

FUND SUMMARIES

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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

General Fund. 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.

Internal Service Funds. Internal service funds provide budgetary accountability for governmental activities that serve other City departments. An internal service fund is similar to an enterprise fund in that it is supported entirely by user charges. Included in the internal service funds are information systems, fleet management services, employee benefit funds (except retiree life and health), 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. 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
- 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

- Continuum of Care Grants Fund
- Police Forfeiture Funds
- Cable Franchise Fee Fund
- State Emergency Telephone System 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 Funds. Enterprise funds provide services that are nearly or fully self-supporting. The Local Government Budget and Fiscal Control Act does not define "enterprise," but provides an understanding of the purpose for which such a fund is appropriate, and dictates that they should be accounted for in separate enterprise funds. For the City, enterprise funds include water/sewer, solid waste disposal, stormwater management, public assembly facilities, off-street parking, public transit, and cemeteries.

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

Retiree Life and Health Benefit Fund. This fund accounts for post-employment benefits, including health, and life.

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.

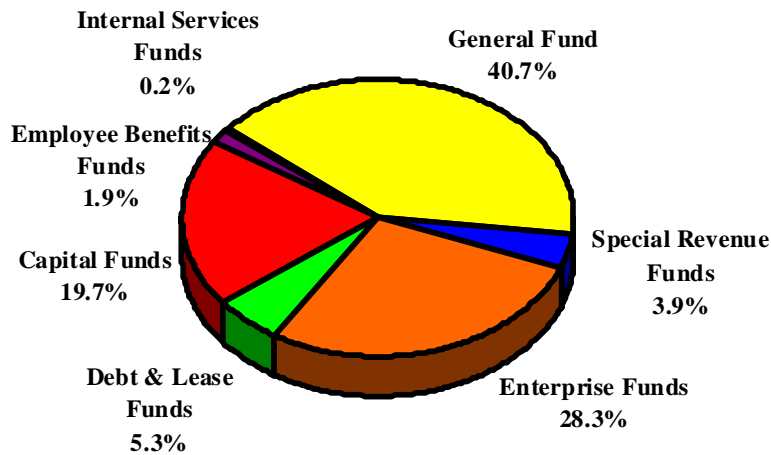
Debt Service Principal Payments: In the financial statements, proprietary funds do not report payments of debt service principal in their operating statements. These funds are not considered to be worse off economically when both debt and assets are reduced by the same amount. The budget is prepared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

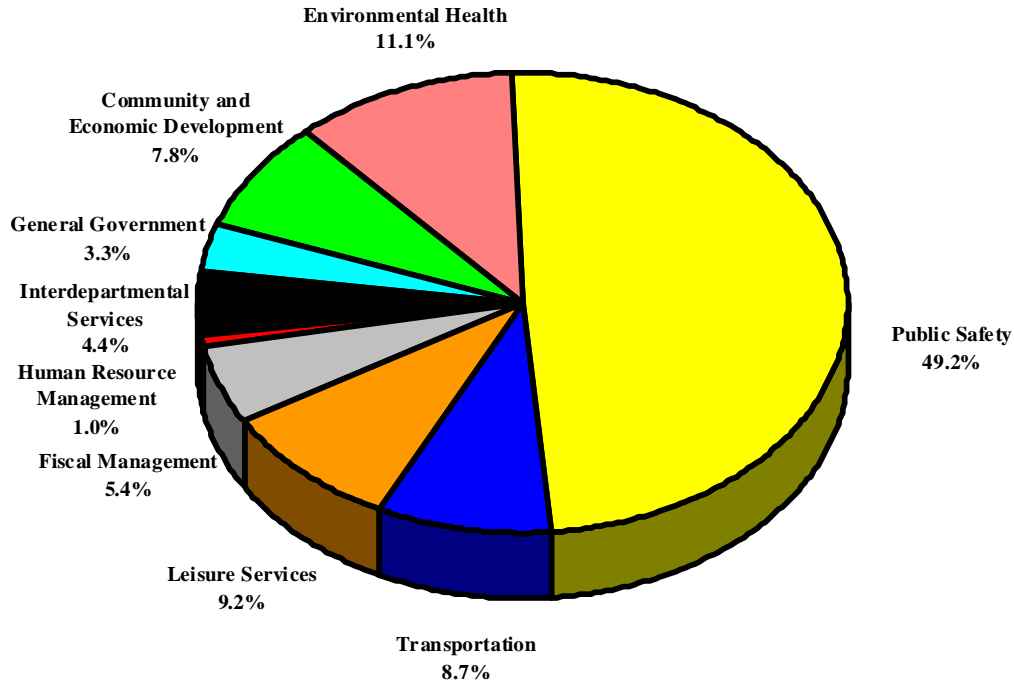


Net Total: \$373.9 Million

	<u>Budget FY 09-10</u>	<u>Adopted FY 10-11</u>	<u>Percent Change</u>	<u>Transfers and Interfund Charges</u>	<u>Net Expenditures</u>
<u>Operating Expenditures</u>					
General Fund	\$171,439,530	\$169,479,650	-1.1%	-\$17,224,880	\$152,254,790
Internal Service Funds	54,839,020	53,931,200	-1.7%	-47,904,720	6,026,480
Special Revenue Funds	34,295,100	36,885,620	7.6%	-22,260,540	14,625,080
Enterprise Funds	114,900,630	114,307,990	-0.5%	-8,669,210	105,638,780
Subtotal	\$375,474,280	\$374,604,460	-0.2%	-\$96,059,350	\$278,545,110
<u>Debt and Lease</u>					
Debt Service Fund	\$17,835,980	\$16,576,230	-7.1%	-\$30,270	\$16,545,960
Equipment Leasing Fund	23,956,940	6,308,840	-73.7%	-2,886,140	3,422,700
Subtotal	\$41,792,920	\$22,885,070	-45.2%	-\$2,916,410	\$19,968,660
<u>Capital Expenditures</u>					
Capital Projects Fund	\$8,198,600	\$11,274,300	37.5%	\$0	\$11,274,300
Enterprise Capital Projects	44,455,820	57,579,110	29.5%	0	57,579,110
Capital Equipment Acquisition	1,840,760	4,775,560	159.4%	0	4,775,560
Subtotal	\$54,495,180	\$73,628,970	35.1%	\$0	\$73,628,970
<u>Fiduciary Funds</u>					
Post-Retirement Benefit Fund	\$8,053,300	\$7,443,200	-7.6%	-\$5,725,200	\$1,718,000
Total Expenditures	\$479,815,680	\$478,561,700	-0.3%	-\$104,700,960	\$373,860,740

GENERAL FUND EXPENDITURES BY SERVICE AREA

FY 10-11 GENERAL FUND EXPENDITURES BY SERVICE AREA



Total \$169.5 Million

	<u>Actual</u> <u>FY 08-09</u>	<u>Budget</u> <u>FY 09-10</u>	<u>Adopted</u> <u>FY 10-11</u>	<u>Percent</u> <u>Change</u>
Community and Economic Development				
City/County Planning	\$2,763,104	\$2,910,990	\$2,740,370	-5.9%
City/County Inspections	4,281,790	4,396,850	4,299,340	-2.2%
Development Office	593,818	531,090	496,630	-5%
Housing Development Administration	744,507	750,850	738,380	-1.7%
Neighborhood Services	3,228,563	3,470,990	3,501,690	0.9%
Community Agencies	500,625	487,500	475,330	-2.5%
Non-Departmental				
Support to Other Funds				
Housing Finance Assistance Fund	112,330	128,850	122,340	-5.1%
Economic Development Projects Fund	1,402,700	1,391,680	796,640	-42.8%
-Less Interdepartmental Charges	0	0	0	0%
Subtotal	\$13,627,436	\$14,068,800	\$13,170,720	-6.4%

GENERAL FUND EXPENDITURES BY SERVICE AREA

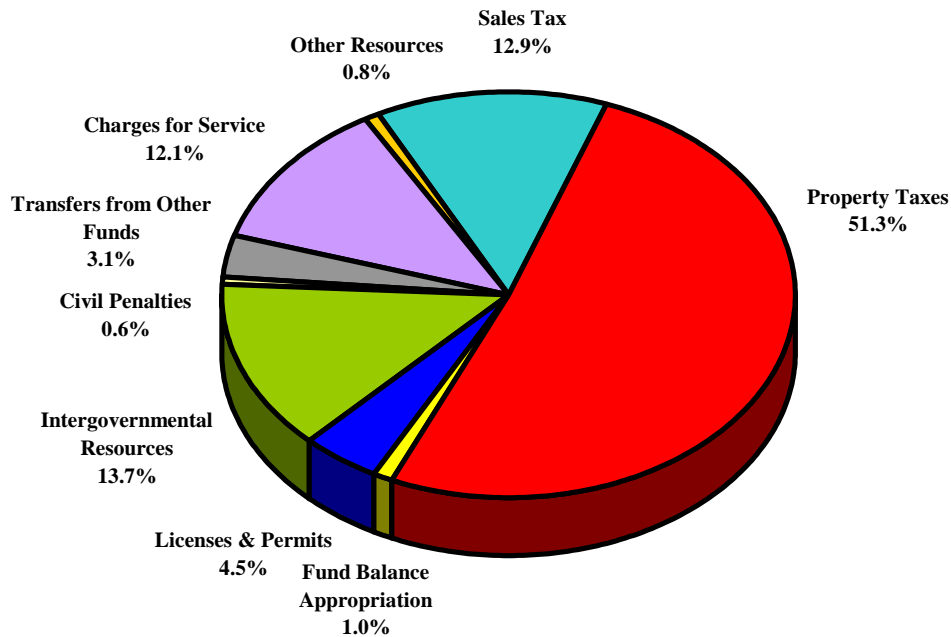
	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Environmental Health				
Sanitation	\$18,714,176	\$18,981,370	\$18,805,400	-0.9%
Non-Departmental				
Support to Other Funds				
Cemeteries Fund	16,211	11,640	0	-100.0%
-Less Interdepartmental Charges	-109,624	-105,250	-72,640	-31.0%
Subtotal	\$18,620,763	\$18,887,760	\$18,732,760	-0.8%
Public Safety				
Police	\$54,880,894	\$57,896,990	\$58,299,810	0.7%
Fire	25,248,787	25,316,640	24,584,120	-2.9%
Emergency Management	454,679	476,120	480,400	0.9%
Subtotal	\$80,584,360	\$83,689,750	\$83,364,330	-0.4%
Transportation				
Transportation System Management	\$7,438,959	\$7,352,620	\$7,846,500	6.7%
Street Maintenance	5,234,684	5,862,910	5,547,620	-5.4%
Non-Departmental				
Support to Other Funds				
Parking Fund	915,941	1,186,350	1,393,220	17.4%
Capital Projects Fund	0	0	0	0%
-Less Interdepartmental Charges	-57,415	-60,000	-30,000	-50.0%
Subtotal	\$13,532,169	\$14,341,880	\$14,757,340	2.9%
Recreation and Culture				
Recreation and Parks	\$9,111,116	\$9,453,180	\$9,171,070	-3.0%
Vegetation Management	4,422,704	5,143,980	4,976,890	-3.2%
Non-Departmental				
Support to Other Funds				
Winston-Salem Entertainment-Sports Complex	890,210	845,700	771,660	-8.8%
Convention Center Fund	548,490	568,990	568,990	0%
Ballpark Fund	0	0	93,100	N/A
-Less Interdepartmental Charges	-9,829	-2,500	0	-100.0%
Subtotal	\$14,962,690	\$16,009,350	\$15,581,710	-2.7%

