

# FUND SUMMARIES

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# FUND SUMMARIES

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**Fund Accounting.** Local government activities are budgeted and accounted for in a number of separate fiscal entities known as "funds." In the Winston-Salem city government, funds have been set up to segregate activities or objectives in accordance with special regulations, restrictions, or limitations. The funds established by the City of Winston-Salem fall into three categories: governmental, proprietary, or fiduciary. The budget includes all funds in these categories except for the police retirement fund (in the fiduciary category), which may be excluded from the local budget ordinances according to the North Carolina General Statutes in the Local Government Budget and Fiscal Control Act.

## **Governmental Funds**

**The General Fund Group.** The general fund is the principal operating fund of the city, accounting for the expenses and resources for services to the public such as police, fire, sanitation, streets, transportation, and recreation. These services are supported by general purpose revenues such as property taxes, local option sales tax, intergovernmental revenues, charges for services, except for those that are designated by state law or local ordinance to be recorded in another fund group. Included in the general fund are a number of interdepartmental services previously accounted for in separate internal service funds (information systems, fleet management services, and warehouse services.)

**Special Revenue Funds.** Special revenue funds provide full budgetary accountability for restricted or limited resources (other than assessments and operating or capital grants to enterprise funds). Restrictions on resources may be federal, state, or local; and a special revenue fund is established when required by legal mandate or sound financial management practices. These funds are as follows:

- Community Development Block Grant Fund
- Home Investment Partnership Fund
- Housing Finance Assistance Fund
- Mortgage Revenue Bond Fund
- Real Estate Management Fund
- Economic Development Loan Fund
- Economic Development Project Fund
- Urban Development Action Grant Fund

- Powell Bill Fund (Gas Tax)
- Mass Transit Tax Fund
- Grants Fund
- Sales Tax Fund
- Occupancy Tax Fund
- Cable Franchise Fee Fund
- Emergency Telephone System Fund
- E-911 Wireless Fund

**Debt Service Fund.** The debt service fund accounts for the accumulation of resources for the payment of interest and current maturities of general obligations. Long-term obligations and related debt service for water and sewer, parking, and other enterprise programs are recorded in their respective funds.

**Capital Project Funds.** The capital projects fund provides budgetary accountability for financial resources used for the acquisition or construction of major capital improvements. Typically, projects are funded by two-thirds bonds, federal and state capital funds, general fund balance appropriations, and capital reserves. Also included in the capital funds category are three capital leasing funds: the leasing equipment acquisition fund that accounts for the full cash value of lease purchased items; the leasing capital projects fund that accounts for all projects funded through leases; and the leasing fund that accounts for the lease borrowing amount, the lease payments, and the balloon payments to retire the lease-debt.

## **Proprietary Funds**

**Enterprise Capital Project Funds.** These funds provide budgetary accountability for financial resources used for the acquisition or construction of major capital improvements for enterprise or internal service operations. Typically, projects are funded by revenue bonds, special obligation bonds, enterprise fund capital reserves, federal and state capital funds, and certificates of participation.

## **Fiduciary Funds**

**Employee Benefits Funds.** These funds account for employment and post-employment benefits, including health, life, workers' compensation, dental/flex, retirement, and social security.

# FUND SUMMARIES

**Measurement Focus.** Governmental funds (general, special revenue, debt service and capital projects) use a "flow of current financial resources" as its measurement focus. This means that the financial statements report whether the fund is better or worse off financially in the short term as a result of transactions and events of the period. Proprietary funds (enterprise and enterprise capital funds) use the "flow of economic resources" as a measurement focus.

**Basis of Accounting.** Governmental funds use the modified accrual basis of accounting. Under this basis, revenues are recognized in the period received and are accrued if considered to be both measurable and available to pay current liabilities. Major revenue sources include property and other local taxes, intergovernmental revenues, and investment income. Expenditures are recognized when a liability is incurred. An exception to this practice is interest on general obligation debt, which is reported according to due date.

Proprietary funds use the accrual basis of accounting. Under this basis revenues are recognized in the period earned, and expenses are recognized in the period incurred.

**Budgetary Accounting.** Budgetary accounting is used for management control of all funds of the city. Annual budget ordinances are adopted on the modified accrual basis at the fund level and amended as required for the operations of the general, debt service, certain special revenue, and proprietary funds. Because the proprietary funds are accounted for and budgeted for using different bases of accounting, the following differences are inherent in the financial statements and the budget ordinances:

**Capital Outlays:** According to generally accepted accounting principles (GAAP), capital outlays are not reflected in the operating statements of proprietary funds, because the purchase of a capital item does not affect the fund's economic resources. This is because a proprietary fund is not economically better or worse off when one asset (cash) is exchanged for another asset (equipment). Because the budget is adopted using modified accrual for all funds, including proprietary funds, the budget treats capital outlay acquisition as an "expenditure" regardless of the fund.

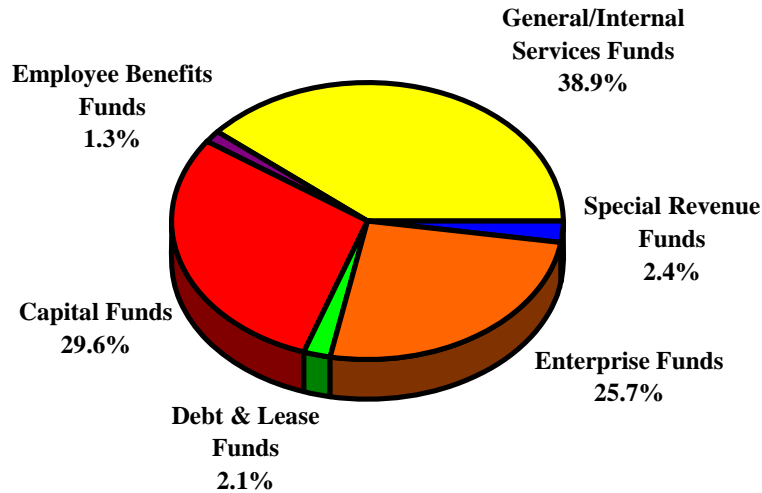
**Debt Service Principal Payments:** In the financial statements, proprietary funds do not report payments of debt service principal in their operating statements. These funds are not considered to be worse off economically when both debt and assets are reduced by the same amount. The budget is prepared using the modified accrual basis of accounting; therefore, the budget ordinances include debt service principal payments in the proprietary funds.

**Depreciation:** Depreciation allocates the cost of fixed assets to the periods that benefit from the use of those assets. According to generally accepted accounting principles (GAAP), proprietary funds use depreciation accounting and report depreciation in their operating statements. This accounting reflects the fact that these funds are economically worse off as their assets are consumed. Budgetary accounting, on the other hand, does not use depreciation accounting because the financial effect of the purchase of a capital item occurs when it is purchased, not when it is consumed.

## FUND ACCOUNTING SUMMARY

Fund Type	Fund Category	Basis of Accounting	Budgetary Accounting
General Fund Group	Governmental	Modified Accrual	Modified Accrual
Special Revenue	Governmental	Modified Accrual	Modified Accrual
Debt Service	Governmental	Modified Accrual	Modified Accrual
Capital Projects	Governmental	Modified Accrual	Modified Accrual
Enterprise	Proprietary	Accrual	Modified Accrual
Fiduciary	Fiduciary	Modified Accrual	Modified Accrual

# NET EXPENDITURES BY FUND

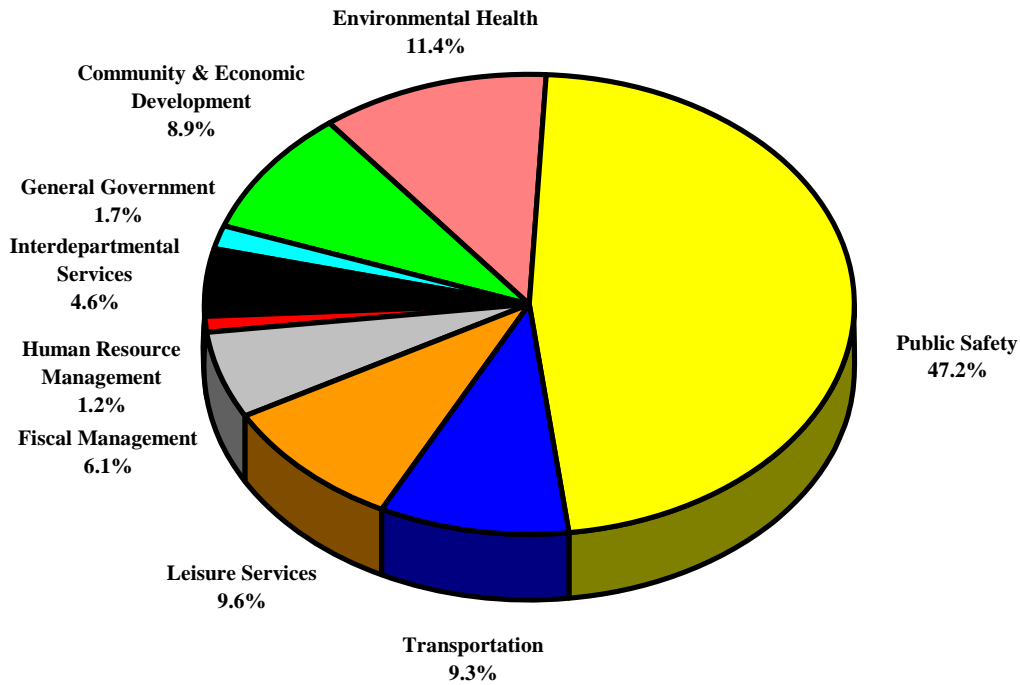


**Net Expenditures: \$388.7 Million**

## TOTAL EXPENDITURES BY FUND

	<u>Amended FY 06-07</u>	<u>Adopted FY 07-08</u>	<u>Percent Change</u>	<u>Transfers &amp; Interfund Charges</u>	<u>Net Expenditures</u>
<b><u>Operating Expenditures</u></b>					
General Fund	\$163,417,300	\$166,873,210	2.1%	-\$16,355,500	\$150,517,710
General Fund/Internal Services	5,046,060	5,325,550	5.5%	-4,610,500	715,050
Special Revenue Funds	29,701,180	33,741,250	13.6%	-24,500,200	9,241,050
Enterprise Funds	101,989,760	108,361,980	6.3%	-8,635,900	99,726,080
<b>Subtotal</b>	<b>\$300,154,300</b>	<b>\$314,301,990</b>	<b>4.7%</b>	<b>-\$54,102,100</b>	<b>\$260,199,890</b>
<b><u>Debt and Lease</u></b>					
Debt Service Fund	\$17,004,100	\$16,198,190	-4.7%	-\$119,130	\$16,079,060
Leasing Fund	21,597,100	5,959,000	-72.4%	-13,775,000	-7,816,000
<b>Subtotal</b>	<b>\$38,601,200</b>	<b>\$22,157,190</b>	<b>-42.6%</b>	<b>-\$13,894,130</b>	<b>\$8,263,060</b>
<b><u>Capital Expenditures</u></b>					
Capital Projects Fund	\$3,614,530	\$27,866,000	671.0%	\$0	\$27,866,000
Enterprise Capital Projects	73,078,600	79,326,310	8.6%	0	79,326,310
Leasing Equipment Acquisition	11,107,580	7,992,680	-28.0%	0	7,992,680
<b>Subtotal</b>	<b>\$87,800,530</b>	<b>\$115,184,990</b>	<b>31.1%</b>	<b>\$0</b>	<b>\$115,184,990</b>
<b><u>Fiduciary Funds</u></b>					
Employee Benefits Funds	\$43,684,320	\$42,330,930	-3.1%	-\$37,231,070	\$5,099,860
<b>Total Expenditures</b>	<b>\$470,240,350</b>	<b>\$493,975,100</b>	<b>5.1%</b>	<b>-\$105,227,300</b>	<b>\$388,747,800</b>

# GENERAL FUND EXPENDITURES BY SERVICE AREA



**Total \$166.9 Million**

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Community and Economic Development</b>				
City/County Planning	\$2,550,922	\$2,765,900	\$2,960,260	7.0%
City/County Inspections	4,121,070	4,721,670	4,623,670	-2.1%
Development	536,960	617,330	629,930	2.0%
Housing Development Administration	669,513	726,390	729,050	0.4%
Neighborhood Services	3,009,994	3,812,420	4,035,210	5.8%
Arts and Sciences Community Agencies	410,874	437,500	487,500	11.4%
Non-Departmental				
Support to Other Funds				
Housing Finance Assistance Fund	24,590	92,600	86,310	-6.8%
Economic Development Projects Fund	127,860	778,370	1,238,860	59.2%
Capital Projects Fund	85,000	0	0	0%
<b>Subtotal</b>	<b>\$11,536,784</b>	<b>\$13,952,180</b>	<b>\$14,790,790</b>	<b>6.0%</b>

