiving up to \$1 million a year to offset the cost of housing State prisoners. In FY 10 and FY 11, the County will not receive any money, which means Carroll County Government could be paying \$1 million a year to house State prisoners.

Assessable Base

Comparison of Maryland Jurisdictions by Property Type

Jurisdiction	FY 08			FY 09			FY 10		
	Commercial/ Industrial	Residential	Agricultural	Commercial/ Industrial	Residential	Agricultural	Commercial/ Industrial	Residential	Agricultural
Baltimore City	24.80%	75.20%	0.00%	24.04%	75.96%	0.00%	23.27%	76.73%	0.00%
Allegany	23.78%	73.16%	3.06%	22.82%	74.03%	3.15%	22.17%	74.57%	3.26%
Washington	21.21%	73.93%	4.86%	20.49%	74.60%	4.90%	20.37%	74.88%	4.75%
Wicomico	19.60%	75.49%	4.91%	18.43%	76.67%	4.90%	18.02%	77.11%	4.87%
Prince George's	15.49%	84.48%	0.03%	15.97%	84.00%	0.03%	16.34%	83.63%	0.03%
Baltimore Co.	16.50%	82.11%	1.39%	15.91%	82.72%	1.38%	15.75%	82.86%	1.38%
Cecil	15.46%	78.99%	5.55%	15.24%	79.29%	5.47%	15.10%	79.32%	5.58%
Worcester	14.50%	83.89%	1.61%	13.78%	84.66%	1.55%	15.07%	83.15%	1.78%
Anne Arundel	14.41%	84.85%	0.75%	14.47%	84.78%	0.75%	14.80%	84.53%	0.67%
Montgomery	14.81%	84.81%	0.39%	14.40%	85.20%	0.41%	14.48%	85.09%	0.43%
Howard	14.97%	83.96%	1.07%	14.26%	84.73%	1.01%	14.21%	84.79%	1.00%
Frederick	14.05%	81.11%	4.84%	13.92%	81.20%	4.88%	14.13%	81.09%	4.78%
Somerset	13.22%	76.24%	10.54%	13.49%	76.07%	10.44%	13.63%	76.06%	10.31%
Harford	13.17%	83.64%	3.20%	13.08%	83.72%	3.20%	13.48%	83.24%	3.27%
Charles	13.26%	84.03%	2.70%	12.65%	84.63%	2.71%	13.10%	84.32%	2.58%
Dorchester	13.76%	75.03%	11.22%	12.91%	76.20%	10.89%	12.56%	76.82%	10.61%
Kent	12.02%	74.69%	13.29%	11.24%	75.79%	12.96%	11.18%	76.16%	12.66%
Caroline	11.11%	74.39%	14.50%	10.69%	75.25%	14.06%	10.57%	75.44%	13.99%
Carroll	10.78%	84.18%	5.04%	10.33%	84.61%	5.07%	10.01%	84.86%	5.13%
Garrett	9.75%	85.77%	4.48%	9.58%	85.94%	4.48%	9.39%	86.14%	4.46%
Talbot	9.46%	79.47%	11.06%	9.50%	79.35%	11.16%	9.30%	79.53%	11.17%
St. Mary's	10.31%	84.47%	5.22%	9.39%	85.27%	5.35%	9.02%	85.50%	5.47%
Calvert	6.40%	91.02%	2.58%	8.60%	88.90%	2.50%	8.76%	88.71%	2.52%
Queen Anne's	8.51%	82.10%	9.39%	8.53%	82.02%	9.45%	8.58%	81.85%	9.57%
State Total	15.03%	83.19%	1.79%	14.79%	83.43%	1.78%	14.89%	83.28%	1.83%

Numbers may not add to 100% due to rounding

Source: State Department of Assessments and Taxation, AIMS 2 Report
 Chart Organized by Commercial/Industrial Assessable Base

