

FUND SUMMARIES

Fund Summaries.....	14
Net Expenditures by Fund.....	16
General Fund	
Total General Fund Expenditures by Service Area	17
Total General Fund Resources by Type.....	20
General Fund Summary	23
General Fund Expenditure Highlights	24
General Fund Resource Highlights	27
General Fund Balance Highlights	31
Internal Services Funds	33
Debt Service Fund.....	34
Special Revenue Funds	35
Enterprise Funds.....	45
Capital Projects Fund	48
Leasing Capital Projects Fund.....	49
Leasing Capital Acquisition Fund.....	50
Enterprise Capital Projects Fund.....	51
Fiduciary Funds.....	53
Estimated Changes in Fund Balances	54

FUND SUMMARIES

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.

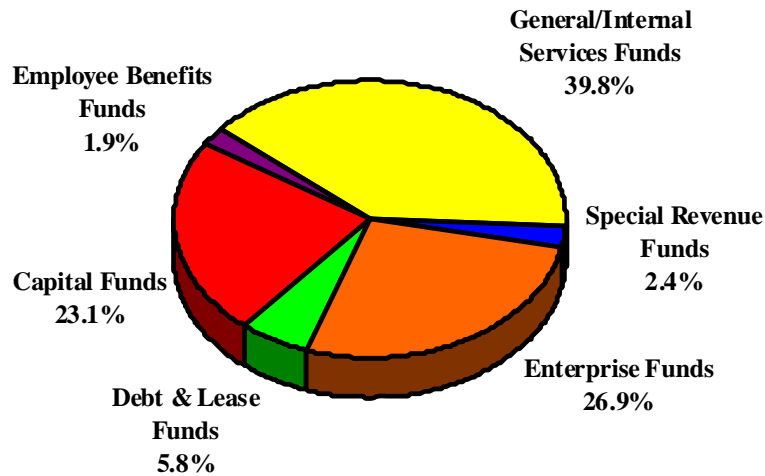
Debt Service Principal Payments: In the financial statements, proprietary funds do not report payments of debt service principal in their operating statements. These funds are not considered to be worse off economically when both debt and assets are reduced by the same amount. The budget is prepared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



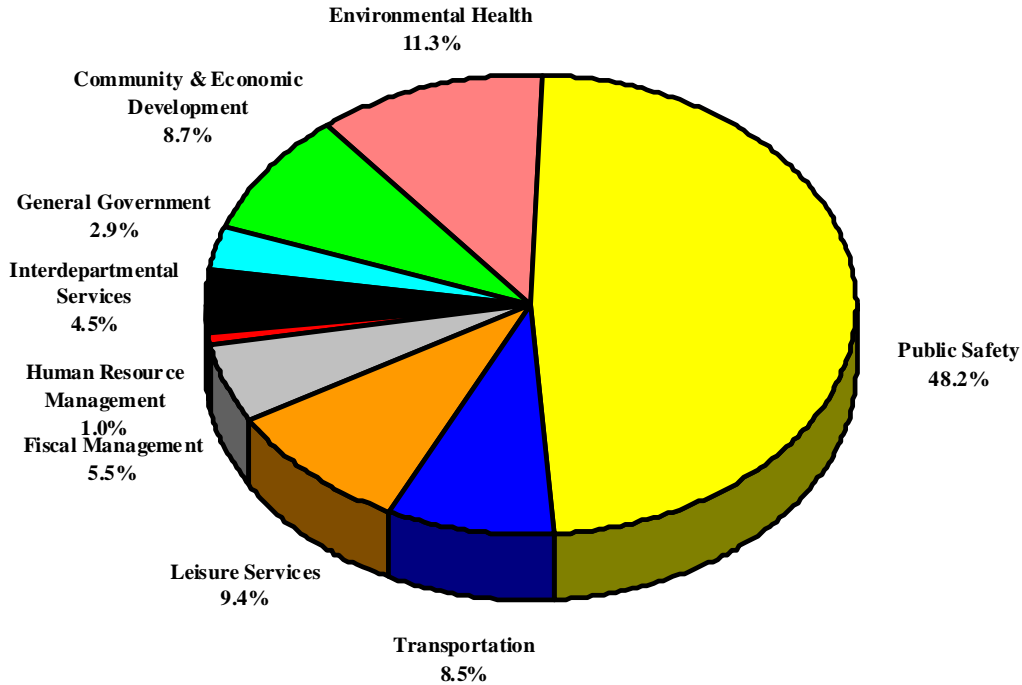
Net Total: \$396.5 Million

TOTAL EXPENDITURES BY FUND

	<u>Budgeted FY 07-08</u>	<u>Adopted FY 08-09</u>	<u>Percent Change</u>	<u>Transfers & Interfund Charges</u>	<u>Net Expenditures</u>
<u>Operating Expenditures</u>					
General Fund	\$167,337,370	\$173,024,590	3.4%	-\$16,101,590	\$156,923,000
General Fund/Internal Services	5,325,550	5,073,310	-4.7%	-4,155,730	917,580
Special Revenue Funds	33,741,250	35,316,710	4.7%	-25,626,100	9,690,610
Enterprise Funds	108,422,090	115,149,170	6.2%	-8,405,110	106,744,060
Subtotal	\$314,826,260	\$328,563,780	4.4%	-\$54,288,530	\$274,275,250
<u>Debt and Lease</u>					
Debt Service Fund	\$16,198,190	\$17,924,390	10.7%	-\$111,600	\$17,812,790
Leasing Fund	5,959,000	10,490,640	76.0%	-5,152,740	5,337,900
Subtotal	\$22,157,190	\$28,415,030	28.2%	-\$5,264,340	\$23,150,690
<u>Capital Expenditures</u>					
Capital Projects Fund	\$27,866,000	\$3,368,680	-87.9%	\$0	\$3,368,680
Enterprise Capital Projects	79,326,310	81,007,750	2.1%	0	81,007,750
Leasing Equipment Acquisition	7,992,680	7,111,960	-11.0%	0	7,111,960
Subtotal	\$115,184,990	\$91,488,390	20.6%	\$0	\$91,488,390
<u>Fiduciary Funds</u>					
Employee Benefits Funds	\$42,330,930	\$45,972,160	8.6%	-\$38,409,690	\$7,562,470
Total Expenditures	\$494,499,370	\$494,439,360	-.01%	-\$97,962,560	\$396,476,800

GENERAL FUND EXPENDITURES BY SERVICE AREA

FY 08-09 GENERAL FUND EXPENDITURES BY SERVICE AREA



Total \$173.0 Million

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
Community and Economic Development				
City/County Planning	\$2,595,687	\$2,960,260	\$3,002,810	1.4%
City/County Inspections	4,376,327	4,623,670	4,492,810	-2.8%
Development Office	558,882	659,930	670,160	1.6%
Housing Development Administration	717,984	729,050	762,630	4.6%
Neighborhood Services	3,080,513	4,035,210	4,119,660	2.1%
Arts and Sciences Community Agencies	407,680	487,500	487,500	0%
Non-Departmental				
Support to Other Funds				
Housing Finance Assistance Fund	\$92,600	\$86,310	\$119,100	38.0%
Economic Development Projects Fund	778,370	1,238,860	1,402,700	13.2%
Subtotal	\$12,608,043	\$14,820,790	\$15,057,370	1.6%

