

GENERAL FUND REVENUES

	FY 2014-15 ACTUAL	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED REVENUES	% CHANGE
AD VALOREM TAX				
PRIOR YEAR	335,647	314,047	335,647	6.9%
CURRENT YEAR	11,398,097	11,977,183	12,033,476	0.5%
PENALTY & INTEREST	38,049	24,240	24,240	0.0%
TOTAL AD VALOREM TAX	11,771,793	12,315,470	12,393,363	0.6%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% Art 39	1,314,851	1,209,881	1,258,276	4.0%
LOCAL OPTION SALES TAX 1/2% Art 40	948,129	971,828	1,010,701	4.0%
LOCAL OPTION SALES TAX 1/2% Art 42	660,239	609,093	633,456	4.0%
LOCAL OPTION SALES TAX 1/2% Art 44	348	737	766	4.0%
SALES TAX - CITY HOLD HARMLESS	973,633	1,034,147	1,075,513	4.0%
TOTAL LOCAL SALES TAX	3,897,200	3,825,686	3,978,713	4.0%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	375,379	286,910	375,379	30.8%
MOTOR VEHICLE LIC - TRANS ONLY	125,126	94,907	125,126	31.8%
MOTOR VEHICLE TAXES	721,938	353,758	721,937	104.1%
PRIVILEGE LICENSES	55,029	-	-	N/A
BEER & WINE PRIVILEGE LICENSE	1,470	958	1,000	4.4%
HOTEL/MOTEL OCCUPANCY TAX	160,381	142,845	194,085	35.9%
TOTAL OTHER TAXES/LICENSES	1,439,323	879,378	1,417,527	61.2%

UNRESTRICTED

INTERGOVERNMENTAL

FRANCHISE TAX-ELECTRIC	923,327	446,891	850,000	90.2%
PIPED NATURAL GAS TAX	80,406	34,152	31,660	-7.3%
VIDEO SALES PROGRAMMING	57,038	57,871	54,472	-5.9%
HOME SATELLITE SALES	68,272	68,914	68,170	-1.1%
WINE AND BEER	97,820	80,000	95,000	18.8%
TELECOMMUNICATIONS SALES TAX	250,269	187,766	138,208	-26.4%
NC DOT REIMBURSEMENT	4,498	-	5,010	N/A
EMS LOCATION RENT	12,000	12,000	12,000	0.0%
TOTAL UNRESTRICTED INTERGOVERNMENTAL	1,493,630	887,593	1,254,520	41.3%

RESTRICTED

INTERGOVERNMENTAL

POWELL BILL	494,221	499,163	494,257	-1.0%
SOLID WASTE DISPOSAL TAX DIST.	13,235	11,973	12,093	1.0%
PLANNING WORK GRANT	47,296	46,467	27,000	-41.9%
RECREATION-MUNICIPAL SUPPL.	35,898	27,193	27,193	0.0%
STROWD ROSES GRANT-MUSIC	-	10,514	10,514	0.0%
DEPT OF JUSTICE BLOCK GRANT	3,009	3,039	-	-100.0%
NC RISK MGMT GRANT	-	-	1,515	N/A
PEG CHANNEL SUPPORT	56,839	101	55,944	55290.1%
ABC BOARD GRANT	16,000	13,300	13,300	0.0%
TOTAL RESTRICTED INTERGOVERNMENTAL	666,499	611,751	641,816	4.9%