## **GENERAL FUND EXPENDITURES BY SERVICE AREA**

	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
<b>Environmental Health</b>				
Sanitation	\$15,907,732	\$17,858,640	\$19,150,560	7.2%
Non-Departmental				
Support to Other Funds				
Cemeteries Fund	18,183	24,230	21,680	-10.5%
Interdepartmental Credits	-84,425	-87,780	-87,780	0%
<b>Subtotal</b>	<b>\$15,841,491</b>	<b>\$17,795,090</b>	<b>\$19,084,460</b>	<b>7.2%</b>
<b>Public Safety</b>				
Police	\$46,786,414	\$53,500,670	\$53,921,020	0.8%
Fire	21,357,675	23,496,220	24,395,360	3.8%
Emergency Management	380,683	406,990	449,840	10.5%
Non-Departmental				
Support to Other Funds				
Capital Projects Fund	163,130	0	0	0%
<b>Subtotal</b>	<b>\$68,687,902</b>	<b>\$77,403,880</b>	<b>\$78,766,220</b>	<b>1.8%</b>
<b>Transportation</b>				
Transportation System Management	\$6,067,873	\$6,656,210	\$7,613,960	14.4%
Streets Maintenance	5,004,559	6,024,480	6,128,910	1.7%
Public Works Communications	324,253	316,450	326,790	3.3%
Non-Departmental				
Support to Other Funds				
Parking Fund	907,287	1,065,990	1,053,370	-1.2%
Mass Transit Tax Fund	0	1,205,270	0	-100.0%
Capital Projects Fund	100,000	50,000	550,000	NA
Interdepartmental Credits	-60,013	0	-60,000	
<b>Subtotal</b>	<b>\$12,343,960</b>	<b>\$15,318,400</b>	<b>\$15,613,030</b>	<b>1.9%</b>
<b>Leisure Services</b>				
Recreation and Parks	\$8,469,735	\$9,251,290	\$9,627,200	4.1%
Vegetation Management	4,436,832	4,984,630	5,195,240	4.2%
Non-Departmental				
Support to Other Funds				
Winston-Salem Entertainment-Sports Complex	770,277	725,130	725,130	0%
Convention Center Fund	630,081	415,990	415,990	0%
Capital Projects Fund	20,140	0	0	0%
<b>Subtotal</b>	<b>\$14,327,065</b>	<b>\$15,377,040</b>	<b>\$15,963,560</b>	<b>3.8%</b>

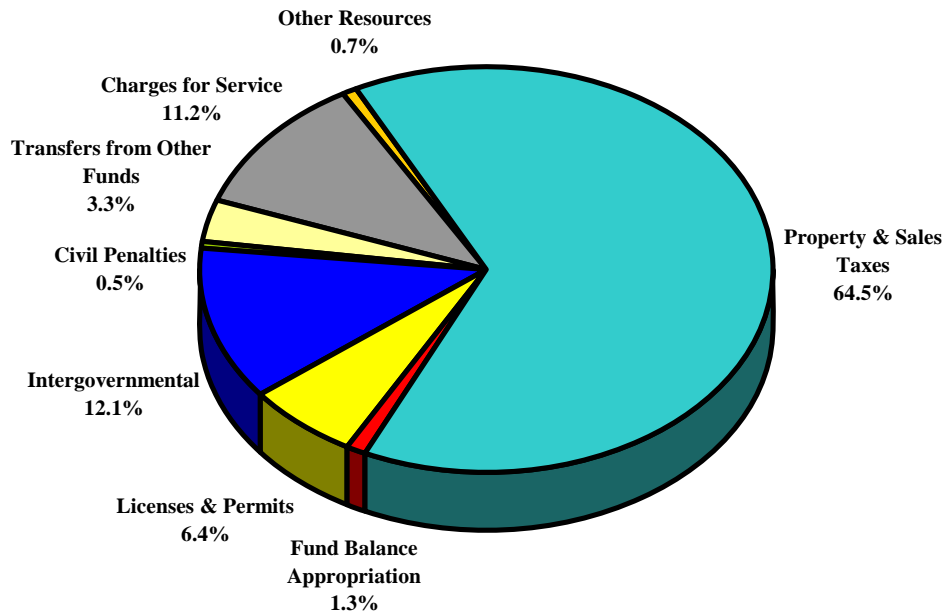
# **GENERAL FUND EXPENDITURES BY SERVICE AREA**

	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
<b>Fiscal Management</b>				
Financial Management Services	\$7,429,907	\$8,785,400	\$8,684,330	-1.2%
Budget and Evaluation	528,804	549,450	564,510	2.7%
Internal Audit	352,915	307,060	315,540	2.8%
Claims for Damages	532,372	560,780	572,220	2.0%
Non-Departmental (one-time annexation expense)	0	635,590	0	-100.0%
<b>Subtotal</b>	<b>\$8,843,998</b>	<b>\$10,838,280</b>	<b>\$10,136,600</b>	<b>-6.5%</b>
<b>Human Resource Management</b>				
Human Resources	\$1,479,091	\$1,538,340	\$1,732,270	12.6%
Employee Wellness and Development	191,709	185,270	187,440	1.2%
<b>Subtotal</b>	<b>\$1,670,800</b>	<b>\$1,723,610</b>	<b>\$1,919,710</b>	<b>11.4%</b>
<b>Interdepartmental Services</b>				
Engineering	\$3,339,160	\$3,712,580	\$3,787,250	2.0%
Real Estate	501,989	567,690	586,800	3.4%
Mail and Printing Services	272,105	538,460	606,960	12.7%
Property Maintenance	4,180,417	4,482,500	4,436,000	-1.0%
Information Systems	761,267	1,210,080	1,189,350	-1.7%
Non-Departmental				
Support to Other Funds				
Capital Projects Fund	50,000	330,000	0	-100.0%
Interdepartmental Credits	-2,901,032	-2,877,310	-2,900,720	0.8%
<b>Subtotal</b>	<b>\$6,203,905</b>	<b>\$7,964,000</b>	<b>\$7,705,640</b>	<b>-3.2%</b>
<b>General Government</b>				
Policy Leadership	\$1,269,263	\$1,235,480	\$1,323,700	7.1%
City Manager	1,176,356	1,126,880	1,112,680	-1.3%
Citizen Contact Center	0	235,000	214,870	-8.6%
Office of Organizational Effectiveness	30,040	0	0	0%
City Secretary	372,722	368,010	374,260	1.7%
Marketing and Communications	862,969	826,150	830,640	0.5%
Human Relations	269,768	269,200	312,020	15.9%
Board of Elections	332,690	319,780	225,630	-29.4%
Non-Departmental				
Contingency	0	128,800	0	-100.0%
Salary Savings Adjustment	650,000	-2,088,340	-2,124,460	1.7%

## **GENERAL FUND EXPENDITURES BY SERVICE AREA**

	<b><u>Actual</u></b> <b><u>FY 05-06</u></b>	<b><u>Amended</u></b> <b><u>FY 06-07</u></b>	<b><u>Adopted</u></b> <b><u>FY 07-08</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
Support to Other Funds				
Debt Service Fund	623,860	623,860	623,860	0%
<b>Subtotal</b>	<b>\$5,587,669</b>	<b>\$3,044,820</b>	<b>\$2,893,200</b>	<b>-5.0%</b>
<b>Total Expenditures By Service Area</b>	<b>\$145,043,574</b>	<b>\$163,417,300</b>	<b>\$166,873,210</b>	<b>2.1%</b>

# GENERAL FUND RESOURCES BY TYPE



**Total \$166.9 Million**

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Taxes</b>				
Property Taxes - Current Year	\$69,991,764	\$71,902,710	\$80,732,560	12.3%
Property Taxes - Prior Year	1,383,947	800,000	800,000	0%
Sales Tax ( 1% Article 39 )	13,408,151	14,208,250	13,706,620	-3.5%
Sales Tax ( 1% Articles 40 & 42 )	5,746,522	5,943,340	6,797,630	14.4%
Sales Tax ( 1/2% Article 44 )	5,274,124	5,401,240	5,615,730	4.0%
<b>Subtotal</b>	<b>\$95,804,508</b>	<b>\$98,255,540</b>	<b>\$107,652,540</b>	<b>9.6%</b>
<b>Licenses and Permits</b>				
Construction Permits	\$4,370,170	\$4,515,750	\$4,118,970	-8.8%
Privilege Licenses	2,202,439	2,271,270	2,366,160	4.2%
Gross Receipts Tax	163,728	191,350	191,350	0%
Motor Vehicle License Taxes	1,464,837	1,533,980	1,579,760	3.0%
Cable Franchise Fee	1,886,669	2,217,750	2,183,540	-1.5%
Other Licenses and Permits	297,832	285,000	269,800	-5.3%
<b>Subtotal</b>	<b>\$10,385,676</b>	<b>\$11,015,100</b>	<b>\$10,709,580</b>	<b>-2.8%</b>

# GENERAL FUND RESOURCES BY TYPE

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Intergovernmental Resources</b>				
State Collected Local Revenues				
Utilities Franchise Tax	\$9,719,791	\$9,879,860	\$10,464,840	5.9%
Beer and Wine Tax	863,670	894,280	1,008,590	12.8%
Gasoline Tax	5,015,693	5,107,280	5,814,550	13.8%
"Hold Harmless" Payment	2,575,355	2,243,500	2,004,490	-10.7%
Other Intergovernmental Resources				
ABC Allocation	672,987	677,280	677,490	0%
Housing Authority Payment in Lieu of Taxes	46,358	46,360	55,300	19.3%
Piedmont Authority for Regional				
Transportation	94,914	102,530	88,900	-13.3%
Other State Resources	137,013	104,220	115,280	10.6%
Miscellaneous	0	635,590	0	-100.0%
<b>Subtotal</b>	<b>\$19,125,781</b>	<b>\$19,690,900</b>	<b>\$20,229,440</b>	<b>2.7%</b>
<b>Charges for Service</b>				
Governmental Sales and Service				
Parking Meter Revenue	\$4,225,653	\$4,181,250	\$4,188,460	0.2%
Charges to the State	74,596	60,000	60,000	0%
Charges to Forsyth County	432,608	521,430	494,860	-5.1%
Charges to WS/FC School Board	1,838,282	2,313,020	2,444,060	5.7%
Charges to Other Municipalities	125,000	125,000	125,000	0%
Interfund Charges	67,186	62,630	67,030	7.0%
Interfund Charges	9,984,304	11,363,960	11,346,070	-0.2%
<b>Subtotal</b>	<b>\$16,747,629</b>	<b>\$18,627,290</b>	<b>\$18,725,480</b>	<b>0.5%</b>
<b>Civil Penalties</b>				
Parking Tickets	\$291,890	\$284,640	\$300,000	5.4%
Housing Code Violations	293,503	243,450	306,500	25.9%
Erosion Control Civil Penalties	46,400	20,000	30,000	50.0%
False Alarm Civil Penalties	217,900	210,000	200,000	-4.8%
<b>Subtotal</b>	<b>\$849,693</b>	<b>\$758,090</b>	<b>\$836,500</b>	<b>10.3%</b>
<b>Other Resources</b>				
Rentals	\$151,426	\$202,750	\$159,400	-21.4%
Sales of Property and Equipment	496,091	365,660	303,880	-16.9%
Contributions	400,199	448,080	522,460	16.6%
Miscellaneous	275,932	191,150	259,130	35.6%
<b>Subtotal</b>	<b>\$1,323,648</b>	<b>\$1,207,640</b>	<b>\$1,244,870</b>	<b>3.1%</b>

## **GENERAL FUND RESOURCES BY TYPE**

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	<b>Actual <u>FY 05-06</u></b>	<b>Amended <u>FY 06-07</u></b>	<b>Adopted <u>FY 07-08</u></b>	<b>Percent <u>Change</u></b>
<b>Transfers in From Other Funds</b>				
Community Development Block Grant Fund	\$885,789	\$1,097,130	\$1,171,440	6.8%
Real Estate Management Fund	39,250	39,250	0	100.0%
Leasing Fund	0	235,000	0	100.0%
Emergency Telephone System Fund	42,664	27,470	40,000	45.6%
E911 Wireless Fund	10,665	27,470	10,670	-61.2%
Solid Waste Disposal Fund	2,168,332	2,441,550	2,621,860	7.4%
Water and Sewer Fund	0	20,000	24,400	22.0%
Stormwater Management Fund	1,150,287	1,351,580	1,584,320	17.2%
<b>Subtotal</b>	<b>\$4,296,987</b>	<b>\$5,239,450</b>	<b>\$5,452,690</b>	<b>4.1%</b>
<b>Fund Balance Appropriation</b>	<b>-3,490,348</b>	<b>8,623,290</b>	<b>2,022,110</b>	<b>-76.6%</b>
<b>Total General Fund Resources</b>	<b>\$145,043,574</b>	<b>\$163,417,300</b>	<b>\$166,873,210</b>	<b>2.1%</b>

# GENERAL FUND SUMMARY

The general fund is the principal operating fund of the city, accounting for the expenses and resources for services to the public such as police, fire, sanitation, streets, transportation, and recreation. These services are supported by general purpose revenues such as property taxes, local option sales tax, intergovernmental revenues, charges for services, and other revenues, excluding those resources that are designated by state law or local ordinance to be recorded in another fund.