GENERAL FUND EXPENDITURES BY SERVICE AREA

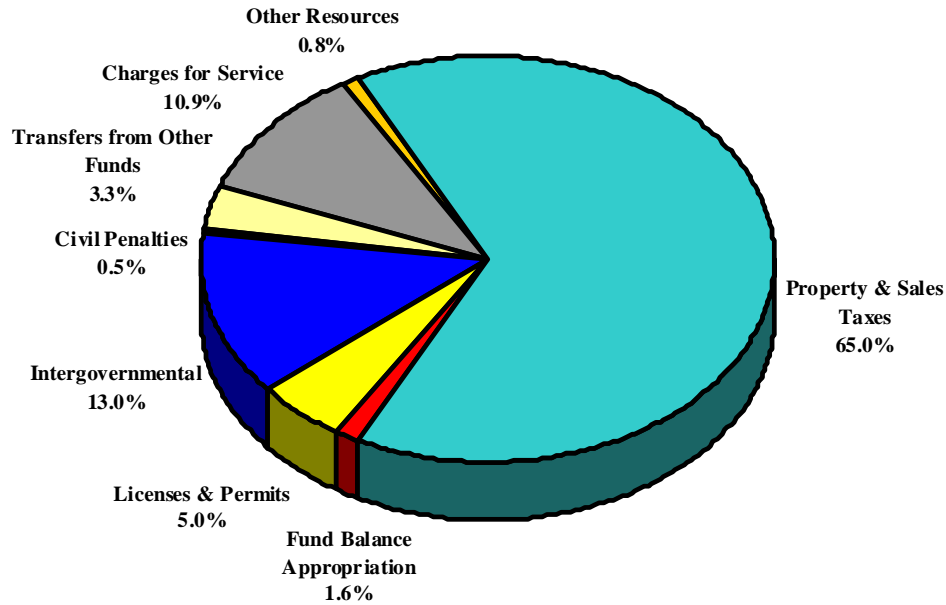
	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
Environmental Health				
Sanitation	\$17,527,192	\$19,127,220	\$19,664,090	2.8%
Non-Departmental				
Support to Other Funds				
Cemeteries Fund	17,815	21,680	16,230	-25.1%
-Interdepartmental Credits	-82,960	-87,780	-105,250	19.9%
Subtotal	\$17,462,047	\$19,061,120	\$19,575,070	2.7%
Public Safety				
Police	\$52,201,149	\$54,286,270	\$57,221,430	5.4%
Fire	23,548,421	24,395,360	25,772,300	5.6%
Emergency Management	408,892	449,840	473,940	5.4%
Non-Departmental				
Support to Other Funds				
Grant Projects Fund	9,430	0	0	0%
Subtotal	\$76,167,893	\$79,131,470	\$83,467,670	5.5%
Transportation				
Transportation System Management	\$6,531,040	\$7,510,230	\$7,518,500	0.1%
Streets Maintenance	5,876,021	6,059,330	6,114,410	0.9%
Public Works Communications	317,727	289,960	0	-63.8%
Non-Departmental				
Support to Other Funds				
Parking Fund	722,925	1,053,370	1,056,530	0.3%
Mass Transit Tax Fund	1,205,270	0	0	0%
Capital Projects Fund	50,000	550,000	0	-100.0%
-Interdepartmental Credits	-59,485	-60,000	-60,000	0%
Subtotal	\$14,643,498	\$15,402,890	\$14,629,440	-5.0%
Leisure Services				
Recreation and Parks	\$8,822,934	\$9,434,790	\$9,777,890	3.6%
Vegetation Management	4,751,785	5,184,240	5,274,930	1.7%
Non-Departmental				
Support to Other Funds				
Winston-Salem Entertainment-Sports Complex	665,233	694,480	746,880	7.5%
Convention Center Fund	415,990	415,990	415,990	0%
Capital Projects Fund	21,920	0	0	0%
-Interdepartmental Credits	-26,723	0	-2,500	100.0%
Subtotal	\$14,651,138	\$15,729,500	\$16,213,190	3.1%

GENERAL FUND EXPENDITURES BY SERVICE AREA

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
Fiscal Management				
Financial Management Services	\$7,778,445	\$8,120,130	\$7,920,210	-2.5%
Budget, Audit and Performance Reporting	846,517	941,830	1,005,170	6.7%
Claims for Damages	548,315	572,220	575,260	0.5%
Subtotal	\$9,173,277	\$9,634,180	\$9,500,640	-1.4%
Human Resource Management				
Human Resources	\$1,419,097	\$1,844,450	\$1,765,620	-4.3%
Subtotal	\$1,419,097	\$1,844,450	\$1,765,620	-4.3%
Interdepartmental Services				
Engineering	\$3,206,710	\$3,787,250	\$3,748,300	-1.0%
Real Estate	525,177	586,800	555,500	-5.3%
Mail and Printing Services	779,390	606,960	703,360	15.9%
Property Maintenance	4,463,449	4,436,000	4,696,700	5.9%
Information Systems	932,155	1,189,350	1,175,560	-1.2%
Non-Departmental				
Support to Other Funds				
Capital Projects Fund	330,000	0	0	0%
-Interdepartmental Credits	-3,032,521	-2,900,720	-3,116,840	7.5%
Subtotal	\$7,204,360	\$7,705,640	\$7,762,580	0.7%
General Government				
Policy Leadership	\$1,245,944	\$1,323,700	\$1,272,910	-3.8%
City Manager	1,094,540	1,112,680	1,043,630	-6.2%
City Link	175,548	811,540	1,646,410	102.9%
City Secretary	402,496	348,270	413,160	18.6%
Marketing and Communications	934,726	830,640	854,570	2.9%
Human Relations	251,005	312,020	352,500	13.0%
Non-Departmental				
Board of Elections	152,435	225,630	258,630	14.6%
Property Tax Collection	688,479	564,200	658,070	16.6%
Salary Savings Adjustment	0	-2,145,210	-2,121,160	-1.1%
Contingency	0	0	50,430	100.0%
Support to Other Funds				
Debt Service Fund	623,860	623,860	623,860	0%
Subtotal	\$5,569,032	\$4,007,330	\$5,053,010	26.1%
Total Expenditures By Service Area	\$158,898,386	\$167,337,370	\$173,024,590	3.4%

GENERAL FUND RESOURCES BY TYPE

GENERAL FUND RESOURCES BY TYPE



Total \$173.0 Million

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
Taxes				
Property Taxes - Current Year	\$73,067,469	\$80,732,560	\$83,252,930	3.1%
Property Taxes - Prior Year	1,242,939	800,000	1,150,000	43.8%
Sales Tax (1% Article 39)	13,542,892	13,706,620	14,659,700	7.0%
Sales Tax (1/2% Articles 40 & 42)	6,466,231	6,797,630	7,336,690	0%
Sales Tax (1/2% Article 44)	5,493,206	5,615,730	6,028,520	7.4%
Subtotal	\$99,812,738	\$107,652,540	\$112,427,840	4.4%
Licenses and Permits				
Construction Permits	\$4,251,540	\$4,118,970	\$3,728,750	-9.5%
Privilege Licenses	2,356,777	2,366,160	2,449,000	3.5%
Gross Receipts Tax	176,115	191,350	191,350	0%
Motor Vehicle License Taxes	1,445,015	1,579,760	1,587,450	0.5%
Cable Franchise	1,606,875	350,000	349,430	-0.2%
Other Licenses and Permits	279,590	269,800	269,800	0%
Subtotal	\$10,115,912	\$8,876,040	\$8,575,780	-3.4%

GENERAL FUND RESOURCES BY TYPE

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
Intergovernmental Resources				
State Collected Local Revenues				
Utility Franchise Tax	\$10,952,145	\$12,298,380	\$13,272,600	7.9%
Beer and Wine Tax	899,502	1,008,590	1,038,410	3.0%
Gasoline Tax	4,732,622	5,814,550	5,535,840	-4.8%
“Hold Harmless” Payment	2,051,017	2,004,490	1,822,680	-9.1%
Other Intergovernmental Resources				
ABC Allocation	655,793	677,490	663,070	-2.1%
Housing Authority Payment in Lieu of Taxes	55,296	55,300	76,420	38.2%
Other State Resources	134,770	204,180	115,280	-43.5%
Subtotal	\$19,481,144	\$22,062,980	\$22,524,300	2.1%
Charges for Services				
Governmental Sales and Service	\$4,478,471	\$4,188,460	\$4,454,450	6.4%
Parking Meter Revenue	41,267	60,000	60,000	0%
Charges to the State	538,553	494,860	513,000	3.7%
Charges to Forsyth County	2,544,490	2,444,060	2,405,970	-1.6%
Charges to WS/FC School Board	125,000	125,000	125,000	0%
Charges to Other Municipalities	69,625	67,030	38,420	-42.7%
Interfund Charges	10,694,264	11,346,070	11,261,170	-0.7%
Subtotal	\$18,491,670	\$18,725,480	\$18,858,010	0.7%
Civil Penalties				
Parking Tickets	\$353,987	\$300,000	\$325,000	8.3%
Housing Code Violations	333,605	306,500	357,300	16.6%
Erosion Control Civil Penalties	83,032	30,000	45,000	50.0%
False Alarm Civil Penalties	185,806	200,000	170,000	-15.0%
Subtotal	\$956,430	\$836,500	\$897,300	7.3%
Other Resources				
Rentals	\$138,338	\$159,400	\$167,000	4.8%
Sales of Property and Equipment	420,508	303,880	358,000	17.8%
Contributions	468,670	522,460	518,140	-0.8%
Miscellaneous	458,585	259,130	278,890	7.6%
Subtotal	\$1,486,100	\$1,244,870	\$1,322,030	6.2%

GENERAL FUND RESOURCES BY TYPE

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Transfers in from Other Funds				
Community Development Block Grant Fund	\$904,995	\$1,171,440	\$1,211,030	3.4%
Real Estate Management Fund	39,250	0	0	0%
Leasing Fund	235,000	61,250	0	-100.0%
Capital Projects Fund	0	292,540	0	-100.0%
Emergency Telephone System Fund	43,955	40,000	40,920	2.3%
E911 Wireless Fund	10,985	10,670	10,230	-4.1%
Solid Waste Disposal Fund	2,274,684	2,621,860	2,900,010	10.6%
Water and Sewer Fund	18,678	24,400	70,960	190.8%
Stormwater Management Fund	1,339,026	1,584,320	1,489,090	-6.0%
Employee Benefit Funds	1,500,000	0	0	0%
Subtotal	\$6,366,573	\$5,806,480	\$5,722,240	-1.5%
 Fund Balance Appropriation	 \$2,187,819	 \$2,132,480	 \$2,697,090	 26.5%
 Total General Fund Resources	 \$158,898,386	 \$167,337,370	 \$173,024,590	 3.4%