GENERAL FUND EXPENDITURES BY SERVICE AREA

	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Fiscal Management				
Financial Management Services	\$7,148,016	\$7,794,270	\$7,828,530	0.4%
Budget and Evaluation	603,636	638,780	658,220	3.0%
Claims for Damages	556,247	584,900	594,710	1.7%
Subtotal	\$8,307,898	\$9,017,950	\$9,081,460	0.7%
Human Resource Management				
Human Resources	\$1,594,258	\$1,806,420	\$1,752,340	-3.0%
Subtotal	\$1,594,258	\$1,806,420	\$1,752,340	-3.0%
Interdepartmental Services				
Engineering	\$3,414,959	\$3,565,600	\$3,467,880	-2.7%
Real Estate	527,705	518,900	496,860	-4.2%
Mail and Printing Services	688,516	679,430	692,610	1.9%
Facilities Management	4,703,037	4,773,910	4,741,160	-0.7%
Information Systems	1,044,052	1,087,120	1,035,670	-4.7%
Internal Audit	340,599	339,580	341,940	0.7%
-Less Interdepartmental Charges	-2,951,419	-3,276,940	-3,330,040	1.6%
Subtotal	\$7,767,450	\$7,687,600	\$7,446,080	-3.1%
General Government				
Policy Leadership	\$1,768,730	\$1,914,000	\$1,907,340	-0.3%
City Manager	1,191,566	1,062,650	1,058,760	0%
City Link	1,316,497	1,450,270	1,784,630	23.1%
City Secretary	438,718	383,560	365,130	-4.8%
Marketing and Communications	905,677	816,370	805,010	-1.4%
Human Relations	352,162	351,550	350,820	-0.2%
Non-Departmental				
Board of Elections	256,340	507,410	0	-100.0%
Property Tax Collection	722,426	529,160	527,110	-0.4%
Salary Savings Adjustment	0	-1,598,590	-1,705,890	6.7%
Support to Other Funds				
Debt Service Fund	623,860	513,640	500,000	-2.7%
Subtotal	\$7,575,975	\$5,930,020	\$5,592,910	-5.7%
Total Expenditures By Service Area	\$166,573,001	\$171,439,530	\$169,479,650	-1.1%

GENERAL FUND RESOURCES BY TYPE

FY 10-11 GENERAL FUND RESOURCES BY TYPE



Total \$169.5 Million

	<u>Actual</u> <u>FY 08-09</u>	<u>Budget</u> <u>FY 09-10</u>	<u>Adopted</u> <u>FY 10-11</u>	<u>Percent</u> <u>Change</u>
Taxes				
Property Taxes - Current Year	\$83,365,532	\$85,239,670	\$85,767,620	0.6%
Property Taxes - Prior Year	1,394,418	1,150,000	1,150,000	0%
Sales Tax (1% Article 39)	12,769,637	12,636,280	11,733,990	-7.1%
Sales Tax (1/2% Articles 40 & 42)	6,701,227	6,550,650	6,268,790	-4.3%
Sales Tax (1/2% Article 44)	4,928,238	5,076,790	3,924,250	-22.7%
Subtotal	\$109,159,053	\$110,653,390	\$108,844,650	-1.6%
Licenses and Permits				
Construction Permits	\$2,634,827	\$3,025,800	\$2,448,880	-19.1%
Privilege Licenses	2,470,930	2,398,800	2,888,000	20.4%
Gross Receipts Tax	163,386	150,000	150,000	0%
Motor Vehicle License Taxes	1,637,623	1,633,330	1,633,330	0%
Cable Franchise	380,314	359,820	351,950	-2.2%
Other Licenses and Permits	206,501	267,120	127,050	-52.4%
Subtotal	\$7,493,581	\$7,834,870	\$7,599,210	-3.0%

GENERAL FUND RESOURCES BY TYPE

	<u>Actual</u> <u>FY 08-09</u>	<u>Budget</u> <u>FY 09-10</u>	<u>Adopted</u> <u>FY 10-11</u>	<u>Percent</u> <u>Change</u>
Intergovernmental Resources				
State Collected Local Revenues				
Utility Franchise Tax	\$14,019,735	\$13,486,430	\$13,660,470	1.3%
Beer and Wine Tax	1,009,971	1,090,890	1,094,650	0.3%
Gasoline Tax	4,197,590	5,188,050	4,688,050	-9.6%
“Hold Harmless” Payment	1,958,533	2,567,950	2,877,610	12.1%
Other Intergovernmental Resources				
ABC Allocation	647,017	667,060	613,970	-8.0%
Housing Authority Payment in Lieu of Taxes	76,753	76,760	88,290	15.0%
Other State Resources	177,748	120,280	123,280	2.5%
Subtotal	\$22,087,347	\$23,197,420	\$23,146,320	-0.2%
Charges for Services				
Governmental Sales and Service	\$4,124,456	\$4,333,730	\$4,354,970	0.5%
Parking Meter Revenue	40,733	60,000	40,000	-33.3%
Charges to the State	466,104	517,000	452,000	-12.6%
Charges to Forsyth County	2,658,531	2,603,680	2,791,470	7.2%
Charges to WS/FC School Board	125,000	125,000	125,000	0%
Charges to Other Municipalities	35,837	36,470	38,490	5.5%
Interfund Charges	11,369,186	12,128,470	12,659,160	4.4%
Subtotal	\$18,819,847	\$19,804,350	\$20,461,090	3.3%
Civil Penalties				
Parking Tickets	\$411,015	\$325,000	\$417,000	28.3%
Housing Code Violations	363,401	357,300	396,320	10.9%
Erosion Control Civil Penalties	25,533	38,390	15,000	-60.9%
False Alarm Civil Penalties	159,040	170,000	165,000	-2.9%
Subtotal	\$958,989	\$890,690	\$993,320	11.5%
Other Resources				
Rentals	\$167,052	\$167,000	\$154,890	-7.3%
Sales of Property and Equipment	400,791	383,000	193,000	-49.6%
Contributions	524,537	475,540	466,510	-1.9%
Miscellaneous	622,270	571,070	591,700	3.6%
Subtotal	\$1,714,651	\$1,596,610	\$1,406,100	-11.9%

GENERAL FUND RESOURCES BY TYPE

	Actual	Budget	Adopted	Percent
	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Transfers from Other Funds				
Housing Development/CDBG Funds	\$845,368	\$980,900	\$1,106,450	12.8%
Emergency Telephone System Fund	11,540	11,540	11,780	2.1%
Solid Waste Disposal Fund	2,847,285	2,898,250	2,432,700	-16.1%
Water and Sewer Fund	5,660	79,200	71,860	-9.3%
Stormwater Management Fund	1,392,302	1,492,380	1,574,900	5.5%
Worker's Compensation Fund	0	0	122,380	N/A
Subtotal	\$5,102,154	\$5,462,270	\$5,320,070	-2.6%
Fund Balance Appropriation	\$0	\$1,999,930	\$1,708,890	-14.6%
Total General Fund Resources	\$165,335,622	\$171,439,530	\$169,479,650	-1.1%

GENERAL FUND SUMMARY

The general fund, the principal operating fund for the City, accounts for the expenditures and resources needed to provide municipal services such as police, fire, sanitation, streets, and recreation, which are supported by general purpose revenues such as property tax, sales tax, licenses, permits, charges for service, intergovernmental revenue, and other miscellaneous resources. Overall, the general fund budget is decreased by 1.1%, compared to the FY 09-10 budget. It has been balanced with a 0.75¢ increase in the property tax rate to help offset the downturn in revenues and support from other funds, as well as to address the required payments to the State and local retirement systems. Highlights of year-to-year changes in the general fund budget, by expenditure and revenue category, are provided immediately following the summary table, below.

GENERAL FUND EXPENDITURES AND RESOURCES, BY ACCOUNT TYPE

	Actual FY 08-09	Budget FY 09-10	Year-End Est. FY 09-10	Adopted FY 10-11	Budget -to Budget \$-Diff	%-Diff
Expenditures						
Personnel	\$115,776,945	\$116,696,680	\$115,800,000	\$116,187,420	-\$509,260	-0.43%
Supplies and Services	39,657,226	42,802,670	41,200,000	42,443,090	-359,580	-0.82%
Capital Outlay	6,291,429	6,704,710	6,100,000	6,283,420	-421,290	-7.52%
Support to Other Funds	4,847,442	5,235,470	4,600,000	4,565,720	-669,750	-14.25%
TOTAL EXPENDITURES	\$166,573,042	\$171,439,530	\$167,700,000	\$169,479,650	-\$1,959,880	-1.14%
Revenues						
Property Taxes	\$84,759,950	\$86,389,670	\$85,800,000	\$86,917,620	\$527,950	0.63%
Sales Taxes	24,399,102	24,263,720	22,600,000	21,927,030	-2,336,690	-10.72%
Licenses and Permits	7,493,581	7,834,870	7,300,000	7,599,210	-235,660	-3.32%
Intergovernmental	22,087,348	23,197,420	22,300,000	23,146,320	-51,100	-0.21%
Charges for Services/Other	21,493,487	22,291,650	22,100,000	22,860,510	568,860	2.53%
Transfers from Other Funds	5,102,155	5,462,270	5,500,000	5,320,070	-142,200	-5.08%
TOTAL REVENUES	\$165,335,623	\$169,439,600	\$165,600,000	\$167,770,760	-\$1,668,840	-1.03%
Fund Balance	1,237,419	1,999,930	2,100,000	1,708,890	-291,040	-14.55%
TOTAL RESOURCES	\$166,573,042	\$171,439,530	\$167,700,000	\$169,479,650	-\$1,959,880	-1.14%

EXPENDITURE HIGHLIGHTS

- Personnel. The \$509,260 budget-to-budget decrease in personnel expenditures for FY 10-11 is the net result of the following:
 - A State-mandated increase of 1.55% in the City's contribution to the North Carolina Local Government Employee Retirement system and an actuarially-required increase in the contribution to the local police retirement system are provided for in this budget. (+\$1,673,000)
 - There is a net decrease of 30 positions, as a result of 31 vacant position deletions (-\$1,011,310) and the addition of a police evidence specialist (+\$43,460) as a part of the adopted consolidation of City Police Department and County Sheriff Department evidence management operations. (See list of position vacancy deletions following the City Manager's Message, on page x.)