## GENERAL FUND EXPENDITURES AND RESOURCES, BY ACCOUNT TYPE

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Estimated</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Bud to Prop</u> <u>% Change</u>
<b>Expenditures</b>					
Personal Services	\$101,534,902	\$110,158,990	\$109,127,174	\$112,544,030	2.2%
Supplies and Services	34,939,687	41,694,860	40,676,128	42,476,390	1.9%
Capital Outlay	4,265,399	6,073,250	5,573,188	6,843,360	12.7%
Support to Other Funds	4,303,586	5,490,200	5,490,200	5,009,430	-8.8%
<b>TOTAL EXPENDITURES</b>	<b>\$145,043,574</b>	<b>\$163,417,300</b>	<b>\$160,866,689</b>	<b>\$166,873,210</b>	<b>2.1%</b>
<b>Revenues</b>					
Property Taxes	\$71,375,711	\$72,702,710	\$73,843,530	\$81,532,560	12.1%
Sales Taxes	24,428,797	25,552,830	24,981,520	26,119,980	2.2%
Licenses and Permits	10,385,676	11,015,100	10,694,631	10,709,580	-2.8%
Intergovernmental	19,125,781	19,690,900	19,568,236	20,229,440	2.7%
Charges for Services	16,747,629	18,627,540	17,798,903	18,725,730	0.5%
Other	2,173,340	1,965,480	2,219,217	2,081,120	5.9%
<b>Subtotal</b>	<b>\$144,236,934</b>	<b>\$149,554,560</b>	<b>\$149,106,037</b>	<b>\$159,398,410</b>	<b>6.6%</b>
<b>Other Resources</b>					
Transfers from Other Funds	\$4,296,987	\$5,239,450	\$5,239,450	\$5,452,690	4.1%
(-)Add to/(+)Use Fund Balance	-3,490,348	8,623,290	6,521,202	2,022,010	-76.6%
<b>TOTAL RESOURCES</b>	<b>\$145,043,574</b>	<b>\$163,417,300</b>	<b>\$160,866,689</b>	<b>\$166,873,210</b>	<b>2.1%</b>

# **GENERAL FUND EXPENDITURE HIGHLIGHTS**

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Presented below are changes in the FY 07-08 general fund budget, compared to the FY 06-07 budget, including amendments. Overall, the general fund budget is increased by 2.1%, or \$3.46 million. Excluding the impact of one-time expenses of over \$4 million in FY 06-07, primarily because of the N.C. Supreme Court's authorization of the city's annexation of over 20,000 residents effective September 30, 2006, the budget to budget increase would be 4.7%.

## **PERSONNEL EXPENDITURES + \$2.39 M**

### **Changes in the Salary Base Compared to FY 06-07**

- Salary base reduction due to retirements and other savings from employee turnover, reclassifications, and other pay rate changes -1.11 M
- One-time reduction in overtime expenses in the FY 06-07 budget for police-related annexation activities -1.85 M
- Longevity pay reduction due to retirements -.17 M
- One-day of pay added to reflect leap year, February 29, 2008 +.40 M

### **FY 07-08 Added Personnel Expenditures**

#### **Changes in Employee Pay**

- Employee pay for performance, up to 3.5% based on performance +3.58 M
- Market pay adjustments for selected police and fire classifications (2% effective January, 2008 and 1.5% effective April, 2008) +.65 M
- Implementation of second phase of the position reclassification study dealing with the second third of the city's position classes, including non-sworn police positions and administrative support positions +.20 M
- Increase in base wage to \$9 per hour for all full- and part-time employees +.06 M

#### **Changes in Authorized Positions**

- Increase of thirteen (13) positions for public safety:
  - Addition of ten (10) detectives in the Police Department to improve the timeliness and quality of investigations +.26 M

# GENERAL FUND EXPENDITURE HIGHLIGHTS

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- Addition of three (3) fire inspectors to assist in inspections currently handled by suppression staff at the stations +.15 M
- Addition of four (4) positions in the Department of Transportation, in areas that will be covered 80% to 90% by grants, the N.C. Department of Transportation, developer fees, or bond funds in the capital projects:
  - Addition of two (2) senior traffic signal technicians to install signals at 37 new locations, according to priorities set by previously authorized capital projects of traffic safety studies +.09 M
  - Addition of a project planner and an engineering technician to meet transportation planning objectives related to bicycle and pedestrian projects, as well as other work plan items +.10 M
- Addition of a part-time (30+ hours a week) lake attendant position to expand hours of service at Salem Lake to seven (7) days a week +.03 M

## **SUPPLIES AND SERVICES EXPENSES +\$.78 M**

### **Changes in Communications and Information Expenses**

- Increase in computer system charges (+3%), including the upgrade of the personnel/payroll system and scheduled replacement of desktop and laptop computers +.18 M
- Improve police department communications efficiency through the installation of Internet access cards in all mobile data computers +.15 M

### **Changes in Rent and Utilities Expenses**

- Increase in building rental expense, based on the shift of some general fund departments from City Hall to the Bryce A. Stuart Municipal Office Building, to improve citizen access +.06 M
- Increase in water, electric, and gas expenses based on projected rates and usage +.05 M

### **Change in Vehicle Usage Expenses**

- Increase in vehicle fuel expenses due to a full year of services related to annexation (cost per gallon is projected to remain the same as budgeted in FY 06-07, \$2.17 per gallon for unleaded fuel and \$2.40 for diesel fuel) +.20 M
- Increase in vehicle maintenance expenses because of age of the vehicles, maintenance history, and full year of annexation +.12 M

# GENERAL FUND EXPENDITURE HIGHLIGHTS

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## Changes in Operating Supplies and Services

- Increase in the cost of asphalt used for street repair +.09 M
- Increase in operating electrical charges for street lighting, primarily due to a projected 5% rate increase and to a full year of annexation costs +.15 M
- Increase in equipment maintenance costs due to the first year of monthly maintenance charges for the 800-Mhz radios, with most of the new expenses in police and fire +.23 M

## Changes in Contractual Expenses

- Increase in the contract for residential recycling, to provide additional services and to reflect a full year of service to the annexation areas +.22 M
- Increase in the contract for print shop management due to the extension of new printing devices that scan, fax, copy and print to offices at City Yard and the Public Safety Center +.06 M

## Changes in Charges for City Services

- Increase in refuse disposal fees, due to a full year of annexation and to rate increases for dumpster service, yard waste, leaf and brush disposal +.11 M
- Increase in the stormwater management fee imposed on city facilities +.06 M

## Other Changes

- Elimination of one-time expenses in FY 06-07 related to annexation, as follows:
  - Reimbursement of volunteer fire district (VFD) tax payments made by annexees -.64 M
  - Reduction in the payments for VFD contracts/debt payments And private hauler economic loss payments -.12 M
- Increase in funding for the arts, as follows:
  - Arts Council operating assistance +.05 M
  - Youth program support for the National Black Theatre Festival +.025 M
- Reduction in the city-share of the Board of Elections for FY 07-08 -.09 M
- Reduction in the other miscellaneous expenses -.5 M

# GENERAL FUND EXPENDITURE HIGHLIGHTS

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## CAPITAL OUTLAY EXPENSES +\$.77 M

- Increase in lease payments for the annual replacement of vehicles and equipment, including 50 Police patrol vehicles, one fire pumper, and 62 golf carts for the Winston Lake, golf course (A complete list of capital equipment adopted for FY 07-08 is in the Supplemental Information section.) +1.18 M
- Drop-off in lease payments for previously authorized equipment -.41 M

## SUPPORT TO OTHER FUNDS -\$.48 M

- Changes in support for economic development projects for: +.46 M
  - Increase in support to Dell, Inc. (+\$123,830)
  - Decrease in support to Lowe's Data Center (-\$2,620)
  - Increase in support to Bekaert, Inc. (+\$22,270)
  - First year of support of \$288,580 to Piedmont Triad Research Park
  - First year of support of \$50,080 to USAir
  - No change in support of \$100,000 to Sara Lee
  - No change in support of \$21,000 to Tengion
  - Elimination of support to Jennico2, Inc.(-\$21,660)
- Continued support to the debt service fund at the same level as 06-07 to cover the debt payment on the special obligation bonds issued for Dell, Inc. (\$400,000) and to cover the lease payment for 800 Mhz Radios (\$223,860) 0
- Net increase in support to capital projects, as follows: +.17 M
  - Reduction of \$330,000 to reflect the start-up appropriation in the FY 06-07 budget for the facilities renewal fund for maintenance and repair of City buildings, managed by Property Maintenance
  - No change in the annual appropriation of \$50,000 for city traffic signal system projects
  - Addition of \$500,000 for street resurfacing (addition of approximately 5 miles of streets to be resurfaced in FY 07-08)
- No change in support to the Winston-Salem Entertainment-Sports Complex and the M.C. Benton, Jr. Convention Center 0

# **GENERAL FUND EXPENDITURE HIGHLIGHTS**

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- Other changes in support to other funds -1.1 M
  - +120,270 to the grants fund, reflecting a \$83,480 increase in the match for the federal grant for firefighters, and an increase of \$36,790 in the match for the state-funded transportation planning grant
  - -6,290 in the re-granted payment to the Housing Authority, based on current year actual Payment in Lieu of Taxes (PILOT)
  - -1,205,270 to the mass transit tax fund, a one-time appropriation in FY 06-07
  - -2,550 to the cemeteries fund

**GRAND TOTAL** **+\$3.46 M**

# GENERAL FUND RESOURCE HIGHLIGHTS

## PROPERTY TAX

Property taxes are the largest single source of revenue for the city, accounting for 49% of all general fund resources (including transfers in and fund balance appropriation). The projected property tax revenue estimate for FY 07-08 is based on tax listing information from the Forsyth County Tax Office and the property tax rate of 49¢ per \$100 of assessed property valuation, which is a ½¢ increase in the rate compared to FY 06-07.

**Property Tax Base.** The property tax base is classified as real property, personal property, registered motor vehicles, and state-assessed public services property. The real portion of the property tax base includes land and building values for all commercial, industrial, and residential buildings, and other real property. State law requires that real property be revalued no more than every eight years. In Forsyth County, revaluations are scheduled every four years. The most recent revaluation was effective in FY 05-06.

For FY 07-08, the property tax base growth, compared to prior year budget, is 10.8%, including approximately \$1.3 billion in base from the areas of the city that were annexed effective September 30, 2006. The annexation date was after the property tax bills for FY 06-07 had been sent out; therefore, the residents of the annexed areas will be billed for three-quarters of FY 06-07 and for the full year of FY 07-08 at the same time. The adopted budget for FY 07-08 does not include revenues from the prorated bill for FY 06-07, allowing those revenues to be added back to the general fund balance, which was used to cover annexation expenses during FY 06-07, prior to the annexation levy. Tax base information for FY 07-08, including annexation for the first time, is provided in the following table:

### BUDGET TO BUDGET PROPERTY TAX BASE GROWTH, INCLUDING ANNEXATION

<u>Tax Base (in millions)</u>	<u>FY 06-07 Budgeted</u>	<u>FY 06-07 Estimated</u>	<u>FY 07-08 Tax Office Est.</u>	<u>Bud. To Bud. %-Change</u>
Real Property	\$13,760	\$13,920	\$15,392	11.9%
Personal Property	2,060	2,191	2,220	7.8%
Registered Motor Vehicles	1,270	1,320	1,340	5.5%
State-Assessed Property	310	336	330	6.5%
	\$17,400	\$17,767	\$19,282	10.8%

Without the annexation of approximately \$1.3 billion, the growth in the property tax base, budget to budget, would be 3.3%, which is substantially better than the 2.1% average annual growth over the past eight years.

