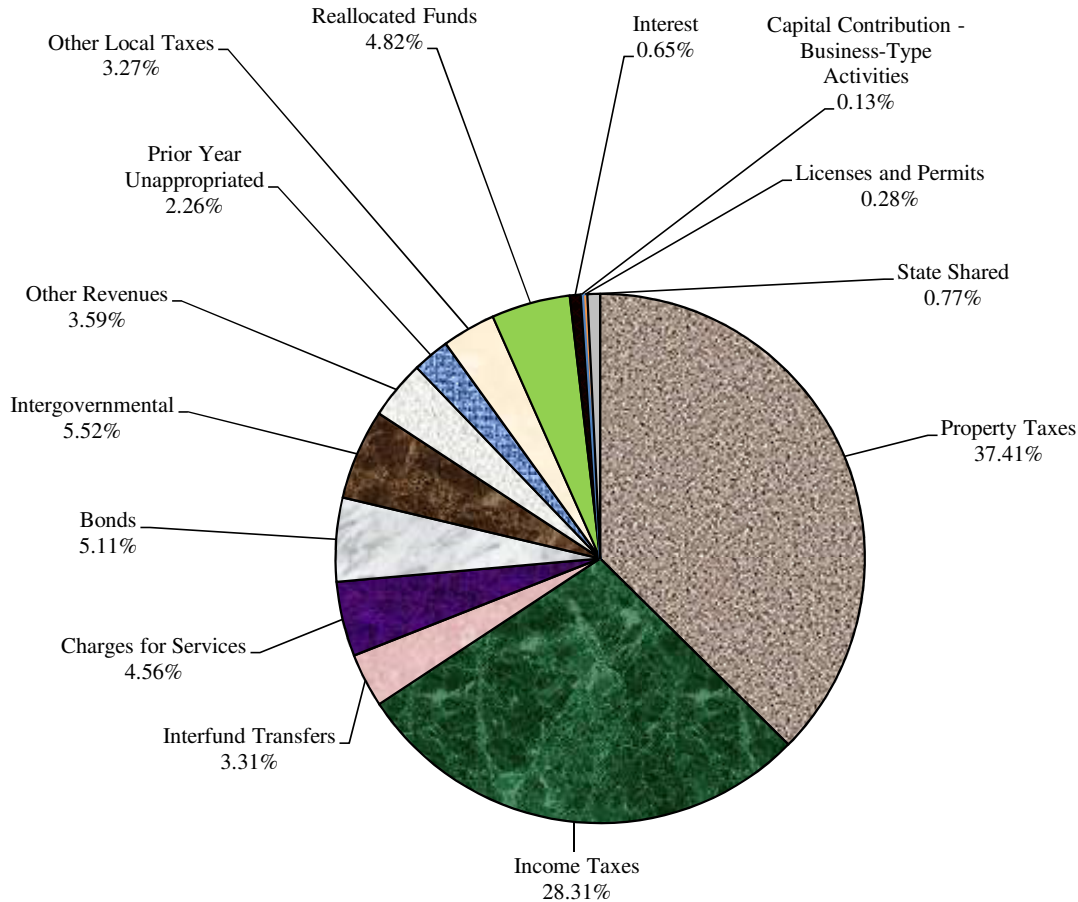


All Funds Sources - By Category

Fiscal Year 2019 Budget

\$568,688,881

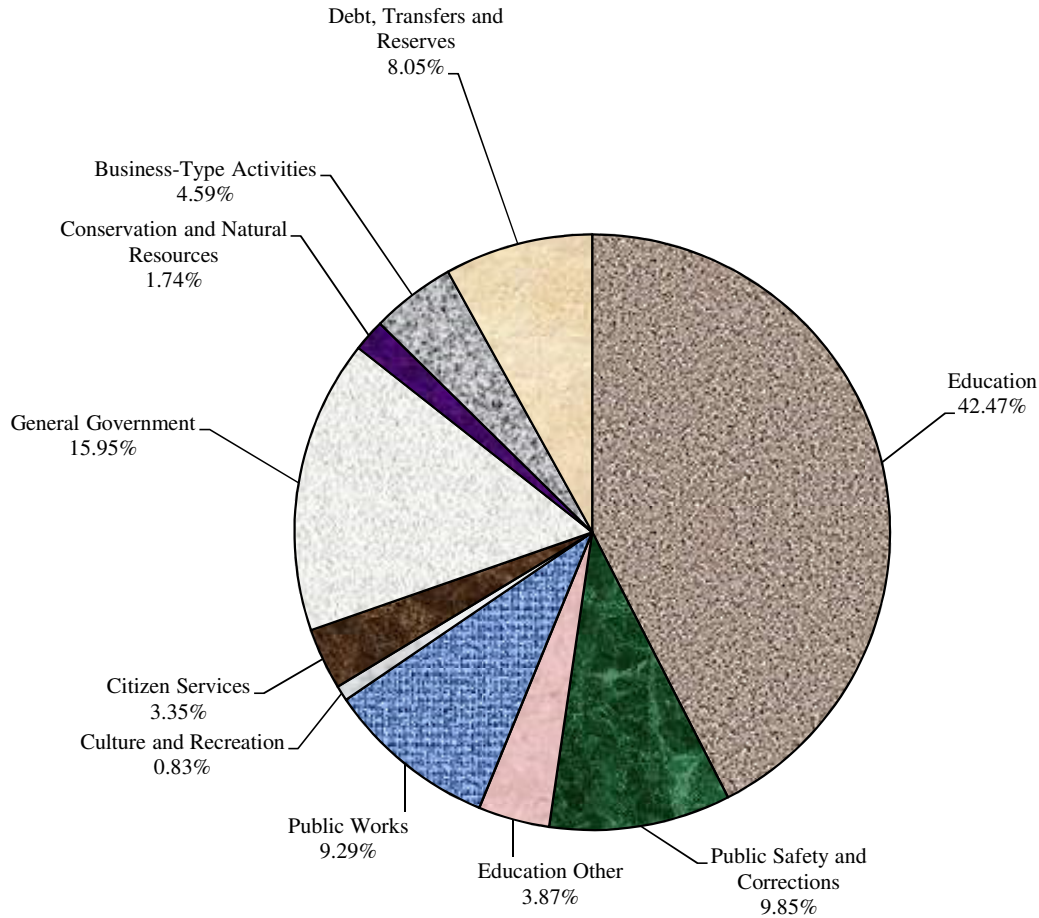


Category	FY 17 Actuals	FY 18 Budget	FY 19 Budget	Change from FY 18
Property Taxes	\$200,709,884	\$207,067,970	\$212,754,383	2.7%
Income Taxes	150,118,290	158,510,140	161,002,901	1.6%
Interfund Transfers	30,464,781	23,087,789	18,806,998	-18.5%
Charges for Services	22,946,455	25,049,442	25,931,961	3.5%
Bonds	14,599,170	29,000,284	29,079,243	0.3%
Intergovernmental	17,743,871	26,861,940	31,405,382	16.9%
Other Revenues	14,471,076	21,367,252	20,431,244	-4.4%
Prior Year Unappropriated	9,198,782	11,557,850	12,837,001	11.1%
Other Local Taxes	17,333,162	17,951,930	18,623,800	3.7%
Reallocated Funds	0	7,077,525	27,400,130	287.1%
Interest	1,841,628	2,816,280	3,721,958	32.2%
Capital Contribution - Business-Type Activities	0	42,292,000	721,000	-98.3%
Licenses and Permits	1,600,345	1,577,170	1,600,150	1.5%
State Shared	2,871,784	3,102,996	4,372,730	40.9%
Total	\$483,899,228	\$577,320,568	\$568,688,881	-1.5%