GENERAL FUND SUMMARY

- In response to reduced demand for construction related services, three position vacancies are frozen and unfunded, two in Construction Inspections and one in Fire. (-\$195,000)
- Part-time, overtime, and longevity expenditures are reduced. (-\$199,000)
- A voluntary furlough program is adopted. A voluntary furlough is a pre-approved, unpaid absence. (-\$100,000)
- As recommended by City Council, as a part of the final budget adoption, budgeted salary savings were increased by \$7,300 to reflect additional projected savings in membership costs, to be identified prior to September 1, 2011.
- There is a projected reduction in the salary base due to retirements, other employee turnover, and retained vacancies. (-\$720,000)
- Supplies and Services. Non-personnel operating expenses are reduced by \$359,580 as follows:
 - Expenditure reductions that do not directly affect service delivery to the public are spread throughout the budget in the following account types: information systems charges, printing, postage, office supplies, books/magazines, software, travel, training, operating supplies, fuel, landfill tipping fees, and other miscellaneous accounts. (-\$958,660) (See Attachment B in the City Manager's Message section of this document for a year-to-year percentage change in all expenditures, by type, in the general fund.)
 - Expenses related to municipal elections in FY 09-10 are excluded from the FY 10-11 budget. (-\$243,430); moreover, with the adoption of a revised City/County Cooperative Governmental Services Funding Agreement effective July 1, 2010, the City will no longer cover a share of the Board of Elections administrative expenses. (-\$237,470)
 - Contributions to community agencies for operating assistance are reduced by at least 2.5%, to be consistent with the savings target provided to City departments (See page 85 for complete listing of adopted changes in agency funding, including funding from the occupancy tax fund, as well as the general fund.) (-\$41,730, general fund only)
 - Other operating expenditures are increased due to ongoing contract requirements, approved utility rate increases, projected vehicle and maintenance needs, building rental agreements, claims contractual agreement, and telephone service agreements. (+\$1,175,100)
 - As recommended by City Council, as a part of the final budget adoption, additional travel budgets of \$58,430 were sequestered in individual departments, to ensure savings of that amount by year-end. Also, the City Council approved reduced contributions to the Downtown Winston-Salem Partnership (-\$4,790) and the Piedmont Triad Partnership (-\$10,160) to be consistent with the 2.5% reductions to other community agencies and to the savings target provided to City departments.
- Capital Outlay. Capital outlay expenses are reduced by \$421,290 as a result of limiting replacement to critical needs or seriously deteriorated equipment. The short list includes 15 Police patrol cars, 420 Police bullet proof vests, 2 Recreation maintenance vehicles, 1 Vegetation Management reel mower and crew cab truck, 5 Sanitation refuse collection rear loaders, 4 Sanitation curbside leaf loaders, 4 Streets snow plows, 10 Streets salt spreaders, 32,000 roll-out carts for the citywide curbside residential refuse

GENERAL FUND SUMMARY

collection program, and Web-based business license program software. (A list of approved capital outlay for FY 10-11 is located in the Supplementary Information section of this document, page 253).

- Support to Other Funds. General fund transfers to other funds are reduced by \$669,750 as a result of the following:
 - Deletion of the City’s match for a five-year federal grant for the Fire Department, Staffing for Adequate Fire and Emergency Response (SAFER), that concluded in FY 09-10 (-\$419,950)
 - Decrease in the annual payments to businesses that have economic development incentive agreements with the City, primarily as a result of the shut-down of the Dell Company manufacturing plant (-\$595,040)
 - Increase in support to the off-street parking fund due to growth in the Fourth and Church Street Deck subsidy that is shared by the City and County (+\$206,870)
 - Increase in the transportation grants match due to growth in federal highway funds allocated to the City by the Metropolitan Planning Organization for FY 10-11. (+\$151,100)
 - Reduction in the general fund subsidy to the Winston-Salem Entertainment/Sports Complex. (-\$74,040)
 - Initial payment of the property tax increment for the Brookstown Project, based on the City’s agreement with Brookstown Development Partners, Sports Menagerie Corporation, and the Sports Menagerie Stadium, LLC (+\$93,100)

REVENUE HIGHLIGHTS

PROPERTY TAXES

Property taxes are the largest single source of revenue for the City, accounting for 51.3% of all general fund resources (including transfers from other funds and the fund balance appropriation). The projected property tax revenue estimate for FY 10-11 is based on property tax base value of \$21.3 billion times a property tax rate of 47.5¢ per \$100 of the assessed base value, a rate increase of 0.75¢. The new property tax rate is set to generate an additional \$1,556,250, which helps mitigate the impact of projected decreases in property tax, sales tax, construction revenue, and taking on 20% of the cost of residential recycling previously covered by the solid waste disposal fund.

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 for the tax year starting in January 2009.

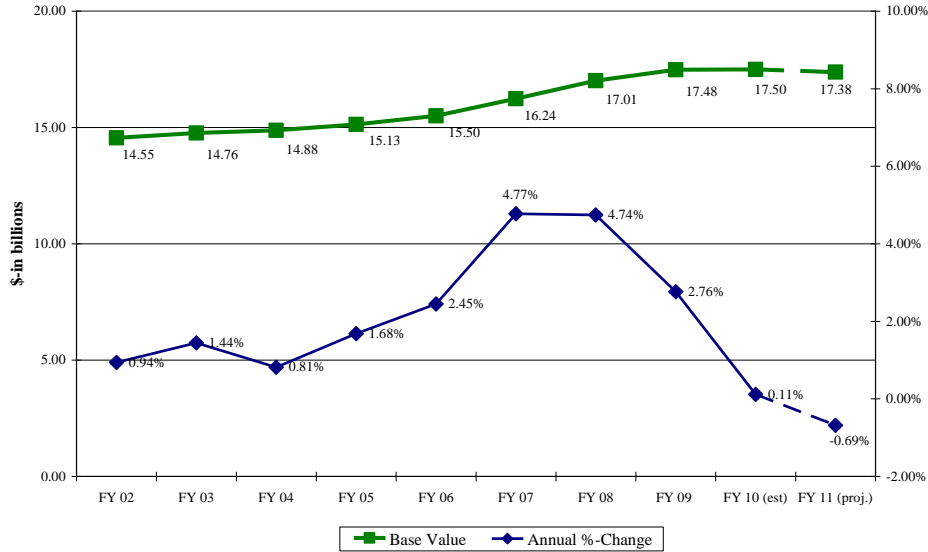
Tax base information provided by the Forsyth County Tax Office for FY 10-11 is provided in the following table:

Tax Base (in millions)	FY 09-10 Budgeted	FY 09-10 Estimated	FY 10-11 Projected	Bud. to Bud. % Change
Real Property	17,596,200,000	17,369,708,567	17,430,200,000	-0.94%
Personal Property	2,234,000,000	2,370,062,850	2,225,500,000	-0.38%
Reg. Motor Vehicles	1,425,000,000	1,354,775,269	1,310,000,000	-8.07%
Public Services	325,000,000	347,487,167	350,000,000	7.69%
Total	21,580,200,000	21,442,033,853	21,315,700,000	-1.23%

GENERAL FUND SUMMARY

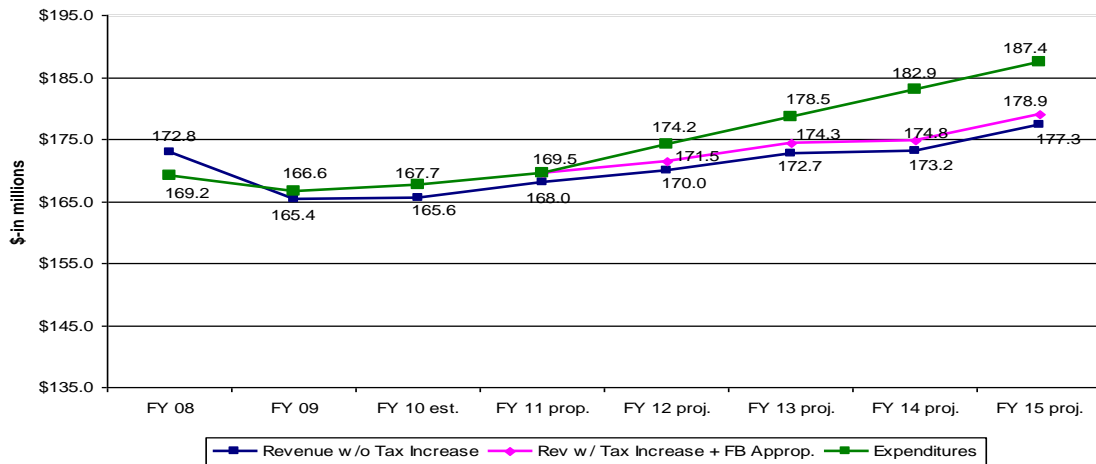
Compared to the budget for FY 09-10, the projected property valuation is reduced 1.23%. The projected valuation is roughly the same as the actual valuation for the current year. Personal property is decreased somewhat because less commercial and industrial equipment has been replaced with newer, more valuable equipment, and registered motor vehicle value is down due to fewer new cars have been purchased.

**Annual Property Tax Base Value and Annual Growth Rates
(excluding annexation and revaluation impacts)**



Property Tax Rate. The adopted property tax rate is increased from 46.75¢ to 47.5¢ per \$100 of assessed value, a 1.6% increase in the rate. For a home valued at \$130,000, the homeowner would receive an increase in the tax bill from \$607.75 to \$617.50, or \$9.75, in the upcoming fiscal year. The property tax rate was last increased by 0.5¢ in 2007-2008, in association with increased costs for Police and Fire compensation. In comparison to Raleigh, Charlotte, Greensboro, and Durham, Winston-Salem’s property tax rate remains in the middle, with Greensboro and Durham higher and Charlotte and Raleigh lower. The impact of the 0.75¢ increase on the revenue base for the upcoming fiscal years is illustrated in the graph, below:

**Impact of the .75¢ Property Tax Rate Increase in FY 10-11
on Future Budgets**



GENERAL FUND SUMMARY

Property Tax Rate Distribution. The property tax rate of 47.5¢ per \$100 of valuation is levied on all taxable property. The revenue is distributed to selected funds as follows, 41.18¢ to the general fund, 4.74¢ to the debt service fund, and 1.58¢ to the mass transit tax fund.

SALES TAXES

The City 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 a “hold harmless” payment to compensate for the loss of Article 44, which was eliminated in full as of October 1, 2009.

Article 39 revenue is collected by the state and distributed to the county based on “point of delivery” (where the taxed item is delivered for use by the purchaser). Revenue from Article 40 is collected by the state and distributed to each county based upon its share of statewide population. Beginning July 1, 2009, the distribution basis for revenue from Article 42 was changed from “per capita” to “point of delivery.”