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>06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Estimated</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>% Change</u>
Expenditures					
Personnel	\$109,082,390	\$112,570,150	\$113,450,030	\$116,915,540	3.86%
Supplies and Services	39,881,389	42,524,390	42,165,390	44,107,080	3.72%
Capital Outlay	4,813,420	7,264,050	6,519,330	7,161,550	-1.40%
Support to Other Funds	5,121,186	4,978,780	5,009,430	4,840,420	-2.78%
TOTAL EXPENDITURES	\$158,898,385	\$167,337,370	\$167,144,180	\$173,024,590	3.40%
Revenues					
Property Taxes	\$74,310,409	\$81,532,560	\$82,802,560	\$84,402,930	3.52%
Sales Taxes	25,502,329	26,119,980	26,081,980	28,024,910	7.29%
Licenses and Permits	8,859,037	8,884,540	8,554,540	8,575,780	-3.48%
Intergovernmental	21,094,718	22,054,480	22,107,480	22,524,300	2.13%
Charges for Services	18,134,972	18,725,730	18,595,480	18,858,010	0.70%
Other	2,442,530	2,081,120	2,264,370	2,219,330	6.64%
Subtotal	\$150,343,995	\$159,398,410	\$160,406,410	\$164,605,260	3.27%
Other Resources					
Transfers from Other Funds	\$6,366,573	\$5,806,480	\$5,452,690	\$5,722,240	-1.45%
Fund Balance Appropriation	2,187,817	2,132,480	1,285,080	2,697,090	26.48%
TOTAL RESOURCES	\$158,898,385	\$167,337,370	\$167,144,180	\$173,024,590	3.40%

GENERAL FUND EXPENDITURE HIGHLIGHTS

Presented below is a listing of year-to-year changes in the general fund expenditure budget, highlighting the key adjustments. Overall, the FY 08-09 budget is increased by \$5.6 million, or 3.4%. The adopted budget is best described as a “continuation” or “base” budget, providing programs and services at the same level as in 2007-2008. Major cost increases are primarily due to the upward trend in the price of fuels and other commodities that are petroleum-based, as well as an increase in salaries and benefits expenses to cover a full year of public safety pay adjustments implemented in January and April, 2008. Highlights of year-to-year budget changes are provided below:

BUDGET HIGHLIGHTS

OVERALL PAY AND BENEFITS ADJUSTMENTS

- Employee pay for performance (up to 3%) +\$2,640,400
- Increase in salaries and benefits expenses to cover full year of prior year public safety pay adjustments implemented in January and April, 2008 +1,522,000
- Implementation of the third of a three year position classification study, including all professional, technical, supervisory, and managerial positions, with the exception of department heads and top management position classifications +589,440
- Increase in part-time and overtime costs, due to first year of budgeting for the \$9 minimum hourly rate for part-time, benefitted property maintenance (custodial) and recreation staff +276,800
- Reduction in longevity expense due to retirements -186,000
- Increase in projected salary savings -71,300
- Year-to-year reduction in the salary base due to retirements And other personnel turnover -194,000

OVERALL FUEL ADJUSTMENT

- 25% increase in fuel costs, based on projected average per gallon cost of gasoline of \$2.87 (up from \$2.29 in FY 07-08) +740,600

SERVICE AREA ADJUSTMENTS

Community and Economic Development

- Addition of incentive payments for economic development projects, which have been previously approved by City Council +163,800

GENERAL FUND EXPENDITURE HIGHLIGHTS

- Addition of a senior office assistant position in Housing Development by converting an existing part time (25 hrs./wk.) position to full time (covered entirely by CDBG and HOME grant funds) to provide additional administrative support to the housing program +\$35,770

Environmental Health

- Increase in the curbside recycling contract (covered by a reimbursement from the Solid Waste Disposal Fund), primarily due to fuel cost surcharge +232,000
- Addition of 5,000 roll-out carts for the voluntary curbside residential refuse collection program and 30 bulk containers for the bulk container collection program +57,160

Public Safety

- Increase in the general fund share of the cost of a fire company that was added in FY 06-07 using federal grant dollars, which are decreased every year, through FY 09-10 +141,500
- Fire operational training program for front-line firefighters and engineers in the areas of rescue techniques, computer skills, and fire alarm codes +22,910

Transportation

- Increase in operational electrical expenses for newly installed street lights in recently annexed neighborhoods +67,000

Leisure Services

- Increase in the general fund support for the Winston-Salem Sports and Entertainment Complex, due in part to the projected decline in Ernie Shore Field revenue, when the baseball team is moved to the new field in Spring, 2008 +52,400

Interdepartmental Services

- Increase in fleet services charges for repairs, based on cost growth associated with an aging fleet +56,200
- Increase in fleet services charges for leased vehicles, based on cost of replacing 23 vehicles in general fund departments (Of the 44 replacements citywide, a total of ten will be replaced with hybrid vehicles, to increase fuel efficiency and lower operating costs.) +93,700

GENERAL FUND EXPENDITURE HIGHLIGHTS

- Increase in property maintenance costs, based primarily on the pay adjustments for custodians to a minimum of \$9/hour +\$75,400
- Decrease in cost for computer replacements due to there being no scheduled replacements in FY 08-09 -215,700

General Government

- Implementation of phase 2 of City Link, the one-stop call-taking department, providing expanded service to almost all city departments (addition of 12 positions to this department which are more than offset by 12 positions that are transferred and 2 more that are deleted, and an increase in operating expenses primarily related to added information systems) +156,000
- Transfer of a safety inspector position from the Utilities Division to provide, under the supervision of the city's Risk Manager, safety management services to Utilities (This position is covered 100% by a transfer from Utilities.) +46,960
- Expansion of the Web bill payment system , to provide on-line access to citizens for parking deck spaces, bulk container pick-up, Housing Services bills, or any other general city invoice +54,000

Other Non-Departmental

- Increase in city-share of property tax collections and elections +126,870
- Elimination of economic loss payments to private haulers, which were completed in FY 07-08, in accordance with N.C. General Statutes relating to annexation -326,100
- No increase in grants to community agencies 0
- Drop-off in the general fund allocation to capital projects compared to FY 07-08 -550,000
- Contingency (no contingency appropriation in FY 07-08) +50,430
This amount would be available for any purpose designated by the City Council.

GRAND TOTAL

+\$5.7 Million

GENERAL FUND RESOURCE HIGHLIGHTS

PROPERTY TAX

Property taxes are the largest single source of revenue for the city, accounting for 48.8% of all general fund resources (including transfers from other funds and the fund balance appropriation). The projected property tax revenue estimate for FY 08-09 is based on tax listing information from the Forsyth County Tax Office and the property tax rate for the general fund of 42.42¢ per \$100 of assessed property valuation, which the same rate as for 2007-2008. There is no adopted increase in the property tax rate allocations to public transit (1.58¢) and general debt service (5¢). Overall, the adopted property tax rate of 49¢ per \$100 of assessed valuation for Winston-Salem remains in the middle of the five largest North Carolina cities, lower than Greensboro and Durham and higher than Charlotte and Raleigh.

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 next revaluation, based on values as of January 2009, will be effective in 2009-2010.

For FY 08-09, the property tax base growth, compared to prior year budget, is 3.3%. Tax base information for FY 08-09, is provided in the table below:

BUDGET TO BUDGET PROPERTY TAX BASE GROWTH

<u>Tax Base (in millions)</u>	<u>FY 07-08 Budgeted</u>	<u>FY 07-08 Estimated</u>	<u>FY 08-09 Adopted</u>	<u>Bud. to Bud. %-Change</u>
Real Property	\$15,392	\$15,470	\$15,996	3.9%
Personal Property	2,220	2,326	2,150	-3.2%
Registered Motor Vehicles	1,340	1,478	1,425	6.3%
State-Assessed Property	<u>330</u>	<u>352</u>	<u>350</u>	<u>6.1%</u>
	\$19,282	\$19,626	\$19,921	3.3%

SALES TAXES

For FY 08-09, the city will receive 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 quarter-cent sales tax that was originally authorized as a half-cent 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 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.”

Effective October 1, 2008, the state will take over one-quarter cent of the Article 44 local option sales tax authorization, and effective October 1, 2009, the state will take over the remaining one-quarter of that local tax, as a part of the state’s assumption of county Medicaid costs. Legislation passed by the General Assembly in 2007 provides for municipalities to be completely reimbursed for the loss of their share of Article 44 revenues,

GENERAL FUND RESOURCE HIGHLIGHTS

including growth. The first one-quarter cent will be 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.

For budget estimation purposes, the revenue distributed to Forsyth County from Articles 40 and 42 is expected to grow by 1% 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 at 2% and 1.5% 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 08-09, compared to the budget estimate for the current year, is 7.3%. This growth rate is higher than average due to the impact of annexation on the city’s ad valorem share of the county’s total sales tax distribution from the state, and better than expected receipts to date. Because of a prorated annexation property tax levy in FY 07-08, the city’s share of sales tax will be increased on a one-time basis by approximately \$864,000. Without that one-time benefit, the budget-to-budget growth projected for FY 08-09 would be 4.5%.

