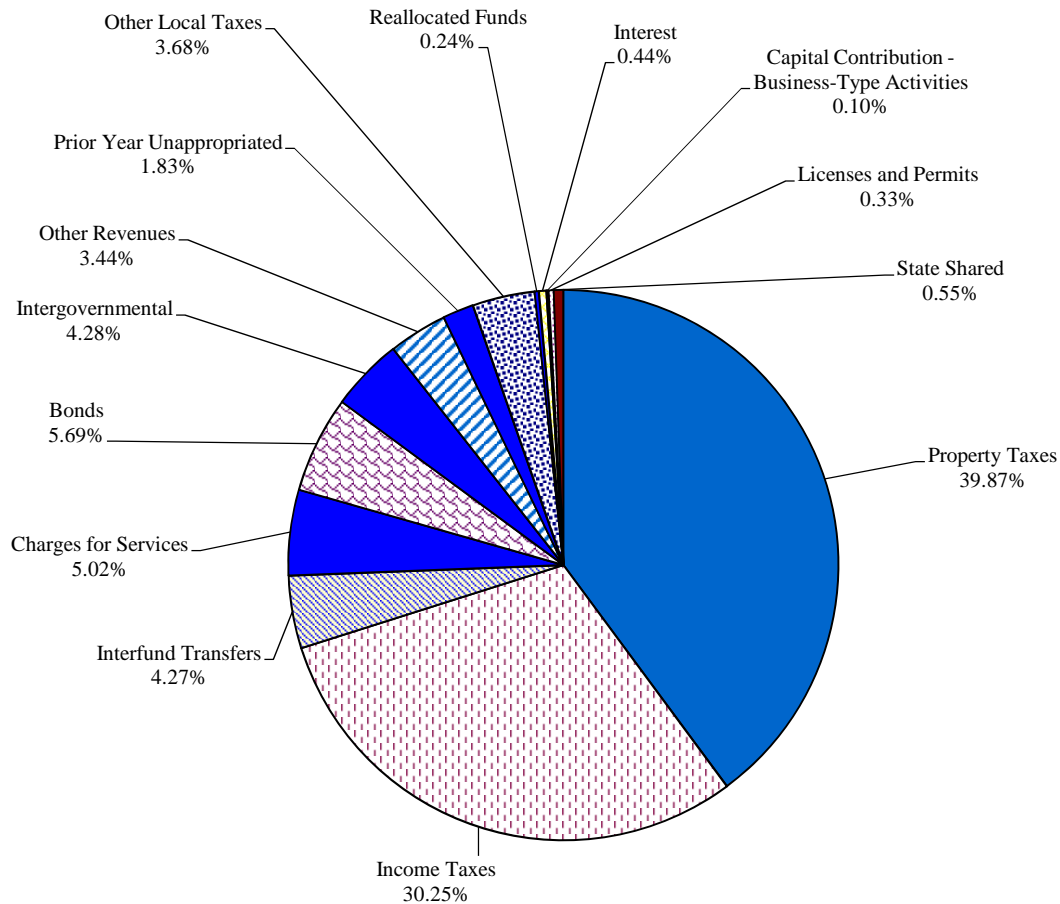


All Funds Sources - By Category

Fiscal Year 2017 Budget

\$502,784,766

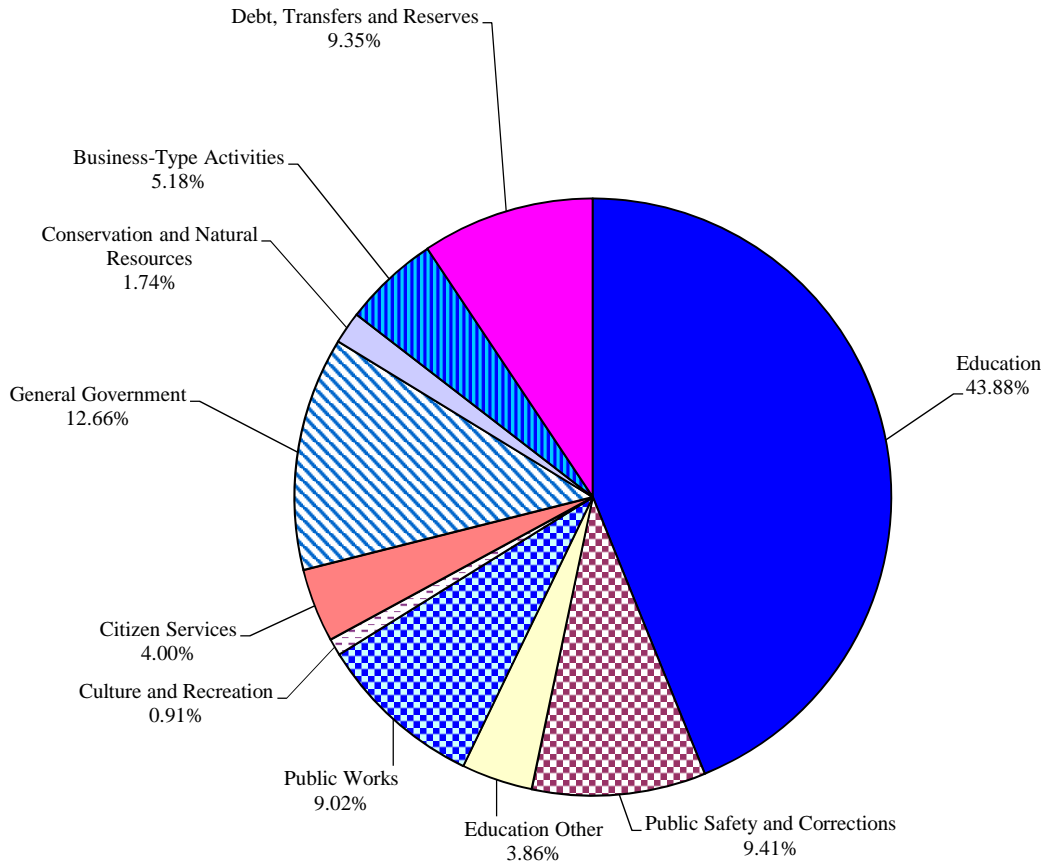


<u>Category</u>	FY 15 Actuals	FY 16 Budget	% Chg from FY 15	FY 17 Budget	% Chg from FY 16
Property Taxes	\$193,069,352	\$195,795,700	1.41%	\$200,453,917	2.38%
Income Taxes	139,356,970	143,410,440	2.91%	152,106,065	6.06%
Interfund Transfers	26,476,335	28,503,170	7.66%	21,461,266	-24.71%
Charges for Services	20,545,586	30,914,370	50.47%	25,252,408	-18.31%
Bonds	80,662,908	20,435,331	-74.67%	28,620,904	40.06%
Intergovernmental	15,053,404	22,287,919	48.06%	21,517,178	-3.46%
Other Revenues	35,601,226	16,976,644	-52.31%	17,314,254	1.99%
Prior Year Unappropriated	0	12,324,400	100.00%	9,198,782	-25.36%
Other Local Taxes	13,358,357	15,425,570	15.48%	18,485,712	19.84%
Reallocated Funds	0	7,871,803	100.00%	1,212,695	-84.59%
Interest	1,675,561	2,065,060	23.25%	2,216,420	7.33%
Capital Contribution - Business-Type Activities	2,224,545	5,424,000	143.83%	525,500	-90.31%
Licenses and Permits	1,600,954	1,606,860	0.37%	1,642,700	2.23%
State Shared	4,853,291	4,361,468	-10.13%	2,776,965	-36.33%
Total	\$534,478,488	\$507,402,735	-5.07%	\$502,784,766	-0.91%