General Fund Operating Revenues

Revenue	FY 09 Actual	FY 10 Budget	FY 11 Budget	Increase (Decrease)	% Change
Real Property Tax - Full year levy	\$203,706,197	\$222,192,400	\$210,900,000	(\$11,292,400)	-5.08%
Taxes - Discounts	(760,681)	(750,000)	(800,000)	(50,000)	6.67%
Senior Tax Credit	(9,692)	(10,000)	(10,000)	0	0.00%
Penalty and Interest	905,498	700,000	900,000	200,000	28.57%
Homestead Tax Credit	(33,537,936)	(39,000,000)	(19,400,000)	19,600,000	-50.26%
Non-Profit/Civic Group Tax Credit	(26,804)	(25,000)	(25,000)	0	0.00%
Personal Property Tax	293,910	300,000	300,000	0	0.00%
Railroad & Public Utility	7,077,920	7,400,000	7,100,000	(300,000)	-4.05%
Ordinary Business Tax	6,872,584	6,800,000	6,800,000	0	0.00%
Collections Office - Over/Under	4	(100)	(100)	0	0.00%
Prior Years Taxes Deferred	220,228	250,000	250,000	0	0.00%
Semi-Annual Service Charges	468,572	200,000	200,000	0	0.00%
Total Local Property Taxes	\$185,209,800	\$198,057,300	\$206,214,900	\$8,157,600	4.12%
Income Tax	\$102,511,911	\$104,000,000	\$102,000,000	(\$2,000,000)	-1.92%
Admissions	\$335,125	\$400,000	\$275,000	(\$125,000)	-31.25%
PILOT	25,385	25,000	21,000	(4,000)	-16.00%
911 Service Fee	1,196,730	1,225,000	1,225,000	0	0.00%
Recordation Fee	9,220,248	9,000,000	10,000,000	1,000,000	11.11%
Other Local Taxes	\$10,777,488	\$10,650,000	\$11,521,000	\$871,000	8.18%
Police Aid - Regular Grant	\$922,723	\$915,000	\$600,000	(\$315,000)	-34.43%
Highway User Revenue	9,378,199	4,400,000	0	(4,400,000)	-100.00%
Total State Shared Taxes	\$10,300,922	\$5,315,000	\$600,000	(\$4,715,000)	-88.71%
Beer, Wine, Liquor Licenses	\$207,614	\$200,000	\$200,000	\$0	0.00%
Amusements	12,990	8,000	10,000	2,000	25.00%
Traders Licenses	134,618	140,000	140,000	0	0.00%
Mobile Home Licenses	55,146	72,000	60,000	(12,000)	-16.67%
Animal Licenses	110,599	110,000	110,000	0	0.00%
Building Permits	308,048	300,000	400,000	100,000	33.33%
Plumbing Licenses	44,463	13,000	45,000	32,000	246.15%
Marriage Licenses	29,980	33,000	30,000	(3,000)	-9.09%
Electrical Licenses	56,593	18,000	55,000	37,000	205.56%
Utility Construction Permits	33,100	33,000	33,000	0	0.00%
Driveway Entrance Permits	50	0	0	0	0.00%
Electrical Permits	122,454	100,000	115,000	15,000	15.00%
Grading Permits	18,455	30,000	20,000	(10,000)	-33.33%
Use & Occupancy Certificates	29,205	25,000	25,000	0	0.00%
Zoning Certificates/Ordinances	1,031	2,000	1,000	(1,000)	-50.00%
Plumbing Permits	122,330	100,000	115,000	15,000	15.00%
Reinspection Fees	1,850	3,000	1,350	(1,650)	-55.00%
Total Licenses and Permits	\$1,288,526	\$1,187,000	\$1,360,350	\$173,350	14.60%