LICENSES AND PERMITS

Construction, Zoning, and Erosion Control Inspections and Permits: As a leading indicator of economic slowdown, construction-related revenues are expected to be down by nearly 20% during FY 07-08, compared to actual receipts in FY 06-07. The adopted FY 08-09 budget reflects an 11% drop, budget-to-budget (\$390,220), which anticipates that the downturn in construction will continue into the upcoming year.

Privilege Licenses: For FY 08-09, privilege license revenue is expected to increase approximately 3.5% compared to prior year budget. This estimate is based on historical trend. (+\$82,840)

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 \$810,000 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). (+\$7,690)

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 will remain flat, that growth in electricity franchise tax will be in the 1% to 1.5% range, and that growth in telecommunications sales tax revenues will be in the 3% to 4% range. Based on these recommendations and the impact of a full year of annexation in FY 07-08, local growth is estimated at approximately 8% budget-to-budget (+\$982,720), and at 1.6% 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 3% greater in FY 08-09 than budgeted for FY 07-08. This is consistent with the growth projected by the N.C. League of Municipalities.

GENERAL FUND RESOURCE HIGHLIGHTS

“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 08-09, the \$1,822,680 payment from the state is approximately 9% less than the amount budgeted in FY 07-08. (-\$181,810)

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 08-09 estimated ABC revenue is approximately the same as the current budget (-\$14,420), and 1.1% greater than the actual receipts in FY 06-07.

Gasoline Tax (Powell Bill): The revenue from gasoline tax for FY 08-09 is projected to grow by 6.6% to \$7.4 million, based on the formula for revenue distribution used by the N.C. Department of Transportation. The projected value of the population-based portion (75%) of the FY 08-09 Powell Bill distribution is between \$22.90 and \$23.60 per capita, and the value of the mileage based portion (25%) is between \$1,758 and \$1,765 per mile. For FY 08-09, \$1.2 million of the Powell Bill revenue is adopted to be allocated to the capital projects fund for street resurfacing. The remaining \$5.5 million is transferred to the general fund for transportation-related programs. An additional \$100,000 is allocated to the general fund from Powell Bill interest earnings, and an additional \$476,450 is allocated to street resurfacing from the Powell Bill fund balance. (+\$460,430)

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 08-09, there is a net change of \$214,190 (+1.1%), budget-to-budget, primarily as result of the following:

Public Safety Fees

- Increase in revenue from police appearances in court, based on year-to-date actual receipts in FY 07-08 (+\$65,000)
- Increase in arrest record check fee, from \$7.50 to \$15.00, making the fee consistent with the Forsyth County Clerk of Court’s fee for this service (+\$1,500)

Recreation Fees

- Increase in entry fees and facility/equipment use fees, based on projected growth in number of adult athletic teams and expanded number of games per season (+\$17,950)

Sanitation Fees

- Increase in the fee for yard cart collection, from \$50 to \$55 per year (+\$69,080)
- Increase in the bulk container collection fee schedule by approximately 20% (+\$62,640)

Property Maintenance Charges

- Increase in charges to other funds, based on projected workload (+\$66,530)

GENERAL FUND RESOURCE HIGHLIGHTS

Traffic Engineering Charges

- Decrease in revenue from the State, developers, and capital projects due to fewer capital projects on-going in FY 08-09 compared to FY 07-08 (-\$252,500)
- Increase in fee for installation of banners for special events, from \$45 to \$125 (+\$6,800)

Revenue Collection Services

- Reduction in charges to the Utilities Division and Stormwater for revenue collections systems development and collections services (-\$16,490)

Indirect Cost Allocation

- Increase in revenue from non-general fund department, for general fund support (+\$83,540)

OTHER REVENUES

Other revenues include contributions, reimbursements, sale of property, property rentals, and fines. For FY 08-09, other revenues increase by 5.5% (+\$115,340), primarily as a result of a projected increase in parking ticket fines (+\$25,000), housing code enforcement activity (+\$65,000), and property sales (+\$60,000).

TRANSFERS FROM OTHER FUNDS

Transfers represent appropriations from other city funds to the general fund for various purposes. For FY 08-09, transfers are decreased by 1.5% (-\$84,240), as follows:

- The reimbursement from the solid waste disposal fund to cover 100% of all city and county recycling programs is increased by \$278,140, due to growth in program cost triggered by the fuel surcharge in the contract.
- The transfer from capital projects balances is reduced from \$292,540 in FY 07-08 to zero in FY 08-09. The current year transfer was for one-time projects.
- The transfer from Utilities is increased by \$46,960 to cover the cost of a safety inspector to manage the Utilities safety program.
- The transfer from the Stormwater Management Fund is reduced by \$95,230 due to cost savings in the leaf collection program. Changes in deployment and scheduling resulted in decreased overtime and part-time expenses.
- The transfer from the city's housing funds (Community Development Block Grant and HOME) is increased by \$40,510 to cover the cost of a senior office assistant position in the Housing Development Department.

GENERAL FUND BALANCE HIGHLIGHTS

Fund Balance Appropriation for FY 08-09. The adopted budget includes a fund balance appropriation of \$2,697,090. The appropriation is roughly equivalent to 1.6% of the FY 08-09 general fund budget. Approximately 58% 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;
- \$116,000 for lease-financed capital projects: \$50,000 for the lease payment on the replacement of the street lighting system along Reynolds Boulevard; \$10,000 for fire station expansions/repairs; \$24,000 for recreation center bleacher replacements; \$20,000 for swimming pool repairs; and \$12,000 for tennis court resurfacing;
- \$448,660 to cover the lease payments in the budget for roll-out carts associated with the voluntary curbside refuse collection program and \$52,000 for the lease payments on bulk containers;
- \$358,320 to cover the lease payment for the in-car video cameras for Police patrol; and,
- \$360,480 to cover the payment to volunteer fire companies for service contracts or debt payments, related to annexation.

10% Fund Balance Reserve Policy.

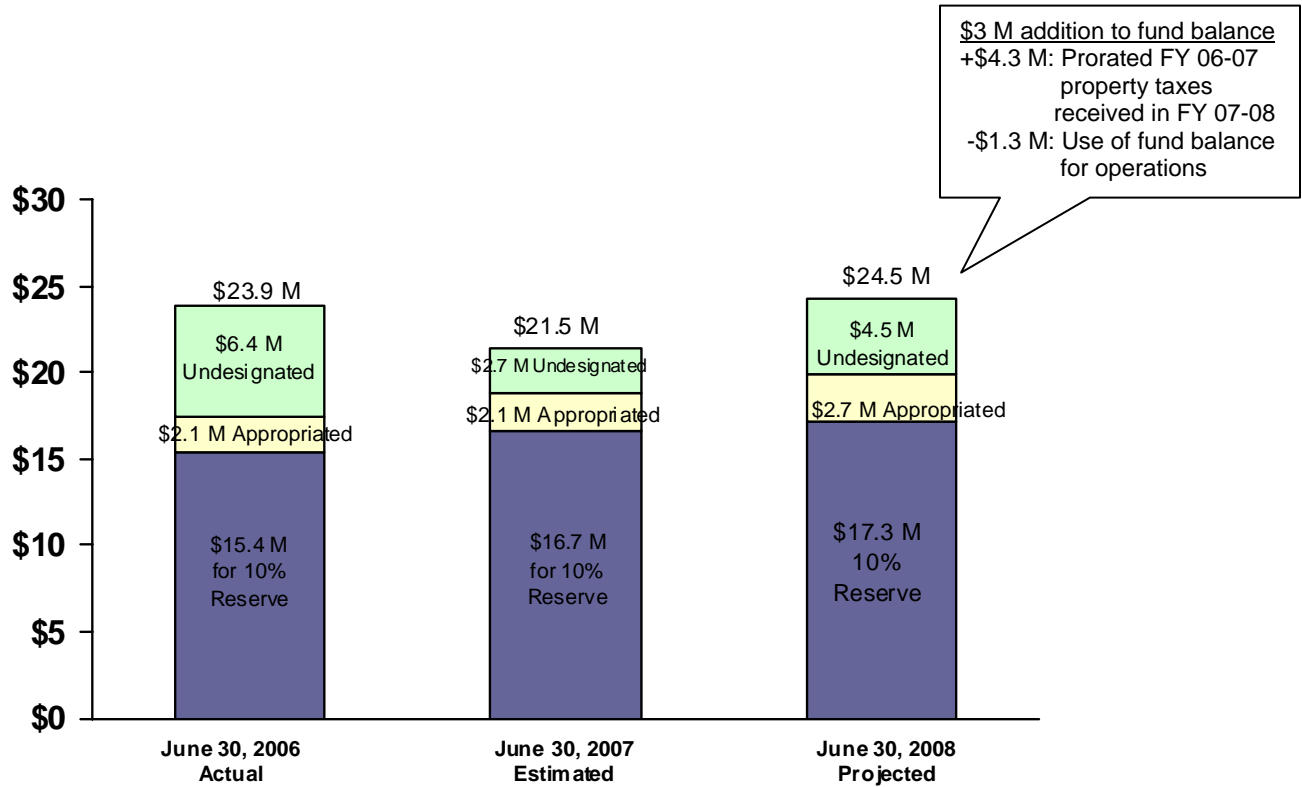
The North Carolina Local Government Commission (LGC) recommends that all units of government maintain a minimum fund balance in their operating funds of 8% of budgeted expenditures. The City of Winston-Salem's policy is to maintain a minimum fund balance reserve in the general fund that is equivalent 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 08-09, the 10% requirement totals \$17.3 million.