	FY 2014-15 ACTUAL	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED REVENUES	% CHANGE
FEES AND PERMITS				
RETURNED CHECK FEE	103	25	25	0.0%
TOWER REVENUE	139,909	134,038	135,378	1.0%
PRIVILEGE LICENSE, LATE FEE	1,266	-	-	N/A
COURT COST OFFICER FEES	3,198	2,370	2,394	1.0%
PARKING VIOLATIONS	3,735	2,778	2,805	1.0%
SCHOOL TRAFFIC CONTROL	10,000	10,000	10,000	0.0%
CHCCS - SRO CONTRACT	127,605	110,852	110,852	0.0%
ANIMAL VIOLATIONS	10,092	5,964	5,964	0.0%
FIRE DIST. FEES	516,460	540,270	540,270	0.0%
CAR SEAT SALES	1,175	695	695	0.0%
FALSE ALARM FEES	-	-	275	N/A
FIRE PERMIT FEES	4,592	4,828	5,000	3.6%
RE-INSPECTION FEE	-	-	1,500	N/A
REPORTS	65	71	100	40.3%
SIGN PERMITS	1,250	984	900	-8.5%
ENGINEERING FEE	28,783	18,190	18,554	2.0%
DEV REVIEW FEE	30,668	33,169	33,832	2.0%
TECHNICAL REVIEW-FUTURE EQPMT	13,860	14,130	14,413	2.0%
BUILDING PERMITS	79,708	74,544	76,035	2.0%
ELECTRIC PERMITS	80,189	78,707	80,281	2.0%
MECH. PERMITS	67,385	66,017	67,337	2.0%
RE-INSPECTION FEE	1,425	1,818	1,854	2.0%
PLUMBING	56,960	49,630	50,623	2.0%
HOMEOWNERS RECOVER FEES	161	165	168	2.0%
RECYCLING FEES	2,783	7,359	7,506	2.0%
STOCKING FEE	1,581	1,088	1,110	2.0%
STREET CUTS	410	414	422	2.0%
ENCROACHMENT FEE	2,750	1,768	1,803	2.0%
STREET SIGNS	280	283	288	2.0%
DRIVEWAY PERMIT FEES	1,300	1,091	1,113	2.0%
STREET CLOSING	5,700	5,419	5,527	2.0%
REFUSE COLLECTION FEES	1,216	999	1,019	2.0%
REFUSE COLLECTION - DUMPSTER	66,250	65,736	67,051	2.0%
TOTAL FEES & PERMITS	1,260,861	1,233,402	1,245,095	0.9%

SALES & SERVICES

RECREATION FEES	200,222	188,222	188,222	0.0%
DISCOUNT -RECREATION FEES	(10,020)	(8,168)	(8,168)	0.0%
SALES- MERCH & CONCESSIONS- MUSIC	1,150	1,125	1,125	0.0%
SALES- MERCH & CONCESSIONS- POETRY	-	58	60	3.4%
SALES- MERCH & CONCESSIONS- JULY	506	440	305	-30.7%
SALES- MERCH & CONCESSIONS- HALLO	193	386	376	-2.6%
SALES- MERCH & CONCESSIONS- FILM	2,473	3,846	2,771	-28.0%
TOWN CENTER FEES	89,210	89,385	86,524	-3.2%
DISCOUNT - TOWN CENTER FEES	(9,384)	(11,504)	(11,619)	1.0%
TOTAL SALES & SERVICES	274,349	263,790	259,596	-1.6%

