

GENERAL FUND REVENUES

Account Description	FY 2019-20 Actuals	FY 2020-21 Adopted Budget	FY 2021-22 Adopted Budget	FY21 to FY22 Percent Change
AD VALOREM TAXES				
PRIOR YEAR TAXES	64,675	78,000	65,000	-16.67%
CURRENT YEAR TAXES	13,174,882	13,050,000	13,969,675	7.05%
PENALTY AND INTEREST	35,613	28,500	28,500	0.00%
AD VALOREM TAXES Total	13,275,170	13,156,500	14,063,175	6.89%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% 39	1,526,866	1,433,374	1,536,947	7.23%
LOCAL OPTION SALES TAX 1/2% 40	1,174,894	1,002,454	1,211,427	20.85%
LOCAL OPTION SALES TAX 1/2% 42	766,912	716,996	790,621	10.27%
LOCAL OPTION SALES TAX 1/2% 44	29,695	27,406	30,904	12.76%
CITY HOLD HARMLESS	1,273,951	1,061,972	1,325,771	24.84%
LOCAL SALES TAXES Total	4,772,318	4,242,202	4,895,670	15.40%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	369,355	386,800	386,000	-0.21%
MOTOR VEHICLE LIC - TRANS ONLY	66,549	70,000	68,000	-2.86%
MOTOR VEHICLE TAXES	1,018,497	1,042,000	1,070,000	2.69%
MOTOR VEHICLE GROSS RECEIPTS	47	45	46	2.22%
REFUNDS - NCVTS	(33,663)	(24,500)	(31,800)	29.80%
COLLECTION FEES - NCVTS	(34,811)	(37,500)	(39,000)	4.00%
BEER & WINE LICENSE	1,235	1,200	1,250	4.17%
HOTEL/MOTEL OCCUPANCY TAX	148,658	165,000	3,093	-98.13%
OTHER TAXES/LICENSES Total	1,535,867	1,603,045	1,457,589	-9.07%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX	999,131	973,888	990,000	1.65%
PIPED NATURAL GAS TAX	41,235	47,600	42,000	-11.76%
VIDEO SALES PROGRAMMING	63,408	56,500	61,000	7.96%
DIRECT-TO-HOME SATELLITE SALES	55,242	57,800	54,000	-6.57%
WINE AND BEER	89,096	90,000	91,000	1.11%
NC DOT RIGHT-OF WAY REIM	4,777	6,300	5,000	-20.63%
SALES TAX-TELECOMMUNICATIONS	144,092	145,600	155,000	6.46%
EMS LOCATION	12,000	12,000	15,000	25.00%
UNRESTRICTED INTERGVMT Total	1,408,981	1,389,688	1,413,000	1.68%

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RESTRICTED INTERGVMT				
SUPPLEMENTAL PEG CHANNEL SUPPORT	54,705	53,750	54,400	1.21%
POWELL BILL	475,126	475,000	460,000	-3.16%
PLANNING WORK GRANT	17,371	25,000	25,000	0.00%
SOLID WASTE DISPOSAL TAX DIST	15,676	14,500	15,500	6.90%
RECREATION-MUNICIPAL SUPPLEM	35,898	35,898	35,898	0.00%
SEIZURES REVENUE STATE	13,835	5,000	5,000	0.00%
SCHOOL TRAFFIC CONTROL	10,000	10,000	10,000	0.00%
ABC BOARD GRANT	19,000	19,000	19,000	0.00%
DEPT JUSTICE BLOCK GRANT	1,242	-	600	#DIV/0!
FEMA REIMBURSEMENT GRANT	76,046	-	-	#DIV/0!
FEDERAL CARES ACT	41,500	57,500	-	-100.00%
RESTRICTED INTERGVMT Total	760,399	695,648	625,398	-10.10%