Graph of Unreserved Fund Balance, June 30, 2006 through June 30, 2008.

The graph on the following page illustrates the change in general fund balance over the next two years. The "undesignated" fund balance decreased from \$6.4 million on June 30, 2006 to \$2.7 M on June 30, 2007, because of the fund balance that was used to cover service costs associated with the September 30, 2006 annexation. In the fall of 2007, annexed property owners received two property tax bills, one for nine months of city property taxes for FY 06-07 and another for the full twelve months of FY 07-08. The budget for FY 07-08 did not include the property tax revenue from the prorated levy; therefore, prorated property tax revenue of \$4.3 M is expected to be recovered in the general fund balance at year-end. As illustrated on the next page, this prorated revenue should offset the estimated use of \$1.3 M from fund balance at year end, for a net gain of \$3.0 M. The projected undesignated fund balance on June 30, 2008 is \$4.5 M.

GENERAL FUND BALANCE HIGHLIGHTS

GENERAL FUND BALANCE ANALYSIS



INTERNAL SERVICE FUNDS

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.

EXPENDITURES BY FUND	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Fleet Services	\$8,174,782	\$8,422,050	\$9,332,810	10.8%
Information Systems	7,007,834	9,044,890	8,960,000	-0.9%
Central Warehouse	231,470	313,610	315,830	0.7%
Total Expenditures	\$15,414,086	\$17,780,550	\$18,608,640	4.7%
RESOURCES BY TYPE				
Revenue from General Fund Departments	\$11,039,836	\$12,455,000	\$13,535,330	8.7%
Interfund Revenue	4,145,390	4,610,500	4,155,730	-6.0%
Fund Balance Appropriation	40,370	600,000	690,530	15.1%
Other	188,490	115,050	227,050	97.3%
Total Resources	\$15,414,086	\$17,780,550	\$18,608,640	4.7%

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.

EXPENDITURES BY TYPE	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Principal Retirement	\$8,897,265	\$7,422,730	\$6,872,930	-7.4%
Capital Lease Charges	275,100	1,445,200	2,750,410	90.3%
Interest	6,995,566	7,009,010	7,997,060	14.1%
Fiscal Charges	56,210	40,000	40,000	0%
Administrative Expense	11,127	94,860	74,880	0%
Property Tax Collection Fee	82,118	67,260	77,510	15.2%
Transfer to Capital Projects Fund	0	0	0	0%
Transfer to Mass Transit Tax Fund	100,363	119,130	111,600	-6.3%
Total Expenditures	\$16,417,750	\$16,198,190	\$17,924,390	10.7%
RESOURCES BY TYPE				
Property Taxes	\$8,600,174	\$9,254,310	\$9,554,090	3.2%
ABC Allocation	327,897	338,750	331,540	-2.1%
Interest Income	4,487,604	2,000,000	2,000,000	0%
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	4,349,832	4,572,150	4,936,290	8.0%
Other	600,000	600,000	600,000	0%
Total Resources	\$18,989,367	\$17,389,070	\$18,045,780	3.8%
Addition to Fund Balance	\$2,571,617	\$1,190,880	\$121,390	-89.8%

SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

This fund accounts 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.

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
EXPENDITURES BY TYPE				
Loans	\$1,227,986	\$775,840	\$585,030	-24.6%
Contractual Services and Other Miscellaneous Expenses	655,229	542,950	581,890	7.2%
Indirect Cost Allocation	63,100	52,670	66,680	26.6%
Contingencies	358.7	50,000	25,000	-50.0%
Grants	115,145	150,000	150,000	0%
Section 108 Loan Principal & Interest Payments	142,261	623,400	610,150	-2.1%
Loan Servicing Expenditures	93,733	109,000	103,000	-5.5%
Capital Outlay	12,034	0	0	N/A
Transfer to General Fund (Administration)	102,701	106,140	135,300	27.5%
Transfer to General Fund (Program Activities)	711,297	964,910	844,230	-12.5%
Transfer to Capital Outlay Fund	275,000	0	0	N/A
Total Expenditures	\$3,398,845	\$3,374,910	\$3,101,280	-8.1%

RESOURCES BY TYPE

Federal Grants	\$1,953,374	\$1,864,910	\$1,801,280	-3.4%
Loan Repayments	1,401,644	1,510,000	1,300,000	-13.9%
Sale of Real Property	326,974	0	0	N/A
Miscellaneous Revenues	196,275	0	0	N/A
Total Resources	\$3,878,268	\$3,374,910	\$3,101,280	-8.1%

HOUSING FINANCE ASSISTANCE FUND

This fund accounts for general purpose revenues allocated to the city's housing programs.

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
EXPENDITURES BY TYPE				
Loans	\$806,312	\$300,000	\$630,000	110.0%
Contractual Services and Other Miscellaneous Expenses	73,753	95,000	150,000	57.9%
Grants	109,000	0	0	N/A
Loan Servicing Expenditures	42,742	0	0	N/A
Contingencies	0	50,000	0	-100.0%
Re-Grant of Housing Authority's PILOT Funds	154,150	86,310	119,100	38.0%
Transfer to Economic Development Loan Fund	0	100,000	0	-100.0%
Total Expenditures	\$1,185,956	\$631,310	\$899,100	42.4%

SPECIAL REVENUE FUNDS

	Actual	Amended	Adopted	Percent
RESOURCES BY TYPE	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Investment Income	\$737,045	\$300,000	\$630,000	110.0%
Loan Repayments	695,701	0	0	N/A
Sale of Real Property	84,114	0	0	N/A
Miscellaneous Revenues	9,863	0	0	N/A
Transfer from General Fund	92,600	86,310	119,100	38.0%
Fund Balance Appropriation	0	245,000	150,000	-38.8%
Total Resources	\$1,619,323	\$631,310	\$899,100	42.4%

HOME INVESTMENT PARTNERSHIP FUND

This fund accounts 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.

	Actual	Amended	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Loans	\$916,485	\$916,010	\$824,700	-10.0%
Contractual Services and Other Miscellaneous Expenses	390,874	405,570	290,280	-28.4%
Indirect Cost Allocation	29,420	35,830	34,380	-4.0%
Contingencies	12,855	56,530	54,400	-3.8%
Grants	690	0	0	N/A
Transfer to General Fund (Administration)	0	0	8,500	N/A
Transfer to General Fund (Program Activities)	90,997	100,390	223,000	122.1%
Total Expenditures	\$1,441,320	\$1,514,330	\$1,435,260	-5.2%

RESOURCES BY TYPE

Federal Grants	\$1,298,275	\$1,314,330	\$1,285,260	-2.2%
Loan Repayments	123,183	200,000	150,000	-25.0%
Sale of Real Property	21,578	0	0	N/A
Miscellaneous Revenues	925	0	0	N/A
Total Resources	\$1,443,961	\$1,514,330	\$1,435,260	-5.2%

SPECIAL REVENUE FUNDS

SUPPORTIVE HOUSING GRANTS FUND

The United States Department of Housing and Urban Development awards these funds through a competitive application process to address comprehensive, priority needs of the homeless that are identified in a 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.

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
EXPENDITURES BY TYPE				
Supportive Housing Program Grant	\$602,619	\$655,810	\$650,520	-0.8%
Shelter Plus Care Grant	314,125	224,410	306,540	36.6%
Emergency Shelter Grant	78,344	80,580	80,360	-0.3%
Total Expenditures	\$995,088	\$960,800	\$1,037,420	8.0%
RESOURCES BY TYPE				
Federal Grants	\$977,262	\$960,800	\$1,037,420	8.0%
Total Resources	\$977,262	\$960,800	\$1,037,420	8.0%

MORTGAGE REVENUE BOND FUND

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

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
EXPENDITURES BY TYPE				
Personnel Services	\$116,803	\$121,650	\$123,740	1.7%
Supplies and Services	139,135	33,800	27,850	-17.6%
Total Expenditures	\$255,938	\$155,450	\$151,590	-2.5%
RESOURCES BY TYPE				
Collection Fees	\$147,834	\$150,000	\$129,920	-13.4%
Other Charges for Service	58,450	26,990	21,670	-19.7%
Investment Income	12,811	0	0	N/A
Fund Balance Appropriation	36,843	0	0	N/A
Total Resources	\$255,938	\$176,990	\$151,590	-14.4%
Addition to Fund Balance	\$0	\$21,540	\$0	-100.0%

SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT PROJECT FUND

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

	Actual	Amended	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Grants	\$178,457	\$1,238,860	\$1,402,700	13.2%
Miscellaneous Expenditures	540	0	0	N/A
Total Expenditures	\$178,997	\$1,238,860	\$1,402,700	13.2%
RESOURCES BY TYPE				
Sale of Real Property	\$20,000	\$0	\$0	N/A
Transfer from General Fund	778,370	1,238,860	1,402,700	13.2%
Total Resources	\$798,370	\$1,238,860	\$1,402,700	13.2%

ECONOMIC DEVELOPMENT LOAN FUND

This fund accounts for the city's small business loan pool, East Winston/Neighborhood Revitalization Strategy Area projects, and other economic development loans and grants.