All Funds Uses - By Category

Fiscal Year 2019 Budget

\$568,688,881

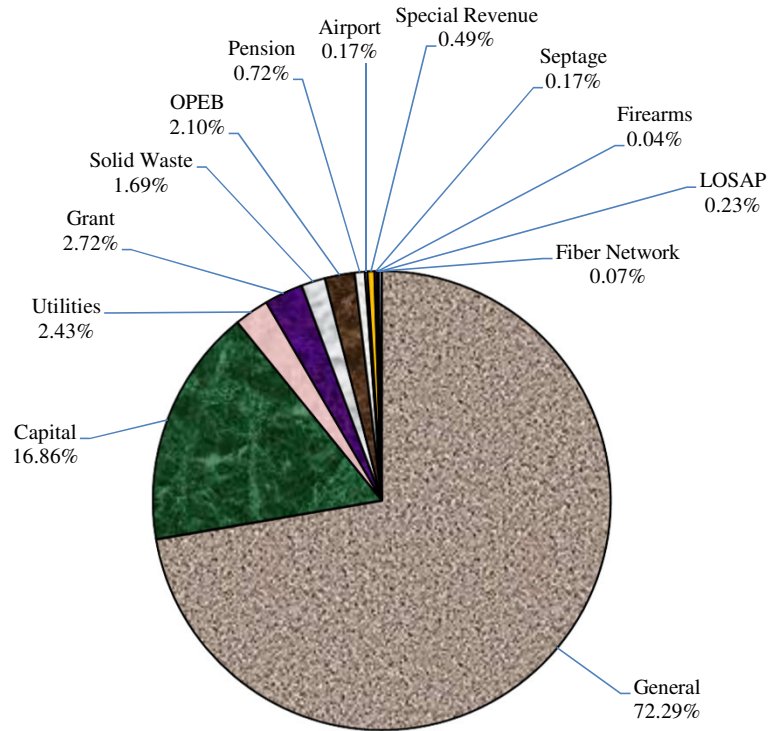


<u>Category</u>	FY 17 Actual	FY 18 Budget	FY 19 Budget	Change from FY 18
Education	\$219,524,861	\$222,370,330	\$241,532,069	8.6%
Public Safety and Corrections	55,206,128	50,737,574	56,040,309	10.5%
Education Other	22,134,351	20,815,100	22,034,880	5.9%
Public Works	43,594,988	51,714,695	52,856,740	2.2%
Culture and Recreation	5,133,416	6,089,180	4,712,190	-22.6%
Citizen Services	18,937,186	18,407,211	19,071,124	3.6%
General Government	38,223,842	76,307,032	90,698,289	18.9%
Conservation and Natural Resources	11,617,795	10,251,010	9,888,910	-3.5%
Business-Type Activities	22,972,923	70,479,396	26,097,090	-63.0%
Debt, Transfers and Reserves	45,310,373	50,149,040	45,757,280	-8.8%
Total	\$482,655,864	\$577,320,568	\$568,688,881	-1.5%

All Funds Uses - By Fund

Fiscal Year 2019 Budget

\$568,688,881



<u>Fund</u>	FY 17 Actual	FY 18 Budget	FY 19 Budget	Change from FY 18
General	\$391,040,660	\$400,042,050	\$411,096,050	2.8%
Capital	42,010,133	73,291,435	95,896,749	30.8%
Utilities	10,982,264	19,255,551	13,845,520	-28.1%
Grant	16,498,441	15,775,507	15,487,562	-1.8%
Solid Waste	9,547,730	8,948,500	9,636,070	7.7%
OPEB	4,701,521	11,050,000	11,970,450	8.3%
Pension	2,203,178	3,864,700	4,074,750	5.4%
Airport	932,232	38,970,070	994,350	-97.4%
Special Revenue	2,422,194	2,651,480	2,784,230	5.0%
Septage	924,545	1,732,075	985,000	-43.1%
Firearms	159,251	155,500	214,450	37.9%
Fiber Network	416,140	1,417,700	421,700	-70.3%
LOSAP	817,575	166,000	1,282,000	672.3%
Total	\$482,655,864	\$577,320,568	\$568,688,881	-1.5%

All Funds Revenue Summary

All Funds revenue is projected to be \$568.7M in FY 19 with 65.7% of this amount coming from Property Taxes and Income Tax. Total revenue is down \$8.6M, or (1.5%), below FY 18. This decrease is driven primarily by the Federal and Maryland Aviation Administrations' capital contribution to the Airport Enterprise Fund in FY 18 for the Runway Extension project.