PERMITS & FEES

STREET CUTS	220	100	100	0.00%
ENCROACHMENT FEE	1,500	2,000	1,900	-5.00%
REPORTS	100	-	-	#DIV/0!
TECHNICAL REVIEW-FUTURE EQUIPMT	51,253	30,000	50,000	66.67%
COURT COST OFFICER FEES	3,709	2,750	3,000	9.09%
PARKING VIOLATIONS	1,975	-	1,400	#DIV/0!
ANIMAL VIOLATIONS	7,358	7,000	7,000	0.00%
FIRE PERMITTING FEES	2,120	1,600	1,700	6.25%
FIRE DISTRICT FEES	575,344	568,695	570,000	0.23%
SCHOOL RESOURCE OFFICER FEES	163,395	163,394	163,394	0.00%
CAR SEAT SALES	160	200	200	0.00%
BUILDING PERMITS	60,560	60,000	60,000	0.00%
ELECTRICAL PERMITS	56,455	60,000	58,000	-3.33%
MECHANICAL PERMITS	65,293	62,000	65,000	4.84%
RE-INSPECTION FEES	75	900	300	-66.67%
PLUMBING PERMITS	25,954	33,000	26,000	-21.21%
HOMEOWNERS RECOVER FEES	96	-	100	#DIV/0!
SIGN PERMITS	900	500	-	-100.00%
REFUSE COLLECTION FEES	1,939	2,200	2,000	-9.09%
ENGINEERING FEES	880	6,000	-	-100.00%
REFUSE COLLECTION-DUMPSTER	54,951	54,000	54,000	0.00%
DEVELOPMENT REVIEW FEES	73,361	30,000	32,500	8.33%
STREET SIGNS	-	100	-	-100.00%
DRIVEWAY PERMIT FEES	860	800	800	0.00%
STREET CLOSING	475	600	600	0.00%
TOWER REVENUE	128,609	130,890	135,666	3.65%
NETWORK HUT LEASE	5,200	5,200	5,200	0.00%
PERMITS & FEES Total	1,282,742	1,221,929	1,238,860	1.39%

Town of Carrboro, NC

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Adopted Annual Budget
Fiscal Year 2022

GENERAL FUND REVENUES

Account Description	FY 2019-20 Actuals	FY 2020-21 Adopted Budget	FY 2021-22 Adopted Budget	FY21 to FY22 Percent Change
SALES & SERVICES				
RECREATION FEES	128,531	95,000	142,319	49.81%
DISCOUNT-RECREATION FEES	(5,658)	(2,750)	(10,000)	263.64%
SALES-MERCHANDISE & CONCESSION	2,931	1,500	1,500	0.00%
TOWN CENTER FEES	61,335	46,000	45,000	-2.17%
DISCOUNT-TOWN CENTER FEES	(15,201)	(8,500)	(7,000)	-17.65%
SALES & SERVICES Total	171,938	131,250	171,819	30.91%
INVESTMENT EARNINGS				
INTEREST EARNED	146,084	140,000	40,000	-71.43%
INVESTMENT EARNINGS Total	146,084	140,000	40,000	-71.43%
OTHER REVENUES				
RENT-FARMERS MARKET	2,370	2,370	2,370	0.00%
ATM FEES	2,195	700	700	0.00%
RENTAL INCOME	10	-	-	#DIV/0!
MISCELLANEOUS	37,339	12,300	12,600	2.44%
RISK MANAGEMENT/SAFETY REVENUE	60,217	25,000	25,000	0.00%
REFUSE CART SALES	5,549	4,400	4,400	0.00%
YARD WASTE CONTAINERS	4,584	3,700	3,700	0.00%
LARGE COMPOST BIN	45	900	200	-77.78%
SMALL COMPOST BIN	-	100	100	0.00%
DONATIONS	109,905	98,800	98,500	-0.30%
SALE OF LOTS	85,575	30,000	40,000	33.33%
SALE OF FIXED ASSETS	32,418	60,000	60,000	0.00%
SALE OF NON-FIXED ASSETS	31,436	5,000	5,000	0.00%
OTHER REVENUES Total	371,643	243,270	252,570	3.82%
OTHER FINANCING SOURCES				
TRF FROM CAPITAL PROJECTS FUND	92,432	-	-	#DIV/0!
FUND BALANCE APPROPRIATED	-	2,239,574	1,189,720	-46.88%
OTHER FINANCING SRCE Total	92,432	2,239,574	1,189,720	-46.88%
Totals	\$ 23,817,574	\$ 25,063,106	\$ 25,347,801	1.14%

GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2021-22 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, and hotel and motel room occupancy tax.

Motor Vehicle License Tax –The vehicle license fee 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 and maintenance.

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.

Federal CARES Act – The Coronavirus Aid, Relief, and Economic Security Act, is a law intended to address the economic fallout of the COVID-19 pandemic in the United States.

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 officer 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 are for the 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. Highlights include:

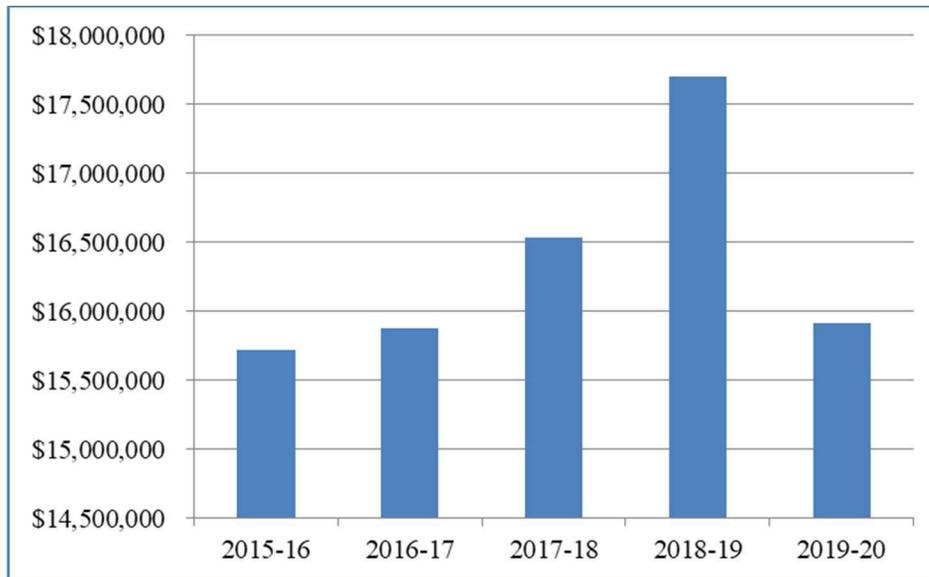
Lease-purchase – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition 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 between funds.

Fund Balance Appropriated

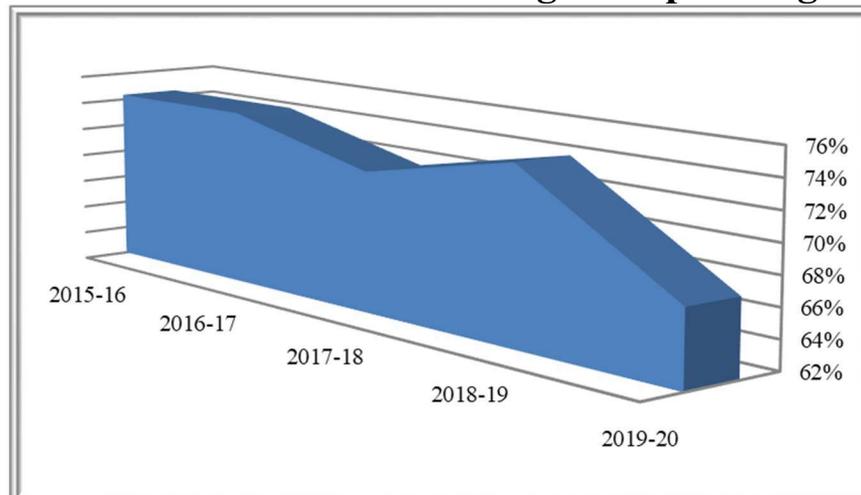
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation 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 2019-20 was \$15,911,609, which was a decrease of \$1,792,642 from FY 2018-19.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues decreased 6.9% from 74.1% in FY 2018-19 to 67.2% for FY 2019-20.

General Fund Expenditures

General Fund Budget Summary

	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	14,965,571	15,173,947	1.4%
Operating	9,072,885	9,308,954	2.6%
Capital Outlay	118,600	189,400	59.7%
Transfers	906,050	675,500	-25.4%
TOTAL	\$25,063,106	\$25,347,801	1.1%

FY 2021-22 General Fund Expenditures by Department

	Personnel Costs	Operating Costs	Capital Outlay	Transfers Out	Total	% Change vs FY21 Orig Bdgt
Mayor and Town Council	\$ 106,682	334,600			\$ 441,282	12.77%
Advisory Boards	-	53,950			53,950	46.60%
Town Manager	230,715	61,975	-		292,690	-23.96%
Economic Development	110,497	21,630			132,127	-58.08%
Climate Action	169,059	139,190	-		308,249	137.86%
Communication & Engagement	147,071	30,217			177,288	#DIV/0!
Housing & Community Services	242,199	346,705			588,904	9.43%
Town Clerk	132,905	21,545			154,450	-1.09%
Finance	699,450	556,175			1,255,625	-1.80%
Human Resources	634,545	89,720			724,265	11.79%
Information Technology	435,943	1,452,050	30,000		1,917,993	9.69%
Police	3,528,094	478,280	-		4,006,374	-4.40%
Fire	2,874,299	270,414	56,800		3,201,513	0.48%
Planning	1,368,029	300,313			1,668,342	6.70%
Transportation		1,928,168	83,600		2,011,768	-0.88%
Public Works	2,438,242	1,569,514	19,000		4,026,756	-2.11%
Recreation, Parks, & Cultural Resources	1,362,850	545,718	-		1,908,568	3.50%
Non-Departmental	693,367	232,000		675,500	1,600,867	14.10%
Debt Service		876,790			876,790	-20.67%
Total Expenditure Budget	\$ 15,173,947	\$ 9,308,954	\$ 189,400	\$ 675,500	\$ 25,347,801	1.14%

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