

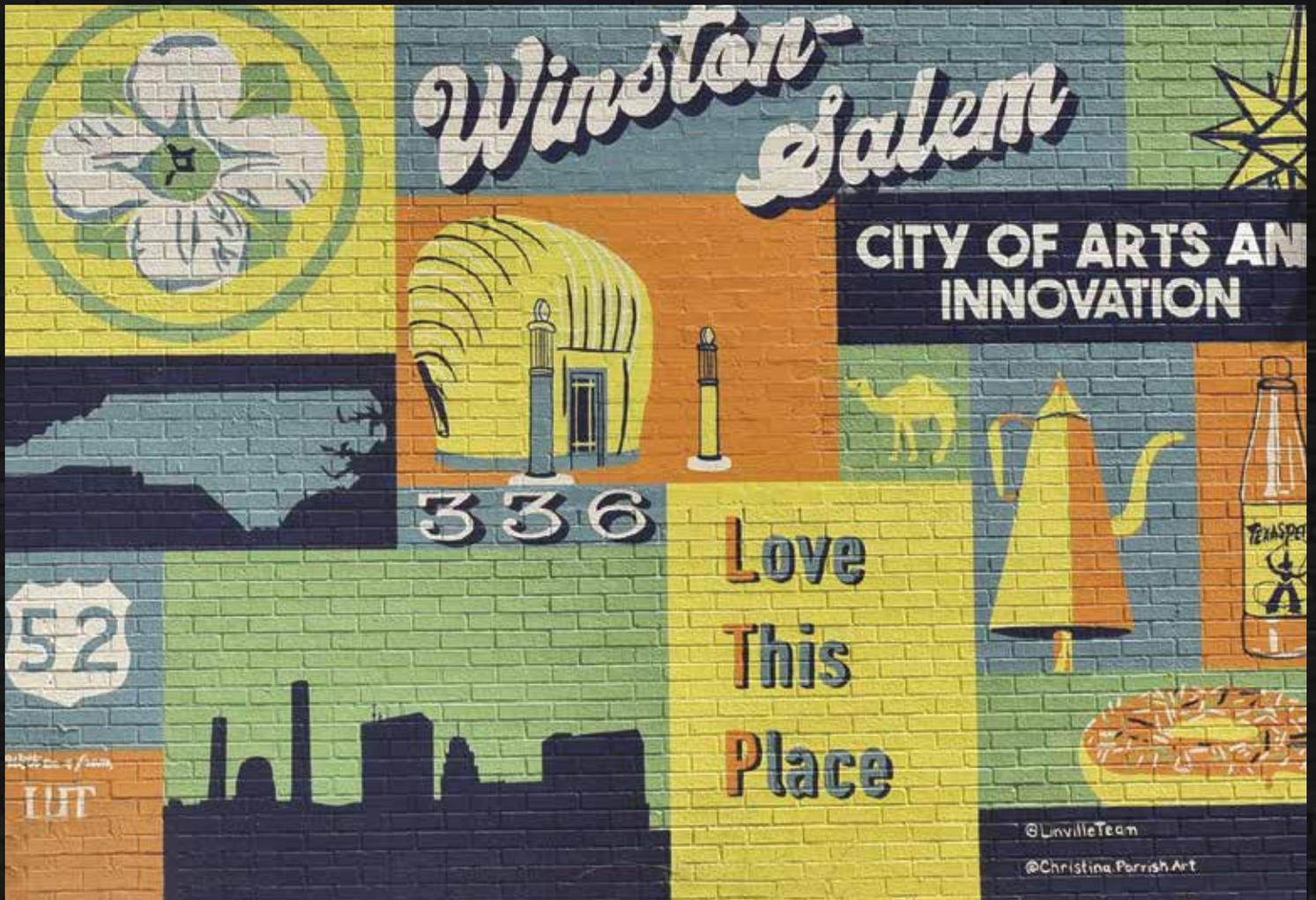
CITY OF ARTS AND INNOVATION

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WINSTON-SALEM NORTH CAROLINA 23.24

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024



WINSTON-SALEM NORTH CAROLINA

23.24

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
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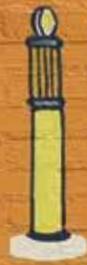
Winston-Salem



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City of Winston-Salem, North Carolina
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024

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Certain pages in this report are intentionally blank.



Letter of Transmittal

May 2, 2025

To the Honorable Mayor, Mayor Pro Tempore, Members of City Council,
and Residents of the City of Winston-Salem

The attached Annual Comprehensive Financial Report shows that the City of Winston-Salem continues to maintain an excellent financial position and is adhering to our financial policies and goals, having come out of the pandemic. We have a strong diversified local economy that showcases health care, advanced manufacturing, biotech, education, financial and legal services, distribution, and supports a thriving downtown along with retail activity in the community. New Housing, the Innovation Quarter, and significant arts activities and community events anchor the downtown area. Our quality of life is enhanced with excellent governmental services, which is showcased by rankings of Winston-Salem for livability and as one of the best places to live in the U.S. We are committed to enhancing the financial position, quality of life, and the economic prosperity of our community and our residents.

Financial Report

It is our pleasure to submit the Annual Comprehensive Financial Report for the City of Winston-Salem, North Carolina for the fiscal year ended June 30, 2024. Management of the City of Winston-Salem, North Carolina, is responsible for the integrity and objectivity of financial statements and other representations contained in this annual report. The City's Annual Comprehensive Financial Report, prepared in accordance with generally accepted accounting principles for units of local government, consists of management's representations concerning the financial position and results of operations for the fiscal year ended June 30, 2024.

North Carolina General Statutes require each unit of local government to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. The City engaged Cherry Bekaert LLP, independent auditor, to perform an audit of the City's reported financial position and results of operations contained in the government-wide and fund financial statements and notes to the financial statements. Their audit consists of an objective outside review in order to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. Working with the City's professional financial and auditing staff, they reviewed and made appropriate tests of data included in the financial statements and evaluated the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the financial statements of the City of Winston-Salem for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The report of independent auditor is presented as the first component of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent audit of the financial statements of the City of Winston-Salem was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with emphasis on administration of federal grants.

Assuring legal compliance requires an accounting system that contains a variety of distinctly different fiscal and accounting entities. Formal budgetary accounting is employed for all funds for management planning and control required by North Carolina General Statutes. Budgets are legally enacted by passage of Annual Budget and Project Budget Ordinances and formally amended as required. The City Manager is authorized to transfer budget

amounts within functions, but changes between functions and total budgets of any fund require approval by the City Council.

The City's financial statements also present the results of operations of the North Carolina Municipal Leasing Corporation, a non-profit corporation used by the City to finance real and personal property under contractual obligations. Additional information can be found in the notes to the financial statements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Included in the Annual Comprehensive Financial Report is information about the City as a social and economic unit as well as its governmental structure that is intended to enable the reader to assess the City's economic foundation, quality of life, and financial condition. The information complements the MD&A, which highlights the fiscal year.

Long-term Financial Planning

The Annual Comprehensive Financial Report reflects the sound fiscal policies our elected officials have established to achieve their annual priorities for programs, services, and capital improvements. These policies have resulted in the City's strong financial position, which is demonstrated by the highest credit rating attainable in national bond markets. Growth of the City's economic base, as well as realistic long-range planning, productive management of revenue and cash resources, expansion of self-supporting enterprises within government, and prudent use of debt, continue to produce favorable operating results. Unassigned general fund balance represents 20.35% of the budgeted expenditures for fiscal year 2025, which complies with the City's policy goal of 16%.

The City annually adopts a six-year Capital Plan for the scheduling and appropriation of funds for major projects that represent significant contributions to the City's overall inventory of physical assets. City Council approval of the Capital Plan commits the City to the first year of the capital projects with conditional approval for those projects listed in the five future planning years. The six-year Capital Plan, from fiscal year 2025 through fiscal year 2030, includes capital appropriations totaling \$355 million and includes projects that may be funded by general fund resources, general obligation bonds, utility revenue bonds, North Carolina clean water and drinking water state revolving loan funds, special obligation bonds, limited obligation bonds, state and federal grants, and capital reserves.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winston-Salem for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the 38th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

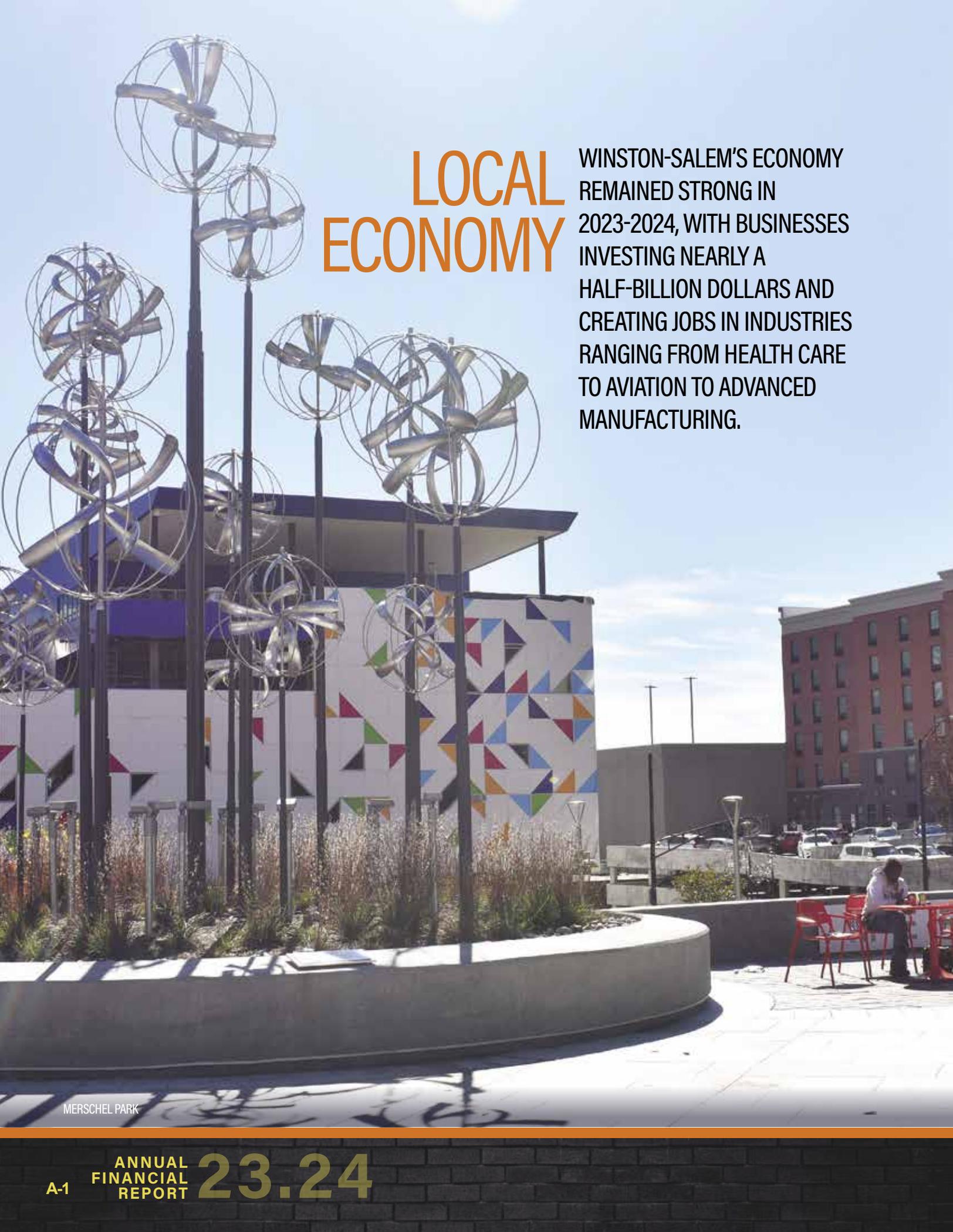
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to thank and acknowledge the employees of the Financial Management Services Department for their expertise and efforts in preparing this year's Annual Comprehensive Financial Report. We wish to thank all City Departments for their assistance in providing the necessary data for this report. We also express our sincere appreciation to the Mayor, Mayor Pro Tempore, and City Council for leadership, guidance, and establishment of policies for managing financial operations in a sound and progressive manner.

Respectfully submitted,

W. Patrick Pate
City Manager

Kelly Latham
Chief Financial Officer



LOCAL ECONOMY

WINSTON-SALEM'S ECONOMY REMAINED STRONG IN 2023-2024, WITH BUSINESSES INVESTING NEARLY A HALF-BILLION DOLLARS AND CREATING JOBS IN INDUSTRIES RANGING FROM HEALTH CARE TO AVIATION TO ADVANCED MANUFACTURING.

MERSCHEL PARK

The city's **Innovation Quarter** continued its expansion, beginning construction on 1 million new square feet of clinical, lab and office space.

The city's efforts were recognized nationally when **Greater Winston-Salem Inc.** was named the **2024 Chamber of the Year**. **The Association of Chamber of Commerce Executives** said Greater Winston-Salem Inc. is fostering a vibrant community through its achievements, which included \$803.7 million in capital investment and more than 2,000 jobs generated since 2020; \$889,000 in Minority Business Enterprise (MBE) grants distributed; and diversification of revenue streams with more than \$1 million in contributions and grants.