**Property Tax Rate.** For FY 07-08, the property tax rate is 49¢ per \$100 of valuation, a ½¢ increase compared to FY 06-07. At this rate, the City of Winston-Salem remains in the middle of the five largest North Carolina cities, below Greensboro and Durham and above Charlotte and Raleigh.

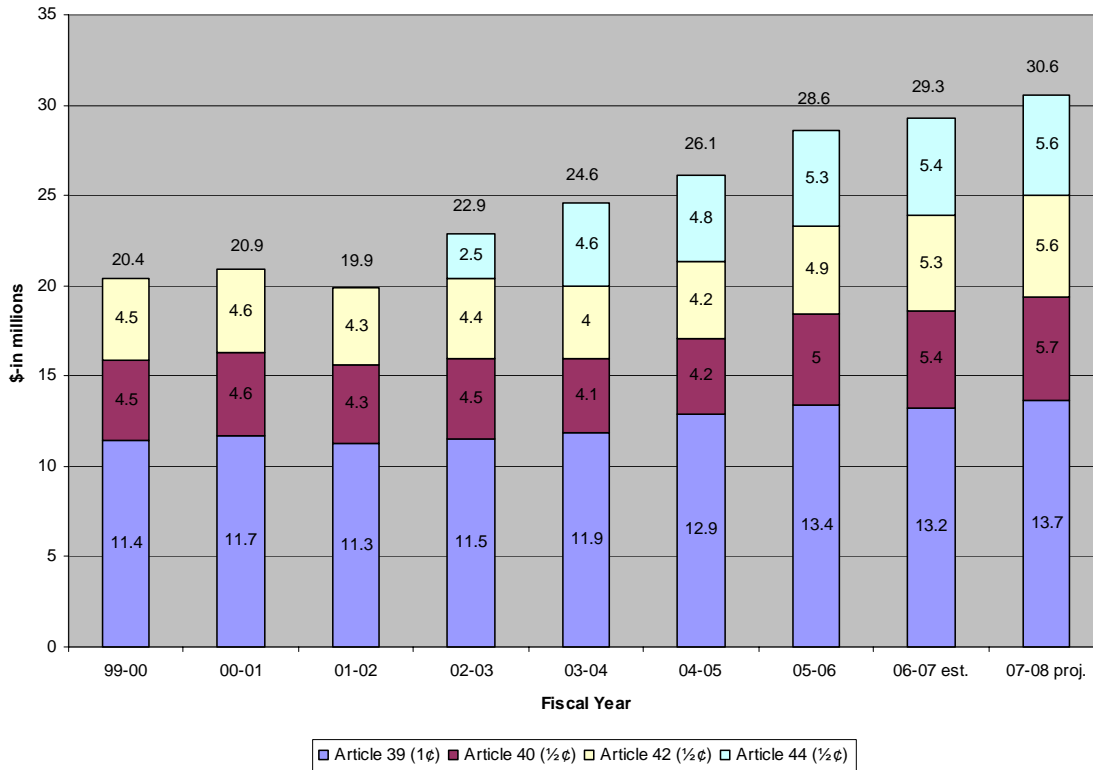
## SALES TAXES

The city currently receives four sales tax allocations: Article 39 one-cent tax, which is the original local government sales and use tax dating from 1971, Article 40 half-cent sales tax, which was authorized in 1983 (with 20% currently allocated to the general fund and the remaining 80% allocated to the debt service fund), Article 42 half-cent tax, which was authorized in 1986, and Article 44 half-cent sales tax that was originally authorized by the General Assembly in 2001 effective July 1, 2003, and modified in 2002 so that it could be effective earlier, December 1, 2002. Revenue from Articles 40 and 42 are collected by the state and distributed to each county

# GENERAL FUND RESOURCE HIGHLIGHTS

based upon its share of statewide population. Article 39 is collected by the state and distributed to the county that is the “point of delivery” (where the taxed item is delivered for use by the purchaser). Article 44 is collected by the state and distributed to the county 50% based on per capita and 50% based on “point of delivery.”

## History of Annual Sales Tax Revenue, by Authorization



For budget estimation purposes, the adopted budget assumes that the revenue distributed to Forsyth County from Articles 40, 42 and the per capita portion of Article 44 will grow by 3.5% compared to current year receipts. This estimate is based on advice from the N.C. League of Municipalities. The growth estimate for Article 39 and the “point of delivery” portion of Article 44, which is dependent on local economic factors, is projected somewhat more conservatively, at 2.5% and 3.0% respectively, based on year-to-date collections and the potential impact of sales tax refunds to major non-profit agencies and growth in Internet sales.

Overall, the city’s budgeted sales tax growth for FY 07-08, compared to actual receipts expected for the current year, is 4.4%. This is slightly more optimistic growth than the League’s projection due to annexation, which will have an effect on the fourth quarter sales tax distribution that is accrued through September 15, 2008.

## LICENSES AND PERMITS

Construction, Zoning, and Erosion Control Inspections and Permits: Based on a drop of around 5% in revenues from building permits and trades inspections during FY 06-07, the budget estimate for FY 07-08, reflects an additional decline of 4% for FY 07-08. Budget to budget, that drop represents a decrease in budgeted revenue of approximately \$393,280.

# **GENERAL FUND RESOURCE HIGHLIGHTS**

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Privilege Licenses and Cable Franchise: For FY 07-08, privilege license revenue is expected to increase approximately 4.2% compared to prior year budget. Cable franchise revenue has been changed by the State Legislature from a local franchise tax to a share of state special sales taxes, which were to be at least “revenue neutral” for local governments. For the City of Winston-Salem, the local franchise agreement with the cable provider currently remains in place, but the provider may choose to be released from the agreement at any time. The League of Municipalities recommends that cities budget somewhat less than current year revenues, to be conservative. With the annexation-related revenue due to come in during FY 07-08, cable franchise revenues are projected to be approximately the same as current year receipts.

Motor Vehicle Privilege License Fee: The general fund’s motor vehicle privilege license fee revenue is projected to remain at approximately \$1.6 million, based on \$10 of the current \$15 per registered vehicle fee going to the general fund. The \$801,000 in revenue from the additional \$5 per vehicle, which was authorized in February 2006, is appropriated in the capital projects fund with one-third allocated for transit projects, one-third for non-vehicular transportation projects (such as greenway and sidewalk development), and one-third for vehicular transportation projects (such as traffic calming and other traffic safety projects).

## **INTERGOVERNMENTAL REVENUE**

Utility Franchise Tax: The utility franchise tax is based on the receipts of the regional electric, telephone and natural gas services. In 1998, the General Assembly replaced the utility franchise tax on piped natural gas with an excise tax on piped natural gas. In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications. The N.C. League of Municipalities predicts that, statewide, growth in piped natural gas excise tax and telecommunications sales tax revenues will remain flat and that growth in electricity franchise tax will be in the 2.5% to 3.5% range. For the telecommunications sales tax, the League predicts growth between 6% and 7%. Based on these recommendations and the impact of a full year of annexation, local growth is estimated at approximately 2% compared to expected current year revenue.

Beer and Wine: State law provides for the per capita distribution of the state beer and wine receipts to the local governmental units in which the beer and wine is legally sold. Beer and wine revenues are projected to be 17% greater than the actual amount received in FY 05-06, due to the impact of annexation population growth of approximately 21,000 residents (11% population growth) effective September 30, 2006.

“Hold Harmless” Reimbursement for the Inventory Tax, Intangibles Tax, Food Stamp Sales Tax, and Homestead Exemption Tax: In exchange for the authority to levy a third one-half cent local option sales tax, Article 44, the 2002 session of the General Assembly repealed \$333.4 million in reimbursement payments for the taxes listed above. Winston-Salem lost \$7,644,740 in reimbursements. The new sales tax revenue from Article 44 has not fully compensated the city for the loss of reimbursement revenue; therefore, the state provides a “hold harmless” payment to make up for the difference in reimbursement and sales tax revenues. Because of growth in the sales tax revenue each year, the “hold harmless” payment has been decreased each year. For FY 07-08, the \$2,004,490 payment from the state is approximately 11% less than the amount budgeted in FY 06-07.

Alcoholic Beverage Control Allocation: The ABC revenue to the city represents 75% of the ABC Board’s net income that is generated at ABC stores within the city limits. The FY 07-08 estimated ABC revenue is approximately the same as the current budget, and .7% greater than the actual receipts in FY 05-06.

Gasoline Tax (Powell Bill): The revenue from gasoline tax for FY 07-08 is projected to grow by 15%, primarily as a result of the increase in population and street mileage due to annexation. The projected value of the population-based portion (75%) of the FY 07-08 Powell Bill distribution is between \$23.85 and \$24.15 per capita, and the value of the mileage based portion (25%) is between \$1,779 and \$1,804 per mile. For FY 07-08, \$1.2

# **GENERAL FUND RESOURCE HIGHLIGHTS**

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million of the Powell Bill revenue is adopted to be allocated to the capital projects fund for street resurfacing. (This is an increase of \$200,000 compared to prior years.) The remaining \$5,764,550 is transferred to the general fund for transportation-related programs. An additional \$50,000 is allocated to the general fund from Powell Bill interest earnings.

## **CHARGES FOR SERVICES**

Charges for services include user fees for recreation, police, transportation, housing, planning, and other city services, as well as charges to the county and state for services the city agrees to provide for state and county benefit. Also included in this category are interfund revenues, which represent payments from one fund to another for services rendered. For FY 07-08, there is a net change of less than \$100,000 (+.5%) as result of the following:

### Recreation Fees

- Decrease in entry fees, facility/equipment use fees, instruction fees, and other program fees, based on historical trend (-\$100,800)

### Engineering Fees

- Decrease in charges to other funds primarily as a result of less work being performed for utilities. (-\$335,000)

### Property Maintenance Charges

- Decrease in charges to other funds, based on historical trend (-\$161,280)

### Traffic Engineering Charges

- Increase in revenue from the State, developers, and capital projects to cover appropriate costs for traffic signalization projects (+\$505,520)

### Fire Services

- Reduction in the proportion of the cost associated with the hazmat/rescue unit that is covered by grant funds (-\$63,130)

### Indirect Cost Allocation

- Increase in revenue from non-general fund department, for general fund support, including first-time charges for marketing/communications services and radio tower maintenance (+\$252,410)

## **OTHER REVENUES**

Other revenues include contributions, reimbursements, sale of property, property rentals, and fines. For FY 07-08, other revenues increase by 5.9% (+\$115,640), primarily as a result of an increase in housing code enforcement activity (+\$78,510), increase in the reimbursement from the Risk Acceptance Management Corporation (RAMCO) for risk management, which includes half the cost of the employee safety program for the first time (+\$74,380). Other changes are related to rental and property sales revenues, which are adjusted to reflect historical trends.

# **GENERAL FUND RESOURCE HIGHLIGHTS**

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## **TRANSFERS FROM OTHER FUNDS**

Transfers represent appropriations from other city funds to the general fund for various purposes. For FY 07-08, transfers are increased by 4.1% (+\$213,240) primarily as a result of the increase in the reimbursement from the Solid Waste Disposal Fund to cover the cost of the residential, curbside recycling contract (+\$180,310), the increase in the reimbursement from the Stormwater Management Fund to cover the cost of the seasonal leaf collection program (+\$232,740), and the elimination of the one-time transfer from the Leasing Fund in FY 06-07 to cover the initial development costs of the new consolidated citizen contact center (-\$235,000).

# GENERAL FUND BALANCE HIGHLIGHTS

**Fund Balance Appropriation for FY 07-08.** The adopted budget includes an appropriation of \$2,022,010. The appropriation is roughly equivalent to 1.2% of the adopted FY 07-08 general fund budget, and it is roughly equivalent to the net budgetary savings that have been achieved in recent years. As a result, the appropriated fund balance is not expected to be needed.