The City’s sales tax revenue is allocated to the general fund and the debt service fund, as shown in the table below:

SALES TAX REVENUE ALLOCATION, BY ARTICLE

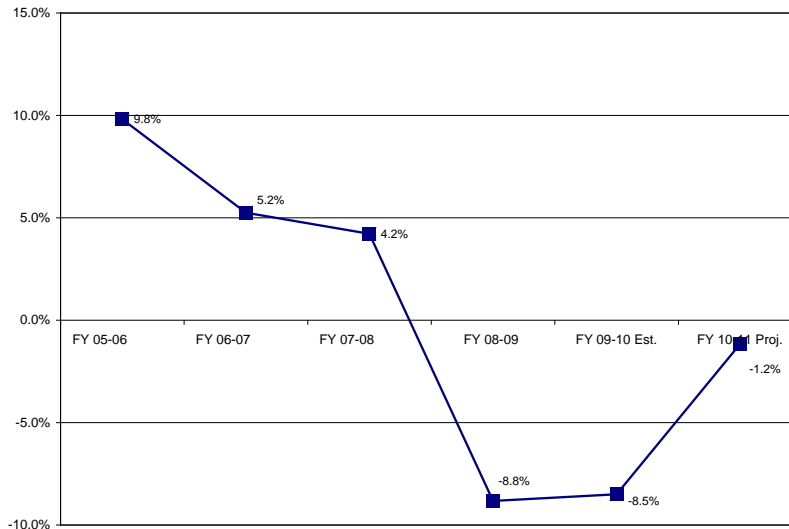
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10 (est.)	FY 10-11 (proj.)
General Fund						
Article 39	\$13,408,151	\$13,542,892	\$14,406,007	\$12,769,637	\$11,922,620	\$11,733,990
20% of Article 40	999,949	1,115,653	1,133,304	1,100,056	996,900	991,010
Article 42	4,948,381	5,517,999	5,601,142	5,432,450	5,309,980	5,277,780
Article 44	5,274,124	5,493,206	5,728,284	3,205,113	527,620	0
"Hold Harmless"				1,723,124	3,451,280	3,924,250
Total GF	\$24,630,605	\$25,669,750	\$26,868,737	\$24,230,380	\$22,208,400	\$21,927,030
Debt Service Fund						
80% of Article 40	\$3,999,795	\$4,462,612	\$4,533,215	\$4,400,225	\$3,987,620	\$3,964,050
TOTAL	\$28,630,400	\$30,132,362	\$31,401,952	\$28,630,605	\$26,196,020	\$25,891,080

Sales Tax Revenue Projections for FY 10-11. Due to the impact of the recession-to-date, estimated sales tax revenue for FY 09-10 shows a downward trend of by 8.5% or -\$2.4 million, compared to prior year. Because of the general expectation that the recession will continue into FY 10-11, it is assumed that the revenue distributed to Forsyth County in FY 10-11, for Article 39 sales tax allocations, will reflect no growth, compared to current year actual receipts. For the other sales tax allocations, a growth factor of 1% is projected, based on the recommendation of the N.C. League of Municipalities, which indicates that 1%-2% growth is anticipated for statewide sales tax collections that are distributed on a per capita basis, by county.

The year-to-year change in sales tax revenue continues to trend downward by 1.2% for FY 10-11 due to the change in the city share of the Forsyth County sales tax distribution, which declines from 28.8% to 28.3%, a drop of 1.7%. Jurisdictions within the County receive sales tax revenue based on their proportional shares of the ad valorem tax levy. Assuming no property tax rate changes of other Forsyth County jurisdictions for FY 10-11, the City’s adopted 0.75¢ property tax rate increase would result in an addition of \$255,000 in sales tax distribution in FY 11-12.

GENERAL FUND SUMMARY

Historical Trend in Sales Tax Revenue



LICENSES AND PERMITS

Construction, Zoning, and Erosion Control Inspections and Permits. Construction-related revenues from building permits and inspections are among the first to react to shifts in the economy. In the early stages of the current economic recession, construction revenues began to drop off in the latter half of FY 06-07 and have continued to decline through the current year. Year-to-year reductions in actual revenues in this category were -18% between FY 06-07 and FY 07-08, -26% between FY 07-08 and FY 08-09, and -6% between FY 08-09 and estimated year-end FY 09-10. Because the economy is predicted to remain sluggish in the near future, an additional reduction of 1% is projected for FY 10-11. A adopted increase in zoning fees to recover more of the cost of the City/County Inspections Department letters of notification should generate an additional \$25,570 in revenue, of which \$17,100 of the savings would benefit the City. The permit fees for sidewalk excavations and repairs are also increased, for an additional \$3,000 in revenue.

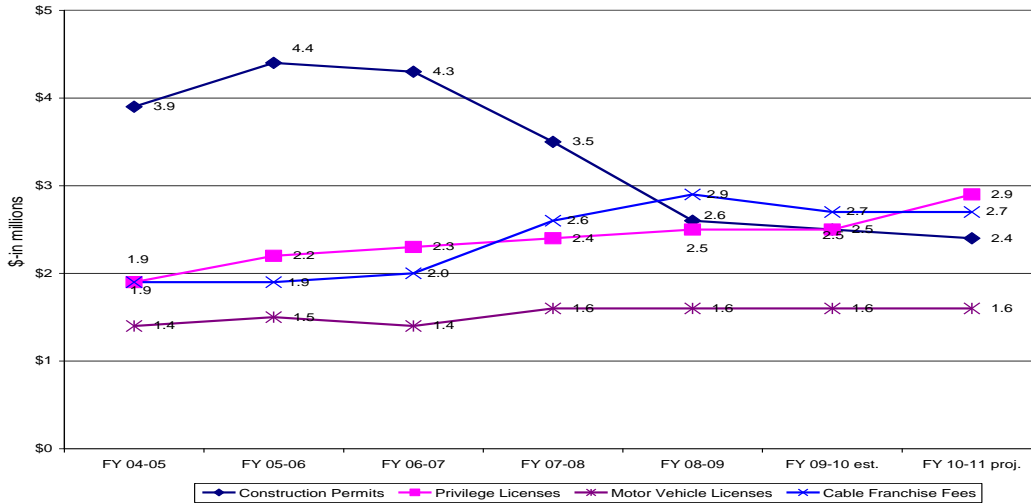
Privilege Licenses. For FY 10-11, privilege license revenue is expected to increase by \$470,000, or 20%, as a result an amendment to the City Code related to business licenses, increasing the fee for establishments operating Internet “sweepstakes.” There are currently a total of 42 locations and 690 machines linked to the Internet. The change in the Code allows a flat fee of \$2,500 per location plus a charge of \$500 per machine.

Motor Vehicle Privilege License Fee. There is a \$15 fee charged on the property tax bill on each registered motor vehicle. The general fund receives revenue from \$10 of the fee, and the remaining revenue from \$5 per vehicle (authorized in February, 2006) is appropriated in the capital projects and mass transit funds with one-third allocated for transit operations, 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). The general fund portion of the motor vehicle privilege license fee revenue is projected to remain at approximately \$1.6 million. As indicated in the graph, below, the revenue from this source increased substantially in FY 07-08, reflecting the City’s annexation that was effective September 30, 2006.

Cable Franchise. Cable franchise revenue is received from two sources, the local cable franchise tax and the state distribution of special sales taxes on video programming. The 2006 annexation produced revenue growth from \$2.0 million to \$2.6 million in FY 07-08. As the following graph indicates, revenue for FY 10-11 is expected to remain the same as estimated for FY 09-10.

GENERAL FUND SUMMARY

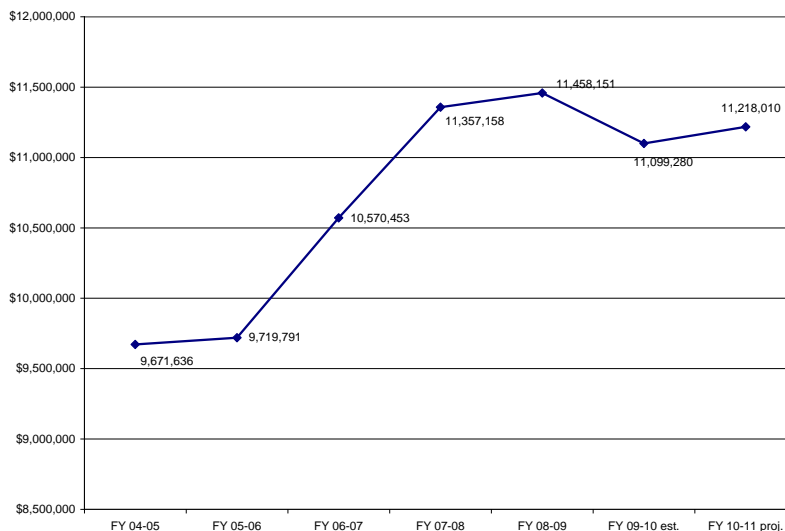
Historical Trends in Selected License and Permit Revenues



INTERGOVERNMENTAL REVENUE

Utility Franchise Tax: The utility franchise tax is based on the receipts of the regional electric, telephone and natural gas services. (It also includes a distribution of the state’s special sales taxes on video-programming, which is discussed above, in combination with the revenue from the City’s revenue from the local franchise agreement with AOL/Time-Warner.) 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 increased revenue from FY 05-06 through FY 08-09 reflects the impact of a major City annexation in 2006, which added substantially to the number of utility company customers in the city limits. This revenue is expected to increase by 1%, compared to estimated current year receipts.

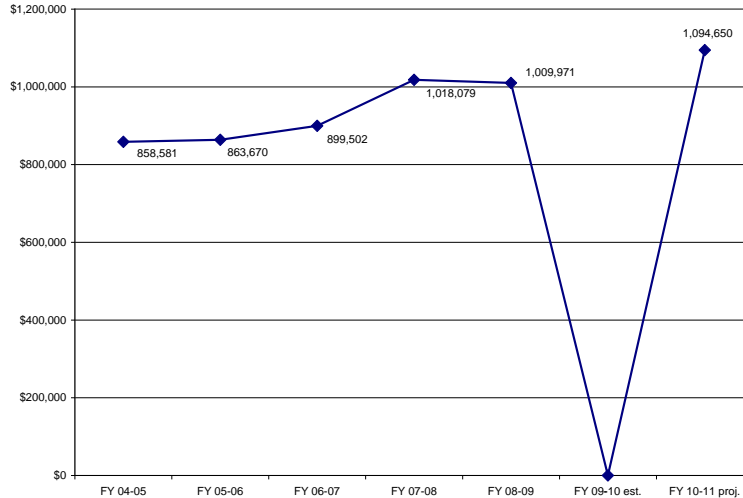
Historical Trend in Utilities Franchise Tax Receipts



GENERAL FUND SUMMARY

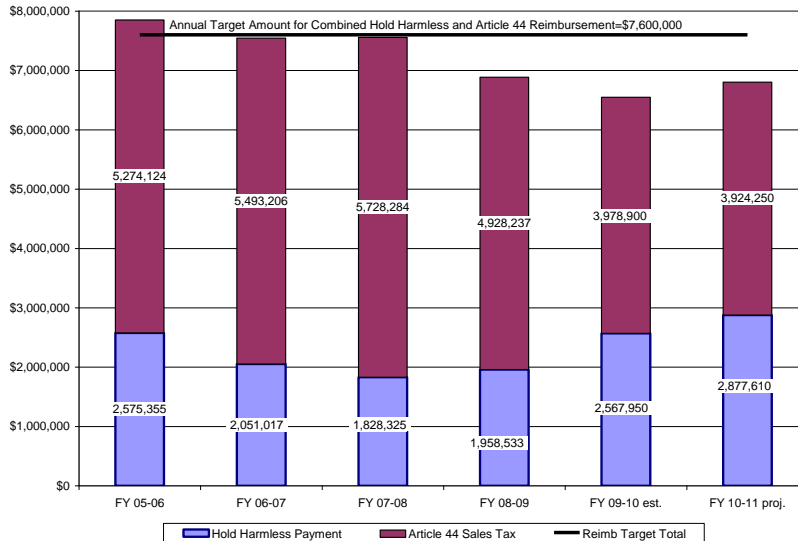
Beer and Wine: State law provides for the per capita distribution of the state beer and wine receipts to the local governmental units in which the beer and wine is legally sold. During FY 09-10, the State of North Carolina did not distribute beer and wine revenues to local governments, in order to keep that revenue to help balance the State's budget. For FY 10-11, the State will reinstate the beer and wine revenue allocation. Beer and wine revenues are projected to be 8% greater in FY 10-11 than the amount received in FY 08-09.