TOTAL EMPLOYMENT FOR THE YEAR IN THE WINSTON-SALEM METRO AREA GREW TO MORE THAN 270,000 JOBS, THANKS TO CONTINUED HEALTH CARE, INDUSTRIAL AND GOVERNMENT JOB STRENGTH.

Construction of the new \$100 million, 522,000-square-foot **Ziehl-Abegg Inc.** production plant was completed and began production in 2024. The fan and ventilation company plans to create up to 600 jobs on its 71-acre tract in the **Union Cross Industrial Center** in southeastern Winston-Salem.

The plant serves as Ziehl-Abegg's North American operational base, representing the company's single-largest one-site capital investment in its 130-year history. A performance-based grant of \$400,000 from the One North Carolina Fund, dependent on a capital investment from the company of \$24.5 million, will help with Ziehl-Abegg's expansion in North Carolina. The city is providing about \$630,000 in incentives, while Forsyth County is providing an additional \$430,000.

Also in Union Cross Industrial Center, **Nelipak Healthcare Packaging** was set to begin operating in 2024. After a national search, Nelipak chose to locate its first flexible packaging production site in the Americas here. The company's 117,000-square-foot production facility is expected to create 50 new jobs. The city granted \$295,207 (with Forsyth County contributing another \$196,209) in incentive assistance to support Nelipak's expansion.

Winston-Salem is also set to benefit from several major regional projects. The city's talented workforce has helped to attract two large projects that will provide spinoff local business opportunities and jobs: a major battery plant in nearby Randolph County being built by **Toyota** that is likely to attract suppliers to Winston-Salem. In addition, **Toyota Tsusho** – Toyota's trading and logistics company – has purchased an industrial building in Winston-Salem's **Whitaker Park** for use as a recycling and waste-handling operation for Toyota North Carolina. Operations are expected to launch in late 2025.

Another major regional development is **Boom Supersonic**, which will manufacture supersonic aircraft at the Piedmont Triad International Airport. Toyota and Boom expect to create at least 2,100 and 1,700 jobs, respectively. Economic developers have projected that Boom alone could have a potential \$32 billion impact on the region.

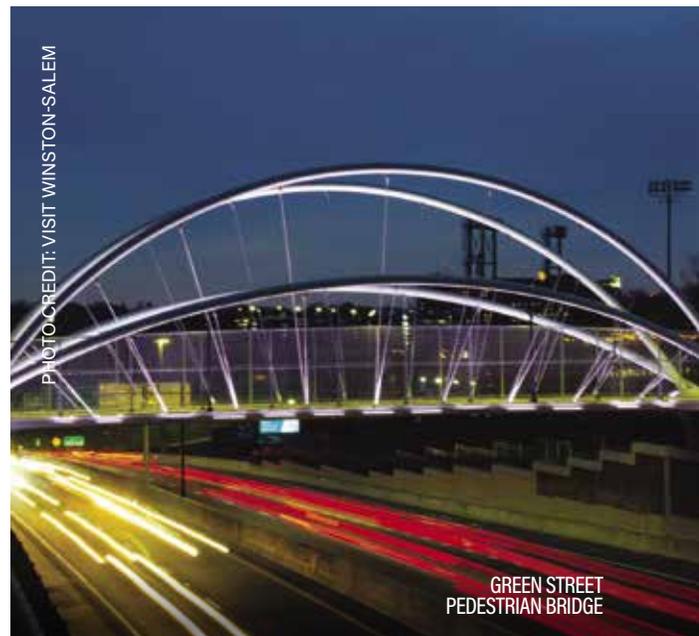
Downtown is keeping the city's core bustling with new housing and a spirit of innovation that is drawing an active and creative population. In the last three years, developers have built 1,000 residential units. Some 5,000 people now call downtown home, further enhancing an already vibrant restaurant, night-life, and business scene.



UNION CROSS



ZIEHL-ABEGG INC.



GREEN STREET PEDESTRIAN BRIDGE



A HUB OF INNOVATION

FLYWHEEL

Winston-Salem has been described by *Business North Carolina* magazine as a “potent innovation hub.” Companies in the 500 W. 5th building – which was transformed from the vacant former headquarters of GMAC Insurance into Class A office space and an innovation hub – represent a microcosm of the creative economy. The top floors of the building serve as the headquarters of **Flow Automotive Companies**, while the fourth floor is home to **Winston Starts**, a business accelerator providing space, mentoring and, in some cases, financial assistance to 36 early-stage companies with the potential for scalable growth. Also in the building is **Flywheel**, a coworking space for about 250 businesses including the **Center for Creative Economy**. Flywheel’s Winston-Salem office is the flagship of a growing franchise supporting start-ups that has expanded to the towns of Davidson and Concord, N.C. and Greenville, S.C.

Also downtown, Innovation Quarter (IQ) covers 2.1 million square feet and is now home to 115 companies and institutions with 3,883 full-time jobs, generating a “ripple effect” throughout the local and regional economy of about 4,427 indirect/induced jobs. Innovation Quarter created an economic impact of over \$1.66 billion in 2022, according to a new study by **TEconomy Partners**.

IQ, managed by the **Wake Forest University School of Medicine**, began its second era of expansion when it started work in 2023 on a

Phase II that promises to bring even more prosperity to downtown. The expansion will include 1 million square feet of clinical, lab, and office space on 28 acres, including 450 residential units and 30,000 square feet of retail and restaurant space.

Axiom Space, a private company that is building the world’s first commercial space station, has had a presence at IQ since 2022. This partnership paves the way for testing of treatments for conditions that affect the human body when exposed to the harsh environment of space travel. The **Wake Forest Institute for Regenerative Medicine**, also known as WFIRM, will manage the project. Led by founder and Institute director **Dr. Anthony Atala**, WFIRM is an international leader in translating scientific discovery into clinical therapies. Physicians and scientists at WFIRM were the first in the world to engineer laboratory-grown organs that were successfully implanted into humans. Today, an interdisciplinary team of about 400 is working to engineer more than 40 different replacement tissues and organs – including skin, urethras, cartilage, bladders, muscle, kidney, and vaginal organs – that have been successfully used in human patients. Through a support infrastructure that includes a clinical manufacturing center, WFIRM also works to speed up the availability of these treatments to patients.

DEVELOPMENT SPREADS NORTH

North of downtown, **Whitaker Park**, another site of a former R.J. Reynolds Tobacco Co. plant, is attracting companies wishing to relocate or expand their businesses. **Purple Crow**, a distributor of 3,000 Hispanic products along the East Coast, is relocating its business from another Winston-Salem location and undergoing a major expansion. The company bought the 850,000 square-foot building that once served as the “front door” of the office park and will create up to 274 jobs with an average wage of \$72,000, as well as spending \$50 million to renovate the building.

In the same former warehouse complex, the first of 163 **Whitaker Park Lofts** have been completed in the newly renovated Buildings 2-1 and 2-2. Along with apartments, lofts and penthouses ranging from one to three bedrooms, the Lofts’ amenities include exposed brick walls, oversized windows, a saltwater pool, a bowling alley and fitness center.

Just a few blocks away, **Wake Forest University** plans a 100-acre commercial district surrounding its athletic stadium and arena on Deacon Boulevard.

THE NEW DISTRICT, TO BE CALLED THE GROUNDS, WILL INCLUDE RETAIL, RESTAURANTS, RESIDENTIAL AND DINING OPTIONS AND IS BEING DEVELOPED BY CARTER OF ATLANTA AND FRONT STREET CAPITAL OF WINSTON-SALEM.

Tourism is another growing industry in Winston-Salem, generated in part by Wake Forest University sports, the biennial **International Black Theatre Festival**, the **Carolina Classic Fair**, **Old Salem Museums & Gardens**, **Reynolda House**, and a growing schedule of youth sports tournaments. All of those events, as well as Winston-Salem’s growing reputation for its vibrant downtown, contributed to a post-pandemic tourism rebound. Visitors to Forsyth County spent more than \$1 billion in 2023, according to **Visit NC’s** annual report – on par with pre-pandemic spending from 2019.



CAROLINA CLASSIC FAIR



CITY OF WINSTON-SALEM UNIVERSITY GRADUATION CLASS



PHOTO CREDIT: VISIT WINSTON-SALEM

NATIONAL BLACK THEATRE FESTIVAL



HEALTH CARE

ATRIUM HEALTH

Winston-Salem is a prominent center for health care with two major regional health systems based here: **Atrium Health Wake Forest Baptist (Atrium Health)**, now part of **Advocate Health**, and **Novant Health, Inc.** Together, these health systems employ over 30,000 people, making them the leading employers in the region.

Atrium Health is not only the largest employer in the region but also a key player in contributing to the economy through a series of investments that will total \$3.4 billion over the next few years. One of the notable projects is the construction of a new critical care tower at **Atrium Health Wake Forest Baptist Medical Center** in the heart of Winston-Salem. This tower will house a cutting-edge emergency department, operating rooms, and intensive care units, enhancing the health care services provided to the community.

Atrium Health is also expanding with a second location of the Wake Forest School of Medicine in Charlotte. Expected to enroll the first students in 2025, the new school will create an innovation corridor between Charlotte and Winston-Salem.

Atrium Health Wake Forest Baptist Medical Center is one of the nation's most prestigious academic health centers. The renowned medical center boasts an 885-bed hospital and is home to several specialized units including **Atrium Health Levine Children's Hospital**, The Birth Center, and the Comprehensive Cancer Center, which is one of only 51 in the nation recognized as comprehensive by the National Institutes of Health, a title it has proudly maintained for the past 50 years.

The medical center offers a wide range of specialized services, including the national center for Aging and Alzheimer's disease, the J. Paul Sticht Center; the region's only Level I adult trauma center and one of only two burn centers in the state; the comprehensive Eye Center; and various clinical centers of excellence in multiple specialties. The Atrium Health network includes four community hospitals in the region: Davie Medical Center, High Point Medical Center, Lexington Medical Center, and Wilkes Medical Center.

The hospital holds the coveted Gold Seal of Approval™ and is certified as a Comprehensive Stroke Center, both by **The Joint Commission**. It was the first health system in the country to receive the Joint Commission's Gold Seal of Approval for Osteoporosis. Other national recognitions include the Pancreatic Cancer Center by the National Pancreas Foundation. Atrium Health Wake Forest Baptist Medical Center has been recognized as one of the nation's Best Hospitals by *U.S. News & World Report* for 30 years, and its physicians and nurses are recognized among the top in the state and nation.

The Wake Forest School of Medicine serves approximately 1,900 students. As one of the most selective programs in the nation, it is a leader in medical education, groundbreaking research, and innovation. It consistently ranks among the best medical schools in the country in a number of categories by *U.S. News & World Report*.

WINSTON-SALEM IS ALSO HOME TO NOVANT HEALTH INC. (NOVANT), AN INTEGRATED HEALTH CARE SYSTEM WITH OVER 850 LOCATIONS THROUGHOUT THE SOUTHEAST. NOVANT'S SYSTEM IS COMPRISED OF 19 HOSPITALS AND OVER 2,000 PHYSICIANS IN COMMUNITIES ACROSS NORTH AND SOUTH CAROLINA.

Forbes recognizes Novant as one of the nation's Best Employers in diversity and as a top ranked employer in North Carolina. The health system is also recognized as "A Best Place to Work for Disability Inclusion" by *Disability:IN* and the American Association of People with Disabilities. Novant provided \$1.6 billion in community benefits last year in response to the health care needs of its communities.

The largest hospital in the Novant system, **Forsyth Medical Center (FMC)**, is an 859-bed, not-for-profit hospital in Winston-Salem offering a full array of emergency, medical, surgical, rehabilitation, and behavioral health services. Currently, the hospital is undergoing a major expansion project, which includes the construction of a new five-story critical care tower that will accommodate 60 critical care rooms and 36 patient rooms. The overall expansion project is part of a \$400 million initiative that

also involves enhancing the women's and children's center, renovating the main kitchen and cafeteria, installing a new central energy plant, and modernizing existing patient rooms.

FMC is fully accredited by The Joint Commission and holds national rankings in many specialties including Medicare and Medicaid services, advanced Comprehensive Stroke Center certification, and accredited Breast Center. FMC is designated a Magnet Nursing facility by the American Nurses Credentialing Center, a top honor in nursing.

Centers of excellence at FMC include the **Maya Angelou Women's Health and Wellness Center, Heart and Vascular Institute, Derrick L. Davis Cancer Center, Stroke and Neurosciences Center, Orthopedic Center, and Behavioral Health**. The Maya Angelou Center operates the largest birthing center in the region and has assisted with over 325,000 deliveries in the last century. Located near FMC, Novant's **Medical Park Hospital** specializes in elective, short-stay surgeries, performing about 10,000 surgeries each year. It is also home to a nationally accredited sleep lab.

Novant Health operates three community hospitals in the greater Winston-Salem region: **Novant Health Clemmons Medical Center, Novant Health Kernersville Medical Center, and Novant Health Thomasville Medical Center**.





ALLEGACY FEDERAL CREDIT UNION



TRULIANT FEDERAL CREDIT UNION

FINANCIAL SERVICES

Truist Financial Corp., headquartered in Charlotte, N.C., was formed in 2019 by the merger of BB&T of Winston-Salem and SunTrust Bank of Florida. Now the nation's sixth largest bank with total assets of \$519 billion, it continues to employ 4,000 people locally, and the community banking division has remained in Winston-Salem. The bank has continued its support of many local events and nonprofit organizations.