	Actual	Amended	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Loans	\$152,031	\$100,000	\$80,000	-20.0%
Grants	17,500	20,000	0	-100.0%
Loan Servicing Expenditures	10,516	0	0	N/A
Miscellaneous Expenditures	17,000	0	0	N/A
Total Expenditures	\$197,047	\$120,000	\$80,000	-33.3%
RESOURCES BY TYPE				
Loan Repayments	\$29,715	\$0	\$0	N/A
Federal Grant	7,000	0	0	N/A
Investment Income	69,381	0	0	N/A
Transfer from Housing Finance Assistance Fund	0	100,000	0	-100.0%
Transfer from Capital Projects Fund	70,000	0	0	N/A
Fund Balance Appropriation	20,951	20,000	80,000	300.0%
Total Resources	\$197,047	\$120,000	\$80,000	-33.3%

SPECIAL REVENUE FUNDS

URBAN DEVELOPMENT ACTION GRANT FUND

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

EXPENDITURES BY TYPE	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Loans	\$67,307	\$0	\$0	N/A
Total Expenditures	\$67,307	\$0	\$0	N/A
RESOURCES BY TYPE				
Loan Repayments	\$20,007	\$0	\$0	N/A
Investment Income	19,716	0	0	N/A
Fund Balance Appropriation	27,585	0	0	N/A
Total Resources	\$67,307	\$0	\$0	N/A

POWELL BILL FUND (GASOLINE TAX)

This fund accounts 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.

EXPENDITURES BY TYPE	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Transfer to General Fund	\$4,732,622	\$5,814,550	\$5,535,840	-4.8%
Transfer to Capital Projects Fund	1,000,000	1,200,000	1,778,680	48.2%
Total Expenditures	\$5,732,622	\$7,014,550	\$7,314,520	4.3%
RESOURCES BY TYPE				
Gasoline Tax	\$6,014,750	\$6,964,550	\$7,424,870	6.6%
Investment Income	194,325	50,000	100,000	100.0%
Total Resources	\$6,209,075	\$7,014,550	\$7,524,870	7.3%
Addition to Fund Balance	\$476,453	\$0	\$210,350	N/A

SPECIAL REVENUE FUNDS

MASS TRANSIT TAX FUND

This fund accounts 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 in order to provide operating assistance and the local match for federal capital grant funds.

The FY 08-09 allocation of the property tax rate to the mass transit tax fund remains at 1.58¢ per \$100 of assessed valuation on all property. Transfers from the mass transit tax fund to Winston-Salem Transit Authority operations are shown in the Winston-Salem Transit Authority's budget in the Transportation section of this document.

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
EXPENDITURES BY TYPE				
Property Tax Collection Fees	\$25,949	\$21,550	\$24,320	12.9%
Contribution to Regional Ridesharing Service	0	48,390	48,390	0%
Miscellaneous Expenditures	3,015	0	0	N/A
Transfers				
To Grants Fund	6,435	8,790	10,360	17.9%
To Mass Transit Fund (i.e., Public Bus System)	2,823,394	3,915,910	3,847,260	-1.8%
To Trans-AID Fund	181,330	254,800	249,200	-2.2%
To WSTA Capital Fund	231,071	187,270	247,930	32.4%
Total Expenditures	\$3,271,195	\$4,436,710	\$4,427,460	-.2%
RESOURCES BY TYPE				
Property Taxes - Current Year	\$2,676,109	\$2,924,360	\$3,019,090	3.2%
Property Taxes - Prior Year	33,264	0	0	N/A
Investment Income	81,802	51,090	36,000	-29.5%
Transfer from General Fund	1,205,270	0	0	N/A
Fund Balance Appropriation	0	1,461,260	1,372,370	-6.1%
Total Resources	\$3,996,446	\$4,436,710	\$4,427,460	-.2%
Addition to Fund Balance	\$725,251	\$0	\$0	N/A

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, recreation and culture, economic development, fair housing programs, and public transportation.

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
EXPENDITURES BY TYPE				
Public Safety Grants	\$986,846	\$472,500	\$493,730	4.5%
Recreation and Culture Grants	70,319	0	0	N/A
Economic Development Grants	930,266	0	0	N/A
Fair Housing Grants	115,703	58,150	34,070	-41.4%
Public Transportation Grants	718,234	958,900	1,091,600	13.8%
Total Expenditures	\$2,821,369	\$1,489,550	\$1,619,400	8.7%

SPECIAL REVENUE FUNDS

GRANTS FUND-Continued

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
RESOURCES BY TYPE				
NC Department of Transportation	\$1,246,448	\$608,790	\$703,960	15.6%
Forsyth County	362,995	121,000	121,000	0%
US Department of Housing and Urban Development	108,463	56,650	32,570	-42.5%
Federal Transit Administration	51,482	70,320	82,880	17.9%
US Department of Justice	140,033	0	0	N/A
US Environmental Protection Agency	60,566	0	0	N/A
Federal Emergency Management Agency	476,372	328,270	208,000	-36.6%
Other Federal Grants	23,080	0	0	N/A
Other State Grants	66,392	0	0	N/A
Contributions	66,930	0	0	N/A
Interest Income	579	0	0	N/A
Miscellaneous Revenues	11,654	1,500	1,500	0%
Transfer from General Fund	197,203	294,230	459,130	56.0%
Transfer from Mass Transit Tax Fund	6,435	8,790	10,360	17.9%
Transfer from Police Forfeiture Funds	5,230	0	0	N/A
Total Resources	\$2,823,862	\$1,489,550	\$1,619,400	8.7%

SALES TAX FUND

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

	<u>Actual</u> <u>FY 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
EXPENDITURES BY TYPE				
Transfer to General Fund	\$6,466,231	\$6,797,630	\$7,336,690	7.9%
Transfer to Debt Service Fund	4,349,832	4,572,150	4,936,290	8.0%
Total Expenditures	\$10,816,062	\$11,369,780	\$12,272,980	7.9%
RESOURCES BY TYPE				
Sales Tax (1/2% - Article 40)	\$5,578,265	\$5,715,190	\$6,170,360	8.0%
Sales Tax (1/2% - Article 42)	5,517,999	5,654,590	6,102,620	7.9%
Total Resources	\$11,096,264	\$11,369,780	\$12,272,980	7.9%

SPECIAL REVENUE FUNDS

OCCUPANCY TAX FUND

This fund accounts 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 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
EXPENDITURES BY TYPE				
Sports Commission	\$50,000	0	0	0%
Public Art Seed Funds	0	\$50,000	\$50,000	0%
“The Drop”	0	25,000	0	-100%
Piedmont Triad Film Commission	0	0	20,000	N/A
Mid-Eastern Athletic Association	0	0	25,000	N/A
NC High School Athletic Association	0	0	50,000	N/A
Old Salem, Inc.	0	0	50,000	N/A
Contingency	0	50,000	0	-100%
Transfers				
To LJVM Coliseum Co-Promotions	75,000	75,000	75,000	0%
To Convention Center Fund	250,000	250,000	250,000	0%
To LJVM Coliseum Marketing	75,000	75,000	75,000	0%
Total Expenditures	\$450,000	\$525,000	\$595,000	13.3%
RESOURCES BY TYPE				
Occupancy Tax	\$527,549	\$500,000	\$545,000	9.0%
Investment Income	10,555	0	0	0%
Fund Balance Appropriation	0	25,000	50,000	100%
Total Resources	\$538,104	\$525,000	\$595,000	13.3%
Addition to Fund Balance	\$88,104	\$0	\$0	0%

EMERGENCY TELEPHONE SYSTEM FUND

This fund accounts for revenues and expenses associated with operating 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 06-07</u>	<u>Amended</u> <u>FY 07-08</u>	<u>Adopted</u> <u>FY 08-09</u>	<u>Percent</u> <u>Change</u>
EXPENDITURES BY TYPE				
Leased Lines	\$141,163	\$136,300	\$131,000	-3.9%
Computer-Aided Dispatch System	188,836	129,240	128,780	-0.4%
Equipment	38,212	274,460	349,300	27.3%
Transfer to General Fund	43,955	40,000	40,920	2.3%
Total Expenditures	\$412,166	\$580,000	\$650,000	12.1%
RESOURCES BY TYPE				
E-911 Surcharge Revenues	\$731,022	\$580,000	\$650,000	12.1%
Interest Income	26,615	0	0	N/A
Total Resources	\$757,637	\$580,000	\$650,000	12.1%

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 funds 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.