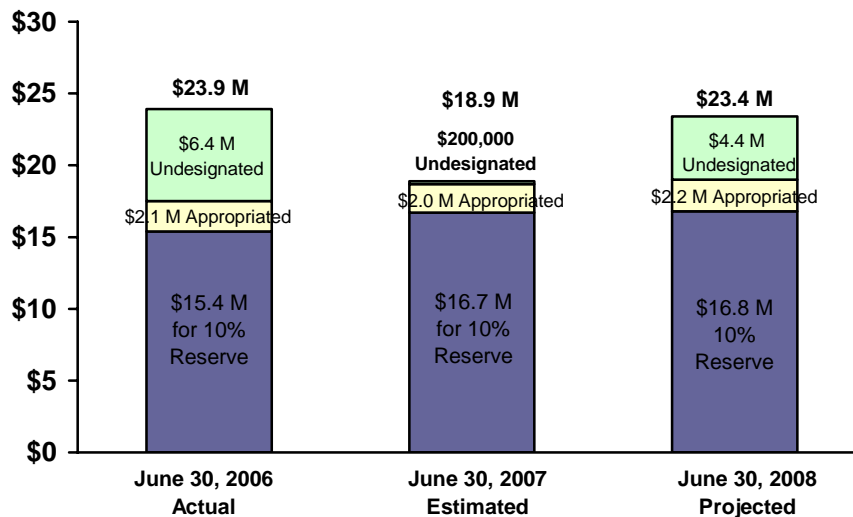
Approximately 51% of the fund balance appropriation covers one-time or short-term capital or annexation-related expenses, as shown below:

- \$223,860 to cover the on-going lease payments on 800 Mhz radios that were previously authorized;
- \$100,000 to cover the cost of two capital projects, \$50,000 for the replacement of traffic signals on the city street system, and \$50,000 for the lease payment on the replacement of the street lighting system along Reynolds Boulevard;
- \$330,260 to cover the final payment to private haulers who experienced economic loss as a result of annexation;
- \$371,660 to cover the payment to volunteer fire companies for service contracts or debt payments, related to annexation.

**10% Fund Balance Reserve Policy.** The North Carolina Local Government Commission (LGC) recommends that all units of government maintain a minimum fund balance in their operating funds of 8% of budgeted expenditures. The City of Winston-Salem’s policy is to maintain a minimum fund balance reserve in the general fund that is equivalent to 10% of budgeted expenditures. By meeting this standard, the city is able to maintain adequate working capital and to produce investment income for debt retirement. For FY 07-08, the 10% requirement totals \$16.7 million.

**Graph of Unreserved Fund Balance, June 30, 2006 through June 30, 2008.** The graph, below, illustrates the change in general fund balance over the next two years. The “undesignated” fund balance decreases from \$6.4 million on June 30, 2006 to \$200,000 on June 30, 2007, because of the fund balance that was used to cover service costs associated with the September 30, 2006 annexation. The annexed property owners will be billed for both nine months of city property taxes for FY 06-07 and for the full twelve months of FY 07-08 at the same time, this coming fall. The adopted budget for FY 07-08 does not include the property tax revenue from the prorated levy so that the \$4.5 million from this levy can be recovered in the general fund balance.

GENERAL FUND BALANCE ANALYSIS



# INTERNAL SERVICE FUNDS

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Included in the general fund group are several internal service funds, Central Warehouse, Fleet Services, and Information Systems. These funds provide centralized services to the various departments or agencies of the city or to other governments. These services are pooled in the interest of efficiency and economy and are self-supporting through charges to the users. Program descriptions and expenditure and resource details for each of the following funds are located in the Interdepartmental section of this document.

	<b>Actual</b>	<b>Amended</b>	<b>Adopted</b>	<b>Percent</b>
<b>EXPENDITURES BY FUND</b>	<b><u>FY 05-06</u></b>	<b><u>FY 06-07</u></b>	<b><u>FY 07-08</u></b>	<b><u>Change</u></b>
Fleet Services	\$7,711,894	\$8,180,550	\$8,422,060	3.0%
Information Systems	6,670,563	8,775,110	9,044,890	3.1%
Central Warehouse	325,168	327,950	313,610	-4.4%
<b>Total Expenditures by Fund</b>	<b>\$14,707,625</b>	<b>\$17,283,610</b>	<b>\$17,780,560</b>	<b>2.9%</b>
<b>REVENUES BY TYPE</b>				
Revenue from General Fund Departments	\$10,388,543	\$12,357,380	\$12,570,050	1.7%
Interfund Revenue	4,017,012	4,526,230	4,610,500	1.9%
Advance from General Fund	302,070	0	0	0%
Fund Balance Appropriation	0	400,000	600,000	50.0%
<b>Total Resources by Type</b>	<b>\$14,707,625</b>	<b>\$17,283,610</b>	<b>\$17,780,550</b>	<b>2.9%</b>

# DEBT SERVICE FUND

This fund accounts for the city's debt service expenditures on general governmental debt obligations, certificates of participation debt obligations for public assembly facilities improvements and information systems enhancements, and leasing debt payments for the following: the human resources information system, selected equipment and renovations at the Lawrence Joel Veterans Memorial Coliseum and Annex, the city's grant match for Winston-Salem Transit Authority bus replacements, the radio system replacement project, selected Recreation equipment and facility repairs, and City Hall renovations. This fund also includes the administrative expenses associated with bond ratings and issuances.

	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>	<b>Percent</b>
<b>EXPENDITURES BY TYPE</b>	<b><u>FY 05-06</u></b>	<b><u>FY 06-07</u></b>	<b><u>FY 07-08</u></b>	<b><u>Change</u></b>
Principal Retirement	\$9,923,187	\$7,820,300	\$7,422,730	-5.1%
Capital Lease Charges	1,326,190	1,434,390	1,445,200	0.8%
Interest	6,057,826	7,455,580	7,009,010	-6.0%
Fiscal Charges	138,100	40,000	40,000	0%
Other				
Administrative Expenses	13,529	41,010	94,860	131.3%
Property Tax Collection Fee	58,287	89,320	67,260	-24.7%
Transfer to Mass Transit Tax Fund	104,771	123,500	119,130	-3.5%
Transfer to Capital Projects Fund	1,272,020	0	0	0%
<b>Total Expenditures</b>	<b>\$18,893,911</b>	<b>\$17,004,100</b>	<b>\$16,198,190</b>	<b>-4.7%</b>
<b>RESOURCES BY TYPE</b>				
Property Taxes	\$8,368,584	\$8,317,110	\$9,254,310	11.3%
ABC Allocation	336,493	335,000	338,750	1.1%
Interest Income	1,983,153	1,742,480	2,000,000	14.8%
Transfer from General Fund				
-for Debt Service on Dell Project	400,000	400,000	400,000	0%
-for Lease Payment on 800 MHz Radios	223,860	223,860	223,860	0%
Transfer from Special Sales Tax Fund	3,862,925	3,996,540	4,572,150	14.4%
Transfer from Capital Projects Fund	1,272,020			
Other	871,171	600,000	600,000	0%
Fund Balance Appropriation	1,575,704	1,389,110	0	-100%
Addition to Fund Balance	0	0	-1,190,880	NA
<b>Total Resources</b>	<b>\$18,893,911</b>	<b>\$17,004,100</b>	<b>\$16,198,190</b>	<b>-4.7%</b>

# **SPECIAL REVENUE FUNDS**

## **COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

This fund is established to account for authorized grants from the United States Department of Housing and Urban Development. These revenues are restricted to objectives of community development programs within specific areas of the city.

	<b>Actual</b>	<b>Amended</b>	<b>Adopted</b>	<b>Percent</b>
	<b><u>FY 05-06</u></b>	<b><u>FY 06-07</u></b>	<b><u>FY 07-08</u></b>	<b><u>Change</u></b>
<b>Expenditures</b>				
Loans	\$1,099,591	\$701,850	\$775,840	10.5%
Contractual Services and Other Miscellaneous Expenses	702,422	672,070	542,950	-19.2%
Indirect Cost Allocation	63,100	63,100	52,670	-16.5%
Contingencies	0	51,630	50,000	-3.2%
Grants	46,390	150,000	150,000	0%
Section 108 Loan Principal and Interest Payments	636,065	632,900	623,400	-1.5%
Loan Servicing Expenditures	119,735	109,000	109,000	0%
Transfer to General Fund (Administration)	101,573	102,740	106,140	3.3%
Transfer to General Fund (Program Activities)	729,886	894,000	964,910	7.9%
<b>Total Expenditures</b>	<b>\$3,498,763</b>	<b>\$3,377,290</b>	<b>\$3,374,910</b>	<b>-0.1%</b>
<b>Resources</b>				
Federal Grants	\$1,832,593	\$1,868,290	\$1,864,910	-0.2%
Loan Repayments	1,548,316	1,509,000	1,510,000	0.1%
Miscellaneous Revenues	117,841	0	0	0%
<b>Total Resources</b>	<b>\$3,498,750</b>	<b>\$3,377,290</b>	<b>\$3,374,910</b>	<b>-0.1%</b>

## **HOUSING FINANCE ASSISTANCE FUND**

This fund is established to account for general purpose revenues allocated to the city's housing programs.

	<b>Actual</b>	<b>Amended</b>	<b>Adopted</b>	<b>Percent</b>
	<b><u>FY 05-06</u></b>	<b><u>FY 06-07</u></b>	<b><u>FY 07-08</u></b>	<b><u>Change</u></b>
<b>Expenditures</b>				
Loans	\$561,451	\$300,000	\$300,000	0%
Contractual Services and Other Miscellaneous Expenses	66,361	0	95,000	NA
Capital Expenditures	240,148	0	0	0%
Loan Servicing Expenditures	66,550	0	0	0%
Contingencies	0	50,000	50,000	0%
Re-Grant of Housing Authority's PILOT Funds	0	92,600	86,310	-6.8%
Transfer to Economic Development Loan Fund	0	0	100,000	NA
<b>Total Expenditures</b>	<b>\$934,510</b>	<b>\$442,600</b>	<b>\$631,310</b>	<b>42.6%</b>

## SPECIAL REVENUE FUNDS

<b>Resources</b>	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
Investment Income	\$308,502	\$300,000	\$300,000	0%
Loan Repayments	1,147,223	0	0	0%
Sale of Real Property	30,430	0	0	0%
Miscellaneous Revenues	5,911	0	0	0%
Transfer from Mortgage Revenue Bond Fund	236,660	0	0	0%
Transfer from General Fund	24,590	92,600	86,310	-6.8%
Fund Balance Appropriation	0	50,000	245,000	390.0%
Addition to Fund Balance	-818,806	0	0	0%
<b>Total Resources</b>	<b>\$934,510</b>	<b>\$442,600</b>	<b>\$631,310</b>	<b>42.6%</b>

### HOME INVESTMENT PARTNERSHIP FUND

This fund is established to account for authorized grants from the United States Department of Housing and Urban Development. These funds are used to expand the supply of affordable housing for low- and very low-income families.

<b>Expenditures</b>	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
Loans	\$2,578,616	\$949,440	\$916,010	-3.5%
Contractual Services and Other Miscellaneous Expenses	364,326	384,660	405,570	5.4%
Indirect Cost Allocation	29,420	29,420	35,830	21.8%
Contingencies	12,740	56,530	56,530	0%
Grants	14,348	0	0	0%
Transfer to General Fund (Program Activities)	54,331	100,390	100,390	0%
<b>Total Expenditures</b>	<b>\$3,053,780</b>	<b>\$1,520,440</b>	<b>\$1,514,330</b>	<b>-0.4%</b>
<b>Resources</b>				
Federal Grants	\$1,788,965	\$1,320,440	\$1,314,330	-0.5%
Loan Repayments	1,245,904	200,000	200,000	0%
Miscellaneous Revenues	21,000	0	0	0%
<b>Total Resources</b>	<b>\$3,055,870</b>	<b>\$1,520,440</b>	<b>\$1,514,330</b>	<b>-0.4%</b>

# **SPECIAL REVENUE FUNDS**

## **SUPPORTIVE HOUSING GRANTS FUND**

These funds are obtained through a competitive application process to address comprehensive, priority needs of the homeless that are identified in the community's Continuum of Care strategy, including rental assistance, case management, and other required supportive services. The city is the applicant and funding conduit on behalf of up to ten agencies administering multiple program services.

	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
<b>Expenditures</b>				
Supportive Housing Program Grant	\$560,014	\$647,380	\$655,810	1.3%
Shelter Plus Care Grant	214,797	117,700	224,410	90.7%
Emergency Shelter Grant	83,908	79,980	80,580	0.8%
<b>Total Expenditures</b>	<b>\$858,720</b>	<b>\$845,060</b>	<b>\$960,800</b>	<b>13.7%</b>
<b>Resources</b>				
Federal Grants	\$858,232	\$845,060	\$960,800	13.7%
<b>Total Resources</b>	<b>\$858,232</b>	<b>\$845,060</b>	<b>\$960,800</b>	<b>13.7%</b>

## **MORTGAGE REVENUE BOND FUND**

This program accounts for the city's loans and loan administration expenses that are financed by mortgage revenue bonds and other sources.