Wells Fargo & Co. bought Wachovia Corp., founded in 1879 in Winston-Salem, in 2008. While Wells Fargo's headquarters is located in San Francisco, it maintains a major operation of the bank's wealth, brokerage, and retirement division in Winston-Salem and employs about 3,500 workers here. With more than \$1.9 trillion in assets, Wells Fargo serves one in three households in the U.S. and 10% of the nation's small businesses.

Piedmont Federal Bank, founded in 1903 in Winston-Salem, is one of the nation's soundest banks. Piedmont Federal prides itself on refusing to sell any of its home loans to other institutions and on delivering highly localized, personal service. As a mutual savings bank, Piedmont Federal is FDIC-insured, with its customers as its only stakeholders. The bank operates 11 retail locations in Forsyth, Wilkes, and Watauga counties.

Piedmont Federal recently announced its expansion east into the Research Triangle region through a \$36.75 million deal to purchase Wake Forest Bancshares, the parent company of Wake Forest Federal Savings and Loan Association. Piedmont Federal officials said the purchase adds Wake Forest's \$118 million in total assets to Piedmont's \$1.16 billion. At the end of 2023, the bank had total assets of \$1.19 billion.

WINSTON-SALEM IS ALSO HOME TO TWO OF THE STATE'S LARGEST CREDIT UNIONS.

Allegacy Federal Credit Union, founded in 1967 to serve employees of Reynolds Tobacco Co., now has more than 162,000 owner-members nationwide. With \$2.28 billion in assets and an additional \$1.5 billion in assets under management by its financial planning group, it has 19 branches in 12 cities and two states.

Truliant Federal Credit Union, chartered in 1952 to serve employees of Western Electric, now has more than 280,000 member-owners and 30 locations in the Carolinas and Virginia. With assets of \$5.17 billion, it employs 620 workers in Forsyth County. Truliant bought naming rights for the former Winston Tower building on Main Street downtown. It also has an operations center at the site of the former Macy's store at Hanes Mall, featuring a redesigned space for a flexible workforce and leaving 40,000 square feet vacant for future expansion.

MANUFACTURING

Although manufacturing is no longer the largest employment sector in Winston-Salem and Forsyth County, it continues to be a major player. **Reynolds American, Inc. (RAI)** and **Hanesbrands, Inc. (HBI)**, both with historic ties to Winston-Salem, remain strong corporate citizens, continuing to support many arts and local charities.

While it continues to maintain a significant presence in Winston-Salem, RAI became an indirect, wholly owned subsidiary of **British American Tobacco** in July 2017. RAI brought to the table three of the four best-selling cigarette brands in the U.S. – Newport, Camel and Pall Mall – as well as VUSE digital vapor cigarettes. The company also sells Camel Snus, the top-selling U.S. snus product. Snus, which became popular first in Sweden, are teabag-like pouches of pasteurized loose tobacco that users stick between their cheek and gum. RAI employs about 2,500 workers in Forsyth County. VUSE is the leader of the digital vapor cigarette market.

Hanesbrands, Inc., founded in Winston-Salem in 1901, is the world's largest marketer of basic apparel, selling bras, panties, shapewear, sheer hosiery, children's underwear, socks, T-shirts, sweatshirts, fleece and other activewear. Hanesbrands in 2024 completed its sale of its iconic **Champion** brand. The sale is expected to net Hanesbrands about \$1 billion and will result in reduced debt and more streamlined operations, the company says. It has built a strong reputation for workplace quality and ethical business practices, having been honored by the **Great Place to Work Institute** for its socially responsible workplace practices in Central America and the Caribbean.

Other manufacturers with significant presences in the Winston-Salem area are **Collins Aerospace Interiors**, which employs 1,500 workers; **Deere-Hitachi**, with 850 workers; **Herbalife**, a manufacturer of healthcare supplements, with 1,100 employees; **Hayward Industries**, a manufacturer of pool equipment, with 940 workers; **WestRock**, which makes packaging products and employs 700; and **Cook Medical**, a manufacturer of medical devices, with 640 workers. **Krispy Kreme Doughnuts Inc.**, founded in Winston-Salem and manufacturer of one of its most iconic products, employs 460. The company, now headquartered in Charlotte, is owned by J.A.B. Holdings.



PHOTO CREDIT: VISIT WINSTON-SALEM



THE ARTREUX



KIMPTON CARDINAL HOTEL



HOTEL INDIGO

DOWNTOWN DEVELOPMENT

Aside from the exciting changes taking place in Innovation Quarter, downtown Winston-Salem's living, shopping, food, and entertainment options continue to expand and grow in number and variety. Winston-Salem's downtown has received national recognition as one of the best in the U.S., based on factors such as entertainment options and green space.

Among the new additions to downtown living are **The Artreux**, which features 242 units with a 350-space parking deck located at Trade, 10th and Oak Streets in the **Industry Hill** location in the northern end of downtown. More one- and two-bedroom apartments will be included in **4th and Green**, a mixed-use development under construction at Fourth and Green streets. The project is developed by **Brown Investment Properties** of Greensboro and **Commercial Realty Advisors** of Winston-Salem.

Sidewalks bustle every night of the week with thousands of residents socializing, walking dogs, and visiting an array of restaurants offering food as diverse as pizza, gourmet food cooked with locally sourced products, and ethnic foods including Mediterranean, Thai, Vietnamese and Mexican. **Downtown Grille**, a new upscale restaurant on the ground floor of 500 W 5th, is already becoming known for its innovative dishes and is packed with diners many nights of the week. **Roar**, a destination family entertainment center and food hall, includes games such as mini-bowling and mini-golf as well as restaurants, bars, and a three-story, 90-tap beer and wine wall.

The increase in restaurants and entertainment venues downtown has in part been the result of a special emphasis by the city's **Small Business Loan Program**, which has been used to help finance restaurants when the applicants demonstrate a need for city assistance.

A historic landmark of downtown is the **Kimpton Cardinal Hotel**, once the headquarters of Reynolds Tobacco Co. The building, known as "The Grand Old Lady" in Winston-Salem, was the architectural inspiration for the Empire State Building in New York. It now includes 174 guestrooms, 36 suites, and **The Katharine Brasserie and Bar** on its lower six floors. The hotel's upper floors have been converted into 120 luxury condominium units.

The completion of a new **Hampton Inn and Suites** and the renovation of the historic **Pepper Building** into the Hotel Indigo Winston-Salem are among the other downtown hotels housing the increasing number of out-of-town visitors. The Pepper Building, a long-vacant 49,000-square-foot art deco building, was brought back to its former glory with a modern twist.



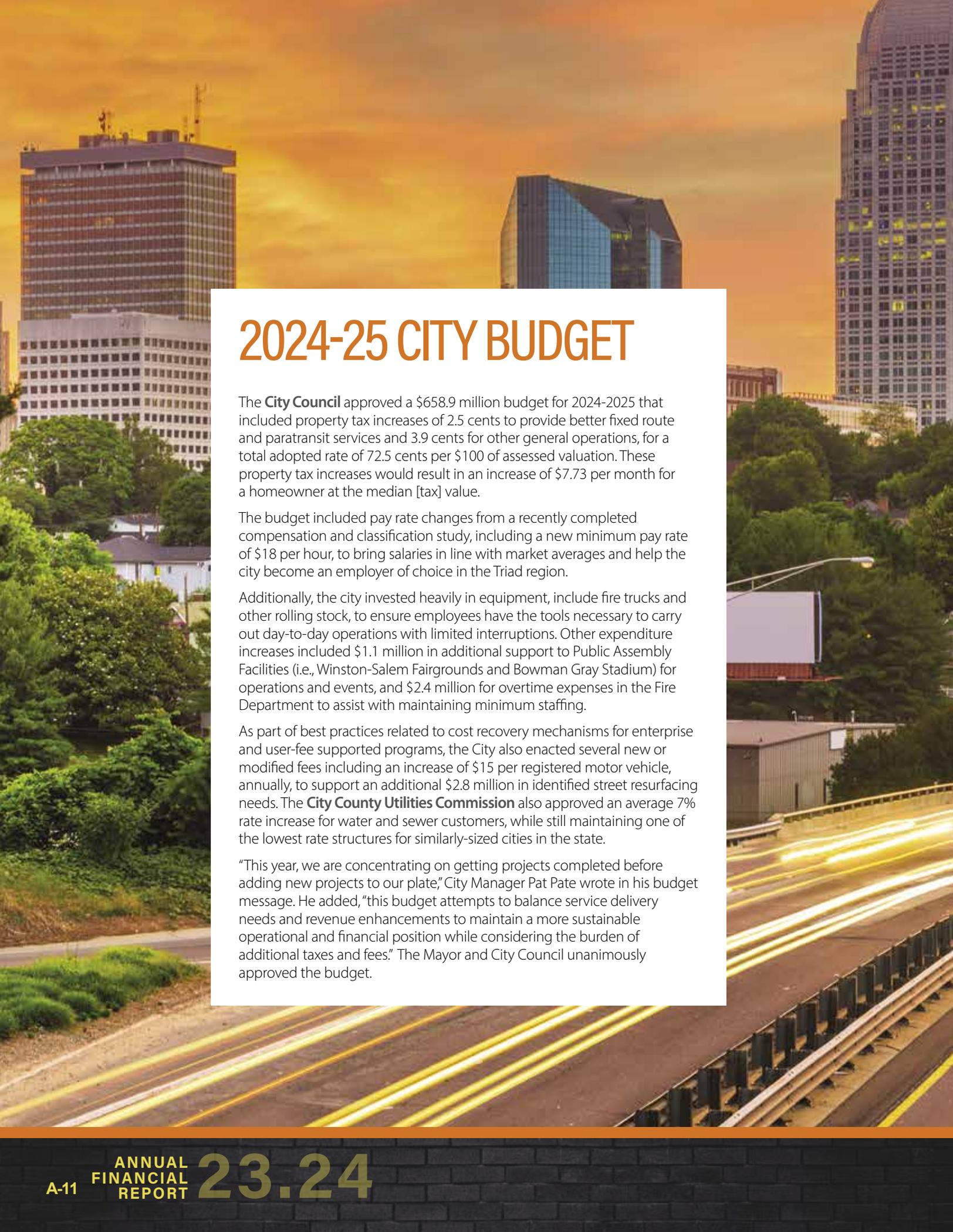
In a green space adjacent to the building, the city has created a park with green space, public art, restrooms and sidewalks known as **Merschel Park** in memory of the late City Council Member Wanda Merschel.

On the south end of the park, construction has finished for the new **Kaleideum** children's museum. The museum held its grand opening on Feb. 17, 2024. The \$48 million facility, which received funding from the city and Forsyth County as well as private donors, combined two former smaller children's museums into one modern, central location.

Downtown development, as well as recruitment of new business, has largely resulted from the leadership and strategic moves of **Greater Winston-Salem** (formerly known as the Winston-Salem Chamber and Winston-Salem Business, Inc.), the **City Council** and the **Winston-Salem Alliance**, a non-profit alliance headed for 23 years by **Mayor Allen Joines**, with membership that includes some of Winston-Salem's most influential companies and organizations. In April 2024, the Alliance merged with Greater Winston-Salem, Inc. and Joines retired as president. He continues to serve as mayor of the city.

Another organization, the **Downtown Winston-Salem Partnership**, manages enhanced services that ensure a high standard for cleanliness and safety in downtown. The **Downtown Winston-Salem Business Improvement District (BID)**, which covers 60 blocks, is overseen by an 11-person advisory committee of various downtown stakeholders. The BID is supported by taxes of 9 cents per \$100 of valuation on real and personal property to pay for enhanced services focused on five primary goals: a cleaner environment, increased safety and security, stronger marketing and promotion, accelerated development, and an enhanced physical appearance for downtown.

PEPPER BUILDING

A photograph of a city skyline at sunset. The sky is a mix of orange, yellow, and blue. Several tall buildings are visible, some with lights on. In the foreground, there are green trees and a road with light trails from cars.

2024-25 CITY BUDGET

The **City Council** approved a \$658.9 million budget for 2024-2025 that included property tax increases of 2.5 cents to provide better fixed route and paratransit services and 3.9 cents for other general operations, for a total adopted rate of 72.5 cents per \$100 of assessed valuation. These property tax increases would result in an increase of \$7.73 per month for a homeowner at the median [tax] value.

The budget included pay rate changes from a recently completed compensation and classification study, including a new minimum pay rate of \$18 per hour, to bring salaries in line with market averages and help the city become an employer of choice in the Triad region.

Additionally, the city invested heavily in equipment, include fire trucks and other rolling stock, to ensure employees have the tools necessary to carry out day-to-day operations with limited interruptions. Other expenditure increases included \$1.1 million in additional support to Public Assembly Facilities (i.e., Winston-Salem Fairgrounds and Bowman Gray Stadium) for operations and events, and \$2.4 million for overtime expenses in the Fire Department to assist with maintaining minimum staffing.

As part of best practices related to cost recovery mechanisms for enterprise and user-fee supported programs, the City also enacted several new or modified fees including an increase of \$15 per registered motor vehicle, annually, to support an additional \$2.8 million in identified street resurfacing needs. The **City County Utilities Commission** also approved an average 7% rate increase for water and sewer customers, while still maintaining one of the lowest rate structures for similarly-sized cities in the state.

