

GENERAL FUND REVENUES

	FY 2016-17 ACTUAL REVENUES	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED REVENUE	% CHANGE
AD VALOREM TAX				
PRIOR YEAR		70,252	-	-100.0%
CURRENT YEAR	11,741,447	12,635,150	11,917,569	-5.7%
PENALTY & INTEREST	27,671	24,240	28,086	15.9%
TOTAL AD VALOREM TAX	11,769,118	12,729,642	11,945,655	-6.2%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% Art 39	1,459,692	1,270,859	1,503,483	18.3%
LOCAL OPTION SALES TAX 1/2% Art 40	1,032,319	1,020,808	1,063,289	4.2%
LOCAL OPTION SALES TAX 1/2% Art 42	731,066	639,791	752,998	17.7%
LOCAL OPTION SALES TAX 1/2% Art 44	25,796	774	26,570	3332.8%
SALES TAX - CITY HOLD HARMLESS	1,096,739	1,086,268	1,129,641	4.0%
TOTAL LOCAL SALES TAXES	4,345,612	4,018,500	4,475,980	11.4%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	350,303	482,364	353,806	-26.7%
MOTOR VEHICLE LIC - TRANS ONLY	116,758	125,126	117,926	-5.8%
MOTOR VEHICLE TAXES	1,006,631	1,044,234	1,016,697	-2.6%
MOTOR VEHICLE LIC - GROSS RECEIPTS	22	-	22	N/A
BEER & WINE PRIVILEGE LICENSE	1,520	1,000	1,535	53.5%
REFUNDS - NCVTS	(24,443)	-	(24,687)	N/A
COLLECTION FEES - NCVTS	(37,483)	-	(37,858)	N/A
HOTEL/MOTEL OCCUPANCY TAX	175,560	194,085	177,316	-8.6%
TOTAL OTHER TAXES/LICENSES	1,588,868	1,846,809	1,604,757	-13.1%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX-ELECTRIC	923,935	867,000	933,174	7.6%
PIPED NATURAL GAS TAX	42,087	32,292	42,508	31.6%
VIDEO SALES PROGRAMMING	54,543	34,760	55,088	58.5%
HOME SATELLITE SALES	71,715	44,488	72,432	62.8%
WINE AND BEER	93,049	95,000	93,979	-1.1%
TELECOMMUNICATIONS SALES TAX	209,299	132,233	211,392	59.9%
NC DOT REIMBURSEMENT	1,501	-	1,516	N/A
EMS LOCATION RENT	12,000	14,000	12,000	-14.3%
TOTAL UNRESTRICTED INTERGV	1,408,129	1,219,773	1,422,090	16.6%

GENERAL FUND REVENUES

	FY 2016-17 ACTUAL REVENUES	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED REVENUE	% CHANGE
RESTRICTED INTERGOVERNMENTAL				
POWELL BILL	486,848	504,143	482,495	-4.3%
SOLID WASTE DISPOSAL TAX DIST.	13,809	7,244	13,947	92.5%
PLANNING WORK GRANT	25,713	27,000	25,970	-3.8%
RECREATION-MUNICIPAL SUPPLEM	35,802	27,193	36,160	33.0%
RECREATION - ARTS COMM GRANT-MUS	1,500	-	1,515	N/A
STROWD ROSES GRANT-MUSIC	-	192	-	-100.0%
DEPT OF JUSTICE BLOCK GRANT	1,168	-	1,180	N/A
PEG CHANNEL SUPPORT	55,172	55,172	55,724	1.0%
ABC BOARD GRANT	12,750	13,300	17,000	27.8%
TOTAL RESTRICTED INTERGVMT	632,762	634,244	633,991	0.0%