All Funds Uses - By Category

Fiscal Year 2017 Budget

\$502,784,766

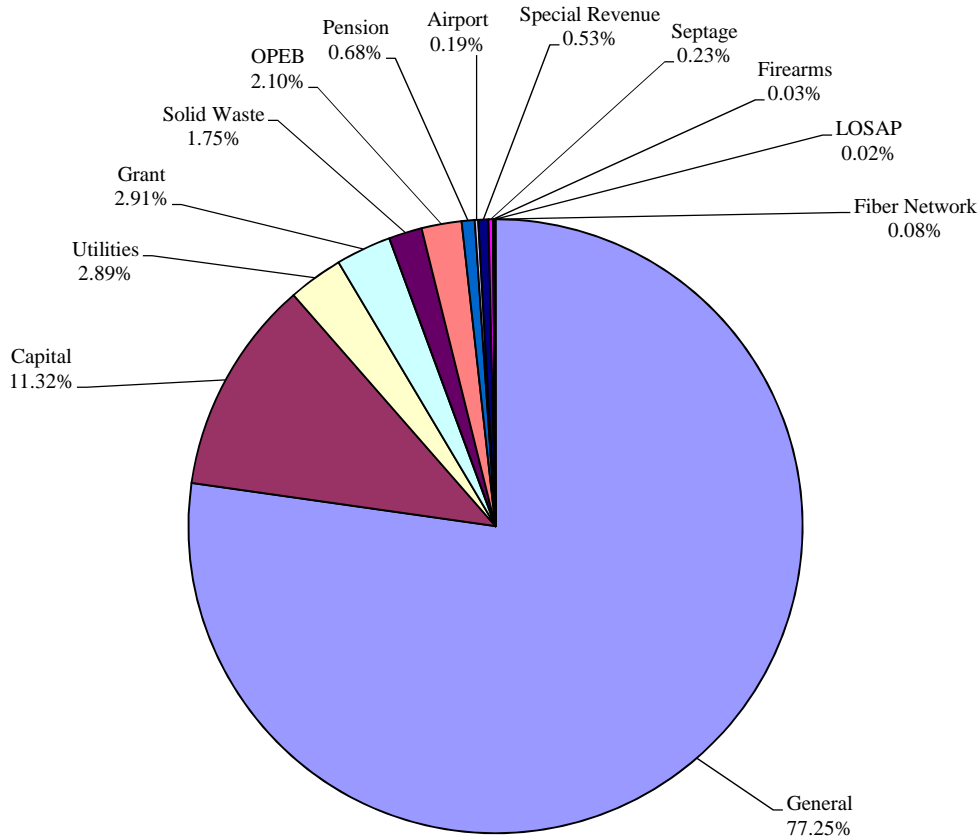


<u>Category</u>	FY 15 Actual	FY 16 Budget	% Chg from FY 15	FY 17 Budget	% Chg from FY 16
Education	\$204,852,162	\$206,147,610	0.63%	\$220,611,465	7.02%
Public Safety and Corrections	50,978,177	45,943,980	-9.88%	47,302,020	2.96%
Education Other	27,978,943	18,471,570	-33.98%	19,414,600	5.11%
Public Works	40,354,744	44,286,335	9.74%	45,335,906	2.37%
Culture and Recreation	4,911,267	4,864,323	-0.96%	4,569,170	-6.07%
Citizen Services	19,594,493	19,832,985	1.22%	20,097,890	1.34%
General Government	46,577,312	66,496,347	42.77%	63,665,106	-4.26%
Conservation and Natural Resources	10,530,085	9,199,600	-12.64%	8,728,548	-5.12%
Business-Type Activities	22,002,934	41,839,065	90.15%	26,038,461	-37.77%
Debt, Transfers and Reserves	100,988,582	50,320,920	-50.17%	47,021,600	-6.56%
Total	\$528,768,700	\$507,402,735	-4.04%	\$502,784,766	-0.91%

All Funds Uses - By Fund

Fiscal Year 2017 Budget

\$502,784,766



<u>Fund</u>	FY 15 Actual	FY 16 Budget	% Chg from FY 15	FY 17 Budget	% Chg from FY 16
General	\$428,068,097	\$379,962,320	-11.24%	\$388,407,000	2.22%
Capital	55,360,485	52,383,471	-5.38%	56,917,665	8.66%
Utilities	9,887,998	29,598,565	199.34%	14,538,635	-50.88%
Grant	15,186,345	15,466,889	1.85%	14,641,680	-5.34%
Solid Waste	8,752,117	9,964,800	13.86%	8,815,806	-11.53%
OPEB	3,515,548	10,103,580	187.40%	10,578,580	4.70%
Pension	1,389,372	3,222,980	131.97%	3,434,760	6.57%
Airport	736,728	936,500	27.12%	954,220	1.89%
Special Revenue	2,565,215	4,374,430	70.53%	2,666,620	-39.04%
Septage	946,226	913,700	-3.44%	1,173,300	28.41%
Firearms	145,604	155,500	6.80%	155,500	0.00%
Fiber Network	1,520,899	270,000	-82.25%	401,000	48.52%
LOSAP	694,066	50,000	-92.80%	100,000	100.00%
Total	\$528,768,700	\$507,402,735	-4.04%	\$502,784,766	-0.91%

All Funds Budget

The All Funds Budget consists of thirteen funds. When Appropriations are transferred from one fund to another, the appropriation is recorded in both. This creates double-counting of appropriations and artificially increases the All Funds Budget. For example, in FY 17, \$3.0M of General Fund dollars is transferred to the Capital Fund to provide pay-go funding to the Community Investment Plan (CIP). This is reflected in the General Fund as an Inter-fund Transfer to Capital of \$3.0M and in the Capital Fund as revenue of \$3.0M. In order to capture the total budget without the double-counted appropriations, certain transfers and reappropriations of funds from prior years needs to be netted out of the All Funds Budget.

All Funds – FY 17	\$502,784,766
Double-Counted Appropriations:	
Prior Year Unappropriated	\$9,002,668
Current Year Surplus	196,114
Transfer from Capital to General Fund for Board of Education Debt Service	11,588,410
Interfund Transfers from General Fund	7,681,970
Other Post-Employment Benefits	10,578,580
County and Certified Law Enforcement Pension	3,434,760
Reallocated Transfer from the General Fund	1,035,053
Reallocated Bonds	177,642
Special Revenue Fund – Hotel Tax	315,830
Length of Service Awards Program	100,000
Special Revenue Fund - to Capital Fund (Impact Fees and Ag Transfer Tax)	190,670
Total Double-Counted Appropriations	44,301,697
Net All Funds Budget	\$458,483,069

All Funds Revenue Summary

All Funds revenue is projected to be \$502.8M in FY 17 with over two-thirds of this amount coming from Property Taxes and Income Tax. Total revenue is down \$4.6M, or 0.9%, below FY 16. This decrease is driven primarily by the Hampstead ENR Utilities Project in FY 16.