“This year, we are concentrating on getting projects completed before adding new projects to our plate,” City Manager Pat Pate wrote in his budget message. He added, “this budget attempts to balance service delivery needs and revenue enhancements to maintain a more sustainable operational and financial position while considering the burden of additional taxes and fees.” The Mayor and City Council unanimously approved the budget.

TOP 10 EMPLOYERS

BUSINESS	INDUSTRY
Atrium Health Wake Forest Baptist	Health Care
Winston-Salem/ Forsyth County Schools	Public Education
Novant Health	Health Care
Wake Forest University	Higher Education
Walmart Associates, Inc	Retail Chain
City of Winston-Salem	Government
Forsyth County	Government
National General Management Corp	Insurance
Wake Forest University School of Medicine	Higher Education
Hanesbrands Inc*	Clothing Manufacturer

Source: NC Department of Commerce, *as of Q1 2024

ADDITIONAL DATA

POPULATION	
Population of Winston-Salem	255,417
Median Age in Winston-Salem	35
New Jobs 2014-2024	14,979
Total Labor Force in Forsyth County	191,802

Source: Greater Winston-Salem, Inc. 2024
and NC Office of State Budget & Management

JOBS BY INDUSTRY

NUMBER JOBS BY INDUSTRY	
Back Office	26,195
Medical	22,060
Hospitality	21,738
Personal Services	17,106
Logistics	14,003
Education	10,843
Production	9,353
Social Services	7,639
Construction	6,788
Mechanics	6,752
Financial	5,870
Business	4,935
Engineering	2,646
Legal	1,552
Math	1,227

Source: Greater Winston-Salem, Inc. 2024

COMMUNITY PROFILE

THANKS TO THE ARTS, THREE MAJOR UNIVERSITIES AND OTHER SMALLER COLLEGES, A SUPPORTIVE ECOSYSTEM FOR ENTREPRENEURSHIP AND INNOVATION, A MODERATE CLIMATE, TWO MAJOR MEDICAL CENTERS, MODEST COST OF LIVING AND PROXIMITY TO THE BEACH AND MOUNTAINS, WINSTON-SALEM CONTINUES TO RECEIVE ACCOLADES ABOUT ITS QUALITY OF LIFE FROM A NUMBER OF NATIONAL SURVEYS.

CHIEF WILLIAM PENN AT THE WINSTON-SALEM POLICE PROMOTION CEREMONY

A GREAT PLACE TO LIVE & WORK

The city's economy is thriving after the pandemic, with major employers in the health care and life sciences, advanced manufacturing, technology and entrepreneurship, business services, and aviation and aerospace sectors. Yet it also continues to rank among the most affordable mid-size cities, with the median price for a single-family home at around \$300,000, according to Realtor.com.

Winston-Salem earned high marks in two prestigious rankings in 2024. In *U.S. News & World Report's* annual "Best Places to Live" list, the city came in at number 60. The rankings are based primarily on the quality of life and the job market in each metro area "as well as the value of living there and people's desire to live there." Winston-Salem was also recognized as one of America's "Top 100 Cities" by *Livability.com*, which collected data from more than 2,000 cities to compile its 2024 rankings. Winston-Salem was one of only 17 cities in the nation between 200,000 and 299,000 population to appear in the ranking.

Southern Living magazine named Winston-Salem 5th among "under-the radar" cities to visit in the summer. Its proximity to Research Triangle means the city "often doesn't get the attention it deserves." The city is even a great place for furry friends, as *Forbes Advisor* has ranked it 24th Best City in the U.S. for Pet Owners. The report said that more than 69 percent of the city's apartments are pet friendly, and there are two veterinarians for every 10,000 people.

This year the city was named the 15th best place to start a business among 100 large cities by *WalletHub* and number 2 for low business costs.

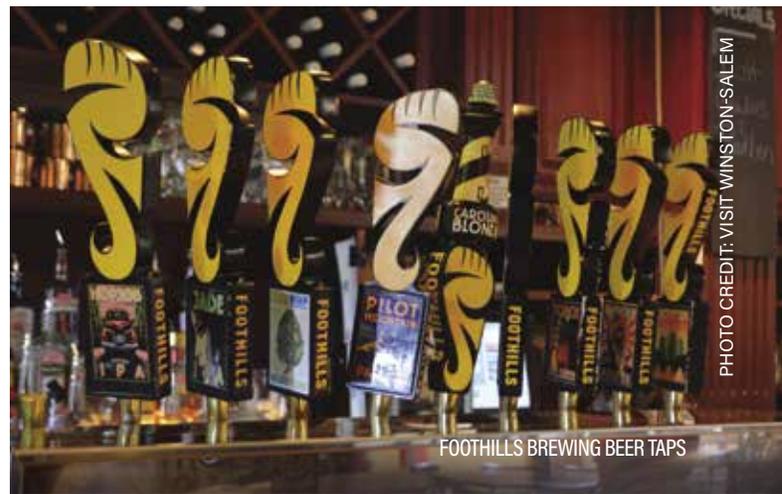
AS THE CITY OF ARTS AND INNOVATION, WINSTON-SALEM CONTINUES TO DIVERSIFY ITS ENTERTAINMENT AND CULTURAL OFFERINGS. ITS REPUTATION AS A GOOD CITY FOR "FOODIES" IS GROWING, WITH RESTAURANTS OFFERING A WIDE RANGE OF LOCAL AND INTERNATIONAL CUISINE.

The revitalization of downtown continues to spread northward into a new area dubbed **Industry Hill**, where old factories and warehouses are being transformed into breweries, music venues and boutique shops. **Foothills Brewing**, founded in 2005 in Winston-Salem, is now one of the largest regional brewers in the Southeast, with its main location downtown and the Foothills Tasting Room in the western part of the city. Closer to center city, the **Downtown Grille** is distinguishing itself for special wine-tasting gourmet dinner events.

The city is also rapidly gaining national recognition for sports and recreation. The **Winston-Salem Cycling Classic** and the **Winston-Salem Open** tennis tournament continue to grow in prestige and popularity.

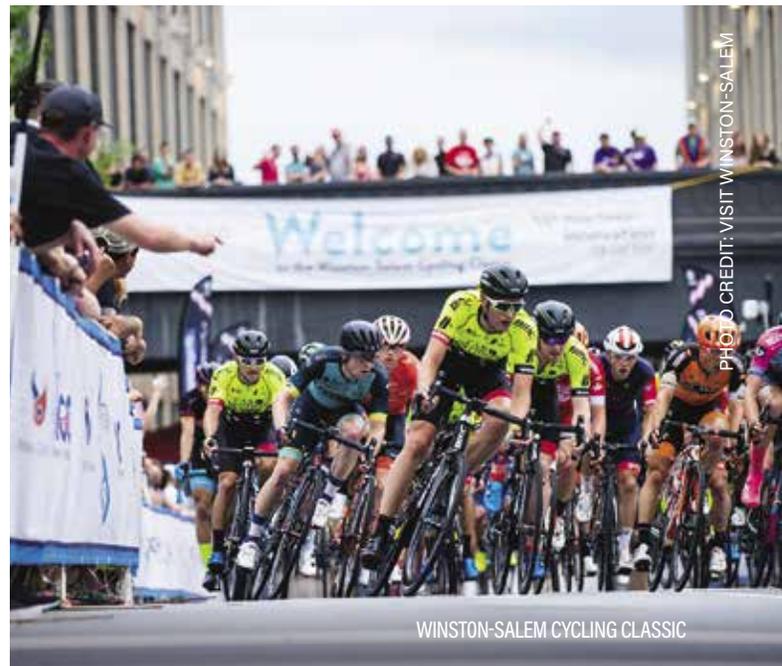


WINSTON-SALEM POLICE FOUNDATION TEE BALL GAME



FOOTHILLS BREWING BEER TAPS

PHOTO CREDIT: VISIT WINSTON-SALEM



WINSTON-SALEM CYCLING CLASSIC

PHOTO CREDIT: VISIT WINSTON-SALEM



HABITAT GROUNDBREAKING

RESIDENT PARTICIPATION

The city offers residents easy access to services and the opportunity to participate in government. **CityLink**, the city's call center, features text, email and chatbot capabilities along with accepting calls. By calling a single number (311), residents can request city services, report problems, pay bills, and make suggestions. Residents can visit the city's website at cityofws.org for information as diverse as the brush collection schedule, portals for paying water/sewer bills, a staff listing of city employees, and progress on the results of the 2014 and 2018 voter-approved bond referendums. **WinstonNet**, a community program that provides free access to the Internet and computers in underserved neighborhoods around the city, is another nationally recognized asset.



OPENING OF WE BUILT THIS EXHIBIT

Residents have the opportunity to learn more about the workings of city government by enrolling in **The City of Winston-Salem University (CWSU)**. The 12-week educational program, which meets once a week, is designed to help residents gain a better understanding of the function and role of city government and the responsibilities of various departments.

The **2024 Resident Satisfaction Survey** gave a statistically significant number of residents a chance to express their views on a number of areas of city government. Surveys were sent to a randomly selected group of residents, and results are currently being compiled.

The **WS Collects** app debuted in 2022, allowing residents to stay up-to-date with their neighborhood yard waste, garbage, and recycling collection schedules. City Council meetings are available for viewing on **WSTV-13's** digital media livestream and are broadcast live on **Channel 13**. They are also archived on the city website for later viewing.



DOWNTOWN MURAL

Keep Winston-Salem Beautiful, an affiliate of Keep America Beautiful, holds many volunteer activities for which residents can register online. The organization has received national recognition for the many innovative programs it has developed.

The group holds annual events including Community Roots Day, during which trees and shrubs are planted in parks, greenways, and rights-of-way throughout the city. Other annual events are the Great American Clean-up in the spring, in which volunteers clean up streets, parks, and school grounds, and the Big Sweep in the fall, which focuses on cleaning up local waterways.



MAJOR JOINES SPEAKS AT SUMMER IMMERSION PROGRAM

HOUSING

Winston-Salem's many housing options give residents of all income levels the means of finding living space that suits both their budget and their lifestyle.

Residents looking for heritage and tradition make their homes in such long-established neighborhoods as **Buena Vista, Monticello Park, Morningside Manor, Sherwood Forest, Town and Country, Wedgewood**, and the Country Club Road area. Families seeking luxury homes built for today's lifestyle have a multitude of choices in such newer neighborhoods as **Brookberry Farm, Greenbriar Farm, Lake Park, and Timberfield**.

City residents looking for historic neighborhoods can move to **Washington Park, West End, West Salem, Boston Thurmond, Happy Hill, and Ardmore**. In the **Old Salem Historic District**, a number of houses dating to the late 1700s and early 1800s have been refurbished for modern life.

With rapid growth in downtown residential construction, residents seeking a true urban lifestyle have a diverse range of options for renting or buying. Many downtown loft apartments and condominiums have been repurposed from old textile and tobacco factories, including the **Gallery Lofts**, luxury apartments in the renovated former Brown & Williamson factory; **Plant 64**, created from an old Reynolds tobacco warehouse, and the **Winston Factory Lofts**, created in the renovated Brown Rogers-Dixon building. Among the new additions to downtown living are **The Artreaux**, which features 242 units in the **Industry Hill** location in the northern end of downtown, and **4th and Green**, a mixed-use development under construction at Fourth and Green streets. Options such as **West End Village, West End Station, the Link Apartments Brookstown, the Link Apartments Innovation Quarter, and The Easley** are all within walking distance of Truist Stadium.

Whitaker Park Lofts, a new community that includes 163 flats, lofts and penthouses, recently opened in a former R.J. Reynolds cigarette factory. A project to build 163 flats, lofts and penthouses is opening its first units this year. Developer **Frye Properties** of Norfolk, Va., is a newcomer to historic residential property construction. The company plans a variety of amenities including a two-lane bowling alley, a saltwater pool, fire pits and grilling stations.

Given that many of the new apartments are aimed at the luxury market, the city has undertaken efforts to ensure that a sizable number of more affordable rental units are also available. The city contributed \$1.25 million to the construction of the **757 North** apartment complex, of which 25 percent of the 115 units have been set aside for residents earning less than 80 percent of the area median income. After the first 10 years, 15 percent of the units will be set aside for an additional 20 years.

Another affordable downtown housing option in the works is **Metropolitan Village**, which will provide 264 apartments and

60 townhouse units being built in two phases as well as workforce training. Developer **Liberty Atlantic** is a minority-owned company that is working with **United Metropolitan Missionary Baptist Church**, which formerly owned the 8.2 acres, to revitalize the neighborhood.

In March 2022, the Winston-Salem City Council and Mayor Allen Joines announced a goal to support the development of affordable housing over the next 10 years to meet community needs. The N.C. General Assembly will provide \$10 million, while \$20 million will come from the city's ARPA-enabled general fund. In addition, a \$30 million **Choice Neighborhoods Initiative** grant from the **U.S. Department of Housing and Urban Development** is enabling the city and the **Housing Authority of Winston-Salem** to demolish 240 aging apartments in the former Cleveland Avenue Homes public housing community and replace them with 406 new units. The grant also includes funds for education, workforce development, and other programs. The first segment, **Brown School Lofts**, opened in early 2024. The 81 apartments stand on the site of the former Brown Elementary School.