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
EXPENDITURES BY TYPE				
Leased Lines	\$141,164	\$136,300	\$131,000	-3.9%
Computer-Aided Dispatch System	49,212	83,880	83,420	-0.5%
Equipment	38,212	99,150	105,350	6.3%
Transfer to General Fund	10,985	10,670	10,230	-4.1%
Total Expenditures	\$239,573	\$330,000	\$330,000	0%

RESOURCES BY TYPE

Reimbursements	\$380,394	\$330,000	\$330,000	0%
Interest Income	16,902	0	0	N/A
Total Resources	\$397,295	\$330,000	\$330,000	0%

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 due to 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.

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
EXPENDITURES BY TYPE				
Supplies and Services	\$2,990	\$0	\$0	N/A
Equipment Leasing Expenses	14,118	0	0	N/A
Transfer to the General Fund	39,250	0	0	N/A
Total Expenditures	\$56,358	\$0	\$0	N/A
RESOURCES BY TYPE				
Rental Income	\$13,526	\$0	\$0	N/A
Interest Income	4,383	0	0	N/A
Fund Balance Appropriation	38,450	0	0	N/A
Total Resources	\$56,358	\$0	\$0	N/A

SPECIAL REVENUE FUNDS

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 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%.

	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
EXPENDITURES BY TYPE				
Principal Retirement	\$19,301,684	\$1,475,000	\$3,658,480	148.0%
Interest Payments	4,312,159	4,484,000	6,832,160	52.4%
Fiscal Expense	168,301	0	0	N/A
Transfer to Leasing Capital Projects	-425,000	0	0	N/A
Transfer to the General Fund	235,000	0	0	N/A
Total Expenditures	\$23,592,143	\$5,959,000	\$10,490,640	76.0%
RESOURCES BY TYPE				
Lease Payments - City	\$11,860,528	\$13,775,000	\$19,597,610	42.3%
Lease Payments - Outside Agencies	664,351	597,000	826,210	38.4%
Investment Income	2,083,484	506,000	1,366,900	170.1%
NCMLC Proceeds	5,467,231	0	0	N/A
Fund Balance Appropriation	3,516,549	0	0	N/A
Total Resources	\$23,592,143	\$14,878,000	\$21,790,720	46.5%
Addition to Fund Balance	\$0	\$8,919,000	\$11,300,080	26.7%

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.

EXPENDITURES BY FUND	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Solid Waste Disposal Fund	\$13,186,757	\$14,803,040	\$14,669,540	-0.9%
Water and Sewer Funds	58,157,554	62,688,810	67,408,260	7.5%
Parking Fund	3,319,856	3,555,460	3,648,580	2.6%
Winston-Salem Transit Authority				
Public Bus System	8,014,612	8,883,140	9,925,550	11.7%
Trans-AID of Forsyth County	1,685,423	1,920,230	2,105,860	9.7%
Maintenance Services for PART	163,425	202,630	202,630	0%
Public Assembly Facilities Funds				
Winston-Salem Entertainment-Sports Complex	5,197,716	5,369,080	5,396,720	0.5%
Bowman Gray Stadium	211,262	346,760	430,050	24.0%
Ernie Shore Field	106,146	104,760	54,790	-47.7%
M.C. Benton Jr., Convention and Civic Center	777,161	665,990	665,990	0%
Fair Fund	2,620,924	2,762,990	2,903,790	5.1%
Stormwater Management Fund	5,813,635	6,529,390	7,162,930	9.7%
Cemeteries Fund	601,044	589,810	574,480	-2.6%
Total Expenditures by Fund	\$99,855,513	\$108,422,090	\$115,149,170	6.2%
RESOURCES BY TYPE				
Intergovernmental Resources				
Federal Transit Administration	\$1,933,634	\$1,904,080	\$2,603,690	36.7%
North Carolina Department of Transportation	1,743,462	1,743,460	1,824,960	4.7%
Forsyth County	639,300	760,950	765,250	0.6%
North Carolina Department of Revenue	474,303	467,760	500,290	7.0%
Home and Community Care Block Grant	279,682	265,000	265,000	0%
Miscellaneous Intergovernmental Revenues	93,829	0	0	N/A
Subtotal	\$5,164,210	\$5,141,250	\$5,959,190	15.9%
Investment Income	\$12,892,324	\$2,400,000	\$2,450,000	2.1%
Charges for Services				
Water Charges	\$28,723,810	\$31,036,390	\$35,040,410	12.9%
Sewer Charges	22,215,852	23,702,410	24,821,720	4.7%
Other Utility Charges	6,192,704	5,617,150	4,875,710	-13.2%

ENTERPRISE FUNDS

RESOURCES BY TYPE- Continued	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Landfill Tipping Fees	\$12,052,218	\$12,704,110	\$11,296,550	-11.1%
Other Landfill Revenues	447,036	417,690	637,510	52.6%
Fair Admissions	1,141,868	1,215,000	1,300,000	7.0%
Farmer's Market	13,441	14,500	14,500	0%
Other Fairground Revenues	1,105,116	972,450	1,066,150	9.6%
Parking Services	2,833,857	2,961,360	2,924,000	-1.3%
Fares	1,490,681	1,473,650	1,622,330	10.1%
Bus Advertising	61,733	20,000	40,000	100.0%
Services to Agencies	460,770	381,000	400,000	5.0%
Motor Vehicle Privilege Tax	0	0	270,000	N/A
Other Transit Revenues	424,114	461,550	538,170	16.6%
Cemetery Lot Sales and Services	478,016	454,540	427,420	-6.0%
Admissions	50,301	53,240	55,900	5.0%
Concessions/Catering Fees	770,129	743,590	755,740	1.6%
Entry Fees	9,184	8,000	8,500	6.3%
Equipment Use Fees	78,391	70,130	68,850	-1.8%
Facility Use Fees	112,134	130,600	152,720	16.9%
Other Coliseum Complex Revenues	737,877	788,140	770,040	-2.3%
Stormwater Fees - Residential	3,042,860	3,735,660	3,735,660	0%
Stormwater Fees - Non-Residential	3,444,441	4,865,400	4,865,400	0%
Other Stormwater Revenues	36,000	25,000	45,000	80.0%
Miscellaneous Sales and Service	243,898	45,030	49,220	9.3%
Subtotal	\$86,166,429	\$91,896,590	\$95,781,500	4.2%
Other Resources				
Rentals	\$1,113,423	\$1,027,320	\$1,124,510	9.5%
Sale of Property/Equipment	460,200	0	0	N/A
Miscellaneous Revenues	318,878	321,790	424,690	32.0%
Assessments to Benefit Property	848,746	1,250,000	1,300,000	4.0%
Damage Settlements	54,677	10,000	10,000	0%
Cemeteries Perpetual Care Fund Contribution	114,656	113,440	130,680	15.2%
Subtotal	\$2,910,579	\$2,722,550	\$2,989,880	9.8%
Transfers				
Transfer from Bowman Gray Stadium Fund	\$0	\$22,210	\$9,810	-55.8%
Transfer from Ernie Shore Field Fund	66,640	55,570	30,520	-45.1%
Transfer from Debt Service Fund	100,363	119,130	111,600	-6.3%
Transfer from Fair Fund	525,184	729,220	621,760	-14.7%
Transfer from General Fund	1,821,963	2,185,520	2,235,630	2.3%
Transfer from Mass Transit Tax Fund	3,004,724	4,170,710	4,096,460	-1.8%
Transfer from Occupancy Tax Fund	400,000	400,000	400,000	0%

ENTERPRISE FUNDS

	Actual	Amended	Adopted	Percent
RESOURCES BY TYPE- Continued	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Transfer from LJVM Coliseum Fund	\$4,306	\$0	\$0	N/A
Transfer from Parking Fund	12,722	0	0	N/A
Subtotal	\$5,935,902	\$7,682,360	\$7,505,780	2.3%
Fund Balance Appropriations	\$427,933	\$1,293,150	\$2,275,530	76.0%
Total Resources	\$113,497,377	\$111,135,900	\$116,961,880	5.2%
Addition to Fund Balance	\$13,641,864	\$2,713,810	\$1,812,710	-33.2%

CAPITAL PROJECTS FUND

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.

	Adopted FY 08-09
EXPENDITURES	
Transportation Projects	
Streets and Sidewalks	
Street Resurfacing Projects	\$1,778,680
Sidewalk Construction, Americans with Disabilities Act Ramps, and Repairs	125,000
Convert Third Street to Two-Way Operation	82,500
Traffic Safety Projects	70,000
Traffic Calming Projects	117,500
Subtotal Transportation Projects	\$2,173,680
Leisure Services Projects	
Recreation and Parks	
Recreation Facilities/Parks Renovations and Expansions:	
Playground Renovations	\$120,000
Greenways and Trails:	
Brushy Fork Greenway-Phase III	600,000
Muddy Creek Greenway-Phase III	56,400
Other Greenway Development and Repairs	88,600
Subtotal Leisure Services Projects	\$865,000
TOTAL EXPENDITURES	\$3,038,680
FUNDING SOURCES	
Intergovernmental Resources:	
Powell Bill (Gasoline Tax)	\$1,778,680
North Carolina Department of Transportation	600,000
Other:	
Motor Vehicle Privilege Tax	\$540,000
Fund Balance/Capital Projects Reserves	120,000
TOTAL FUNDING SOURCES	\$3,038,680

LEASING CAPITAL PROJECTS FUND

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).