General Fund Operating Revenues

Revenue	FY 09 Actual	FY 10 Budget	FY 11 Budget	Increase (Decrease)	% Change
Johnson Grass - State Dollars	\$3,250	\$4,000	\$0	(\$4,000)	-100.00%
State Aid - Fire Protection	263,117	265,000	265,000	0	0.00%
State Aid - Long Term Treatment Facility	67,946	0	0	0	0.00%
Recreation & Parks Facilities	9,550	12,000	12,000	0	0.00%
Security Interest	300	0	0	0	0.00%
Westminster Reimbursement	3,219	0	0	0	0.00%
Grand & Petit Jury Reimbursement	28,890	45,000	30,000	(15,000)	-33.33%
Circuit Court Master Reimbursement	267,296	285,000	272,000	(13,000)	-4.56%
Total Intergovernmental	\$643,568	\$611,000	\$579,000	(\$32,000)	-5.24%
Lien Certification	\$113,268	\$120,000	\$120,000	\$0	0.00%
Data Processing Services	6,251	5,000	5,000	0	0.00%
Hearing Fees - Board of Zoning Appeals	7,500	19,000	10,000	(9,000)	-47.37%
Copy Fees	11,903	19,000	15,000	(4,000)	-21.05%
Telephone	48,973	60,000	40,000	(20,000)	-33.33%
Health Dept - BGE	70,519	50,000	50,000	0	0.00%
Hearing Fees - Zoning Administration	1,350	6,000	3,000	(3,000)	-50.00%
Total General Government	\$259,764	\$279,000	\$243,000	(\$36,000)	-12.90%
Sheriff Salary Recovery	\$2,140	\$3,000	\$2,000	(\$1,000)	-33.33%
Sheriff Fees	112,114	100,000	110,000	10,000	10.00%
Detention Center	739,742	150,000	200,000	50,000	33.33%
Sheriff - Town Deputies	129,390	125,000	82,000	(43,000)	-34.40%
Inspection Fees - Towns	1,740	0	0	0	0.00%
Inspection Fees - Roads	29,450	50,000	40,000	(10,000)	-20.00%
Inspection Fees - Development Review	48,755	20,000	35,000	15,000	75.00%
Grading/Sediment Control	55	0	0	0	0.00%
Detention Center - Commissary	43,199	40,000	40,000	0	0.00%
Detention Center - Work Release	90,333	120,000	70,000	(50,000)	-41.67%
Detention Center - Home Detention	37,686	48,000	30,000	(18,000)	-37.50%
ICE Inmates	176,508	150,000	150,000	0	0.00%
ICE Transportation	194,301	95,000	150,000	55,000	57.89%
ICE Medical	0	1,000	0	(1,000)	-100.00%
Social Security Admin Incentive Prog	200	1,000	0	(1,000)	-100.00%
Detention Center - Juvenile Transport	86,371	110,000	90,000	(20,000)	-18.18%
State Criminal Alien Asst. Prog	6,237	0	0	0	0.00%
Total Public Safety	\$1,698,221	\$1,013,000	\$999,000	(\$14,000)	-1.38%
Circuit Court Annex - Rent & Heat	\$0	\$13,000	\$13,130	\$130	1.00%
Vehicle Maintenance	377,636	400,000	400,000	0	0.00%
Road Maintenance	127,782	70,000	100,000	30,000	42.86%
Development Review Fees	249,656	250,000	250,000	0	0.00%
Flood Plain Review Fees	2,000	5,000	5,000	0	0.00%
Fuel Recovery	637,709	625,000	650,000	25,000	4.00%
Stormwater/Environmental Review Fees	68,992	70,000	70,000	0	0.00%
Engineering Review Fees	38,527	40,000	40,000	0	0.00%
Forest Conservation Review Fees	18,510	40,000	45,000	5,000	12.50%
Tower Fees	0	2,500	2,000	(500)	-20.00%
Weed Control	12,442	7,000	7,000	0	0.00%
Total Public Works	\$1,533,254	\$1,522,500	\$1,582,130	\$59,630	3.92%