The city works to revive blighted neighborhoods through the **Housing Rehabilitation Program**, which provides financial and technical assistance to qualified homeowners and investors wanting to repair substandard properties. Owner-occupants with low and moderate incomes are eligible for direct and deferred payment loans, and investor-owners are eligible for loans to repair single family houses for rental. Housing Rehabilitation also administers the **Section 3 Construction Training Program Initiative**, which trains unskilled and underemployed individuals in construction fields. The **Neighborhood Revitalization and Improvement Program** works with residents to develop plans to revitalize their neighborhoods. These efforts can include a combination of renovation, demolition of blighted property, and construction of new homes. **Transforming Urban Residential Neighborhoods (T.U.R.N.)**, a city program, works with at-risk youth in distressed communities to address issues such as deficits in education and food insecurity.

CITY AND COUNTY HOUSING DEPARTMENTS ALSO WORK WITH HABITAT FOR HUMANITY OF FORSYTH COUNTY TO IDENTIFY EXISTING DISTRESSED HOUSES OR VACANT LOTS THAT CAN BE RENOVATED OR USED FOR BUILDING NEW SINGLE-FAMILY HOMES FOR FAMILIES EARNING 45-80% OF AREA MEDIAN INCOME.

Stone Terrace, an undeveloped subdivision in northern Winston-Salem left over from the 2008 housing crisis, was purchased by Habitat and is already home to 25 new Habitat families in Phase I. To help Habitat progress to Phases II and III, which will include 50 more affordable homes, the city used ARPA-enabled funds to complete roadways into the new sections.

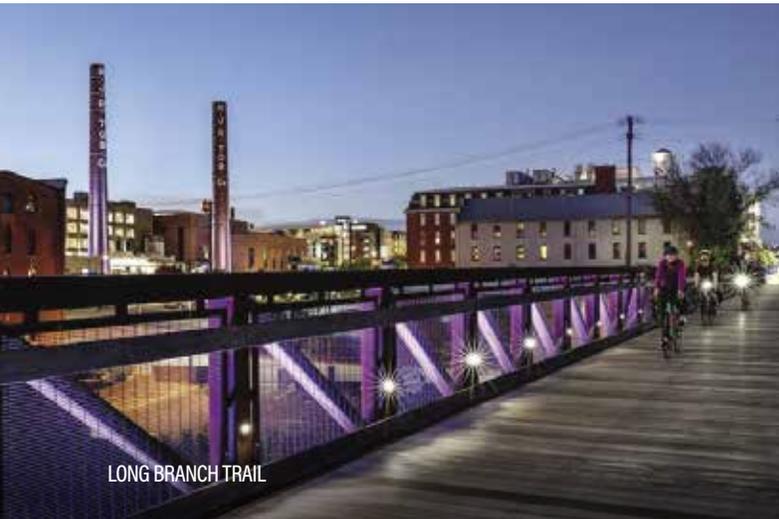
RECREATION



MAYOR JOINES AT WINSTON LAKE

City residents enjoy an enviable array of recreational opportunities: the excitement of college sports, championship-caliber golf courses, a national tennis tournament and professional bike racing, minor league baseball, North Carolina's second largest fair, and many other amenities provided by city government, local universities, and businesses. The city's Piedmont location gives residents easy access to both the North Carolina mountains and its world-famous beaches.

Aside from becoming an attractive city for professional cycling, Winston-Salem residents seeking to bike for their own fitness, recreation, or general transportation can take advantage of 25 miles of greenways and 11 official city bike routes, including 18 miles of on-street marked bike lanes. The 1.7-mile **Long Branch Trail** connects downtown and Innovation Quarter to the existing Salem Creek Greenway. The trail takes walkers, runners, and bikers along an inactive Norfolk and Western Railway line that once carried tobacco products from Winston-Salem to Roanoke, Virginia.



LONG BRANCH TRAIL

All of these amenities are managed by the **Winston-Salem Recreation and Parks Department**, which provides activities and facilities for people of all ages. The department oversees facilities including 79 parks, 17 recreation centers, eight swimming pools, two lakes, a skate park, two dog parks, two golf courses, and over 3,800 acres of managed park land. Park amenities include playgrounds, picnic shelters, tennis courts, soccer and football fields, baseball and softball diamonds, multi-purpose fields, basketball and volleyball courts, pools and splash pads. **Malloy Park** includes the city's first totally accessible playground. The park is named for former City Council Member **Nelson Malloy**.

The 2014 and 2018 bond referendums approved by voters included \$61.58 million to fund additions and improvements to the city's recreational offerings. A former **Vulcan Materials** quarry was transformed into **The Quarry at Tim Grant Park**, 200 acres of mostly wooded land. Visitors can now see the Winston-Salem skyline in the distance from a pier overlooking a freshwater lake.



PHOTO CREDIT: VISIT WINSTON-SALEM

PADDLEBOARDERS AT SALEM LAKE

Another bond project was the \$4 million construction of a new marina, training building, playgrounds, covered picnic shelters and restrooms at **Salem Lake**, a popular area for boating and fishing along with walking, biking, and horseback riding on the 7-mile trail around the lake. A great room with 2,500 square feet of column-free space and large windows providing panoramic lake views can be rented by the public for special events. The building also includes a wrap-around 1,200 square-foot deck that offers scenic views. Phase II of Salem Lake improvements included construction of a new boat ramp and repair of the shoreline bulkhead.

Also as a result of the bonds, the **Winston Waterworks** water park includes a pool, diving area, spray ground, restrooms, concession area, and shelter. It is an enormously popular addition to **Winston Lake Park**, which also includes **Winston Lake Golf Course**. Recreation and Parks also operates **Reynolds Park Golf Course**.

PUBLIC FACILITIES

In 2013, **Wake Forest University** purchased the 15,000-seat **Lawrence Joel Veterans Memorial Coliseum** from the city. The coliseum is the home court of Wake Forest's basketball team and also continues to host concerts and family entertainment.

THE CITY STILL OWNS THE 4,500-SEAT WINSTON-SALEM FAIRGROUNDS ARENA, A FREE-STANDING FACILITY THAT INCLUDES A REGULATION-SIZE HOCKEY RINK. THE ARENA IS ALSO THE HOME ICE RINK FOR THE CAROLINA THUNDERBIRDS HOCKEY TEAM.

The city also owns the adjacent fairgrounds, home to the **Carolina Classic Fair**. Second in size only to the **N.C. State Fair**, the fair draws as many as 325,000 visitors annually from as far away as Virginia, Tennessee, and South Carolina to enjoy the rides, play games on the midway, and eat delicious "fair food." The fair also features concerts, family entertainment, a petting zoo, and exhibits and contests for livestock, crops, crafts, and baking that draw tens of thousands of entries.

Bowman Gray Stadium, a legendary site for **NASCAR's** longest-running weekly racing series and the recent host of the **NASCAR Cook-Out Clash**, also includes **William "Bill" Hayes Field**, the home field of the **Winston-Salem State University Rams** football team. The city has invested \$9 million in improvements, including resurfacing of the race track, regrading the football field, and renovations to the field house, ticket booths, and press boxes. The city also replaced the bathrooms, concession stands, and VIP seating areas.

Truist Stadium, home of the **Winston-Salem DASH** Class-A professional baseball team, is a beautiful, classically designed brick ballpark. The ballpark includes luxury suites and a children's play area with a merry-go-round.

The **Winston-Salem Open Tennis Tournament**, the last professional tournament each year before the U.S. Open, has been held since 2011 at the **Wake Forest Tennis Center**. The complex includes 13 courts, making it eligible to host NCAA Division I Men's and Women's Tennis Championships.

WFU FIELD AND WAKE FOREST TENNIS CENTER

FESTIVALS & ANNUAL EVENTS



OLD SCHOOL BLOCK PARTY

Downtown Winston-Salem is a dazzling hub of activity, hosting over 2,500 events that celebrate arts and culture year-round.

Many events are held in the **Benton Convention Center**, one of the state's largest public meeting facilities that serves as a canvas for local and regional artistry. It features a stunning tribute to the late **Maya Angelou**, nationally revered poet and activist who served on the faculty of Wake Forest University. "The Benton" is conveniently situated in the **Twin City Quarter** hospitality complex, close to all downtown attractions including the **Embassy Suites Winston-Salem** and **Marriott Winston-Salem**.

The annual **Piedmont Craftsmen's Fair** takes place the weekend before Thanksgiving each November in the Benton Convention Center and features the creations of artisans and craftsmen from throughout the Southeast. This event presents a chance for visitors to buy unique art, jewelry, clothing, and other items, engage with artisans, and observe demonstrations of various craft techniques. Now in its 61st year, the fair has served as a fundraiser for **Piedmont Craftsmen, Inc.**, a non-profit organization dedicated to advocating for the significance of locally made handcrafted art.

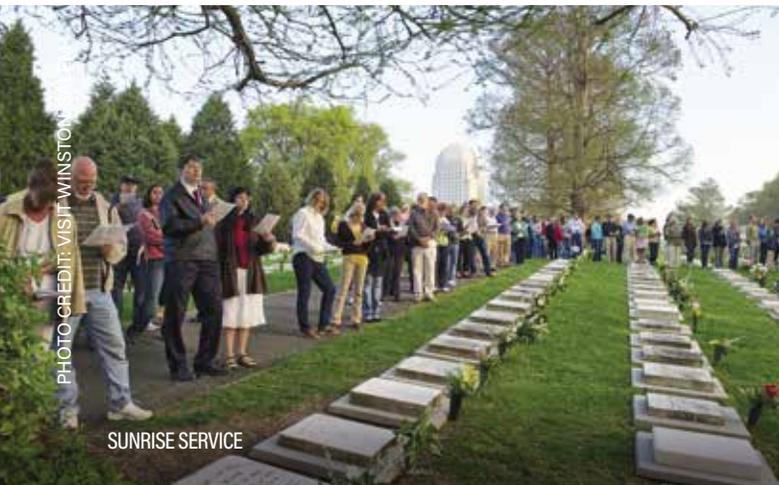


PHOTO CREDIT: VISIT WINSTON-SALEM, NC

SUNRISE SERVICE

Winston-Salem is home to the **International Black Theatre Festival**, the largest festival in the nation that celebrates and showcases Black theatre. The festival is organized by the North Carolina Black Repertory Company, established in 1979 by the late **Larry Leon Hamlin** as the state's first Black theatre company. Held every other summer, the six-day festival presents over 100 performances of professional theatre, film, poetry, workshops, seminars, and shopping with theatre practitioners from across the globe. Drawing over 65,000 attendees each time, the festival has over a \$10 million impact on Winston-Salem's economy.

The **Bookmarks Festival of Books & Authors** is the largest book festival in the Carolinas, held every September at various locations throughout Winston-Salem. Established in 2004, the festival offers a wide range of activities including author panels, book signings, story times, family events, food trucks, and more. Organized by the literary arts nonprofit **Bookmarks**, the festival draws in over 20,000 visitors and hosts around 50 authors every year. Bookmarks also runs many outreach programs year-round and manages its downtown, independent Bookmarks Bookstore on Fourth Street.



PHOTO CREDIT: VISIT WINSTON-SALEM, NC

BOOKMARKS FESTIVAL

The **RiverRun International Film Festival** has been held in downtown Winston-Salem since 1998 and is one of the area's most unique and competitive events. Held in the spring, it showcases a diverse program of films from various sources, including film studios, independent distributors, and up-and-coming filmmakers. The Academy-Award winning 10-day festival offers over 150 public screenings of feature-length and short

films from all over the world, covering a wide range of genres from animated to documentary. The screenings take place at various venues in Winston-Salem.

The annual **FIESTA**, organized by the **Hispanic League**, is a lively street festival and fundraiser that draws in more than 20,000 attendees. As the largest one-day Hispanic festival in the region, it offers a free multicultural experience filled with live Latin music, cultural activities, a dedicated children's area, delicious Latin cuisine, local arts, and crafts.

WINSTON-SALEM'S JUNETEENTH CELEBRATION TAKES PLACE AT BAILEY PARK IN DOWNTOWN AND SHOWCASES AFRICAN AMERICAN TRADITIONS AND FREEDOM THROUGH MUSIC, DANCE, FOOD, PANEL DISCUSSIONS, AND ARTS AND CRAFTS.

The **Gears and Guitars Music Festival** is a popular outdoor concert series that also takes place in Bailey Park. It is held in conjunction with the **Winston-Salem Cycling Classic** each summer.

As one of the city's largest events, the **Carolina Classic Fair** takes place for 10 days each October at the Fairgrounds. It is the second largest agricultural fair in North Carolina, featuring world-class carnival of rides and games, nationally known musical entertainment, delicious food and beverages, and exhibits of livestock, poultry, fine arts, and crafts.

The **Easter Sunrise Service**, hosted by **Home Moravian Church and Old Salem**, is a uniquely Winston-Salem event that attracts tens of thousands of visitors annually. Participants assemble in **Salem Square** before sunrise to engage in prayer, hymn singing, and enjoy the music of the Moravian band. Following the service, attendees proceed quietly to **God's Acre**, the historic Moravian cemetery. **Old Salem Museums & Gardens**, a renowned historic district showcasing Moravian life in the 18th and 19th centuries, is a popular tourist destination, open throughout the year, that showcases the area's founding history.