Historical Trend in Beer and Wine Revenue



“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 did not fully compensated the City for the loss of reimbursement revenue; therefore, the state provided a “hold harmless” payment to make up for the difference in reimbursement and sales tax revenues. For FY 10-11, the annual payment from the State is calculated using the most recent actual sales tax information, which is from FY 08-09, for the upcoming year. Because the FY 08-09 sales tax was greater than current sales tax, the amount of the “hold harmless” payment is substantially short of the amount needed to match the lost reimbursements.

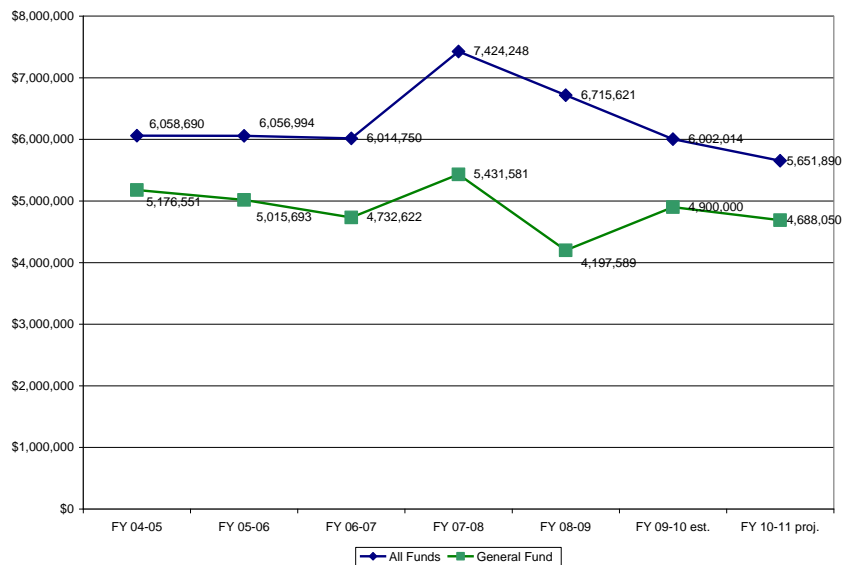
Historical Trend in “Hold Harmless” Revenue



GENERAL FUND SUMMARY

Gasoline Tax (Powell Bill): The revenue from gasoline tax for FY 10-11 is projected to decrease from \$6.0 million to \$5.7 million, or -6%, because of the continued slowdown in vehicle purchases and decreased demand for gasoline. 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 10-11 Powell Bill distribution is between \$18.41 and \$19.16 per capita, down from \$19.57 per capita in FY 09-10, and the value of the mileage based portion (25%) is between \$1,436.65 and \$1,494.99 per mile, down from \$1,520.89 per mile. For FY 10-11, \$1,000,000 of the Powell Bill revenue is adopted to be allocated to the capital projects fund for street resurfacing. The remaining \$4.688 million in revenue is transferred to the general fund for transportation-related programs.

Historical Trend in Powell Bill (gasoline tax) Revenue



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 10-11, there is a net increase of \$658,740 compared to FY 09-10 budgeted service charge revenue. Major changes in the current fees for service are listed below:

- Increase in the reimbursement from Federal stimulus funding due to the first full-year for 25 police officers and 4 crime analysts added to the Police Department in FY 09-10 (+\$709,460)
- Increase in charges to non-general fund departments for Facilities Maintenance services, primarily at the Transit Center (+\$207,020)
- Increase in charges to Forsyth County, as their share of the cost of City/County Inspections and Planning are greater, due to the drop in construction-related permit revenues in those areas (+\$138,890), and due to the impact of the revised City/County

GENERAL FUND SUMMARY

- financing agreement reflecting the deletion of County support for Historic Bethabara Park (-\$203,850) and increased County support for the prisoner processing at the Detention Center (+\$118,970) and for merged evidence management (+\$144,510)
- Increase in revenue from bulk container collection service, based on projected increase in the customer base (+\$102,260)
 - Decrease in fee revenue from streets services, utility cuts, and traffic engineering projects, as a result of the downturn in construction activity (-\$171,000)
 - Deletion of the reimbursement from a Fire staffing grant that expired at the end of FY 09-10 (a five-year Federal grant of \$1,157,300 that was awarded in FY 05-06 to add 12 fire positions, which currently serve the Rescue 1 unit) (-\$515,950)

In addition, there are a number of increased rates or changes in cost recovery policies, as follows:

- Increase in the reimbursement from the Dixie Classic Fair for security services provided by the Police Department (+\$100,000)
- Increase in the annual fee for the collection of yard waste using a roll-out cart from \$55 to \$60 (+\$111,300)
- Increase in existing Recreation Department fees for Winston Lake membership (+\$2,000), Historic Bethabara adult admission fees (+\$1,400), and adult softball team fees (+\$25,000)
- Addition of new Recreation Department fees for adult open gym basketball/annual registration (+\$3,000), rental set-up fee for ballrooms/gymnasiums (+\$2,000), non-resident fees for picnic shelter rentals and youth soccer leagues (+\$3,000), secondary ball field use (+\$500), rental for the Winston Lake Golf clubhouse (+\$1,000), non-resident fee for aquatics (+\$1,000), and rental fee for the showmobile (+\$3,000)

OTHER REVENUES

Other revenues include contributions, reimbursements, sale of property, property rentals, and fines. For FY 10-11, other revenues are reduced by \$89,880 compared to prior year budget, due to the net impact of the following:

- Increase in the schedule for Neighborhood Services code enforcement fines, to generate additional revenue for sanitation/trash violations (+\$17,860), weeded lot violations (+\$18,280), house number violations (+\$140), housing code violations (+\$1,500), and abandoned vehicle storage fees (+\$240)
- Increase in the schedule for on-street parking fines, to generate an additional \$92,000
- Reduction in the estimate for property sales revenue, due to fewer properties on the surplus list and a depressed real estate market (-\$25,000)
- Reduction in the revenue from the sale of other property, as a result of fewer equipment replacements being approved (-\$150,000)
- Reduction in miscellaneous sales of plans, maps, codes as a result of the economic downturn (-\$23,390)

TRANSFERS FROM OTHER FUNDS

Transfers represent appropriations from other City funds to the general fund for various purposes, such as housing rehabilitation, emergency phone system operation, recycling drop-off programs in the county, risk management services for Utilities, leaf collection and pest control. For FY 10-11, transfers are decreased by 5.1%, or -\$142,200, compared to FY 09-10 budget, because of following:

GENERAL FUND SUMMARY

- Increase in the transfer from Federal housing funds to cover the City's housing rehabilitation loan program and a portion of the housing program administration (+\$125,550)
- Increase in the transfer from the stormwater management fund to cover the City's leaf collection program (+\$82,520)
- Addition of a transfer from the workers' compensation fund to the portion of the City's safety program that is not already covered by the Utilities Department and RAMCO, the City's third-party administrator of liability claims (+\$122,380)
- Decrease in the reimbursement for recycling from the solid waste disposal fund, due to the general fund coverage of 20% of the net cost of the program (-\$465,550)

GENERAL FUND BALANCE HIGHLIGHTS

Fund Balance Appropriation for FY 10-11

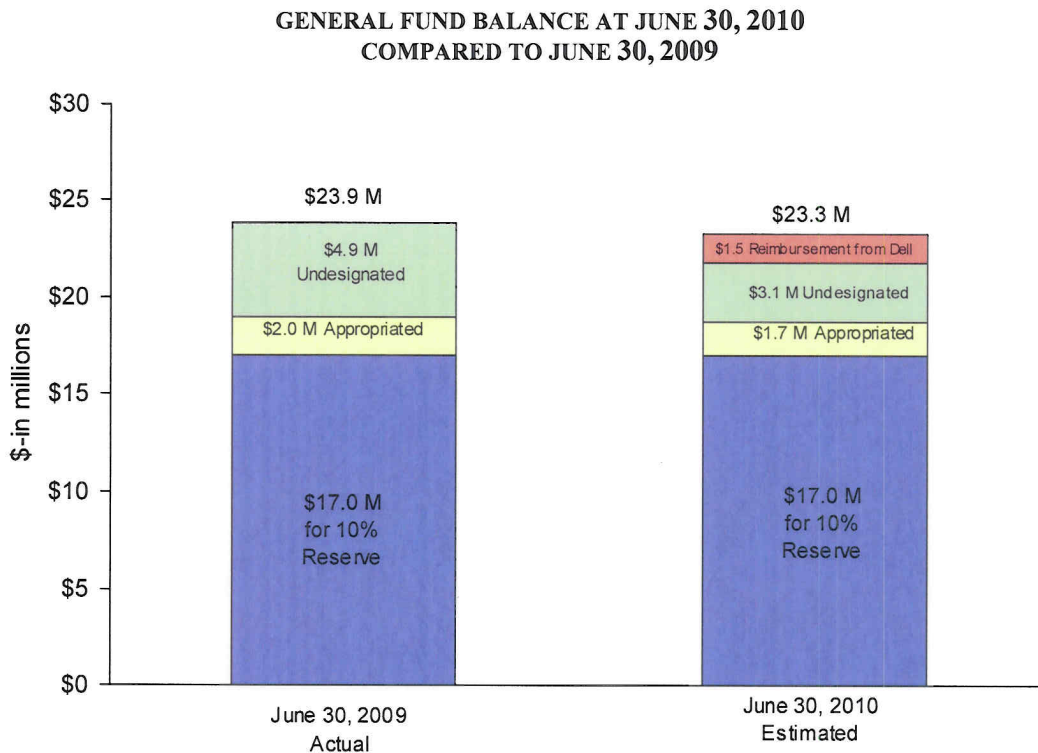
The adopted budget includes a fund balance appropriation of \$1,708,890 which is a reduction of 14.5% compared to the FY 09-10 appropriation of \$1,999,930. The fund balance appropriation represents 1.0% of the FY 10-11 general fund budget. The appropriated fund balance, combined with the budgeted salary savings amount of \$2.2 million, represents 2.3% of the total general fund budget. Traditionally, this level of appropriated fund balance and salary savings would ensure a steady increase in reserves at year end. However, having reduced the budget for two years in a row, by eliminating vacant positions and downsizing expenditure accounts that had previously generated savings, it is possible that some fund balance may be consumed by year-end. Efforts will be made to continue to reduce the fund balance appropriation in future years, thereby strengthening reserves in the long run.

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 10-11, the 10% requirement totals \$17 million.

Graph of Unreserved Fund Balance, June 30, 2009 through June 30, 2010

The graph below illustrates the estimated change in general fund balance at June 30, 2010. The "undesigned" fund balance decreases from \$4.9 million on June 30, 2009 to \$3.1 M on June 30, 2010, because of the impact of the economic recession on sales tax and construction-related revenues. The decrease in fund balance is mitigated by a one-time reimbursement of economic incentive payments from the Dell, Corp., as a result of a "claw back" clause in the economic development agreement that provided for repayment if Dell did not remain in business for at least five years.