	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
<b>EXPENDITURES BY TYPE</b>				
Personnel Services	\$110,365	\$115,570	\$121,650	5.3%
Supplies and Services	-4,224	36,560	33,800	-7.5%
<b>Subtotal</b>	<b>\$106,141</b>	<b>\$152,130</b>	<b>\$155,450</b>	<b>2.2%</b>
Transfer to Housing Finance Assistance Fund	\$236,660	\$0	\$0	0%
Transfer to Capital Projects Fund	600,000	0	0	0%
<b>Total Expenditures by Type</b>	<b>\$942,801</b>	<b>\$152,130</b>	<b>\$155,450</b>	<b>2.2%</b>
<b>RESOURCES BY TYPE</b>				
Collection Fees	\$201,462	\$153,320	\$150,000	-2.2%
Other Charges for Service	60,091	58,450	26,990	-16.6%
Investment Income	16,858	0	0	0%
Fund Balance Appropriation	664,390	0	0	0%
Addition to Fund Balance	0	-59,640	-21,540	63.9%
<b>Total Resources by Type</b>	<b>\$942,801</b>	<b>\$152,130</b>	<b>\$155,450</b>	<b>2.2%</b>

# SPECIAL REVENUE FUNDS

## ECONOMIC DEVELOPMENT PROJECT FUND

This fund is established to account for the city's economic development incentive funds. This fund supports specific economic development programs that are designated to attract new industry or encourage the expansion of existing businesses.

<b>Expenditures</b>	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
Grants	\$43,874	\$778,370	\$1,238,860	59.2%
Transfer to Capital Projects Fund	7,000,000	0	\$0	0%
<b>Total Expenditures</b>	<b>\$7,043,874</b>	<b>\$778,370</b>	<b>\$1,238,860</b>	<b>59.2%</b>
<b>Resources</b>				
Transfer from General Fund	127,860	778,370	1,238,860	59.2%
Proceeds from Land Sales	7,000,000	0	\$0	0%
Addition to Fund Balance	-83,986	0	0	0%
<b>Total Resources</b>	<b>\$7,043,874</b>	<b>\$778,370</b>	<b>\$1,238,860</b>	<b>59.2%</b>

## ECONOMIC DEVELOPMENT LOAN FUND

This fund is established to account for the city's small business loan pool, East Winston/Neighborhood Revitalization Strategy Area projects, Downtown Building Rehabilitation Loan Program, and other economic development loans and grants.

<b>Expenditures</b>	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
Loans	\$110,651	\$0	\$100,000	NA
Grants	-48,333	17,500	20,000	14.3%
Loan Servicing Expenditures	13,245	0	0	0%
Other Miscellaneous Expenditures	\$163,854	0	0	0%
<b>Total Expenditures</b>	<b>\$239,417</b>	<b>\$17,500</b>	<b>\$120,000</b>	<b>585.7%</b>
<b>Resources</b>				
Loan Repayments	\$446,865	\$0	\$0	0%
Investment Income	39,975	0	0	0%
Transfer from Housing Finance Assistance Fund	0	0	100,000	NA
Fund Balance Appropriation	0	17,500	20,000	14.3%
Addition to Fund Balance	-247,423	0	0	0%
<b>Total Resources</b>	<b>\$239,417</b>	<b>\$17,500</b>	<b>\$120,000</b>	<b>585.7%</b>

# **SPECIAL REVENUE FUNDS**

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## **URBAN DEVELOPMENT ACTION GRANT FUND**

This fund is established to account for the city’s economic development projects and loans for specifically designated “pockets of poverty,” as designated by federal regulations.

	<b>Actual</b> <b><u>FY 05-06</u></b>	<b>Amended</b> <b><u>FY 06-07</u></b>	<b>Adopted</b> <b><u>FY 07-08</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Expenditures</b>				
Loans	\$382,774	\$0	\$0	0%
<b>Total Expenditures</b>	<b>\$382,774</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Resources</b>				
Loan Repayments	\$220,308	\$0	\$0	0%
Investment Income	12,274	0	0	0%
Fund Balance Appropriation	150,192	0	0	0%
<b>Total Resources</b>	<b>\$382,774</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

## **POWELL BILL FUND (GASOLINE TAX)**

This fund is established to account for the city’s share of state gasoline tax revenues, which may only be used for maintenance of municipal streets and roads. Transfers from the Powell Bill Fund are included in the budgets for the Streets Division and the Department of Transportation and in the street resurfacing project in the Capital Plan.

	<b>Actual</b> <b><u>FY 05-06</u></b>	<b>Amended</b> <b><u>FY 06-07</u></b>	<b>Adopted</b> <b><u>FY 07-08</u></b>	<b>Percent</b> <b><u>Change</u></b>
<b>Expenditures</b>				
Transfer to General Fund	\$5,015,693	\$5,107,280	\$5,814,550	13.9%
Transfer to Capital Projects Fund	1,000,000	1,150,000	1,000,000	-13.0%
<b>Total Expenditures</b>	<b>\$6,165,693</b>	<b>\$6,107,280</b>	<b>\$7,014,550</b>	<b>14.9%</b>
<b>Resources</b>				
Gasoline Tax	\$6,056,994	\$6,057,280	\$6,964,550	15.0%
Investment Income	108,699	50,000	50,000	0%
<b>Total Resources</b>	<b>\$6,165,693</b>	<b>\$6,107,280</b>	<b>\$7,014,550</b>	<b>14.9%</b>

# SPECIAL REVENUE FUNDS

## MASS TRANSIT TAX FUND

This fund is established to account for the portion of the property tax allocated to mass transit. The property tax proceeds are transferred to the Winston-Salem Transit Authority (WSTA) Fund as required for the local share of operating assistance and capital improvements or acquisitions.

The portion of the property tax rate allocated to the Mass Transit Tax Fund for FY 07-08 is 1.58¢ per \$100 of assessed valuation on all property. Transfers from the Mass Transit Tax Fund to Winston-Salem Transit Authority operations are included in the Winston-Salem Transit Authority's budget in the Transportation section of this document.

	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
<b>Expenditures</b>				
Property Tax Collection Fees	\$16,320	\$27,700	\$21,550	-22.2%
Contribution to Regional Ridesharing Service	31,741	48,390	48,390	0%
Other Miscellaneous Expenditures	3,690	0	0	0%
<b>Transfers</b>				
To Grants Fund	13,655	9,160	8,790	-4.0%
To Mass Transit Fund (i.e., Public Bus System)	2,630,794	3,381,950	3,915,910	15.8%
To Trans-AID Fund	198,937	220,600	254,800	15.5%
To WSTA Capital Fund	127,375	129,140	187,270	45.0%
<b>Total Expenditures</b>	<b>\$3,022,513</b>	<b>\$3,816,940</b>	<b>\$4,436,710</b>	<b>16.2%</b>
<b>Resources</b>				
Property Taxes - Current Year	\$2,301,878	\$2,628,210	\$2,924,360	11.3%
Property Taxes - Prior Year	38,850	0	0	0%
Investment Income	47,210	40,420	51,090	26.4%
Transfer From General Fund	0	1,205,270	0	-100.0%
Fund Balance Appropriation	634,575	0	1,461,260	NA
Addition to Fund Balance	0	-56,960	0	100.0%
<b>Total Resources</b>	<b>\$3,022,513</b>	<b>\$3,816,940</b>	<b>\$4,436,710</b>	<b>16.2%</b>

## GRANTS FUND

This fund centralizes the accounting for other activities funded by federal, state, and intergovernmental aid. Service areas receiving grant support include public safety, culture and recreation, fair housing programs, and public transportation.

	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
<b>Expenditures</b>				
Public Safety Grants	\$317,843	\$452,150	\$472,500	4.5%
Recreation and Culture Grants	77,874	0	0	0%
Economic Development Grants	116,972	0	0	0%
Fair Housing Grants	90,295	85,240	58,150	-31.8%
Public Transportation Grants	758,186	802,560	958,900	19.5%
General Government	6,081	0	0	0%
<b>Total Expenditures</b>	<b>\$1,367,250</b>	<b>\$1,339,950</b>	<b>\$1,489,550</b>	<b>11.2%</b>

# SPECIAL REVENUE FUNDS

## GRANTS FUND-Continued

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Resources</b>				
NC Department of Transportation	\$433,892	\$481,160	\$608,790	26.5%
Forsyth County	140,256	121,000	121,000	0%
US Department of Housing and Urban Development	82,683	80,340	56,650	-29.5%
Federal Transit Administration	85,078	73,230	70,320	-4.0%
US Department of Justice	12,651	0	0	0%
US Environmental Protection Agency	102,509	0	0	0%
Federal Emergency Management Agency	175,712	391,400	328,270	-16.1%
Other State Grants	43,925	0	0	0%
Miscellaneous Revenues	11,923	4,900	1,500	-69.4%
Contributions	73,413	0	0	0%
Transfer from General Fund	133,178	178,760	294,230	64.6%
Transfer from Mass Transit Tax Fund	13,655	9,160	8,790	-4.0%
<b>Total Resources</b>	<b>\$1,308,879</b>	<b>\$1,339,950</b>	<b>\$1,489,550</b>	<b>11.2%</b>

## SALES TAX FUND

This fund is established to account for the city's share of Article 40 and 42 sales tax revenues. The city allocated 100% of the Article 42 one-half cent sales tax proceeds to the general fund. The city allocates the Article 40 one-half cent sales tax between the general fund (20%) and the debt service fund (80%).

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>				
Transfer to General Fund	\$5,746,522	\$5,943,340	\$6,797,630	14.4%
Transfer to Debt Service Fund	3,862,925	3,996,540	4,572,150	14.4%
<b>Total Expenditures</b>	<b>\$9,609,447</b>	<b>\$9,939,880</b>	<b>\$11,369,780</b>	<b>14.4%</b>
<b>Resources</b>				
Sales Tax ( 1/2% - Article 40 )	\$4,999,743	\$4,995,680	\$5,715,190	14.4%
Sales Tax ( 1/2% - Article 42 )	4,948,381	4,944,200	5,654,590	14.4%
Addition to Fund Balance	-338,677	0	0	0%
<b>Total Resources</b>	<b>\$9,609,447</b>	<b>\$9,939,880</b>	<b>\$11,369,780</b>	<b>14.4%</b>

# SPECIAL REVENUE FUNDS

## OCCUPANCY TAX FUND

This fund is established to account for the city's approximate one-sixth share of Forsyth County's 6% occupancy tax rate on the rental of hotel/motel accommodations.

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>				
Sports Commission	\$50,000	\$50,000	\$0	-100.0%
Contingency	0	0	50,000	NA
Public Art Initiative	0	0	50,000	NA
"The Drop" Events	0	0	25,000	NA
Transfer to Coliseum Co-Promotions	75,000	75,000	75,000	0%
Transfer to Convention Center	250,000	250,000	250,000	0%
Transfer to Coliseum Marketing	75,000	75,000	75,000	0%
<b>Total Expenditures</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$525,000</b>	<b>16.7%</b>
<b>Resources</b>				
Occupancy Tax	\$487,481	\$450,000	\$500,000	11.1%
Investment Income	4,378	0	0	0%
Fund Balance Appropriation	0	0	25,000	NA
Addition to Fund Balance	-41,859	0	0	0%
<b>Total Resources</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$525,000</b>	<b>16.7%</b>

## EMERGENCY TELEPHONE SYSTEM FUND

This fund is established to account for revenues and expenses associated with implementing the E-911 system. Monies from the surcharge (at an adopted rate of 60 cents per line) can only be used for the lease-purchase or maintenance of emergency telephone equipment, including necessary computer hardware, software, and database provisioning for a 911 system.

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>				
Leased Lines	\$128,380	\$126,350	\$136,300	7.9%
Computer-Aided Dispatch System	186,466	147,240	129,240	-12.2%
Equipment	32,559	258,940	274,460	6.0%
Transfer to E911 Wireless Fund	39,720	0	0	0%
Transfer to General Fund	42,664	27,470	40,000	45.6%
<b>Total Expenditures</b>	<b>\$429,789</b>	<b>\$560,000</b>	<b>\$580,000</b>	<b>3.6%</b>
<b>Resources</b>				
E-911 Surcharge Revenues	\$644,027	\$560,000	\$580,000	3.6%
Interest	4,684	0	0	0%
Addition to Fund Balance	-218,922	0	0	0%
<b>Total Resources</b>	<b>\$429,789</b>	<b>\$560,000</b>	<b>\$580,000</b>	<b>3.6%</b>

# SPECIAL REVENUE FUNDS

## E-911 WIRELESS FUND

This fund accounts for funds received from the E-911 Wireless Fund, a state-controlled fund under the direction of a 13-member board appointed by state officials. The board oversees the collection and distribution of monthly wireless Enhanced-911 service charges on commercial radio service connections, such as cellular telephones. The service charge is \$.80 per month and is distributed to the wireless telephone service providers (60%) and North Carolina cities and counties (40%) who provide 911-telephone service. The amount received by the City of Winston-Salem is based on the number of wireless access lines within the city. The money may be used for the lease, purchase, or maintenance of emergency telephone systems equipment for the wireless Enhanced-911 system, including computer hardware, software, and database provisioning.