Revenue In Millions	FY 17 Budget	Percent of Total	FY 18 Budget	Percent of Total	FY 19 Budget	Percent of Total	Cumulative Percent of Total
Property Taxes	\$200.5	39.9%	\$207.1	35.9%	\$212.8	37.4%	37.4%
Income Taxes	152.1	30.3%	158.5	27.5%	161.0	28.3%	65.7%
Intergovernmental	21.5	4.3%	26.9	4.7%	31.4	5.5%	71.2%
Bonds	28.6	5.7%	29.0	5.0%	29.1	5.1%	76.4%
Reallocated Funds	1.2	0.2%	7.1	1.2%	27.4	4.8%	81.2%
Charges for Services	25.3	5.0%	25.0	4.3%	25.9	4.6%	85.7%
Other Revenues	17.3	3.4%	21.4	3.7%	20.4	3.6%	89.3%
Other Local Taxes	18.5	3.7%	18.0	3.1%	18.6	3.3%	92.6%
Interfund Transfers	21.5	4.3%	23.1	4.0%	18.8	3.3%	95.9%
Prior Year Unappropriated	9.2	1.8%	11.6	2.0%	12.8	2.3%	98.2%
State Shared	2.8	0.6%	3.1	0.5%	4.4	0.8%	98.9%
Interest	2.2	0.4%	2.8	0.5%	3.7	0.7%	99.6%
Licenses and Permits	1.6	0.3%	1.6	0.3%	1.6	0.3%	99.9%
Capital Contribution - Business-Type Activities	0.5	0.1%	42.3	7.3%	0.7	0.1%	100.0%
Total Revenue	\$502.8	100%	\$577.3	100%	\$568.7	100%	100.0%

Percentages may not add to 100% due to rounding

Following 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 37.4% of the total. The Property Tax group includes twelve separate taxes, credits, and charges. The most significant is the Real Property Tax. The Board of County Commissioners reduced this rate in FY 12 from \$1.048 per one hundred dollars of assessed value to \$1.028, and then to \$1.018 in FY 13. The Personal Property Tax rate was also lowered in FY 12 from \$2.62 per one hundred dollars of assessed value to \$2.57 and then to \$2.545 in FY 13. The Board of County Commissioners lowered the Personal Property Tax in FY 14 to \$2.515 per one hundred dollars, or a three-cent reduction from FY 13. In FY 15, the Commissioners issued a Property Tax rebate of \$0.01 per \$100 of assessment, or approximately \$1.8M. The Homestead Tax Credit was significant in recent years, but due to five years of negative reassessments this credit is greatly reduced. This credit is set by the Board of County Commissioners and caps the amount that taxes can increase on a primary residence at 5.0% a year. Property Tax is primarily a General Fund revenue; however, approximately 2.25% is usually dedicated to agricultural land preservation.

Property Taxes are estimated by several methods, including trend analysis, economic analysis, real estate analysis, and assessments provided by the Maryland Department of Assessment and Taxation. Full detail is provided on their website which can be accessed at: <http://dat.maryland.gov/Pages/default.aspx>.

Income Tax

Second largest revenue at 28.3% of the total. Income Tax is calculated as a percentage of net taxable State income. The State caps the rate at 3.20%. The Commissioners lowered the Income Tax rate from 3.05% to 3.04% in FY 14, a reduction of 0.01%. In FY 15 the Commissioners again lowered the Income Tax rate by 0.01% from 3.04% to 3.03%, effective on January 1st, 2015. The State Comptroller's Office administers, collects, and distributes this tax to the counties and municipalities. Income Tax is primarily a General Fund revenue; however, 9.09% of Income Tax is traditionally dedicated to the capital budget for school construction and debt service. The Commissioners elected to reduce this amount to 7.09% in FY 16 through FY 17, to 7.59% in FY 18, and to 8.09% in FY 19.