INTERNAL SERVICE FUNDS

Internal service funds provide centralized services to the various departments or agencies of the City or to other governments. These services are categorized in the interest of efficiency and economy and are self-supporting through charges to the users. Included in the internal service funds are Central Warehouse, Fleet Services, Information Systems and Employee Benefit Funds (except the Retiree Life and Health Fund). Program descriptions and expenditure and resource details for Fleet Services, Information Systems, and Central Warehouse are located in the Interdepartmental section of this document. Details on the other funds that cover employee benefits are located in the Human Resources section.

	Actual	Budget	Adopted	Percent
EXPENDITURES BY FUND	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Fleet Services	\$8,070,668	\$8,861,550	\$8,441,140	-4.7%
Information Systems	7,556,059	8,425,820	8,340,490	-1.0%
Central Warehouse	257,788	303,730	270,790	-10.8%
Workers Compensation Fund	1,873,173	2,932,000	2,632,000	-10.2%
Employee Health and Benefit Fund	14,668,028	14,017,000	14,317,000	2.1%
Dental and Flex Spending Fund	1,990,260	1,920,200	1,791,200	-6.7%
Employee Taxes and Benefit Fund	17,990,333	18,378,720	18,138,580	-1.3%
Total Expenditures by Program	\$52,406,309	\$54,839,020	\$53,931,200	-1.7%
RESOURCES BY TYPE				
Charges to Departments	\$14,912,386	\$16,976,630	\$16,470,420	-3.0%
Fund Balance Appropriation	960,629	614,470	582,000	-2.4%
Other	11,500	0	0	0%
City Contribution	31,376,670	31,528,720	31,269,580	-0.8%
Employee Contribution	5,500,895	5,480,200	5,370,200	-2.0%
Other Agency Contributions	71,573	119,000	119,000	0%
Reimbursements	90,547	120,000	120,000	0%
Investment Income	-593,662	0	0	0%
Total Resources by Type	\$52,330,538	\$54,839,020	\$53,931,200	-1.7%
Addition to Fund Balance	-\$75,770	\$0	\$0	0%

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 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Principal Retirement	\$7,872,921	\$6,955,310	\$5,538,720	-20.4%
Capital Lease Charges	1,834,024	2,390,100	1,937,720	-18.9%
Interest Payments	7,831,701	8,145,430	8,711,980	7.0%
Fiscal Charges	107,814	128,000	246,970	92.9%
Administrative Expenses	44,810	67,610	53,120	-21.4%
Property Tax Collection Fee	85,152	62,320	57,450	-7.8%
Transfer to Capital Projects Fund	2,017,379	0	0	0%
Transfer to Mass Transit Tax Fund	91,587	87,210	30,270	-65.3%
Total Expenditures	\$19,885,387	\$17,835,980	\$16,576,230	-7.1%
RESOURCES BY TYPE				
Property Taxes	\$9,704,259	\$9,740,770	\$9,625,780	-1.2%
ABC Allocation	323,509	333,020	306,990	-7.8%
Interest Income	-585,049	1,218,000	1,400,000	14.9%
Other Revenues	581,479	841,870	1,156,430	37.3%
Transfer from General Fund				
- Debt Service on Dell Project	400,000	400,000	400,000	0%
- Lease Payment for 800 mHz Radios	223,860	0	0	0%
- Debt Service on Brookstown Project	0	113,640	0	-100.0%
- Lease Payment for Downtown Arts Center	0	0	50,000	N/A
- Lease Payment for Convention Center Capital	0	0	50,000	N/A
Transfer from Sales Tax Fund	4,512,538	4,409,700	3,964,050	-10.1%
Transfer from Capital Projects Fund	2,017,379	0	0	0%
Proceeds from Debt Refunding	4,802	0	0	0%
Fund Balance Appropriation	2,702,611	778,980	0	-100.0%
Total Resources	\$19,885,387	\$17,835,980	\$16,953,250	-7.1%
Addition to Fund Balance	\$0	\$0	\$377,020	N/A

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	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Loans	\$300,976	\$469,620	\$490,860	4.5%
Contractual Services and Other Miscellaneous Expenses	629,591	397,820	394,320	-0.9%
Indirect Cost Allocation	66,680	66,680	50,010	-25.0%
Contingencies	709	25,000	25,000	0%
Grants	277,340	142,770	125,000	-12.4%
Section 108 Loan Principal and Interest Payments	594,367	593,210	575,740	-2.9%
Loan Servicing Expenditures	88,607	98,000	98,000	0%
Transfer to General Fund (Administration)	108,066	143,530	146,700	2.2%
Transfer to General Fund (Program Activities)	535,030	594,370	734,750	23.6%
Total Expenditures	\$2,601,367	\$2,531,000	\$2,640,380	4.3%

RESOURCES BY TYPE

Federal Grants	\$1,749,599	\$1,881,000	\$2,040,380	8.5%
Loan Repayments	847,585	650,000	600,000	-7.7%
Sale of Real Property	0	0	0	0%
Miscellaneous Revenues	4,323	0	0	0%
Total Resources	\$2,601,507	\$2,531,000	\$2,640,380	4.3%

HOUSING FINANCE ASSISTANCE FUND

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

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Loans	\$1,167,093	\$820,000	\$40,000	-95.1%
Contractual Services and Other Miscellaneous Expenses	363,855	200,000	424,000	101.9%
Contingencies	0	25,000	25,000	0%
Re-Grant of Housing Authority's PILOT Funds	112,580	128,850	122,340	-5.1%
Transfer to General Fund	0	20,000	20,000	0%
Transfer to Leasing Fund	731,017	0	0	0%
Transfer from Leasing Capital Projects Fund	775,000	0	0	0%
Total Expenditures	\$3,149,546	\$1,193,850	\$631,340	-47.6%

SPECIAL REVENUE FUNDS

HOUSING FINANCE ASSISTANCE FUND - Continued

	Actual	Budget	Adopted	Percent
RESOURCES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Investment Income	\$264,663	\$1,025,000	\$446,000	-56.5%
Loan Repayments	532,725	40,000	40,000	0%
Sale of Real Property	7,486	0	0	0%
Miscellaneous Revenues	8,884	0	0	0%
Transfer from General Fund	118,580	128,850	122,340	-5.1%
Transfer from Leasing Fund	731,017	0	0	0%
Transfer from Leasing Capital Projects Fund	775,000	0	0	0%
Fund Balance Appropriation	711,191	0	23,000	100.0%
Total Resources	\$3,149,546	\$1,193,850	\$631,340	-47.6%

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	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Loans	\$1,088,490	\$812,690	\$813,120	0.1%
Contractual Services and Other Miscellaneous Expenses	362,771	419,230	417,700	-0.4%
Indirect Cost Allocation	34,882	34,380	44,600	29.7%
Contingencies	10,328	50,470	50,300	-0.3%
Transfer to General Fund	202,272	223,000	205,000	-8.1%
Total Expenditures	\$1,698,743	\$1,539,770	\$1,530,720	-0.6%

RESOURCES BY TYPE

Federal Grants	\$1,555,893	\$1,414,770	\$1,405,720	-0.6%
Loan Repayments	132,129	125,000	125,000	0%
Miscellaneous Revenues	10,721	0	0	0%
Total Resources	\$1,698,743	\$1,539,770	\$1,530,720	-0.6%

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	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Continuum of Care Grants	\$1,080,929	\$1,974,530	\$1,214,830	-38.5%
Emergency Shelter Grant	80,360	80,200	81,850	2.1%
Total Expenditures	\$1,161,289	\$2,054,730	\$1,296,680	-36.9%
RESOURCES BY TYPE				
Federal Grants	\$1,161,289	\$2,054,730	\$1,296,680	-36.9%
Total Resources	\$1,161,289	\$2,054,730	\$1,296,680	-36.9%

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.

EXPENDITURES BY TYPE	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Economic Development Incentives Grants*	\$1,082,031	\$1,391,680	\$796,640	-42.8%
Jobs and Technology Development	0	0	1,000,000	100.0%
Other Economic Development Initiatives	0	0	3,710,000	100.0%
Total Expenditures	\$1,082,031	\$1,391,680	\$5,506,640	295.7%
RESOURCES BY TYPE				
Sale of Real Property	-\$20,000	\$0	\$0	0%
Dell Economic Incentive Payment Reimbursement	0	0	4,710,000	100.0%
Transfer from General Fund	1,402,700	1,391,680	796,640	-42.8%
Total Resources	\$1,382,700	\$1,391,680	\$5,506,640	295.7%
Addition to Fund Balance	\$300,669	\$0	\$0	0%

*The schedule of economic development incentive grant commitments for FY 10-11 through FY 15-16 is as follows:

	Budget FY 10-11	Planning FY 11-12	Planning FY 12-13	Planning FY 13-14	Planning FY 14-15	Planning FY 15-16
Bekaert Textiles USA, Inc.	\$22,280	\$0	\$0	\$0	\$0	\$0
Lowe's Companies, Inc.	179,160	153,570	176,140	144,380	128,630	160,130
Sara Lee Corporation	100,000	0	0	0	0	0
Tengion, Inc.	21,000	0	0	0	0	0
Exhibit Works	20,000	20,000	20,000	0	0	0
The Clearing House Payments Company	53,600	49,470	45,350	41,230	37,110	0
Brookstown Partners	31,850	31,850	242,520	242,520	242,520	242,520
Piedmont Triad Research Park	301,750	301,750	301,750	404,810	404,810	404,810
Smurfit-Stone Container Corporation	47,000	47,000	47,000	0	0	0
Goler Heights Redevelopment Project	20,000	20,000	20,000	20,000	20,000	0
Total Project Expenditures	\$796,640	\$623,640	\$852,760	\$852,940	\$833,070	\$807,460

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.

EXPENDITURES BY TYPE	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Loans	\$85,115	\$0	\$0	0%
Grants	41,668	0	0	0%
Loan Servicing Expenditures	9,056	0	0	0%
Miscellaneous Expenditures	14,384	0	0	0%
Total Expenditures	\$150,223	\$0	\$0	0%

SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT LOAN FUND - Continued

RESOURCES BY TYPE	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Loan Repayments	\$370,438	\$0	\$0	0%
Federal Grant	5,000	0	0	0%
Investment Income	29,552	0	0	0%
Total Resources	\$404,990	\$0	\$0	0%
Addition to Fund Balance	\$254,767	\$0	\$0	0%

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 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Other Contractual Services	\$63,000	\$0	\$0	0%
Miscellaneous Expenditures	4,158	0	0	0%
Transfer to Capital Projects Fund	200,000	0	0	0%
Total Expenditures	\$267,158	\$0	\$0	0%
RESOURCES BY TYPE				
Loan Repayments	\$45,859	\$0	\$0	0%
Investment Income	7,029	0	0	0%
Miscellaneous Revenue	1,300	0	0	0%
Transfer from Capital Projects Fund	250,000	0	0	0%
Total Resources	\$304,188	\$0	\$0	0%
Addition to Fund Balance	\$37,030	\$0	\$0	0%

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 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Transfer to General Fund	\$4,197,590	\$5,188,050	\$4,688,050	-9.6%
Transfer to Capital Projects Fund	1,789,773	1,000,000	1,000,000	0%
Total Expenditures	\$5,987,363	\$6,188,050	\$5,688,050	-8.1%
RESOURCES BY TYPE				
Gasoline Tax	\$6,715,621	\$5,622,290	\$5,651,890	0.5%
Investment Income	111,897	100,000	100,000	0%

SPECIAL REVENUE FUNDS

POWELL BILL FUND (GASOLINE TAX) - Continued

	Actual	Budget	Adopted	Percent
RESOURCES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Fund Balance Appropriation	\$0	\$465,760	\$0	-100.0%
Total Resources	\$6,827,518	\$6,188,050	\$5,751,890	-7.0%
 Addition to Fund Balance	 \$840,155	 \$0	 \$63,840	 N/A

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 10-11 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.