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>				
Leased Lines	\$128,378	\$126,350	\$136,300	7.9%
Computer-Aided Dispatch System	119,154	79,920	83,880	5.0%
Capital Outlay	-18,771	36,260	99,150	173.4%
Transfer to General Fund	10,665	27,470	10,670	-61.2%
<b>Total Expenditures</b>	<b>\$239,426</b>	<b>\$270,000</b>	<b>\$330,000</b>	<b>22.2%</b>
<b>Resources</b>				
Reimbursement Revenue	\$318,206	\$270,000	\$330,000	22.2%
Interest Income	5,344	0	0	0%
Transfer From Emergency Telephone System Fund	39,720	0	0	0%
Addition to Fund Balance	-123,844	0	0	0%
<b>Total Resources</b>	<b>\$239,426</b>	<b>\$270,000</b>	<b>\$330,000</b>	<b>22.2%</b>

## REAL ESTATE MANAGEMENT FUND

This fund was established during FY 02-03 to account for rental revenue from city-owned properties. The Real Estate Management Fund is being closed out as a result of a decrease in the number of rental properties over the past few years. Future revenues and expenses will be accounted for in the general fund.

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>				
Supplies and Services	\$18,692	\$30,880	\$0	-100.0%
Equipment Leasing Expenses	14,118	13,610	0	-100.0%
Transfer to the General Fund	39,250	39,250	0	-100.0%
<b>Total Expenditures</b>	<b>\$72,060</b>	<b>\$83,740</b>	<b>\$0</b>	<b>-100.0%</b>

# SPECIAL REVENUE FUNDS

## REAL ESTATE MANAGEMENT FUND-Continued

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Resources</b>				
Rental Income	\$25,801	\$29,500	\$0	-100.0%
Interest Income	2,873	0	0	0%
Fund Balance Appropriation	43,386	54,240	0	-100.0%
<b>Total Resources</b>	<b>\$72,060</b>	<b>\$83,740</b>	<b>\$0</b>	<b>-100.0%</b>

## LEASING FUND

This fund accumulates annual payments from city departments to make lease payments to the North Carolina Municipal Leasing Corporation. The corporation assists the city in acquiring real and personal property through the issuance of certificates of participation (COPS) to fund the purchases. The corporation leases the property to the city, which provides lease payments that cover the interest and principal on the COPS as follows: governmental funds make equal annual payments over a five-year or a three-year period, depending on the type of equipment being purchased, and proprietary funds make the same scheduled payments with the addition of an annual interest payment at a rate of 5.5%.

	<u>Actual</u> <u>FY 05-06</u>	<u>Amended</u> <u>FY 06-07</u>	<u>Adopted</u> <u>FY 07-08</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>				
Principal Retirement	\$19,231,953	\$19,301,700	\$1,475,000	-92.3%
Interest Payments	3,035,700	2,060,400	4,484,000	217.6%
Fiscal Expense	157,128	0	0	0%
Transfer to Leasing Capital Projects	700,000	0	0	0%
Transfer to the General Fund	0	235,000	0	-100.0%
<b>Total Expenditures by Type</b>	<b>\$23,124,782</b>	<b>\$21,597,100</b>	<b>\$5,959,000</b>	<b>-72.4%</b>
<b>Resources</b>				
Lease Payments - City	\$10,658,394	\$10,938,000	\$13,775,000	25.9%
Lease Payments - Outside Agencies	704,960	597,000	597,000	0%
Investment Income	760,427	400,000	506,000	26.5%
NCMLC Proceeds	1,630,296	0	0	0%
Fund Balance Appropriation	9,370,705	9,662,100	0	-100.0%
Addition to Fund Balance	0	0	-8,919,000	NA
<b>Total Resources by Type</b>	<b>\$23,124,782</b>	<b>\$21,597,100</b>	<b>\$5,959,000</b>	<b>-72.4%</b>

# ENTERPRISE FUNDS

Enterprise funds provide public services that are operated in a manner similar to private business. Program descriptions and expenditure and resource details for each of the following funds are located on the following pages.

<b>EXPENDITURES BY FUND</b>	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
Solid Waste Disposal Fund	\$12,353,685	\$13,442,630	\$14,803,040	10.1%
Water and Sewer Funds	56,693,135	58,704,200	62,688,810	6.8%
Parking Fund	3,576,840	3,501,470	3,555,460	1.5%
Winston-Salem Transit Authority				
Public Bus System	8,015,609	8,645,570	8,883,140	2.7%
Ridesharing Support for PART	375,835	425,840	202,630	-52.4%
Trans-Aid	1,509,010	1,668,410	1,920,230	15.1%
Public Facilities Funds				
Winston-Salem Entertainment-Sports Complex	5,147,094	5,331,760	5,399,730	1.3%
Bowman Gray Stadium	266,833	237,900	256,000	7.6%
Ernie Shore Field	104,406	102,750	104,760	2.0%
M.C. Benton Jr., Convention and Civic Center	880,081	665,990	665,990	0%
Fair Fund	2,530,142	2,744,420	2,762,990	0.7%
Stormwater Management Fund	5,340,920	5,932,560	6,529,390	10.1%
Cemeteries Fund	615,446	586,260	589,810	0.6%
<b>Total Expenditures by Fund</b>	<b>\$97,409,037</b>	<b>\$101,989,760</b>	<b>\$108,361,980</b>	<b>6.2%</b>
<b>RESOURCES BY TYPE</b>	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
<b>Intergovernmental Resources</b>				
North Carolina Department of Transportation	\$2,263,333	\$2,249,970	\$2,211,220	-1.7%
Forsyth County	674,472	736,800	760,950	3.3%
Federal Transit Administration	1,843,451	1,904,070	1,904,080	0%
Home and Community Care Block Grant	289,770	265,000	265,000	0%
<b>Subtotal</b>	<b>\$5,071,026</b>	<b>\$5,155,840</b>	<b>\$5,141,250</b>	<b>-0.3%</b>
<b>Investment Income</b>	<b>\$7,914,156</b>	<b>\$2,126,750</b>	<b>\$2,400,000</b>	<b>12.8%</b>
<b>Charges for Services</b>				
Water Charges	\$27,438,192	\$29,100,160	\$31,036,390	6.7%
Sewer Charges	21,212,775	25,125,420	23,702,410	-5.7%
Other Utility Charges	6,067,909	4,579,510	5,617,150	22.7%

# ENTERPRISE FUNDS

<b>RESOURCES BY TYPE- Continued</b>	<b>Actual FY 05-06</b>	<b>Amended FY 06-07</b>	<b>Adopted FY 07-08</b>	<b>Percent Change</b>
Fair Admissions	\$1,074,148	\$1,225,000	\$1,215,000	-0.8%
Farmer's Market	15,259	14,500	14,500	0%
Other Fairground Revenues	1,063,807	1,157,030	1,217,370	5.2%
Parking Services	2,570,664	2,698,510	2,897,700	7.4%
Fares	1,483,105	1,538,930	1,473,650	-4.2%
Advertising	247,279	241,120	221,120	-8.3%
Services to Agencies	409,149	381,000	381,000	0%
Other Transit Revenues	350,382	303,620	305,940	0.8%
Service Charges	12,415,963	12,550,780	13,605,560	8.4%
Admissions	40,953	43,000	53,240	23.8%
Concessions/Catering Fees	687,634	697,830	730,430	4.7%
Entry Fees	8,098	7,500	8,000	6.7%
Equipment Use Fees	76,866	36,590	35,330	-3.4%
Facility Use Fees	158,824	160,890	130,600	-18.8%
Miscellaneous Sales & Service	22,330	16,600	23,400	41.0%
Stormwater Fees- Residential	2,700,955	2,911,030	3,735,660	28.3%
Stormwater Fees- Non-Residential	2,496,586	3,784,090	4,865,400	28.6%
<b>Subtotal</b>	<b>\$80,540,878</b>	<b>\$86,573,110</b>	<b>\$91,269,850</b>	<b>5.4%</b>
<b>Other Resources</b>				
Rentals	\$734,015	\$911,720	\$895,200	-1.8%
Sale of Property/Equipment	1,022,141	0	0	0%
Miscellaneous Revenues	1,224,021	1,178,100	964,890	-18.1%
Assessments to Benefit Property	778,314	520,000	1,275,000	145.2%
Damage Settlements	50,727	10,000	10,000	0%
Contribution from Cemeteries Perpetual Care Fund	107,114	107,110	113,440	5.9%
<b>Subtotal</b>	<b>\$3,916,332</b>	<b>\$2,726,930</b>	<b>\$3,258,530</b>	<b>19.5%</b>
<b>Transfers</b>				
Transfer from Bowman Gray Stadium Fund	\$49,159	\$25,670	\$22,210	-13.5%
Transfer from Ernie Shore Field Fund	69,939	54,550	55,570	1.9%
Transfer from Debt Service Fund	104,771	123,500	119,130	-3.5%
Transfer from Fair	617,481	767,880	729,220	-5.0%
Transfer from General Fund	2,325,828	2,231,340	2,216,170	-0.7%
Transfer from Mass Transit Tax Fund	2,829,733	3,602,550	4,170,710	15.8%
Transfer from Occupancy Tax Fund	400,000	400,000	400,000	0%
<b>Subtotal</b>	<b>\$6,396,911</b>	<b>\$7,205,490</b>	<b>\$7,713,010</b>	<b>7.0%</b>
<b>Fund Balance Appropriations (+) /Addition to Fund Balance (-)</b>	<b>-\$6,404,435</b>	<b>-\$1,798,360</b>	<b>-\$1,420,660</b>	<b>21.0%</b>
<b>Total Resources by Type</b>	<b>\$97,434,868</b>	<b>\$101,989,760</b>	<b>\$108,361,980</b>	<b>6.2%</b>

# CAPITAL PROJECTS FUND

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The capital projects fund provides budgetary accountability for financial resources used for the acquisition or construction of major capital improvements. Typically, projects are funded by general obligation bonds, two-thirds bonds, federal and state capital funds, general fund appropriations, and capital reserves.

	<b>Adopted FY 07-08</b>
<b>EXPENDITURES</b>	
<b>Community and Economic Development Projects</b>	
Economic Development	
Downtown Property Maintenance	\$100,000
Housing Development	
Homeowner Assistance/Production	\$1,550,000
Rental Housing Assistance/Production	710,000
<b>Subtotal Community and Economic Development Projects</b>	<b>\$2,360,000</b>
<b>Public Safety</b>	
Fire Department	
Fire Department Facilities Renewal	\$511,000
Fire Apparatus Replacement	364,000
<b>Subtotal Public Safety Projects</b>	<b>\$875,000</b>
<b>Transportation Projects</b>	
Streets and Sidewalks	
Road Widening, Extensions, and Realignment	\$8,240,000
Street Resurfacing Projects	2,150,000
Sidewalk Construction, ADA Ramps, and Repairs	1,125,000
Interim Traffic Signal System Improvements	1,100,000
New Traffic Signal Construction	482,000
Conversion of Sixth Street to Two-Way Operation	217,000
Street Resurfacing Projects - Annexation	200,000
Public Transportation Projects	72,000
Traffic Safety Projects	25,000
Traffic Calming Projects	25,000
<b>Subtotal Transportation Projects</b>	<b>\$13,636,000</b>
<b>Leisure Services Projects</b>	
Recreation and Parks	
Muddy Creek Greenway - Phase I	\$700,000
Playground Renovations	500,000
Recreation and Parks Department Facilities Renewal	400,000
Swimming Pool Repairs	320,000
Park Bridge Replacements	210,000
Winston Square Park Renovations	150,000
Recreation Facility Resurfacing	100,000
Muddy Creek Greenway - Phase III	100,000

# **CAPITAL PROJECTS FUND**

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	<b><u>Adopted FY 07-08</u></b>
14 <sup>th</sup> Street Walking Trail	\$100,000
Other Greenway Development	42,000
<b>Subtotal Leisure Services Projects</b>	<b>\$2,622,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$19,493,000</b>
<b>FUNDING SOURCES</b>	
Bonds:	
2000 General Obligation Bonds	\$10,500,000
Two-Thirds Bonds	5,105,000
Intergovernmental Resources:	
Powell Bill (Gasoline Tax)	\$1,200,000
Federal Transit Administration	880,000
Other:	
Motor Vehicle Privilege Tax	\$606,000
Developer Contributions	432,000
Capital Funds Reserves	220,000
Transfer from General Fund:	
Current Revenues	\$500,000
Fund Balance	50,000
<b>TOTAL FUNDING SOURCES</b>	<b>\$19,493,000</b>

# **LEASING CAPITAL PROJECTS FUND**

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The leasing capital projects fund provides budgetary accountability for the acquisition or construction of major capital improvements that are financed through the North Carolina Municipal Leasing Corporation (NCMLC).