General Fund Operating Revenues

Revenue	FY 09 Actual	FY 10 Budget	FY 11 Budget	Increase (Decrease)	% Change
Hashawha/Bear Br Gen'l Pub Programs	\$15,525	\$17,000	\$17,000	\$0	0.00%
Hashawha/Bear Br School Programs	6,623	9,000	9,000	0	0.00%
Hashawha Outdoor School - Meals	151,259	145,000	145,000	0	0.00%
Hashawha/Bear Br Concessions	1,928	4,000	2,000	(2,000)	-50.00%
Farm Museum - Admissions	457,954	400,000	35,000	(365,000)	-91.25%
Farm Museum - Wine Festival	0	0	400,000	400,000	100.00%
Farm Museum - Concessions	58,012	55,000	55,000	0	0.00%
Piney Run - Admissions	159,286	145,000	150,000	5,000	3.45%
Hashawha Fees	198,328	195,000	200,000	5,000	2.56%
Hashawha Milk Subsidy	5,172	5,000	5,000	0	0.00%
Pavilion & Facility Rentals	39,715	36,000	36,000	0	0.00%
Piney Run Concessions	11,362	16,000	12,000	(4,000)	-25.00%
Piney Run Boat Rentals	40,703	44,000	40,000	(4,000)	-9.09%
Piney Run Programs	10,427	2,000	5,000	3,000	150.00%
Piney Run Nature Center Programs	4,566	17,000	10,000	(7,000)	-41.18%
Piney Run Nature Center Facility	405	200	1,000	800	400.00%
Piney Run Nature Camp	42,530	42,000	42,000	0	0.00%
Piney Run Nature Center Concessions	4,870	6,000	4,000	(2,000)	-33.33%
Sports Complex - Concessions	31,603	35,000	35,000	0	0.00%
Sports Complex - Rent/Light	73,481	60,000	60,000	0	0.00%
Sports Complex - Advertisement	226	500	500	0	0.00%
Farm Museum Sponsors	5,500	4,000	4,000	0	0.00%
Bus Trip Revenue	1,476	0	0	0	0.00%
Total Recreation	\$1,320,951	\$1,237,700	\$1,267,500	\$29,800	2.41%
Circuit Court Fines	\$42,404	\$42,000	\$42,000	\$0	0.00%
Liquor License Fines	1,750	5,000	3,000	(2,000)	-40.00%
Animal Violation Fines	14,650	23,000	15,000	(8,000)	-34.78%
Civil Zoning Violations	3,434	1,000	1,000	0	0.00%
Humane Society Impound Fees	26,603	25,000	25,000	0	0.00%
Parking Violations	2,000	500	1,000	500	100.00%
Total Fines and Forfeits	\$90,841	\$96,500	\$87,000	(\$9,500)	-9.84%
Interest - Misc Loans	\$22,602	\$45,000	\$20,000	(\$25,000)	-55.56%