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Property Tax Collection Fees	\$26,908	\$19,550	\$19,150	-2.0%
Contribution to Regional Ridesharing Service	48,021	48,390	48,390	0%
Miscellaneous Expenditures	-6,272	0	0	0%
Transfers				
To Grants Fund	10,172	3,890	10,320	165.3%
To Mass Transit Fund (i.e., Public Bus System)	237,171	249,200	423,640	70.0%
To Trans-AID Fund	3,066,654	4,772,590	4,029,740	-15.6%
To WSTA Capital Fund	120,208	140,000	214,720	53.4%
Total Expenditures	\$3,502,862	\$5,233,620	\$4,745,960	-9.3%

RESOURCES BY TYPE

Property Taxes - Current Year	\$3,023,111	\$3,246,920	\$3,192,730	-1.7%
Property Taxes - Prior Year	43,042	0	0	0%
Investment Income	25,533	36,000	26,000	-27.8%
Fund Balance Appropriation	411,176	1,950,700	1,527,230	-21.7%
Total Resources	\$3,502,862	\$5,233,620	\$4,745,960	-9.3%

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.

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Public Safety Grants	\$933,401	\$515,950	\$1,302,460	152.4%
Recreation and Culture Grants	61,591	0	0	0%

SPECIAL REVENUE FUNDS

GRANTS FUND - Continued

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Economic Development Grants	\$4,635,780	\$0	\$143,000	N/A
Fair Housing Grants	32,169	51,930	38,050	-26.7%
Public Transportation Grants	1,232,716	1,003,270	1,930,100	92.4%
General Government Grants	898	0	0	0%
Total Expenditures	\$6,896,554	\$1,571,150	\$3,413,610	117.3%
RESOURCES BY TYPE				
NC Department of Transportation	\$1,591,159	\$678,570	\$1,375,010	102.6%
Forsyth County	384,895	121,000	121,000	0%
US Department of Housing and Urban Development	15,085	49,930	37,550	-24.8%
American Recovery Reinvestment Act Funds	0	0	1,302,460	N/A
Federal Transit Administration	3,916,839	31,140	82,600	165.3%
US Department of Justice	65,359	0	0	0%
US Environmental Protection Agency	204,590	0	0	0%
Federal Emergency Management Agency	56,727	96,000	0	-100.0%
Other Federal Grants	133,038	0	0	0%
Other State Grants	59,597	0	0	0%
Contributions	55,231	500	500	0%
Miscellaneous State Revenues	0	0	21,400	N/A
Miscellaneous Revenues	66,592	1,500	0	-100.0%
Transfer from Cable Franchise Fee	9,734	0	0	0%
Transfer from General Fund	337,700	588,620	319,770	-45.7%
Transfer from Mass Transit Tax Fund	10,172	3,890	10,320	165.3%
Transfer from Occupancy Tax Funds	0	0	143,000	N/A
Transfer from Police Forfeiture Funds	1,960	0	0	0%
Total Resources	\$6,908,679	\$1,571,150	\$3,413,610	117.3%

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.

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Transfer to General Fund	\$6,701,227	\$6,550,650	\$6,268,790	-4.3%
Transfer to Debt Service Fund	4,512,538	4,409,700	3,964,050	-10.1%
Total Expenditures	\$11,213,765	\$10,960,350	\$10,232,840	-6.6%
RESOURCES BY TYPE				
Sales Tax (1/2% - Article 40)	\$5,500,282	\$5,512,120	\$4,955,060	-10.1%

SPECIAL REVENUE FUNDS

SALES TAX FUND - Continued

	Actual	Budget	Adopted	Percent
RESOURCES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Sales Tax (1/2% - Article 42)	\$5,432,450	\$5,448,230	\$5,277,780	-3.1%
Fund Balance Appropriation	281,033	0	0	0%
Total Resources	\$11,213,765	\$10,960,350	\$10,232,840	-6.6%

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.

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Public Art Seed Funds	\$0	\$50,000	\$0	-100.0%
Mid-Eastern Athletic Association	25,000	25,000	25,000	0%
Children's Museum of Winston-Salem	7,000	0	0	0%
Old Salem, Inc.	47,500	50,000	48,750	-2.5%
Piedmont Triad Film Commission	19,000	20,000	19,500	-2.5%
Transfers				
To LJVM Coliseum Marketing	75,000	75,000	75,000	0%
To LJVM Coliseum Promotions	75,000	75,000	75,000	0%
To Convention Center Fund	250,000	250,000	250,000	0%
To Grants Fund for Public Art	0	0	143,000	N/A
Total Expenditures	\$488,500	\$545,000	\$636,250	16.7%
RESOURCES BY TYPE				
Occupancy Tax	\$480,225	\$475,000	\$420,000	-11.6%
Investment Income	8,628	0	0	0%
Fund Balance Appropriation	0	70,000	216,250	208.9%
Total Resources	\$488,853	\$545,000	\$636,250	16.7%
Addition to Fund Balance	\$353	\$0	\$0	0%

SPECIAL REVENUE FUNDS

STATE EMERGENCY TELEPHONE SYSTEM FUND

This fund accounts for revenues and expenses associated with operating the 911 system. The charge for all 911 services, wireline and wireless, now are placed in the State 911 Fund from which monthly allocations are made to primary public safety answering points (PSAP's). The funds may be used to purchase replacement computers for the communications center and to cover the maintenance costs of communications center equipment.

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Leased Lines	\$282,175	\$281,940	\$288,250	2.2%
Computer-Aided Dispatch System	186,762	187,880	188,120	0.1%
Equipment	88,869	604,540	75,000	-87.6%
Transfer to General Fund	546,114	11,540	11,780	2.1%
Total Expenditures	\$1,103,920	\$1,085,900	\$563,150	-48.1%
RESOURCES BY TYPE				
Reimbursements	\$1,237,871	\$1,085,900	\$1,085,910	0%
Interest Income	15,014	0	0	0%
Transfer from E-911 Wireless Fund	534,574	0	0	0%
Total Resources	\$1,787,459	\$1,085,900	\$1,085,910	0%
Addition to Fund Balance	\$683,539	0	\$522,760	N/A

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	Budget	Adopted	Percent
EXPENDITURES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Principal Retirement	\$1,958,480	\$20,069,360	\$2,211,870	-89.0%
Interest Payments	3,585,382	3,887,580	4,096,970	5.4%
Fiscal Expense	12,807	0	0	0%
Administrative Expense	410	0	0	0%
Transfer to Housing Finance Assistance Fund	731,017	0	0	0%
Total Expenditures	\$6,288,095	\$23,956,940	\$6,308,840	-73.7%

SPECIAL REVENUE FUNDS

LEASING FUND - Continued

	Actual	Budget	Adopted	Percent
RESOURCES BY TYPE	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Lease Payments - City	\$14,505,056	\$15,149,160	\$14,684,440	-3.1%
Lease Payments - Outside Agencies	1,060,624	805,700	737,420	-8.5%
Investment Income	123,941	0	0	0%
Proceeds from Capital Leases	-11,456,996	0	0	0%
Transfer from Housing Finance Assistance Fund	731,017	0	0	0%
Fund Balance Appropriation	1,324,452	8,002,080	0	-100.0%
Total Resources	\$6,288,095	\$23,956,940	\$15,421,860	-35.6%
 Addition to Fund Balance	 \$0	 \$0	 \$9,113,020	 N/A

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 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Solid Waste Disposal Fund	\$12,806,705	\$13,932,430	\$12,628,750	-9.4%
Water and Sewer Funds	61,533,720	68,169,200	67,443,280	-1.1%
Parking Fund	3,554,817	3,902,350	3,909,050	0.2%
Winston-Salem Transit Authority				
Public Bus System	9,181,444	9,911,490	9,764,070	-1.5%
Trans-AID of Forsyth County	2,097,295	2,260,060	2,445,600	8.2%
Maintenance Services for PART	156,159	198,400	196,700	-0.9%
Public Assembly Facilities Funds				
LJVM Coliseum Complex	5,076,479	5,282,790	5,069,300	-4.0%
Bowman Gray Stadium	397,950	411,000	419,520	2.1%
Ernie Shore Field	5,553,497	0	0	0%
M.C. Benton Jr., Convention and Civic Center	798,162	818,990	818,990	0%
Fair Fund	2,741,568	2,636,700	2,812,050	6.7%
Downtown Ballpark Fund	0	0	1,118,400	N/A
Stormwater Management Fund	6,177,420	6,799,700	7,113,590	4.6%
Cemeteries Fund	549,538	577,520	568,690	-1.5%
Total Expenditures by Fund	\$110,624,753	\$114,900,630	\$114,307,990	-0.5%
RESOURCES BY TYPE				
Intergovernmental Resources				
Federal Transit Administration	\$2,759,165	\$2,226,930	\$3,099,340	39.2%
North Carolina Department of Transportation	1,661,860	1,661,860	1,604,010	-3.5%
Forsyth County	715,836	729,200	814,010	11.6%
North Carolina Department of Revenue	536,726	627,660	658,170	4.9%
Home and Community Care Block Grant	359,934	265,000	265,000	0%
Subtotal	\$6,033,521	\$5,510,650	\$6,440,530	16.9%
Investment Income	-\$7,344,019	\$0	\$630,000	N/A
Charges for Services				
Water Charges	\$31,399,333	\$38,458,020	\$38,598,900	0.4%
Sewer Charges	23,831,330	26,600,810	28,724,920	8.0%
Other Utility Charges	4,749,191	5,000,640	5,614,350	12.3%