INVESTMENT EARNINGS

INTEREST EARNED	1,992	1,078	1,110	3.0%
TOTAL INVESTMENT EARNINGS	1,992	1,078	1,110	3.0%

	FY 2014-15 ACTUAL	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED REVENUES	% CHANGE
OTHER REVENUES				
RENT-FARMER'S MKT	2,370	2,370	2,370	0.0%
ATM FEES	970	388	1,662	328.4%
PARKING CONTRIBUTION - CTDA	30,000	-	-	N/A
CTDA PPROGRAM SUPPORT	-	-	26,842	N/A
MISCELLANEOUS	191	193	978	406.8%
SALES OF CEMETERY LOTS	16,550	12,145	12,145	0.0%
SALE/ FIXED ASSETS	47,412	49,756	30,000	-39.7%
SALE/NON-FIXED ASSETS	1,851	-	-	N/A
RENTAL INCOME - CSFP UNDER 6	1,200	1,200	1,500	25.0%
RENTAL INCOME - FLEET FEET	23,111	-	-	N/A
RENTAL INCOME - CARRBORO COMM SOLAR	20	20	20	0.0%
DONATIONS - CD & MEMORABILIA	2,815	3,000	3,000	0.0%
MICELLANEOUS - ECD	-	-	-	N/A
MISCELLANEOUS - TOWN MANAGER	-	-	-	N/A
MISCELLANEOUS - FINANCE	4,816	2,835	2,835	0.0%
SEIZURE REVENUE-STATE	2,146	-	-	N/A
PRECIOUS METAL DEALER FEE	-	-	200	N/A
POLICE MISCELLANEOUS	3,686	2,656	2,511	-5.5%
FIRE MISC ELLANEOUS	1,529	12,680	1,125	-91.1%
MISCELLANEOUS-PW	2,566	1,014	2,302	127.0%
REFUSE CART SALES	3,710	3,230	3,262	1.0%
YARD WASTE CONTAINERS	3,527	2,433	2,457	1.0%
MISCELLANEOUS R & P	73	43	1,172	2597.7%
DONATIONS	-	-	343	N/A
DONATIONS - CARRBORO DAY	480	141	-	N/A
DONATIONS - MUSIC FESTIVAL	23,989	23,989	34,989	45.9%
DONATIONS-POETRY FESTIVAL	1,060	1,060	3,060	188.7%
DONATIONS - JULY 4TH	760	-	-	N/A
DONATIONS - FILM FESTIVAL	9,546	9,546	18,746	96.4%
DONATIONS ARTS COMMITTEE	104	75	75	1.0%
OPEN STREETS	2,068	2,089	2,110	1.0%
PLANNING MISC.	106	46	47	1.0%
TOTAL OTHER REVENUES	186,657	131,459	153,751	17.0%
OTHER FINANCING SOURCES				
INSTALLMENT FINANCING PROCEEDS	717,102	621,180	411,306	-33.8%
FUND BALANCE APPROPRIATED	-	624,916	275,559	-55.9%
TRANSFER FR CAP RESERVE FUND	176,945	176,945	-	-100.0%
TOTAL OTHER FINANCING SERVICES	894,047	1,423,041	686,865	-51.7%
TOTAL REVENUES	21,886,351	\$21,572,647	\$22,032,357	2.1%

GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2016-17 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 licenses, privilege licenses, and the Time-Warner Franchise.

Privilege Licenses – The NC General Assembly eliminated Privilege Licenses as of July 1, 2015.

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:

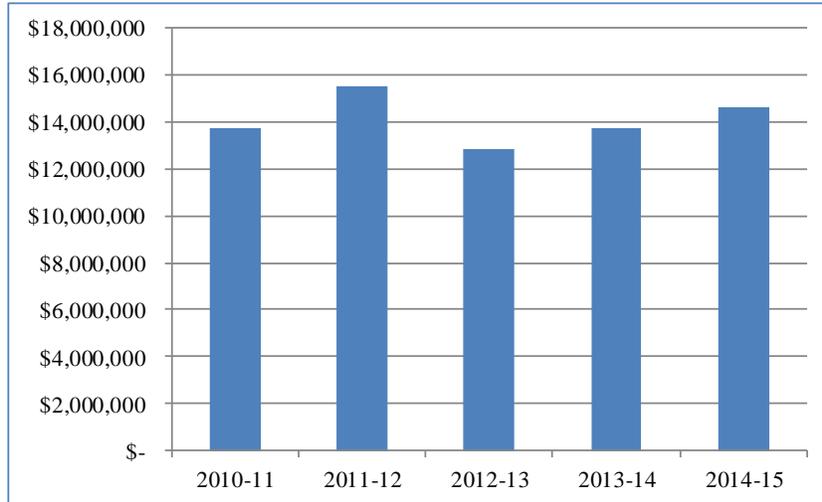
Lease-purchase or Bond Proceeds – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment or bond financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that 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