Interest - Fire Company Loans	579,703	540,000	505,000	(35,000)	-6.48%
Investment Interest	4,029,160	1,700,000	900,000	(800,000)	-47.06%
Bond Interest Subsidy	0	0	626,500	626,500	100.00%
Unrealized Gains/Loss	534,057	0	0	0	0.00%
Rents and Royalties	164,719	165,000	165,000	0	0.00%
Rent - Dept. of Social Services	367,238	150,000	0	(150,000)	-100.00%
Humane Society Refunds	455	5,000	1,000	(4,000)	-80.00%
Social Services Refunds	27,293	20,000	20,000	0	0.00%
Advertising	10,350	14,000	12,000	(2,000)	-14.29%
Phone/Pager	12	300	50	(250)	-83.33%
Jury Duty	280	300	300	0	0.00%
Postage	21,521	32,000	25,000	(7,000)	-21.88%
Equipment Sales	101,550	40,000	45,000	5,000	12.50%

General Fund Operating Revenues

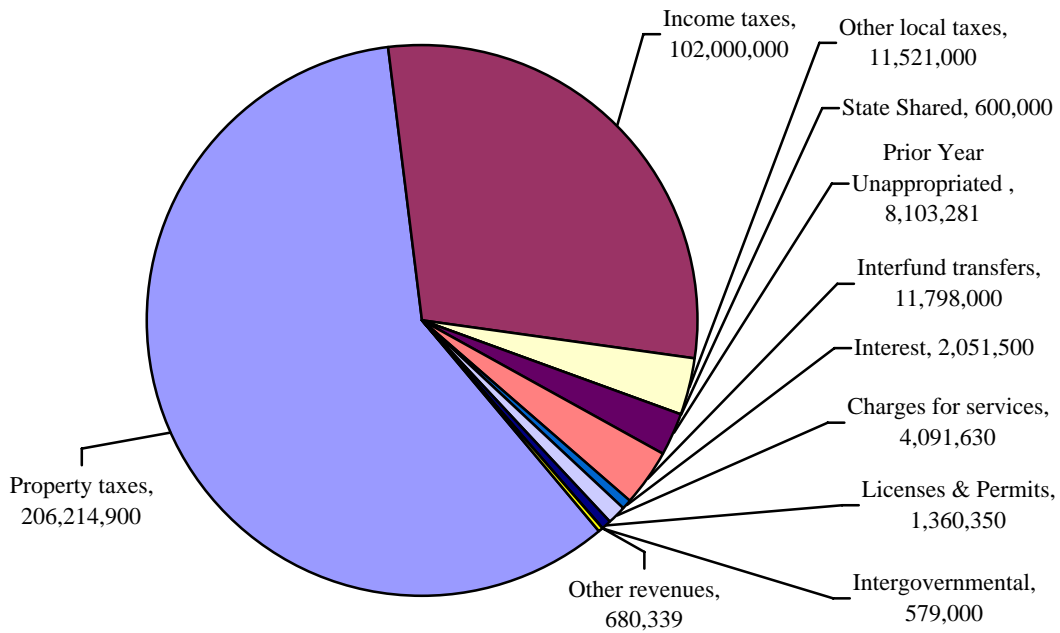
Revenue	FY 09 Actual	FY 10 Budget	FY 11 Budget	Increase (Decrease)	% Change
Woodland Management	26	500	500	0	0.00%
Litigation settlement	1,988	0	0	0	0.00%
Miscellaneous	122,332	185,918	100,489	(85,429)	-45.95%
Activities - Farm Museum General	34,432	40,000	40,000	0	0.00%
Total Other	\$6,017,718	\$2,938,018	\$2,460,839	(\$477,179)	-16.24%
Health Department	\$3,099	\$1,000	\$1,000	\$0	0.00%
Pension Recovery - Enterprise & Grants	103,062	107,000	0	(107,000)	-100.00%
OPEB Recovery - Enterprise & Grants	311,266	495,000	0	(495,000)	-100.00%
County Attorney Fees	172,292	183,000	183,000	0	0.00%
Total Cost Recovery	\$589,719	\$786,000	\$184,000	(\$602,000)	-76.59%
Total Annual Revenue	\$322,242,683	\$327,693,018	\$329,098,719	\$1,405,701	0.43%
Prior Year Unappropriated Reserve	0	14,858,762	8,103,281	(6,755,481)	-45.46%
Special Revenue Fund: Hotel Rental Tax	273,450	405,775	280,000	(125,775)	-31.00%
Special Revenue Fund: Cable Franchise Fee	801,000	820,275	830,000	9,725	1.19%
Transfer from Capital Fund	7,500,000	9,690,170	9,950,000	259,830	2.68%
Prior Year IPA	1,504,000	1,032,000	738,000	(294,000)	-28.49%
Total Operating Revenue	\$332,321,133	\$354,500,000	\$349,000,000	(\$5,500,000)	-1.55%