ENTERPRISE FUNDS

RESOURCES BY TYPE - Continued	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Landfill Tipping Fees	\$10,003,153	\$8,741,640	\$9,728,960	11.3%
Other Landfill Revenues	536,111	288,610	424,890	47.2%
Fair Admissions	1,236,152	1,230,000	1,235,000	0.4%
Farmer's Market	15,008	14,100	14,150	0.4%
Other Fairground Revenues	1,167,037	1,024,700	1,059,800	3.4%
Parking Services	2,814,340	2,792,370	2,765,410	-1.0%
Bus Fares	1,543,592	1,561,540	1,500,190	-3.9%
Motor Vehicle Privilege Tax	272,664	270,000	270,000	0%
Bus Advertising	22,118	40,000	25,000	-37.5%
Services to Agencies	537,224	400,000	505,000	26.3%
Other Transit Revenues	431,094	378,020	372,720	-1.4%
Cemetery Lot Sales and Services	436,319	440,480	460,120	4.5%
Admissions	55,079	55,900	65,000	16.3%
Concessions/Catering Fees	439,316	719,600	531,190	-26.2%
Entry Fees	9,424	8,500	9,000	5.9%
Equipment Use Fees	65,815	68,850	73,740	7.1%
Facility Use Fees	184,766	130,500	148,290	13.6%
Other Coliseum Complex Revenues	785,581	776,480	762,150	-1.8%
Baseball Ticket Surcharge	0	0	350,000	N/A
Stormwater Fees - Residential	3,962,590	3,735,660	3,705,000	-0.8%
Stormwater Fees - Non-Residential	6,290,742	4,865,400	5,795,000	19.1%
Other Stormwater Revenues	7,045	7,040	4,000	-43.2%
Miscellaneous Sales and Service	345,640	47,450	45,350	-4.4%
Subtotal	\$91,140,667	\$97,656,310	\$102,788,130	5.3%
Other Resources				
Rentals	\$1,166,154	\$1,211,410	\$1,216,510	0.4%
Sale of Property/Equipment	5,503,658	0	0	0%
Miscellaneous Revenues	275,234	361,680	1,115,070	208.3%
Assessments to Benefit Property	1,728,889	1,300,000	1,350,000	3.8%
Damage Settlements	144,324	10,000	10,000	0%
Cemeteries Perpetual Care Fund Contribution	128,610	128,000	108,800	-15.0%
Subtotal	\$8,946,869	\$3,011,090	\$3,800,380	26.2%
Transfers				
Transfer from Mass Transit Tax Fund	\$3,303,825	\$5,021,790	\$4,453,380	-11.3%
Transfer from General Fund	2,370,851	2,612,680	2,826,970	8.2%
Transfer from Fair Fund	500,636	460,380	562,930	22.3%
Transfer from Occupancy Tax Fund	400,000	400,000	400,000	0%
Transfer from Water and Sewer Fund	0	0	201,440	N/A
Transfer from Stormwater Management Fund	0	0	100,720	N/A

ENTERPRISE FUNDS

	Actual	Budget	Adopted	Percent
RESOURCES BY TYPE - Continued	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
Transfer from Debt Service Fund	\$91,587	\$87,210	\$30,270	-65.3%
Transfer from LJVM Coliseum Fund	6,684	0	21,240	N/A
Transfer from Ernie Shore Field Fund	42,770	0	0	0%
Subtotal	\$6,716,353	\$8,582,060	\$8,596,950	0.2%
Fund Balance Appropriations	\$5,131,362	\$140,520	\$0	-100.0%
Total Resources by Type	\$110,624,753	\$114,900,630	\$122,255,990	6.4%
Addition to Fund Balance	\$0	\$0	\$7,948,000	N/A

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.

EXPENDITURES	Adopted FY 10-11
Economic Development:	
Revitalizing Urban Commercial Areas (RUCA)	\$2,500,000
Infrastructure Improvements	6,727,600
Economic Development Subtotal	\$9,227,690
Transportation	
Streets and Sidewalks:	
Convert Fourth Street to Two-Way Operation	\$253,350
STPDA (Surface Transportation Planning Direct Allocation) Intersection Projects	150,000
Street Resurfacing Projects	1,000,000
Transportation Subtotal	\$1,403,350
Recreation and Culture	
Recreation Facilities/Parks Renovations and Expansions:	
Playground Renovations	\$100,000
Greenways and Trails:	
Little Creek Greenway - Phase I	\$25,000
Other Greenway Development	228,350
Recreation and Culture Subtotal	\$353,350
TOTAL EXPENDITURES	\$10,984,300

CAPITAL PROJECTS FUND

FUNDING SOURCES	<u>Adopted FY 10-11</u>
Intergovernmental Resources:	
Federal:	
Surface Transportation Planning Direct Allocation Funds	\$120,000
State:	
Gasoline Tax Revenue	\$1,000,000
Reserves:	
Capital Project Reserves	\$30,000
Other:	
Motor Vehicle Privilege Tax	\$506,700
Contributions/Sponsorships	100,000
Dell Economic Incentive Payment Reimbursement	2,500,000
Total Funding Sources	\$4,256,700

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).

	<u>Adopted FY 10-11</u>
EXPENDITURES	
Fiscal Management	
Financial Systems Infrastructure Projects	\$40,000
Recreation and Culture	
Convention Center Capital Renovations (Noble Agreement)	\$250,000
TOTAL EXPENDITURES	\$290,000
 FUNDING SOURCES	
North Carolina Municipal Leasing Corporation	\$290,000
TOTAL FUNDING SOURCES	\$290,000

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 <u>FY 08-09</u>	Budget <u>FY 09-10</u>	Adopted <u>FY 10-11</u>	Percent <u>Change</u>
Capital Outlay				
Rolling Stock	\$3,536,059	\$1,479,320	\$2,612,490	76.6%
Computer Equipment	11,689	0	0	0%
General Equipment	291,421	0	231,120	N/A
Other	570,611	361,440	1,931,950	434.5%
Total Expenditures by Type	\$4,409,780	\$1,840,760	\$4,775,560	159.4%
 RESOURCES BY TYPE				
North Carolina Municipal Leasing Corp.	\$4,409,780	\$1,840,760	\$4,775,560	159.4%
Total Resources by Type	\$4,409,780	\$1,840,760	\$4,775,560	159.4%

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.

EXPENDITURES	Adopted FY 10-11
Environmental Health Projects	
Solid Waste Disposal:	
Hanes Mill Road Landfill Cell Construction	\$900,000
Water and Wastewater Treatment:	
Archie Elledge Wastewater Treatment Plant Rehabilitation and Upgrades	\$936,500
Chitty High Service Pumping Station - Standby Power	2,608,700
Lift Station Replacement/Improvements	1,160,000
Muddy Creek Wastewater Treatment Plant Clarifier Improvements	320,000
Muddy Creek Wastewater Treatment Plant Rehabilitation and Upgrades	780,000
R.W. Neilson Water Treatment Plant - Phase II Modernization	4,351,260
Raw Water Pipeline Evaluation	2,145,380
Reedy Fork Pump Station and Force Main	6,802,860
Salem Lake Dam Renovations	9,790,890
Water Treatment Rehabilitation and Upgrades	252,750
Water Distribution and Wastewater Collection:	
2006 Annexation - Potential Petition Projects	\$2,500,000
2" Water Main Replacement	1,135,280
21st, 22nd, and 23rd Street Water and Sewer Rehabilitation	1,490,000
Advanced Meter Infrastructure	1,000,000
Aerial Crossing/Stream Restoration	840,000
Ardmore Area Water and Sewer Rehabilitation	4,400,000
Construction and Maintenance Facilities Improvements	221,740
Muddy Creek Basin Find and Fix Project	4,323,230
New Elevated Water Tanks	1,689,160
Permanent Flow Monitoring	385,000
Wastewater Collection System Improvements	3,000,000
Water and Sewer Geographical Information System/Asset Management	1,000,000
Water Distribution System Improvements	1,000,000
West Bend Hydraulic Upgrades	1,187,730
Winston-Salem State University Campus Distribution System Improvement	784,990

ENTERPRISE CAPITAL PROJECTS FUND

	Adopted FY 10-11
EXPENDITURES - Continued	
Stormwater Management:	
995 Somerset Drive Stream Stabilization Project	\$350,000
Drainage Improvements on Private Property	250,000
Federal Emergency Management Agency Severe Repetitive Loss Grant Assistance	240,000
Twenty-eighth Street Stormwater Improvements	660,000
Subtotal Environmental Health Projects	\$56,505,470
 Transportation Projects	
Mass Transit:	
Passenger Amenities	\$33,000
Security Enhancements	33,000
Trans-AID Vehicle Replacement	784,000
Transit Equipment Replacement	95,000
Transit Facility Renovations	28,640
Transit Vehicle Maintenance	100,000
Subtotal Transportation Projects	\$1,073,640
TOTAL EXPENDITURES	\$57,579,110
 FUNDING SOURCES	
Bonds:	
Revenue Bonds	\$44,753,210
 Intergovernmental Resources:	
Federal:	
Federal Transit Administration	\$858,910
 Reserves:	
Stormwater Management Fund	\$1,500,000
Water and Sewer Fund Balance	9,352,260
Mass Transit Tax Fund Reserves	214,730
 Other:	
To Be Determined (Solid Waste Disposal)	\$900,000
TOTAL FUNDING SOURCES	\$57,579,110

FIDUCIARY FUNDS

The fiduciary fund listed below accounts for the City's post-employment benefits programs, including retiree health and life benefits.

	Actual	Budget	Adopted	Percent
	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
EXPENDITURES BY PROGRAM				
Employee/Retiree Health Benefit Fund	\$5,867,834	\$8,053,300	\$7,443,200	-7.6%
Total Expenditures by Program	\$5,867,834	\$8,053,300	\$7,443,200	-7.6%
RESOURCES BY TYPE				
City Contribution	\$6,324,054	\$6,300,000	\$5,700,000	-9.5%
Employee Contribution	1,609,263	1,728,800	1,718,000	-0.6%
Reimbursements	24,565	24,500	25,200	2.9%
Investment Income	-6,369,720	0	0	0%
Total Resources by Type	\$1,588,162	\$8,053,300	\$7,443,200	-7.6%
Addition to Fund Balance	-\$4,279,672	\$0	\$0	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 34 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, 2009, estimates for June 30, 2010, prior to final audited figures being available, and projected for June 30, 2011.

<u>Fund</u>	<u>Fund Balance/ Reserves 6/30/09⁽¹⁾</u>	<u>Fund Balance/ Reserves 6/30/10⁽¹⁾</u>	<u>Expected Use(-)/ Addition to (+) FB by 6/30/11</u>	<u>Projected Fund Balance 6/30/11</u>
General	\$ 23,874,380	\$ 23,300,000	-	23,300,000
General/Internal Services	142,698	654,700	(600,000)	54,700
Housing and Economic Development	12,704,970	24,692,039	-	24,692,039
Gas Tax	2,630,086	1,686,459	63,840	1,750,299
Mass Transit Tax	2,332,335	2,361,608	(1,527,230)	834,378
Special Sales Tax	-	-	-	-
Occupancy Tax	333,686	242,150	(216,250)	25,900
Cable Franchise	318,323	315,080	-	315,080
Emergency Telephone Fund	1,279,328	1,831,348	522,760	2,354,108
Debt Service	7,066,182	6,600,000	377,020	6,977,020
Capital Projects	21,541,164	13,300,000	(30,000)	13,270,000
Leasing Fund	26,869,175	34,300,000	9,113,020	43,413,020
Water and Sewer	166,492,816	78,653,426	(2,507,370)	76,146,056
Solid Waste	22,641,070	23,173,525	(1,469,770)	21,703,755
Parking	909,378	329,378	(290,000)	39,378
Cemeteries/Perpetual Care Fund	2,115,182	2,374,103	(2,370)	2,371,733
Stormwater Management	5,116,289	7,048,662	890,410	7,939,072
Winston-Salem Transit Authority	642,315	-	-	-
W-S Sports and Entertainment Complex	60,270	48,020	32,840	80,860
Fair	1,260,180	1,242,063	(458,000)	784,063
Employee Benefits Funds	14,430,781	13,500,000	-	13,500,000
Total	\$ 312,760,608	\$ 235,652,561	\$ 3,898,900	\$ 239,551,461

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



Winston-Salem