Other events take place throughout the city each year including the **Pride Winston-Salem Festival and Parade**, the **Out at the Movies International Film Festival**, **NC Beer Month**, **Tanglewood Park Festival of Lights**, and the **Piedmont Earth Day Fair**.



PHOTO CREDIT: VISIT WINSTON-SALEM



PHOTO CREDIT: VISIT WINSTON-SALEM



ARTIVITY & AFAS

PHOTO CREDIT: VISIT WINSTON-SALEM



DOWNTOWN MURAL



SAWTOOTH CENTER

DOWNTOWN ARTS

Winston-Salem boasts a thriving arts scene made up of eclectic art galleries, vibrant murals, public art displays, a downtown art park, as well as studios and galleries showcasing artists of all types.

As the first and oldest arts council in the country, **The Arts Council of Winston-Salem and Forsyth County** has been an arts innovator since its founding in 1949. For 75 years, the Arts Council has been a pioneer in creating a regional center of excellence in both visual and performing arts, embodying the city's slogan: **The City of Arts and Innovation**. The Arts Council celebrated its 75th anniversary in 2024 with community celebrations and the launch of an ambitious capital campaign to secure the future of this industry, which generates around \$196 million in economic activity and provides more than 2,400 jobs.

The Arts Council campus is located in the heart of downtown, featuring two main buildings: the **Milton Rhodes Center for the Arts and Hanesbrands Theatre**. Blending the city's past with its present, the Milton Rhodes Center building is a former textile mill. Its facilities include the **Sawtooth School for Visual Art**, the **Reynolds Place Theatre**, home exhibition space for the **Associated Artists of Winston-Salem**, the **Community Arts Gift Shop**, **Mountcastle Forum/Theatre**, and gallery space. Located adjacent to the Milton Rhodes Center, the modern Hanesbrands Theatre is the premier performance theatre in the city, featuring state-of-the-art lighting, projection and audio systems. It is the home performance venue for **The Little Theatre of Winston-Salem**, the **North Carolina Black Repertory Company** and **Winston-Salem Festival Ballet**.

Also in the heart of city, the **Downtown Arts District** is the hub of arts and culture in Winston-Salem. The bohemian district is a vibrant mix of working studios, galleries, locally owned retail shops, restaurants, bars, residences and businesses. Since 1995, the **Downtown Arts District Association (DADA)** nonprofit has been raising awareness for the arts and building the thriving district seen today. Located in the **North Trade Street Arts Center**, which is also a gallery for visual and performing artists, DADA promotes art and the arts district through regular events and other programs. Its **First Friday Gallery Hops**, held the first Friday of each month throughout the year, are hugely popular, filling the streets throughout the district with music, entertainment, and food while the galleries, studios, and shops remain open late.

ARTivity on the Green is a unique art-themed park located on Liberty Street that connects the arts district to **Innovation Quarter**. Conceived as a work of art, the park consists of 13 red misting water towers that are a tribute to the city's industrial past. It also features green space for sitting and picnicking, a mural wall, a bandstand, and designs in the sidewalks that can only be seen when wet. ARTivity park is illuminated at night with color-changing lights and is the site of live music events and other small festivals.

The park was a project of **Art For Art's Sake (AFAS)**, a non-profit volunteer group that works to build, educate, and celebrate the community through art. Located next to the park, the **AFAS**

Center for the Arts is the group's modern headquarters that includes **Red Dog Gallery**, affordable studio space for rent, and the **Unleashed Art Center**, which provides classes and workshops. AFAS hosts and/or supports special events and programs each year, all of which are free to the public. It also fosters many of the public art displays around the city, from eye-catching art towers to decorated mannequins, sculptures, murals and the Archway to the Arts at the entrance to the arts district.

In the summer months from June through August, the streets of downtown Winston-Salem are infused with live music during the **Downtown Summer Music Series**. The two-part series of free concerts includes **Downtown Jazz**, held in Corpening Plaza on Friday nights, and **Summer on Fourth**, which showcases the region's best rock/pop bands on Saturday evenings.

The Summer Music Series is produced by **The Downtown Winston-Salem Partnership (DWSP)**, the non-profit organization revitalizing the core of the city into a flourishing commercial, cultural, entertainment and residential district.

PERFORMING ARTS ORGANIZATIONS & VENUES

The **Stevens Center**, located downtown on Fourth Street, stands out as the city's crown jewel of performance venues. Initially serving as a silent movie theatre, this grand, two-story neoclassical theater with 1,364 seats is a true architectural gem of Winston-Salem. It is currently closed through 2026 while undergoing a massive \$81 million renovation.

THE STEVENS CENTER TRADITIONALLY SERVES AS THE PRIMARY PERFORMANCE SPACE FOR THE UNIVERSITY OF NORTH CAROLINA SCHOOL OF THE ARTS (UNCSA), THE WINSTON-SALEM SYMPHONY, PIEDMONT OPERA THEATRE, AND OTHER STATE AND LOCAL ARTS ORGANIZATIONS.

The Piedmont Opera, one of the largest in North Carolina, is renowned for bringing together top regional, national, and international singing actors and technicians to collaborate with a full orchestra and a chorus of local singers. In its 42nd season, the Opera stages two full productions annually and offers a diverse range of educational and outreach initiatives.



MILTON RHODES CENTER FOR THE ARTS



STEVENS CENTER

The Winston-Salem Symphony has been enriching the community for over 75 years by offering a variety of repertoires, ranging from classical orchestral and choral concert music to opera, oratorio, ballet, and popular music. As one of the Southeast's most revered orchestras, it also conducts educational and community engagement performances, such as the **Youth Orchestra** and collaborations with the **Winston-Salem/Forsyth County Schools**.

The **Little Theatre of Winston-Salem**, the oldest performing arts organization in the city, is known for its traditional community theatre productions. The theatre stages professional quality classic and contemporary plays and musicals, in addition to offering classes, summer camps, and school productions with the help of hundreds of talented and dedicated volunteers.

Winston-Salem also boasts a variety of other performing arts and theatrical groups such as the **Winston-Salem Theater Alliance**, the **Piedmont Chamber Singers**, the **Piedmont Wind Symphony**, **Camel City Jazz Orchestra**, the **Winston-Salem Festival Ballet**, **Winston-Salem Youth Chorus**, the **Salem Band**, and more. The local music scene also features diverse indoor and outdoor venues attracting national recording artist tours as well as local and regional bands.

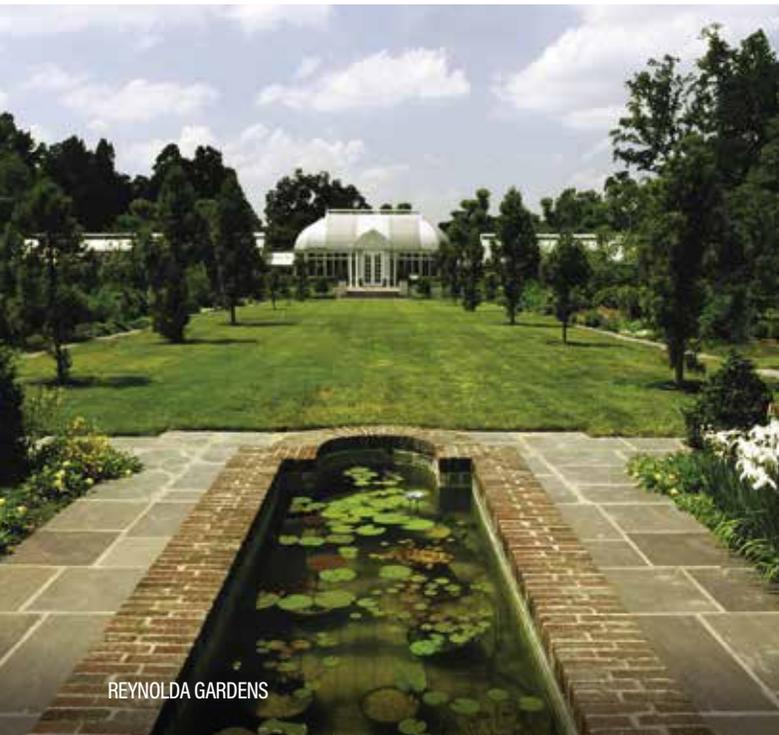
ART MUSEUMS



DIGGS GALLERY



COVERED BRIDGE AT MESDA



REYNOLDA GARDENS

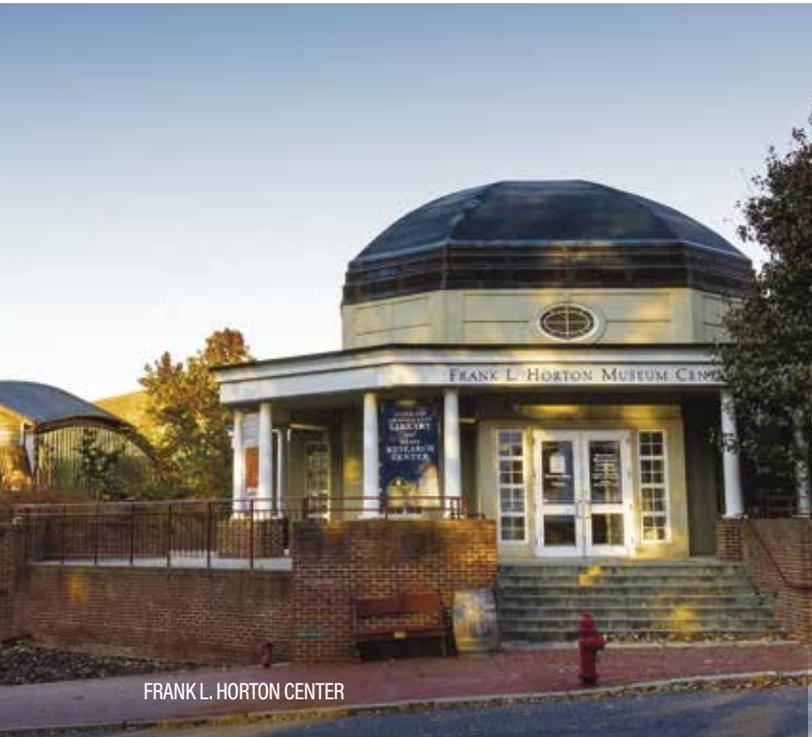
Winston-Salem is a rich tapestry of cultural attractions, where an array of prominent art museums and galleries showcase the history and diverse people of the region.

The **Reynolda House Museum of American Art** is a must-visit destination in the **Reynolda Historic District**, comprised of Reynolda House, **Reynolda Gardens**, and **Reynolda Village**. This renowned museum is located in the meticulously restored 1917 country estate of **Katharine and Richard J. Reynolds**, the founder of **R.J. Reynolds Tobacco Company**. Today, Reynolda House is one of the nation's most esteemed art institutions, boasting a remarkable collection of American art. The museum's 300-piece collection is permanently displayed throughout the historic mansion, where restored interior rooms offer a glimpse into the Reynolds family's lifestyle during different periods. Reynolda House's modern **Babcock Gallery** serves as an educational hub with space for temporary and seasonal exhibits, an auditorium, and fine art and archival spaces. Reynolda's permanent collection spans 250 years and features works by prominent American artists such as **Frederic Church**, **Georgia O'Keeffe**, **Grant Wood**, **Stuart Davis**, and **Andy Warhol**.

Affiliated with **Wake Forest University**, Reynolda House offers self-guided tours and hosts a variety of events including concerts, lectures, classes, film screenings, and more. The museum is situated on the original 1,000-acre Reynolds estate, alongside Reynolda Gardens of Wake Forest University and the historic Reynolda Village. These areas include beautifully landscaped formal gardens and natural spaces, as well as dining options, boutiques, and picturesque walking and running trails through wooded areas.

The newly renamed **North Carolina Museum of Art, Winston-Salem (NCMA)** (formerly the Southeastern Center for Contemporary Art) sits on the former estate of the late industrialist **James G. Hanes**. With free admission, NCMA connects the city's industrial past with modern art and innovation by showcasing the art of our time through exhibitions, experiences, and education programs with a focus on regional working artists. The museum offers unique large-scale indoor and outdoor settings for exploring the intersections of contemporary art and culture.

As one of the country's most unique museums, the **Museum of Early Southern Decorative Arts (MESDA)** is the leading institution for researching, collecting, and displaying antiques and decorative arts from the early South. Located within **Old Salem Museums & Gardens**, MESDA boasts the most extensive collection of early Southern furniture, pottery, silver, and other decorative items from eight states spanning four centuries. This internationally acclaimed museum showcases pieces created by the early Moravians, as well as by the enslaved individuals and indigenous people who resided in the town of Salem. Situated in the **Frank L. Horton Center** at Old Salem, MESDA galleries welcome visitors for self-guided and specialized tours. MESDA's **Research Center** provides access to a vast database containing



FRANK L. HORTON CENTER



K-12 EDUCATION

more than 100,000 historically significant objects and details about craftspeople.

The **Delta Fine Arts Center**, established in 1972 by the Winston-Salem graduate chapter of **Delta Sigma Theta** sorority, is a nonprofit arts organization dedicated to highlighting African-American art, culture, and history. Through various year-round events like performances, concerts, educational programs, and gallery exhibitions, the Center contributes significantly to the city's art scene.