Prior Year Unappropriated Reserve	Consists of revenues in excess of budget and unspent appropriated dollars. These funds are carried over to the next budget following the completion of an independent audit.
Special Revenue Fund: Hotel Rental Tax	Dedicated Hotel Tax revenue for tourism and promotion of the County that is transferred into the General Fund.
Special Revenue Fund: Cable Franchise Fee	Dedicated Cable Franchise Fee revenue that is transferred into the General Fund to pay expenses related to public service programming on cable television.
Transfer from Capital Fund	Dedicated local income tax revenue for Public School construction that is transferred into the General Fund to pay debt service on school construction.
Prior Year IPA	Agriculture Preservation funds from the Capital Budget transferred into the General Fund to pay for Debt Service on Installment Purchase Agreements.

Operating Budget Revenues

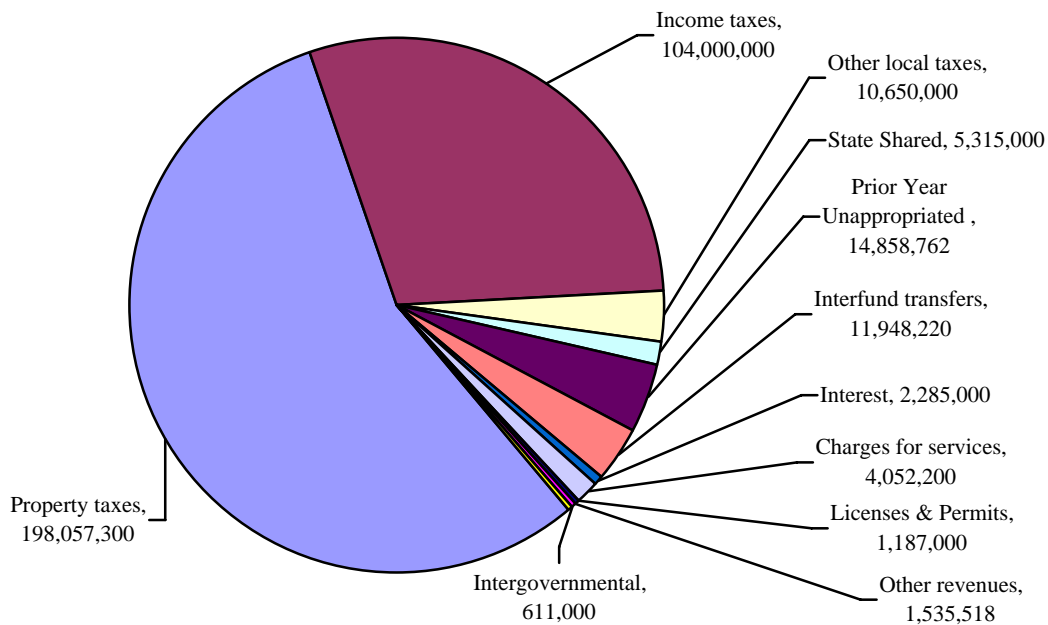
Fiscal Year 2011 Budget

\$349,000,000



Fiscal Year 2010 Budget

\$354,500,000



Six Year Revenue Forecast

	FY 11 Budget	FY 12 Planned	FY 13 Planned	FY 14 Planned	FY 15 Planned	FY 16 Planned
Real Property - All Funds	194,488,900	199,351,123	199,351,123	201,843,012	206,384,479	213,091,975
% Change	3.57%	2.50%	0.00%	1.25%	2.25%	3.25%
Prop tax directly in Cap Fund	(2,474,000)	(2,435,000)	(2,307,000)	(1,380,000)	(1,749,000)	(1,948,400)
% Change	-41.20%	-1.58%	-5.26%	-40.18%	26.74%	11.40%
Railroad & Public Utility	7,100,000	7,206,500	7,314,598	7,424,316	7,535,681	7,648,716
% Change	-4.05%	1.50%	1.50%	1.50%	1.50%	1.50%
Total Business Tax	7,100,000	7,242,000	7,386,840	7,534,577	7,685,268	7,838,974
% Change	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Property tax	206,214,900	211,364,623	211,745,560	215,421,905	219,856,429	226,631,265
% Change	4.11%	2.50%	0.18%	1.74%	2.06%	3.08%
Income Tax	102,000,000	107,100,000	112,526,000	119,277,560	126,434,214	134,020,266
% Change	-1.92%	5.00%	5.07%	6.00%	6.00%	6.00%
Recordation	10,000,000	11,000,000	12,000,000	13,000,000	14,000,000	15,000,000
% Change	11.11%	10.00%	9.09%	8.33%	7.69%	7.14%
Highway User Revenue	0	0	0	0	0	0
% Change	-100.00%	N/A	N/A	N/A	N/A	N/A
Building Permits	400,000	600,000	700,000	800,000	900,000	1,000,000
% Change	33.33%	50.00%	16.67%	14.29%	12.50%	11.11%
911 Service Fee	1,225,000	1,274,000	1,324,960	1,377,958	1,433,077	1,490,400
% Change	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Interest - Earned	900,000	3,000,000	6,000,000	6,300,000	6,615,000	6,945,750
% Change	-47.06%	233.33%	100.00%	5.00%	5.00%	5.00%
Total Major Revenues	320,739,900	334,338,623	344,296,520	356,177,423	369,238,719	385,087,681
% Change	0.64%	4.24%	2.98%	3.45%	3.67%	4.29%
Tier 2 Revenues *	5,014,500	5,164,830	5,678,934	5,848,925	6,024,230	6,205,013
% Change	2.86%	3.00%	9.95%	2.99%	3.00%	3.00%
Tier 3 Revenues **	3,344,319	3,444,649	3,547,988	3,654,428	3,764,060	3,876,982
% Change	-18.64%	3.00%	3.00%	3.00%	3.00%	3.00%
Annual Revenues	329,098,719	342,948,101	353,523,442	365,680,776	379,027,009	395,169,676
% Change	0.43%	4.21%	3.08%	3.44%	3.65%	4.26%
Prior Year Unapprop Reserve	8,103,281	3,200,071	3,315,727	3,453,831	3,558,304	3,670,608
% Change	-45.46%	-60.51%	3.61%	4.17%	3.02%	3.16%
Transfer from Spec Rev Fund	1,110,000	1,143,300	1,177,599	1,212,927	1,249,315	1,286,794
% Change	-9.47%	3.00%	3.00%	3.00%	3.00%	3.00%
Transfer from Cap Fund - Inc Tax For Debt Service	9,950,000	12,878,176	13,515,200	13,602,319	13,869,375	13,440,043
% Change	2.68%	29.43%	4.95%	0.64%	1.96%	-3.10%
Prior Year IPA	738,000	200,000	0	0	0	0
% Change	-28.49%	-72.90%	-100.00%	N/A	N/A	N/A
Total Revenues	349,000,000	360,369,648	371,531,969	383,949,853	397,704,003	413,567,121
% Change	-1.55%	3.26%	3.10%	3.34%	3.58%	3.99%

* There are approximately 15 Tier 2 revenues. They generally fall between \$200,000 and \$800,000 on an annual basis.

** There are approximately 80 Tier 3 revenues. They generally are below \$200,000 on an annual basis.