FEES AND PERMITS

RETURNED CHECK FEE	-	25	-	-100.0%
TOWER REVENUE	125,015	136,732	126,265	-7.7%
NETWORK HUT LEASE	5,200	5,200	5,252	1.0%
COURT COST OFFICER FEES	1,994	3,683	2,014	-45.3%
PARKING VIOLATIONS	975	2,833	985	-65.2%
SCHOOL TRAFFIC CONTROL	10,000	10,000	10,100	1.0%
CHCCS - SRO CONTRACT	137,660	110,852	139,037	25.4%
ANIMAL VIOLATIONS	9,231	11,375	9,323	-18.0%
FIRE DIST. FEES	535,522	540,270	540,877	0.1%
CAR SEAT SALES		470	-	-100.0%
FIRE PERMITTING FEES	1,110	1,000	1,121	12.1%
RE-INSPECTION FEE		1,500	-	-100.0%
SIGN PERMITS		500	-	-100.0%
ENGINEERING FEE	17,988	20,166	18,168	-9.9%
DEV REVIEW FEE	30,717	26,780	31,024	15.8%
TECHNICAL REVIEW -FUTURE EQPMT	8,300	14,123	8,383	-40.6%
BUILDING PERMITS	54,914	51,366	55,463	8.0%
ELECTRIC PERMITS	59,330	62,464	59,923	-4.1%
MECH. PERMITS	60,025	60,597	61,000	0.7%
RE-INSPECTION FEE	-	1,600	-	-100.0%
PLUMBING	36,467	38,451	36,832	-4.2%
HOMEOWNERS RECOVER FEES		115	-	-100.0%
RECYCLING FEES	9,066	7,033	9,157	30.2%
STOCKING FEE		543	-	-100.0%
STREET CUTS	110	-	111	N/A
ENCROACHMENT FEE	5,200	4,242	5,252	23.8%
STREET SIGNS	105	-	106	N/A
DRIVEWAY PERMIT FEES	660	335	667	99.0%
STREET CLOSING	460	-	465	N/A
REFUSE COLLECTION FEES	2,506	2,439	2,531	3.8%
REFUSE COLLECTION - DUMPSTER	68,346	65,438	69,029	5.5%
TOTAL FEES & PERMITS	1,180,901	1,180,132	1,193,085	1.1%

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	FY 2016-17 ACTUAL REVENUES	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED REVENUE	% CHANGE
SALES & SERVICES				
RECREATION FEES	194,154	116,308	196,096	68.6%
DISCOUNT -RECREATION FEES	(11,683)	(8,062)	(11,800)	46.4%
SALES- MERCH & CONCESSIONS-MUSIC	1,683	1,663	1,700	2.2%
SALES- MERCH & CONCESSIONS-POETRY	15	15	15	1.0%
SALES- MERCH & CONCESSIONS-JULY	258	516	261	-49.5%
SALES- MERCH & CONCESSIONS-HALLO	348	696	351	-49.5%
TOWN CENTER FEES	105,537	72,924	106,592	46.2%
DISCOUNT - TOWN CENTER FEES	(7,618)	(13,190)	(7,694)	-41.7%
TOTAL SALES & SERVICES	282,694	170,870	285,521	67.1%
INVESTMENT EARNINGS				
INVESTMENT EARNINGS	20,278	27,089	51,812	91.3%
INVESTMENT EARNINGS	20,278	27,089	51,812	91.3%
OTHER REVENUES				
RENT-FARMER'S MKT	2,370	2,370	2,394	1.0%
ATM FEES	2,235	2,406	2,257	-6.2%
MISCELLANEOUS	261	102	264	158.4%
SALES OF CEMETERY LOTS	22,032	22,375	25,000	11.7%
SALE/ FIXED ASSETS	8,740	13,219	82,000	520.3%
SALE OF NON-FIXED ASSETS	786	-	200	N/A
RENTAL INCOME - CSFP UNDER 6	1,200	1,500	1,212	-19.2%
RENTAL INCOME - CARRBORO COMM SOLAR	20	20	20	0.0%
ROSEMARY LOT RENTAL	144	-	145	N/A
DONATIONS - CD & MEMORABILIA	-	20	-	-100.0%
MISCELLANEOUS - MANAGEMENT SERVICES	-	6,232	-	-100.0%
SEIZURE REVENUE-STATE	10,589	-	10,695	N/A
PRECIOUS METAL FEE	-	200	-	-100.0%
POLICE MISCELLANEOUS	10,260	1,345	10,363	670.5%
FIRE MISCELLANEOUS	1,004	263	1,014	285.6%
MISCELLANEOUS-PW	496	-	501	N/A
REFUSE CART SALES	5,251	1,136	5,304	366.9%
YARD WASTE CONTAINERS	3,476	2,325	3,511	51.0%
MISCELLANEOUS R & P	18	18	18	1.0%
DONATIONS	4,215	4,257	4,257	0.0%
DONATIONS - MUSIC FESTIVAL	3,600	45,989	3,636	-92.1%
DONATIONS-POETRY ALIVE IN CARRBORO	45	5,060	45	-99.1%
DONATIONS - JULY 4TH	710	-	717	N/A
DONATIONS - FILM FESTIVAL	6,235	27,946	6,297	-77.5%
DONATIONS ARTS COMMITTEE	-	76	-	-100.0%
OPEN STREETS	1,575	2,131	1,591	-25.4%
PLANNING MISC.	-	1,142	-	-100.0%
TOTAL OTHER REVENUES	85,262	140,132	161,441	15.2%
OTHER FINANCING SOURCES				
INSTALLMENT FINANCING PROCEEDS	362,091	304,292	-	-100.0%
FUND BALANCE APPROPRIATED	-	598,404	1,088,391	81.9%
TOTAL OTHER FINANCING SRCE	362,091	902,696	1,088,391	20.6%
TOTAL REVENUES				
	21,675,715	22,869,887	\$22,862,722	0.0%