<b>EXPENDITURES</b>	<b><u>Adopted</u></b> <b><u>FY 07-08</u></b>
<b>Public Safety Projects</b>	
Police Evidence Storage and Training Facility	\$5,500,000
Fire Station #20	2,325,000
Fire Station #19	500,000
<b>Subtotal Public Safety Projects</b>	<b>\$8,325,000</b>
<b>Transportation Projects</b>	
Parking Enforcement Scooters	\$48,000
<b>Subtotal Transportation Projects</b>	<b>\$48,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$8,373,000</b>
<b>FUNDING SOURCES</b>	
North Carolina Municipal Leasing Proceeds	\$8,344,200
North Carolina Department of Transportation	28,800
<b>TOTAL FUNDING SOURCES</b>	<b>\$8,373,000</b>

## LEASING EQUIPMENT ACQUISITION FUND

This fund accounts for the total cost of capital equipment, including computer hardware, that is financed through the North Carolina Municipal Leasing Corporation. For computer hardware, city departments make annual lease payments of one-third of the purchase price in order to pay off the debt. For all other equipment (e.g., rolling stock, machinery, etc.), city departments make annual lease payments of one-fifth of the purchase price. With the exception of computers, radios, roll-out sanitation carts, and breathing apparatus equipment, the city lease-purchases equipment that costs \$10,000 or more.

<b>Expenditures</b>	<b><u>Actual</u></b>	<b><u>Amended</u></b>	<b><u>Adopted</u></b>	<b><u>Percent</u></b>
	<b><u>FY 05-06</u></b>	<b><u>FY 06-07</u></b>	<b><u>FY 07-08</u></b>	<b><u>Change</u></b>
<b>Capital Outlay</b>				
Rolling Stock	\$3,820,348	\$7,730,490	\$5,967,100	-22.8%
Computer Equipment	49,595	265,000	72,000	-72.9%
Communications Equipment	0	225,500	0	-100.0%
General Equipment	313,240	907,320	768,650	-18.0%
Other	11,100	1,979,270	1,184,930	-40.1%
<b>Total Expenditures by Type</b>	<b>\$4,194,283</b>	<b>\$11,107,580</b>	<b>\$7,992,680</b>	<b>-28.0%</b>
<b>Resources</b>				
North Carolina Municipal Leasing Corporation	\$4,194,283	\$11,107,580	\$7,992,680	-28.0%
<b>Total Resources by Type</b>	<b>\$4,194,283</b>	<b>\$11,107,580</b>	<b>\$7,992,680</b>	<b>-28.0%</b>

# **ENTERPRISE CAPITAL PROJECTS FUND**

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These funds provide budgetary accountability for financial resources used for the acquisition or construction of major capital improvements for enterprise operations. Typically, projects are funded by revenue bonds, special obligation bonds, enterprise fund capital reserves, federal and state capital funds, and certificates of participation. Projects financed through the North Carolina Municipal Leasing Corporation also are accounted for in these funds. The annual lease payments charged by the NCMLC are budgeted in the enterprise funds' operating budgets.

	<b>Adopted FY 07-08</b>
<b>EXPENDITURES</b>	
<b>Environmental Health Projects</b>	
Solid Waste Disposal	
New Construction and Demolition Landfill Site Development	\$2,750,000
Hanes Landfill Gas System Construction	900,000
Hanes Landfill Cell Construction	500,000
Water and Wastewater Treatment	
Biosolids Management	\$10,347,890
Thomas Water Treatment Plant Modernization	6,531,540
Primary and Preliminary Treatment Upgrade at Wastewater Treatment Plants	3,000,000
Miscellaneous Water and Wastewater Treatment Capital Projects	2,955,560
Idol's Pump Station Rehabilitation	2,250,000
Idol's Dam Improvements	1,454,230
Water Tank Rehabilitation	1,162,500
Treatment Facilities Reliability	340,470
Wastewater Lift Station Rehabilitation	125,000
Water Distribution and Wastewater Collection	
Annexation – Potential Petition Projects	\$10,000,000
Annexation – Major Mains and Five-Day Petitions	3,978,480
Wastewater Collection System Improvements	3,000,000
Children's Home and Manhattan Outfall Rehabilitation	2,596,620
West End Sewer System Improvements	1,850,660
West End Water System Improvements	1,817,360
Kerners Mill Sewer System Improvements	1,079,730
Water Distribution system Improvements	1,000,000
Ardmore Branch Outfall	740,750
2" Water Main Replacement (In Winston-Salem only)	477,500
Muddy Creek Find and Fix Project	461,300
Water and Sewer GIS/Work Order Management System	400,000
Permanent Flow Monitoring	385,000
Ardmore Area Water and Sewer Rehabilitation	300,000
Construction and Maintenance Facilities Improvements	280,000
Polo Road Outfall Sewer Rehabilitation	125,000

# **ENTERPRISE CAPITAL PROJECTS FUND**

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	<b><u>Adopted FY 07-08</u></b>
Stormwater Management	
Stormwater Basin Studies – Existing Basin Updates	\$7,973,880
Stormwater Infrastructure Improvements	2,600,000
Stormwater Basin Studies – Annexation Areas	1,345,320
Drainage Improvements on Private Property	900,000
Municipal Stormwater Pollution Prevention Plans	108,800
 <b>Subtotal Environmental Health Projects</b>	 <b>\$73,737,590</b>
 <b>Transportation Projects</b>	
Mass Transit	
Fixed Route Bus Replacement	\$3,900,000
Trans-AID Vehicle Replacement	581,000
Transit Facility Improvements	497,280
Transit Vehicle Maintenance	100,000
Passenger Amenities	24,220
Security Enhancements	24,220
 Off-Street Parking	
Cherry-Marshall Parking Deck Elevator Replacement	\$462,000
 <b>Subtotal Transportation Projects</b>	 <b>\$5,588,720</b>
 <b>TOTAL EXPENDITURES</b>	 <b>\$79,326,310</b>
 <b>FUNDING SOURCES</b>	
Bonds:	
Revenue Bonds	\$63,449,230
 Intergovernmental Resources:	
Federal Transit Administration	\$4,491,350
North Carolina Department of Transportation	253,100
 Other:	
Solid Waste Disposal Fund	\$4,150,000
Water and Sewer Utility Fund	3,955,560
Stormwater Management Fund	2,182,800
North Carolina Municipal Leasing Corporation	462,000
Motor Vehicle Privilege Tax	195,000
Mass Transit Tax Fund	187,270
 <b>TOTAL FUNDING SOURCES</b>	 <b>\$79,326,310</b>

## **FIDUCIARY FUNDS**

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Fiduciary funds are established to account for the city's employee benefits programs, including workers' compensation, health benefits, dental and flex spending, and other employee benefits such as social security, unemployment insurance, tuition reimbursements, and deferred compensation.

	<b>Actual</b>	<b>Amended</b>	<b>Adopted</b>	<b>Percent</b>
<b>EXPENDITURES BY PROGRAM</b>	<b><u>FY 05-06</u></b>	<b><u>FY 06-07</u></b>	<b><u>FY 07-08</u></b>	<b><u>Change</u></b>
Workers Compensation	\$1,732,343	\$2,654,980	\$2,911,000	9.6%
Health Benefit Fund	18,430,676	22,941,100	20,463,070	-10.8%
Dental and Flex Spending Fund	1,695,139	1,731,160	1,793,960	3.6%
Employment Taxes and Benefits Fiduciary Fund	13,875,142	16,357,080	17,162,900	4.9%
<b>Total Expenditures by Program</b>	<b>\$35,733,301</b>	<b>\$43,684,320</b>	<b>\$42,330,930</b>	<b>-3.1%</b>
	<b>Actual</b>	<b>Amended</b>	<b>Adopted</b>	<b>Percent</b>
<b>RESOURCES BY TYPE</b>	<b><u>FY 05-06</u></b>	<b><u>FY 06-07</u></b>	<b><u>FY 07-08</u></b>	<b><u>Change</u></b>
City Contribution	\$35,324,620	\$35,839,650	\$37,156,650	3.7%
Employee Contribution	7,942,808	8,195,020	7,239,210	-11.7%
Other Agency Contributions	900,617	50,220	50,220	0%
Reimbursements	409,827	174,430	391,200	124.3%
Investment Income	294,050	500,000	0	-100.0%
Transfer from Health Benefit Fund	477,030	1,500,000	0	-100.0%
<b>Total Resources by Type</b>	<b>\$45,348,951</b>	<b>\$46,259,320</b>	<b>\$44,837,280</b>	<b>-3.1%</b>
Addition to Fund Balance	\$9,615,650	\$2,575,000	\$2,506,350	-2.7%

# ESTIMATED CHANGES IN FUND BALANCES

The North Carolina Local Government Commission (LGC) recommends that units of government maintain a minimum fund balance in their operating funds of 8% of estimated total expenditures. This level has been determined to be the equivalent of one month's expenditures and is generally regarded as a minimum level to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowings, and assist in maintaining investment grade bond ratings. The city's policy is to maintain a minimum fund balance of at least 10% of estimated expenditures in the general fund. (See page 35 of the budget document.) For other funds, the reserves are monitored regularly to ensure sufficiency for operating and capital needs. The balances listed below represent audited amounts for June 30, 2006 and estimates for June 30, 2007, prior to final audited figures being available.

Fund	Fund Balance/ Reserves 6/30/06 <sup>(1)</sup>	Fund Balance/ Reserves 6/30/07 <sup>(1)</sup>	Expected Use(-)/ Addition to (+) FB by 6/30/08	Projected Fund Balance 6/30/08	Percent of FY 07-08 Budget
General	\$ 23,974,529	\$ 18,900,000	\$ 4,500,000	\$ 23,400,000	14.0%
General/Internal Services	0	1,500,000	-600,000	900,000	10.0%
Housing/Econ. Development	12,785,939	9,000,000	-223,460	8,776,540	NA
Mass Transit Tax	2,779,199	3,200,000	-1,461,260	1,738,740	39.2%
Occupancy Tax	83,807	165,000	-50,000	115,000	23.0%
Cable Franchise	85,985	85,000	0	85,000	NA
Emergency Phone System	466,779	650,000	0	650,000	112.1%
E-911 Wireless	185,068	500,000	0	500,000	151.5%
Debt Service	4,296,440	4,100,000	1,190,880	5,290,880	32.7%
Capital Projects	37,135,119	34,000,000	-220,000	33,780,000	NA
Leasing Fund	33,421,255	27,000,000	8,919,000	35,919,000	NA
Water and Sewer	94,987,518	135,000,000	617,140	135,617,140	216.3%
Solid Waste	31,108,515	24,488,700	-4,627,680	19,861,020	134.2%
Parking	1,761,267	1,470,000	-290,000	1,180,000	33.2%
Cemeteries/Perpetual Care	2,445,397	2,600,000	-113,440	2,486,560	NA
Stormwater Management	1,302,369	1,700,000	-1,100,000	600,000	9.2%
Winston-Salem Transit Auth.	191,012	0	0	0	NA
W-S Sports-Entertainment Complex	1,705,029	0	0	0	NA
Fair	1,483,478	1,265,540	-525,540	740,000	26.8%
Police Pension <sup>(2)</sup>	81,429,524	91,367,000	0	91,367,000	NA
Retiree Health and Life <sup>(2)</sup>	26,354,095	31,227,000	2,506,350	33,733,350	NA
Workers Compensation	804,896	2,700,000	0	2,700,000	92.8%
Health Benefits	9,990,235	5,400,000	0	5,400,000	40.8%
Dental Flex	603,911	740,000	0	740,000	41.3%
Employment Benefits Trust	2,921,729	3,300,000	0	3,300,000	19.2%
Post Employment COPS <sup>(3)</sup>	(7,914,464)	(6,200,000)	0	(6,200,000)	NA
<b>Total</b>	<b>\$364,388,631</b>	<b>\$394,158,240</b>	<b>\$8,521,990</b>	<b>\$ 402,680,230</b>	

<sup>(1)</sup> Fund balance is reduced for reserve for encumbrances and state statutes.

<sup>(2)</sup> Assets accumulated to fund accrued liabilities. The balance for retiree health and life noted on page 188 represents the unreserved balance only.

<sup>(3)</sup> Represents unfunded portion of 1992 COPS.



**Winston-Salem**