Since 1990, **Winston-Salem State University's Diggs Gallery** has been recognized as one of the top African-American galleries in the country. It is home to the largest exhibition spaces dedicated to the arts of Africa and the African Diaspora in North Carolina. The gallery features a unique sculpture garden and murals by the renowned artist **John T. Biggers**. In addition, Diggs houses an impressive collection of works on paper by well-known European and American artists like **Jean Francois Millet**, **Joan Miro**, and **Robert Rauchenberg**.

The **Enrichment Center** is a non-profit organization that provides support to adults with intellectual and developmental disabilities through various programs such as art classes, life skills training, community activities, and job placement. The Center's **Gateway Gallery** serves as an exhibition and sales space for the works of the **Artists of Gateway Studios**. These self-taught and outsider artists produce original pieces in a variety of mediums, with exhibits changing regularly for public viewing. Sales of the artwork benefit the Center's programs and allow the artists to earn a paycheck.

Winston-Salem/Forsyth County Schools (WSFCS) is the fourth largest school system in North Carolina, educating approximately 53,000 students across 81 schools. The district offers a variety of programs from Pre-K through grade 12 to meet the needs of all types of students.

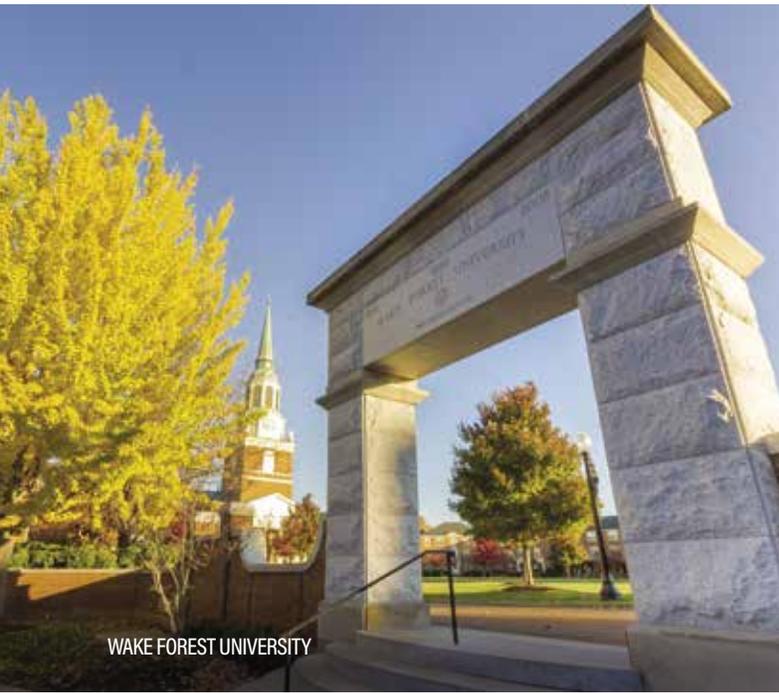
The Board of Education offers the "School Choice" process, giving families options on choosing schools. Elementary schools are divided into 11 zones, and middle schools are divided into seven zones. Parents may choose from their residential school, another school within their zone, or from more than 20 magnet programs.

High school students have access to a wide range of academic options, including regular, honors, and Advanced Placement curricula. They have the opportunity to earn college credit through more than 30 Advanced Placement courses and 30 career and technical programs at their neighborhood schools, the **Career Center**, the **International Baccalaureate Diploma Programme**, dual enrollment at **Forsyth Technical Community College**, or through other local colleges and universities.



IN ADDITION TO PUBLIC SCHOOLS, FAMILIES CAN CHOOSE FROM A RANGE OF PRIVATE SCHOOLS, BOTH SECULAR AND RELIGIOUSLY-AFFILIATED.

These private schools cater to different grade levels, with some offering programs from kindergarten through 12th grade, while others focus on lower grade levels. Additionally, there are publicly-funded charter schools in the area that use a lottery system for enrollment.



WAKE FOREST UNIVERSITY



WINSTON-SALEM STATE UNIVERSITY

HIGHER EDUCATION

Winston-Salem, rated as one of the top college towns in the South by *Southern Living*, is home to six higher education institutions and more than 30,000 college students.

Wake Forest University (WFU), one of the most prestigious universities in the nation, offers a private, liberal arts education to approximately 5,400 undergraduates and 3,600 graduate and professional students. WFU's "main" 345-acre **Reynolda Campus** is home to most of its undergraduate programs, the **Graduate School of Arts and Sciences**, the **School of Business**, the **School of Law**, and the **School of Divinity**. The midsize university offers over 50 majors, has an 11-to-one student-to-faculty ratio, and emphasizes the embodiment of its motto, "Pro Humanitate," through service to others.

Classrooms and laboratories of the distinguished **Wake Forest School of Medicine** are divided between the **Atrium Health Wake Forest Baptist** medical complex, located just west of downtown, and **Innovation Quarter**. **Wake Downtown**, a transformed former tobacco company building, houses the undergraduate biomedical science and engineering programs. Wake Forest also has locations in Charlotte and Washington, D.C.

THE UNIVERSITY'S UNDERGRADUATE PROGRAMS RANK AMONG THE TOP IN THE NATION, ATTRACTING PROFESSORS WHO ARE TOP SCHOLARS IN THEIR FIELDS AND VALUE TEACHING AS MUCH AS RESEARCH.

Additionally, Wake Forest University's schools of law, business, and medicine are regarded among the best graduate schools in the nation.

The Wake Forest "Demon Deacons" compete in Division I athletics of the NCAA and are one of the original "big four" North Carolina schools in the Atlantic Coast Conference. Wake has won 10 NCAA championships as well as numerous ACC titles. Its athletes excel in the classroom as well, with a 95 percent student-athlete graduation rate.

Winston-Salem State University (WSSU), an historically Black co-educational university founded in 1892, is a distinguished public institution offering 39 undergraduate degrees and nine graduate programs, both master's and doctorate. WSSU is a constituent institution of the **University of North Carolina** system, with about 5,400 undergraduate and graduate students. With the motto "Enter to Learn, Depart to Serve," WSSU fosters creative thinking, analytical problem-solving, and depth of character so that its graduates can transform themselves and the world.

It is known for its outstanding academic reputation, having been recognized as the top historically Black Nursing School in the nation and the best RN to BSN program in the state. WSSU is also distinguished as one of the top Historically Black Colleges and Universities by *U.S. News*, while *Money* magazine ranks it as one of America's Best Colleges.

The WSSU “Rams” athletic teams compete in the NCAA Division II and have achieved numerous titles at both the conference (CIAA) and national levels in sports such as basketball, football, wrestling, softball, track and field, and golf.

Winston-Salem is home to the nation’s first public arts conservatory, **The University of North Carolina School of the Arts (UNCSA)**. Opened in 1965, UNCSA is a top-ranked creative and performing arts school with an international reputation for training talented students for professional careers in the arts. Part of the UNC system, UNCSA has about 1,400 students at the high school, undergraduate, and master’s levels who come to study from throughout the U.S. and the world. The UNCSA mascot, the “Fighting Pickle,” was chosen by the student body in the 1970s as a name for its touch football team.

Students are required to audition or interview for admission, and degrees are offered via five conservatories: **Dance, Design and Production, Drama, Filmmaking, and Music**. The school offers master’s degrees in music and fine arts in the design, production, and filmmaking programs. Students showcase their talents through public performances and screenings in Winston-Salem and across the country.

The faculty at UNCSA is comprised of professional artists who excel in their respective fields. Graduates from the school have showcased their talents on prestigious platforms such as Broadway, the American Ballet Theatre, the New York Philharmonic, various TV shows, and major films. UNCSA alumni have achieved remarkable success, garnering top awards in the entertainment industry, including the Tony, Oscar, Emmy, and Grammy awards.

Salem Academy and College, founded by Moravian settlers, is known for championing independence for women in thought and action. At 252 years old, it is the oldest educational institution for women and girls in the country and the 13th oldest college in the U.S. The historic campus is located adjacent to Old Salem Museums & Gardens, and the College continues to embrace many Moravian traditions. Salem Academy is the nation’s only all-girls, boarding and day high school located on a college campus with a STEAM focus.

With an enrollment of about 600 students from around the globe, Salem College is proud to have the most racially and ethnically diverse student population of any local four-year institution. The all-female, private liberal arts college offers a full range of undergraduate and graduate degrees with a distinct focus on health leadership.

The Salem “Spirits” athletic teams compete in Division III of the NCAA and are also members of the USA South Athletic Conference. Salem is recognized as a top-ranked college in the nation for student success, with about 96% of its graduates achieving full-time employment or admission into graduate school within a year of graduation.



UNIVERSITY OF NORTH CAROLINA SCHOOL OF THE ARTS



SALEM ACADEMY & COLLEGE



FORSYTH TECHNICAL COMMUNITY COLLEGE

Forsyth Technical Community College is one of the largest community colleges in North Carolina, serving approximately 20,000 students each year. The college provides a wide range of academic options, including 69 associate's degrees and seven transfer degrees, as well as various diploma and certificate programs. Additionally, Forsyth Tech offers 20 degrees and certificates that can be completed entirely online.

Forsyth Tech has the largest health technology and biotechnology degree programs in the state, as well as the distinguished **Richard Childress Race Car Technology Program**. Its **Center for Advanced Manufacturing** provides students with the cutting-edge technology and technical training needed to meet industry demand. It was one of the first four colleges in the country to pilot the National Association of Manufacturers (NAM) Endorsed Skills Certification System. The **Early College of Forsyth** allows high school students to simultaneously earn their diploma and an associate degree at no cost.

Forsyth Tech offers customized training for employers and services for entrepreneurs through its corporate training, workforce development, and continuing education programs, as well as the Forsyth Tech Small Business Center. With two campuses and seven affiliate locations, Forsyth Tech is a vital educational resource for adults returning to school or seeking new skills. The main campus is undergoing a multi-year, \$29 million renovation to further enhance its facilities and resources.

The Forsyth Tech "Trail Blazers" have recently joined the world of intercollegiate sports by introducing teams in men's basketball and women's volleyball. In addition to these new additions, the college offers various intramural teams for both men and women and plans to expand its intercollegiate sports program by adding more teams in the future.

Carolina University (CU) (formerly **Piedmont International University** and **Piedmont Bible College**) is a private Christian university offering a number of associate's, bachelor's, master's and doctoral degrees in fields including the liberal arts, ministry, teacher education, and business. Courses are delivered in 7-week sessions, allowing students to take one or two courses at a time, and all courses are available online. CU offers students the opportunity to compete in nine different sports through the National Christian College Athletic Association. The Carolina University "Bruins" compete in men's and women's basketball, baseball, softball, volleyball, and soccer.

In 2024, CU announced a significant expansion with the purchase of the former HanesBrands office complex at Oak Summit in northern Winston-Salem. The university will retrofit much of the 500,000 square feet of office space into classrooms, residence halls, libraries and faculty and staff offices.



PHOTO CREDIT: VISIT WINSTON-SALEM

CAROLINA UNIVERSITY

PUBLIC SAFETY

Public safety services for the community are provided by professional police, fire, emergency medical service, and emergency management departments. All public safety agencies in the city and county, as well as departments that operate key infrastructure, such as transportation and utilities, are connected through a seamless 800 MHz radio system.

The **Winston-Salem Police Department (WSPD)** includes more than 450 sworn officers and 186 civilian positions, and an annual budget of \$97.3 million. In a move to provide better policing, the WSPD has transitioned to a system in which most patrol officers are now housed in three full-service district stations – constructed with funds from the 2014 bond referendum – instead of in the main station, the Vivian H. Burke Public Safety Center. The Center continues to serve as the hub of the department’s administrative offices.

The 392 authorized personnel in **Winston-Salem Fire Department** serve the community by providing timely response to calls involving fire, medical, and rescue situations. The City of Winston-Salem has 20 fire stations strategically located throughout the city. The stations are located to provide maximum coverage with an average response time of 6:25 minutes.

The department strives for the prevention of unwanted fires through enforcing fire codes, arson investigation activities, and community outreach. The Fire Department also conducts fire safety inspections, reviews construction plans, investigates fire scenes, and issues fire-inspection permits. The Fire Department also oversees the city’s mental health response team, which is often referred to as the Behavioral Evaluation & Response (B.E.A.R.) team.

The local **Office of Emergency Management** coordinates activities within Winston-Salem and Forsyth County that contribute to the mitigation, preparedness, response, and recovery from disasters. The office responds 24 hours a day to disasters or potential disasters and is responsible for assisting private industry and the public with management of hazardous materials.

FIRE DEPARTMENT RECRUITMENT CLASS XXXIV



INFRASTRUCTURE

City residents have consistently shown their support of improvements that continue to enhance quality of life, approving bond referendums in 2014 and 2018 for improvements to parks, recreation centers, sidewalks, and streets in neighborhoods throughout the city.

Winston-Salem/Forsyth County Utilities provides high quality water, wastewater and solid waste services to approximately 388,000 residential, business and industrial users in its service area. The department is committed to responsible use of resources, reliable delivery and stewardship of the environment.

WSFC Utilities operates one landfill for solid waste, another for construction and demolition debris, and two yard waste facilities.