DESCRIPTION OF GENERAL FUND REVENUES

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2018-19 Budget.

AD VALOREM TAXES

The largest single source of revenue to municipalities in North Carolina is the Ad Valorem revenue which represents a tax paid by those owning property within the municipality. Ad Valorem Taxes or property tax income includes real property, motor vehicle and business personal property taxes. The General Assembly has approved various higher exemptions for senior citizens aged 65 or older and for citizens, including veterans, who are 100% disabled and subsist on a specified household income.

LOCAL SALES TAXES

The State collects and distributes the proceeds from the local levied tax on retail sales consisting of a 1% sales tax (Article 39); and three ½% sales tax (Articles 40, 42 & 44). The Article 44 sales tax was implemented in 2002. Food is exempted from this tax. In exchange for Article 44, the General Assembly repealed local government reimbursements for inventory tax, intangibles tax, tax on food stamp purchases, and homestead exemption. In 2007, the General Assembly passed legislation to have the State assume county Medicaid costs and eliminate the Article 44 local sales tax. Effective October 1, 2008, the state took over one quarter cent of the Article 44 local options sales tax and effective October 1, 2009, the state took over the remaining one-quarter cent of that local tax. The legislation provides for municipalities to be completely reimbursed for the loss of their share of these tax revenues, including growth. The first one-quarter cent was replaced by a payment equal to 50% of the amount each municipality receives from the Article 40 local sales tax and the second one-quarter cent will be replaced by a payment equal to 25% of the amount each municipality receives for the Article 39 local sales tax.

Funds for the hold harmless payment to municipalities come from the counties' share of sales tax revenues. There is no expiration date on the hold harmless payments. The legislation also changes the distribution for the Article 42 local option sales tax from per capita to point of delivery distribution. A hold harmless provision ensures that this change will not affect municipal distributions.

OTHER TAXES AND LICENSES

This category of revenue is comprised of motor vehicle taxes and licenses, and hotel and motel room occupancy tax.

Motor Vehicle License Tax –The vehicle license tax is \$30 per car. The Town allocates \$5 of this motor vehicle license fee to offset costs paid by the Town for the transit partnership with Chapel Hill and UNC-Chapel Hill.

Hotel and Motel Room Occupancy Tax – The occupancy tax implemented in 2013 is 3% of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the Town that is subject to sales tax

imposed by the State under G.G. 105-164.4(a)(3). The Town is required to distribute these receipts to the Carrboro Tourism Development Authority.

UNRESTRICTED INTERGOVERNMENTAL REVENUE

This category of revenue is primarily comprised of state-collected *local* revenues that are not directed to specific programs or services. This category of revenue was previously known as utility franchise tax.

Local Video Programming Revenues- Beginning January 1, 2007, local governments were no longer able to impose franchise taxes on video programming services. A sales tax on video programming services was added by the State that covered some of the same revenue received directly by local governments.