Revenue In Millions	FY 15 Budget	Percent of Total	FY 16 Budget	Percent of Total	FY 17 Budget	Percent of Total	Cumulative Percent of Total
Property Taxes	\$193.4	36.9%	\$195.8	38.6%	\$200.5	39.9%	39.9%
Income Tax	135.9	25.9%	143.4	28.3%	152.1	30.3%	70.2%
Bonds / Notes Proceeds	11.3	2.2%	20.4	4.0%	28.6	5.7%	75.9%
Charges for Services	31.2	5.9%	30.9	6.1%	25.3	5.0%	80.9%
Interfund Transfers	25.9	4.9%	28.5	5.6%	21.5	4.3%	85.2%
Intergovernmental	67.2	12.8%	22.3	4.4%	21.5	4.3%	89.5%
Other Local Taxes	13.1	2.5%	15.4	3.0%	18.5	3.7%	93.2%
Other Revenues	15.4	2.9%	17.0	3.3%	17.3	3.4%	96.6%
Prior Year Unappropriated	14.2	2.7%	12.3	2.4%	9.2	1.8%	98.4%
State Shared	2.3	0.4%	4.4	0.9%	2.8	0.6%	99.0%
Interest and Gain (Loss)	1.3	0.2%	2.1	0.4%	2.2	0.4%	99.4%
Licenses and Permits	1.8	0.3%	1.6	0.3%	1.6	0.3%	99.7%
Reallocated Funds	11.4	2.2%	7.9	1.6%	1.2	0.2%	99.9%
Capital Contribution – Business-Type Activities	0.2	0.0%	5.4	1.1%	0.5	0.1%	100.0%
Total Revenue	\$524.6	100.0%	\$507.4	100.0%	\$502.8	100.0%	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 39.9% 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, to \$2.545 in FY 13, and finally to \$2.515 per one hundred dollars in FY 14, 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% a year. Property Tax is primarily General Fund revenue; however, approximately 2.25% is usually dedicated to agricultural land preservation. The Property Tax committed to agricultural land preservation has been reduced \$2.0M in FY 17.

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 website which can be accessed at:

www.dat.state.md.us/sdatweb/stats.

Income Tax

Second largest revenue at 30.3% 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 8.09% in FY 19, with the released Income Tax revenue being used to fund the Public Schools' operating budget.

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.

Bonds/Notes proceeds

Third largest revenue at 5.7% 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 17 the Commissioners are using \$28.8M in bonds, an increase from FY 16 of \$7.0M. This increase is primarily due to school roof projects and the Law Enforcement Facility Renovation capital project.

Charges for Services

Fourth largest revenue at 5.0% of the total. The County receives funding for services in 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 Public Safety, 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.

Interfund Transfers

Fifth largest revenue at 4.3% of the total. Due to governmental accounting requirements, revenues that are transferred between funds are shown twice. For instance, Impact Fees 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 \$1.0M of Impact Fees will actually add \$2.0M to the all funds revenue total. Each fund, Special Revenue and Capital, will show that \$1.0M. The methods for budgeting inter-fund revenues are varied. Some inter-fund transfers are linked to specific revenue, such as Impact Fees and the percentage of Local Income Tax dedicated for school debt service. In these cases, trend and economic analysis are employed. Other interfund 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

Intergovernmental (State and Federal)

4.3% of the total. The County receives Federal and State funding for several reasons, 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 \$12.5M 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 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.

Other Local Taxes

3.7% of the total. This includes Recordation, 911 fees, Impact Fees, and Admission fees. Recordation makes up about 82% of these fees. Trend analysis, current housing market, and opinions from industry experts are the sources of this budget.

Other Revenues

3.4% 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. 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. \$9.2M of surplus is in the FY 17 Budget.

State Shared

0.6% of the total. This includes Police Aid and Highway User Revenues, both of which come from the State. The State of Maryland provides estimates to the County for both of these revenues. However, our own economic and legislative analysis is also considered.

Interest & Gain/Loss

0.4% 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.

Reallocated funds

0.2% of the total. These funds 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 17 budget.

In FY 17, a total of \$1.2M in bonds and current funding is being reallocated for various capital projects such as road maintenance and technology. The amount that we can reallocate depends on numerous 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.

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. Examples are area connection charges and private contributions for the Utilities fund. These revenues are based on appropriations budgeted to fund capital projects and do not reflect revenues that are necessarily collected in FY 17.