EXPENDITURES	<u>Adopted FY 08-09</u>
Public Safety Projects	
Fire Station Expansion Planning	\$50,000
Subtotal Public Safety Projects	\$50,000
Leisure Services Projects	
Tennis Court Resurfacing	\$50,000
Swimming Pool Repairs	50,000
Recreation Center Bleacher Replacements	120,000
Corpening Plaza Renovations	60,000
Subtotal Leisure Services Projects	\$280,000
TOTAL EXPENDITURES	\$330,000
FUNDING SOURCE	
North Carolina Municipal Leasing Proceeds	\$330,000
TOTAL FUNDING SOURCE	\$330,000

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.

EXPENDITURES BY TYPE	Actual	Amended	Adopted	Percent
	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Capital Outlay				
Rolling Stock	\$4,762,056	\$5,967,100	\$6,394,950	7.2%
Computer Equipment	84,390	72,000	49,100	-31.8%
Communications Equipment	677,649	0	0	N/A
General Equipment	734,948	768,650	488,160	-36.5%
Other	1,693,820	1,184,930	179,750	-84.8%
Total Expenditures	\$7,952,863	\$7,992,680	\$7,111,960	-11.0%
 RESOURCES BY TYPE				
North Carolina Municipal Leasing Corporation	\$7,952,863	\$7,992,680	\$7,111,960	-11.0%
Total Resources	\$7,952,863	\$7,992,680	\$7,111,960	-11.0%

ENTERPRISE CAPITAL PROJECTS FUND

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.

**Adopted
FY 08-09**

EXPENDITURES:

Environmental Health Projects

Water and Wastewater Treatment:

Thomas Water Treatment Plant Modernization	\$25,700,000
Primary and Preliminary Treatment Upgrade at Wastewater Treatment Plants	25,600,000
Wastewater Lift Station Rehabilitation	55,650
Water Tank Rehabilitation	1,338,750
Miscellaneous Water and Wastewater Treatment Capital Projects	1,980,960
Idol's Pump Station Rehabilitation	2,150,000
Lift Station SCADA, Flowmetering and Telemetry System Upgrade	302,820

Water Distribution and Wastewater Collection:

2006 Annexation - Potential Petition Projects	\$2,500,000
Wastewater Collection System Improvements	3,000,000
Ardmore Area Water and Sewer Rehabilitation	4,400,000
2" Water Main Replacement	1,135,260
Water Distribution System Improvements	1,430,000
Salem Creek Outfall Extension	474,840
2006 Annexation - Major Mains and Five-Day Petitions	4,098,630
Muddy Creek Find and Fix Project	1,417,100
Construction and Maintenance Facilities Improvements	137,500
Winston-Salem State University Campus Distribution System Improvement	1,165,200
Polo Road Outfall Sewer Rehabilitation	1,125,000
Water and Sewer GIS/Work Order Management System	400,000
Permanent Flow Monitoring	285,000

Stormwater Management:

Bath Branch Regional Stormwater Control Project	\$180,040
Stormwater Infrastructure Improvements	0
Drainage Improvements on Private Property	250,000
Municipal Stormwater Pollution Prevention Plans	108,800
Hutton Street Rehabilitation	245,000
FEMA Severe Repetitive Loss Grant Assistance	187,550

Subtotal Environmental Health Projects	\$79,668,100
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ENTERPRISE CAPITAL PROJECTS FUND

	Adopted FY 08-09
Transportation Projects	
Mass Transit:	
Transit Facility Improvements	\$358,150
Trans-AID Vehicle Replacement	640,500
Transit Vehicle Maintenance	100,000
Passenger Amenities	33,000
Security Enhancements	33,000
Transit Equipment Replacement	75,000
Subtotal Transportation Projects	\$1,239,650
Leisure Service Projects	
Public Facilities:	
Bowman Gray Concession Stand Improvements	\$100,000
TOTAL EXPENDITURES	\$81,007,750
FUNDING SOURCES	
Bonds:	
Revenue Bonds	\$70,025,490
Intergovernmental Resources:	
Federal Transit Administration	\$991,720
Other:	
North Carolina Municipal Leasing	\$100,000
Water and Sewer Utility Fund	8,671,220
Stormwater Management Fund	971,390
Mass Transit Tax Fund	247,930
TOTAL FUNDING SOURCES	\$81,007,750

FIDUCIARY FUNDS

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.

	Actual	Amended	Adopted	Percent
EXPENDITURES BY PROGRAM	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
Workers Compensation	\$3,298,269	\$2,911,000	\$2,904,730	-0.2%
Employee/Retiree Health Benefit Fund	24,091,380	20,463,070	22,449,400	9.7%
Dental and Flex Spending Fund	1,775,871	1,793,960	1,820,980	1.5%
Employment Taxes and Benefits Fiduciary Fund	16,722,400	17,162,900	18,797,260	9.5%
Total Expenditures	\$45,887,919	\$42,330,930	\$45,972,370	8.6%
RESOURCES BY TYPE				
City Contribution	\$36,648,640	\$37,156,650	\$38,312,990	3.1%
Employee Contribution	7,021,573	7,239,210	7,442,950	2.8%
Other Agency Contributions	180,392	50,220	72,200	43.8%
Reimbursements	674,728	391,200	144,020	-63.2%
Investment Income	1,557,147	0	0	0%
Transfer from Health Benefit Fund	1,500,000	0	0	0%
Total Resources	\$47,582,479	\$44,837,280	\$45,972,160	2.5%
Addition to Fund Balance	\$1,694,560	\$2,506,350	\$0	

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 31 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, 2007, estimates for June 30, 2008, prior to final audited figures being available, and projected for June 30, 2009.

Fund	Fund Balance/ Reserves 6/30/07 ⁽¹⁾	Estimated FB/ Reserves 6/30/08 ⁽¹⁾	Estimated Use(-)/ Addition to (+) FB by 6/30/09	Projected Fund Balance 6/30/09	Percent of FY 08-09 Budget
General Fund	\$21,460,896	\$24,500,000	\$0	\$24,500,000	14.2%
General/Internal Services	0	1,500,000	-690,530	809,470	9.0%
Housing/Econ. Development	8,943,348	8,600,000	-230,000	8,370,000	N/A
Gas Tax (Powell Bill)	476,453	1,289,930	210,350	1,500,280	N/A
Mass Transit Tax	3,504,450	2,784,910	-943,080	1,841,830	N/A
Occupancy Tax	171,911	284,900	-50,000	234,900	N/A
Cable Franchise	90,285	85,000	0	85,000	N/A
Emergency Phone System	812,250	0	0	0	N/A
E-911 Wireless	313,905	313,910	313,910	313,910	N/A
Debt Service	6,868,056	8,000,000	600,000	8,600,000	47.9%
Capital Projects	30,583,615	20,000,000	-120,000	19,880,000	N/A
Leasing Fund	25,823,139	25,000,000	11,300,080	36,300,080	N/A
Water and Sewer	138,458,678	98,000,000	329,580	98,329,580	145.0%
Solid Waste (unrestricted)	16,219,547	15,100,000	-3,600,000	11,500,000	78.4%
Off-Street Parking	1,508,724	1,220,000	-290,000	930,000	25.5%
Perpetual Care for Cemeteries	2,842,248	2,804,340	18,710	2,823,050	N/A
Stormwater Management	1,374,865	2,240,000	-840,000	1,400,000	19.5%
Winston-Salem Transit Auth.	5,902	0	0	0	N/A
W-S Sports-Entertainment Complex	94,173	0	0	0	N/A
Fair	1,364,753	1,445,000	-260,000	1,180,000	40.6%
Police Pension ⁽²⁾	97,061,767	90,000,000	0	90,000,000	N/A
Retiree Health and Life ⁽²⁾	33,446,690	34,000,000	0	34,000,000	N/A
Workers Compensation	2,547,761	3,200,000	0	3,200,000	N/A
Health Benefits	6,119,296	6,200,000	0	6,200,000	N/A
Dental Flex	740,037	940,000	0	940,000	N/A
Employment Benefits Trust	2,975,528	2,500,000	0	2,500,000	N/A
Post Employment COPS ⁽³⁾	(5,174,736)	(7,600,000)	0	(7,600,000)	N/A
Total	\$398,633,541	\$342,407,990	\$5,749,020	\$347,838,100	

⁽¹⁾ Fund balance is reduced for reserve for encumbrances and state statutes.

⁽²⁾ Assets accumulated to fund accrued liabilities. The balance for retiree health and life noted on page 189 represents the unreserved balance only.

⁽³⁾ Represents unfunded portion of 1992 COPS.