Electricity Sales Tax – As part of the tax reform legislation approved by the General Assembly in 2013, effective July 1, 2014, the general sales tax rate is applied to the sale of electricity. From the proceeds of that tax, 44 percent is allocated to be distributed to cities and towns. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is equivalent to the electricity franchise tax distribution that each city received as its quarterly distribution in Fiscal Year 2013-14. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY 2013-14, then every municipality's distribution will be reduced proportionally. If there is excess sales tax revenue after distributing every municipality's franchise tax share, then each municipality will receive an ad valorem share. The excess sales tax revenue will be distributed based on each city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied [G.S. 105-164.44K].

Piped Natural Gas Sales Tax - As part of the tax reform legislation approved by the General Assembly in 2013, effective July 1, 2014, the general sales tax rate is applied to the sale of piped natural gas. From the proceeds of that tax, 20 percent is allocated to be distributed to cities and towns. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is equivalent to the piped natural gas franchise tax distribution that each city received as its quarterly distribution in Fiscal Year 2013-14. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY 2013-14, then every municipality's distribution will be reduced proportionally. If there is excess sales tax revenue after distributing every municipality's franchise tax share, then each municipality will receive an ad valorem share. The excess sales tax revenue will be distributed based on each city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied [G.S. 105-164.44L]. .

Wine and Beer Tax – provides for the distribution of state beer tax collections to local governmental units in which beer is legally sold. It further provides for taxes on unfortified wine and 22% of collections for taxes on fortified wine to local governmental units in which wine is legally sold. This revenue is distributed on a per capita basis.

Telecommunication Sales Tax- In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications.

RESTRICTED INTERGOVERNMENTAL REVENUE

Restricted intergovernmental revenues represent state and federal grants or other local governmental revenues received for specific purposes by the Town, the largest of which is the recurring Powell Bill grant funds for street resurfacing.

Powell Bill – These grant revenues are generated from the State’s gasoline tax and a percentage of this tax is returned to the municipality through a formula based on population and street mileage. Powell Bill funds can only be used for street maintenance, construction, traffic signs, sidewalks, curbs, gutters, drainage and other related needs.

Durham-Chapel Hill-Carrboro Urban Area Planning Work Program Grant – This grant provides support toward the Transportation Planner salary costs.

Recreation Municipal Supplement – Orange County provides a supplement to the Town for recreation programs in recognition of Town services offered to county residents.

ABC (Alcoholic Beverage Control) Board Grant – The Police Department applies annually for a grant to assist the ABC Board in managing alcohol violation programs.

FEES AND PERMITS

The Town charges various types of permits and fees to residences and commercial establishments needing specific services. A large portion of the fees and permits received by the Town relate to development and growth within the Town.

Fire District Fees - The Carrboro Fire Department provides fire protection services to the South Orange Fire District located in Orange County and outside of the Town’s limits. A three-member fire district board meets annually and approves the tax rate for the fire district based on a formula developed by the County and the Town of Carrboro. Orange County pays the Town for the fire protection services based on the approved fire district tax rate.

Chapel Hill-Carrboro School District - It is anticipated that the Chapel Hill Carrboro School District will continue to contract with the Town to provide two School Resource Officers and traffic control management. One office is stationed at McDougle Middle School and one at Carrboro High School.

Engineering Fees - Applicants are responsible for paying 80% of fees assessed by the Town's Engineers (Sungate Design Group). Sungate bills the Town and the Town, in turn, sends a bill to the applicant for such fees.

Development Review Fees - Applicants wishing to receive a Zoning Permit, Special Use Permit, or Conditional Use Permit must pay the appropriate fee for the Town to review plans for adherence to the Land Use Ordinance before a permit may be issued. The fee is paid one-time even though the plans may be reviewed multiple times before a permit is issued.

Building Permits are issued on new and existing buildings when the buildings are renovated or newly constructed for commercial property, single-family dwellings, townhouses, condominiums and duplexes.

Electric Permits are issued on new and existing buildings for service changes, premises wiring and commercial up-fits.

Mechanical Permits are issued on new installation of residential and commercial buildings and replacement of heating and cooling equipment.