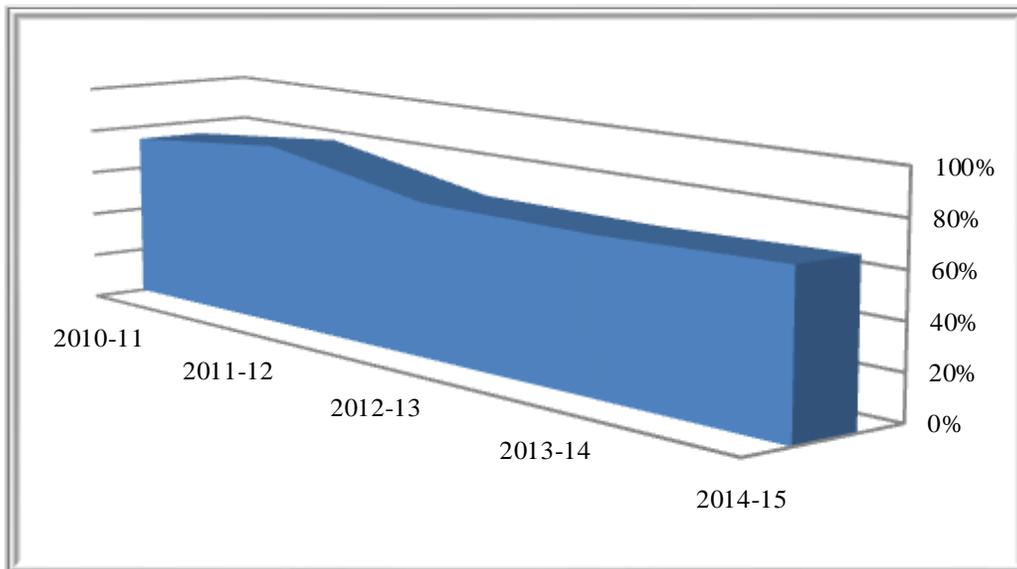
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation 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 2014-15 was \$14,625,430, which was an increase of \$860,529 from FY 2013-14.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues increased 2.2% from 66.5% in FY 2013-14 to 68.7% for FY 2014-15.

GENERAL FUND SUMMARY OF EXPENDITURES

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	11,321,997	11,918,907	12,554,270	5.3%
OPERATING	7,925,831	8,942,810	8,961,498	0.2%
CAPITAL OUTLAY	1,167,057	710,930	516,589	-27.3%
TOTAL	\$20,414,885	\$21,572,647	\$22,032,357	2.1%

GENERAL FUND EXPENDITURES BY DEPARTMENT

DEPARTMENT	PERSONNEL SERVICES	OPERATING COSTS	CAPITAL OUTLAY	TOTAL
MAYOR & ALDERMEN	101,027	177,100	0	278,127
ADVISORY BOARDS	0	17,850	0	17,850
GOVERNANCE SUPPORT	0	650,815	0	650,815
TOWN MANAGER	336,198	86,645	0	422,843
ECONOMIC & COMM DEV.	128,790	122,190	0	250,980
TOWN CLERK	114,072	19,400	0	133,472
FINANCE	500,124	562,672	0	1,062,796
HUMAN RESOURCES	525,937	98,350	0	624,287
INFORMATION TECHNOLOGY	275,494	983,808	92,000	1,351,302
POLICE	3,055,209	468,525	287,496	3,811,230
FIRE	2,559,566	276,499	0	2,836,065
PLANNING	1,123,016	261,865	0	1,384,881
TRANSPORTATION	0	1,720,288	0	1,720,288
PUBLIC WORKS	2,036,953	1,553,650	137,093	3,727,696
PARKS & RECREATION	1,216,433	451,148	0	1,667,581
NON-DEPARTMENTAL	581,451	290,000	0	871,451
DEBT SERVICE	0	1,220,693	0	1,220,693
TOTAL	\$12,554,270	\$8,961,498	\$516,589	\$22,032,357