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 economies, and estimates provided by the State Comptroller's Office.

Intergovernmental (State and Federal)

Third largest revenue at 5.5% of the total. The County receives Federal and State funding for several purposes, including school and bridge construction, environmental projects, grants, and reimbursements. State and Federal funding is used primarily in the General, Capital, and Grant Funds. The Grant Fund includes more than \$15.4M in various Federal and State funds to support programs such as housing, transit, and meals. Grant funds are also used to provide rental subsidies to the elderly, handicapped,

disabled, and low-income families. Additionally, these funds are used to develop community-based services that promote positive outcomes for children, youth, and families.

The methods of budgeting State and Federal funds are 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.

Bonds/Notes proceeds

Fourth largest revenue at 5.1% 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, 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, where we estimate how much Property or Income Tax we will collect. How much debt issued is based on several factors: 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 19, the Commissioners are using \$27.7M in bonds. There was no bond sale to fund capital projects in FY18.

Reallocated funds

Fifth largest revenue at 4.8% of the total. These funds may consist of reallocated bonds, reallocated General Fund transfer, and reallocated Property Taxes. These funds were previously appropriated to various projects that either came in under budget or the decision was made not to move forward with the projects. These sources of funding are being reallocated to projects included in the FY 19 budget.

In FY 19, a total of \$27.4M in bonds and current funding is being reallocated for various capital projects, such as building renovations. The amount that we can reallocate depends on several factors, including projects that were completed under budget or 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

Charges for Services

4.6% of revenue. The Enterprise, General, and Grant Funds. The intent, 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 fees, water and sewer connection fees, tipping fees, waste removal fees, and airport fuel 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 related to Public Safety and Corrections, Public Works, Recreation, and General Government. These fees come from various sources related to building inspections, permitting and review fees, as well as admission and concessions fees at County parks. There are also fees derived through 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 to meet actual costs incurred. Rate studies are also performed for fees reimbursed by the State or Federal government to ensure accuracy.

Other Revenues

3.6% of the total. This group includes revenues from the General, Capital, Grant, Enterprise, and Trust Funds. These revenues are budgeted based on numerous methods, including trend analysis, economic analysis, and estimates provided by State and Federal agencies.

Other Local Taxes

3.3% of the total. This includes Recordation, 911 fees, Impact Fees, and Admission fees. Recordation makes up about 89.9% of these fees. Trend analysis, current housing market, and opinions from industry experts are the sources of this budget.

Interfund Transfers

3.3% of the total. Due to governmental accounting requirements, revenues that are transferred between funds are shown twice. For instance, Hotel Rental Tax originates in the Special Revenue Fund. When Hotel Rental Tax is used it must be transferred from the Special Revenue Fund to the General Fund. This means that using \$0.1M of Hotel Tax will actually add \$0.2M to the All Funds revenue total. Each fund, Special Revenue and General Fund, will show that \$0.1M. Other interfund revenues do not involve special revenues, and include General Fund transfers to Grants, Capital, and Enterprise

Funds. 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

2.3% of the total. This is the amount of revenue in excess of budget plus the amount of unspent appropriated dollars. Prior to FY 15, Carroll County law required that surplus funds be budgeted as revenue in the next fiscal year. During the FY 14 Legislative process, the law was changed for Carroll County effective October 1, 2013. \$12.8M of surplus is in the FY 19 Budget.

State Shared

0.8% of the total. The State provides Police Aid and Highway User Revenues. Budgets for these are based on State estimates, as well as our own economic and legislative analysis.

Interest & Gain/Loss

0.7% 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 market analysis.

Capital Contribution – Business-Type Activities

0.1% of the total. This category is based on specific and dedicated revenues that are budgeted to capital projects in the enterprise funds. These revenues are based on appropriations budgeted to fund capital projects and do not reflect revenues that are necessarily collected in FY 19.