Plumbing Permits are issued on new and renovated buildings i.e. water and sewer, irrigation and backflow.

Dumpster Collection Fees represent the full cost of pickup and disposal of all refuse the Town collects from all commercial dumpsters in Town.

Tower Revenue - The Town owns a cell tower and leases space via a multi-year contract for antennas.

SALES AND SERVICES

Recreational Fees and Town Center Fees represent fees for a variety of recreational services and activities offered to town residents. The Town's Park facilities, such as picnic shelters, ball fields and the multi-purpose areas are also available for rent. The Town also offers for rent meeting rooms and facility space within the Century Center to the public for various functions.

INVESTMENT EARNINGS

Interest Income - The Town generates interest income by investing idle cash in interest paying checking accounts and money market accounts.

OTHER REVENUES

Representing a very small portion of the overall revenue stream, this revenue is comprised of donations, rent, reimbursements for town services provided to other jurisdictions, fixed asset sales, and other sundry sales.

OTHER FINANCING SOURCES

This category of revenue represents debt proceeds received by the Town or funds that are transferred from another fund into the General Fund. Highlights include:

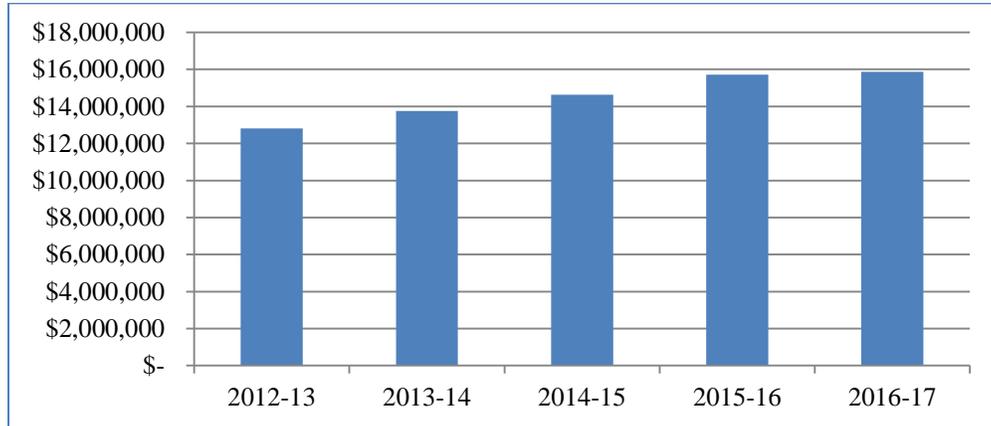
Lease-purchase – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition to the lease payment. However, an offsetting entry equal to the full cost value of the equipment is budgeted on the revenue side as lease proceeds. Thus, the true tax impact of the financed equipment is the lease or debt service payment only.

Transfers from Other Funds – While the General Fund is the major operating budget for the Town, several other funds exist where the Town may choose to transfer resources from those funds to the General Fund.

Fund Balance Appropriated

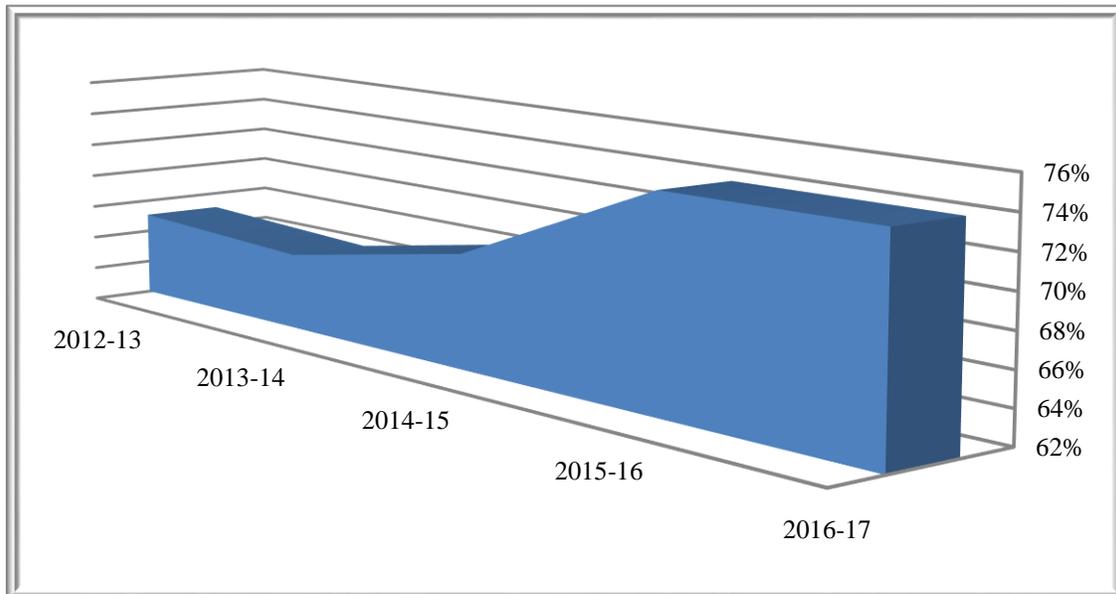
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation is determined by the differences between estimated expenditures and the expected revenues.

General Fund Balance as of June 30



Fund balance at the end of FY 2016-17 was \$15,878,104, which was an increase of \$162,763 from FY 2015-16.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues increased from 74.1% in FY 2015-16 to 74.2% in FY 2016-17.

GENERAL FUND EXPENDITURES SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	11,535,695	13,244,463	13,598,474	2.67%
OPERATING	8,152,404	9,168,046	9,048,469	-1.30%
CAPITAL OUTLAY	572,593	457,177	215,779	-52.80%
TOTAL	\$20,260,692	\$22,869,686	\$22,862,722	-0.03%

SUMMARY OF GENERAL FUND EXPENDITURES BY DEPARTMENT

DEPARTMENT	PERSONNEL SERVICES	OPERATING COSTS	CAPITAL OUTLAY	TOTAL	% CHANGE 2017-18 TOTAL ADOPTED BUDGET
MAYOR & ALDERMEN	\$ 116,341	\$ 240,600	\$ -	\$ 356,941	-3.1%
ADVISORY BOARDS	\$ -	\$ 17,350	\$ -	\$ 17,350	0.0%
GOVERNANCE SUPPORT	\$ -	\$ 642,654	\$ -	\$ 642,654	-13.6%
TOWN MANAGER	\$ 441,272	\$ 63,041	\$ 7,345	\$ 511,658	30.1%
ECONOMIC & COMM DEV.	\$ 133,709	\$ 114,910	\$ -	\$ 248,619	-1.9%
TOWN CLERK	\$ 124,531	\$ 37,450	\$ -	\$ 161,981	20.0%
FINANCE	\$ 577,539	\$ 570,102	\$ -	\$ 1,147,641	6.6%
HUMAN RESOURCES	\$ 484,382	\$ 76,600	\$ -	\$ 560,982	-10.2%
INFORMATION TECHNOLOGY	\$ 279,250	\$ 1,137,137	\$ 172,000	\$ 1,588,387	11.8%
POLICE	\$ 3,318,393	\$ 543,395	\$ 4,000	\$ 3,865,788	-3.0%
FIRE	\$ 2,769,858	\$ 273,033	\$ 27,434	\$ 3,070,325	5.0%
PLANNING	\$ 1,210,196	\$ 267,223	\$ -	\$ 1,477,419	0.0%
TRANSPORTATION	\$ -	\$ 1,811,000	\$ -	\$ 1,811,000	-1.3%
PUBLIC WORKS	\$ 2,130,411	\$ 1,522,021	\$ 5,000	\$ 3,657,432	1.4%
PARKS & RECREATION	\$ 1,217,233	\$ 387,668	\$ -	\$ 1,604,901	-2.7%
NON-DEPARTMENTAL	\$ 795,359	\$ 250,000	\$ -	\$ 1,045,359	-15.2%
DEBT SERVICE	\$ -	\$ 1,094,285	\$ -	\$ 1,094,285	-2.7%
TOTAL	\$ 13,598,474	\$ 9,048,469	\$ 215,779	\$22,862,722	-0.03%