Three water treatment plants have a combined capacity of 91 million gallons a day, drawn from the Yadkin River and Salem Lake. Each year, these plants treat and pump approximately 13.5 billion gallons of water that meets or surpasses all state and federal standards for drinking water quality. The water distribution system includes 2,330 miles of water distribution mains, 14 water tanks and seven pumping stations.

The department also operates two wastewater treatment plants with a combined treatment capacity of 51 million gallons per day. The collection system includes 1,825 miles of sewer lines and 45 lift stations. The plants treat as much as 14 billion gallons of wastewater annually.

For the last several years, the department has focused on rebuilding aging water and wastewater infrastructure, some of it more than 80 years old, in older city neighborhoods. The budget for FY 2024-25 includes an average 7% increase in water and sewer rates.

A workforce of 387 employees operates and maintains WSFC Utilities, which is not funded through taxes, but by water and wastewater user fees and landfill tipping fees.



WATER TOWER IN INDUSTRY HILL



OTTER ON WATER TOWER



TROUT RESTOCKING OF WINSTON LAKE



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Winston-Salem
North Carolina**

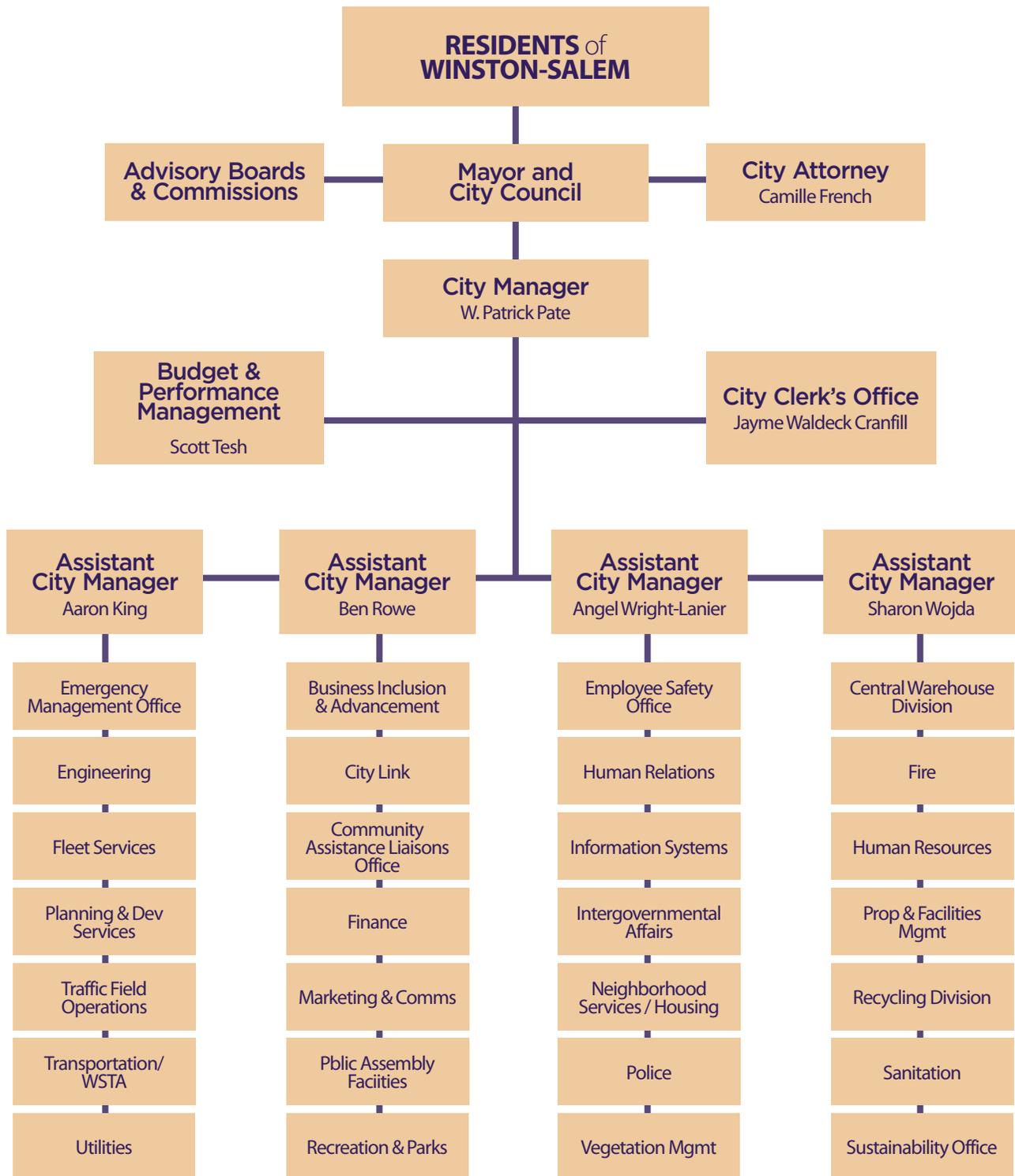
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



MAYOR & CITY COUNCIL



Allen Joines
Mayor



Denise D. Adams
Mayor Pro Tempore
North Ward



Barbara H. Burke
Northeast Ward



Vivian V. Joiner
South Ward



Robert C. Clark
West Ward



South Andree-Bowen
Southwest Ward



Regina Ford Hall
Northwest Ward



Annette Scippio
East Ward



James Taylor, Jr.
Southeast Ward



W. Patrick Pate
City Manager

Aaron King, Assistant City Manager
Ben Rowe, Assistant City Manager
Angel Wright-Lanier, Assistant City Manager
Sharon Wojda, Assistant City Manager
Scott Tesh, Budget and Performance
Management Director
Jayme Waldeck-Cranfill, City Clerk

General Counsel
Camille French, City Attorney

Bond Counsel
Parker Poe
Charlotte & Raleigh, North Carolina

Financial Management Services

Kelly Latham, Chief Financial Officer
Mike Phelps, Deputy Financial Officer
Julie Carter, Risk Manager
Wayne Clemens, Payroll Manager
Rory Davis, Treasury Manager
Nora Cowen, City Revenue Collector
Darren Redfield, City/County Purchasing Director

Bond Paying Agent

The Bank of New York Mellon Trust Co., N.A.
New York, New York

U.S. Bank National Association
Charlotte, North Carolina

Independent Auditors

Cherry Bekaert LLP
Raleigh, North Carolina

Report of Independent Auditor

To the Honorable Mayor and Members of the City Council
City of Winston-Salem, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina (the “City”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in further detail in Section 3 Note H, the City had two restatements to its June 30, 2023 financial statements related to corrections of an error. Our opinions on the June 30, 2024 financial statements were not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules, schedule of general obligation bonded debt and schedule of expenditures of federal and State awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Charlotte, North Carolina
May 1, 2025

Management's Discussion and Analysis

Our discussion of the City of Winston-Salem's financial performance is intended as an overview of the City's financial performance for the fiscal year ended June 30, 2024. The financial statements and notes included in this report present the financial position and operations of the governmental and business-type activities and fiduciary responsibilities of the City. During the fiscal year, the City continued its sound current and long-range policies for financial management. These policies are intended to:

- expand and diversify sources of revenue other than property taxes;
- maintain relatively low-property tax rates;
- facilitate capital improvements by maintaining adequate resources and reasonable financing capacity;
- augment resources by astute cash management;
- enhance management techniques to improve productivity and efficiency;
- provide self-sufficient public services that are similar in operation to private enterprises; and
- continue City-funded affordable housing initiatives to supplement federal housing programs.

City policies encourage the use of local revenue to provide basic services instead of depending upon uncertain federal and state sources. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal.

Financial Highlights

Highlights of the City's fiscal year ended June 30, 2024, include:

- City of Winston-Salem total net position increased approximately \$87 million from \$1.391 billion (as restated) to \$1.478 billion.
- As of June 30, 2024, total net position of \$1.478 billion included \$253.9 million (unrestricted net position), which in large part, have been reserved for specific purposes or needed for working capital to meet the City's ongoing obligations to citizens and creditors. The unrestricted net position should not be used to fund ongoing operations other than working capital because major financial stress would be likely as the assets are depleted.
- As of June 30, 2024, the City's governmental funds reported combined fund balances of \$355.7 million. Approximately 17.1% of this amount is unassigned and is available for spending at the government's discretion.
- Unassigned fund balance of the general fund (approximately \$60.7 million) continues to meet working capital requirements. The City adopted a financial policy to maintain a minimum unassigned fund balance of 16% of estimated expenditures in the general fund. The fiscal year 2025 original budget includes a fund balance appropriation of \$5.55 million, a decrease of \$2.47 million compared to the fiscal year 2023 appropriation. The unassigned fund balance was 20.35% of 2025 estimated expenditures. Legal provisions and financial policies of the City restrict fund balances in other funds to the purposes of those funds.
- The City's total long-term liabilities decreased by \$51.6 million to \$1.12 billion. Long-term liabilities include debt instruments such as bonds, contracts, leases and subscriptions, as well as pension and post retirement liabilities. Several key factors contributed to this decrease: the retirement of \$17.67 million in general obligation bonds, the retirement of \$21.13 million in revenue bonds, the issuance of \$.9 million in leases, the issuance of \$.5 million in information technology subscriptions, retirement of \$13.0 million limited obligation bonds, and retirement of \$8.72 million in installment financing contracts. The City received funding from Clean Water and

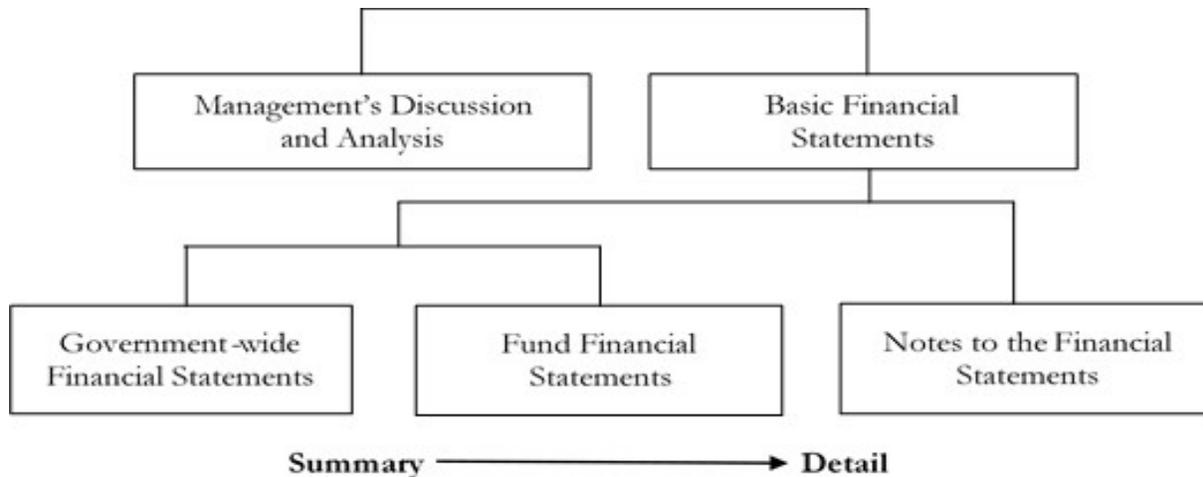
Drinking Water State Revolving Loan Funds in the amount of \$23.1 million and retired \$5.5 million.

- Property taxes supported 52.1% of governmental services to citizens and the community, and 54.1% of mass transportation expenses in 2024. The City increased the tax rate from \$.6360 to \$.6610 for fiscal year 2024.
- City of Winston-Salem maintained its AAA bond rating from Moody’s and S&P.

Overview of Financial Statements

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

This discussion and analysis serves as an introduction to the City of Winston-Salem’s basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements as shown above. The basic financial statements present two different views of the City through the use of government-wide and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of the City. This report includes all funds and account groups of the City of Winston-Salem as well as its component units, which are described below. Note 1A in the financial report includes further discussion of the reporting entity and descriptions of funds.

Government-wide Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the *Government-wide Financial Statements*. These financial statements provide a broad overview of the City’s financial position and operations, in a manner similar to a private-sector business. These statements also include one component unit, North Carolina Municipal Leasing Corporation. Although legally separate, financial information for this nonprofit corporation is blended in the financial statements because the corporation provides services only to the City.

The statement of net position presents the City’s assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving. The statement of activities presents information on how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore,

revenues and expenses are reported in this statement, which result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Government-wide statements are divided into governmental and business-type activities. The governmental activities include most of the City's basic services such as public safety, parks and recreation, environmental health, transportation, community and economic development, and general government. Property taxes, intergovernmental revenues, and other local taxes finance about 80% of the costs of these activities. Business-type activities include water and sewer utility, solid waste disposal, stormwater management, public assembly facilities, parking, and Winston-Salem Transit Authority services. These activities are primarily paid from charges to customers or in the case of transit services, charges to customers and federal and state grants.

Fund Financial Statements

The fund financial statements (Exhibits 3 through 10) provide a more detailed look at the City's most significant activities. A fund is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting ensures and reflects compliance, or non-compliance, with related legal requirements, such as General Statutes, grantor provisions, or the City's budget ordinances. The funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for most basic services and are reported as governmental activities in the government-wide financial statements. Governmental funds are reported using an accounting method called modified accrual accounting, which provides a short-term spending focus. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City adopts an annual budget for its general fund, certain special revenue funds, debt service fund, and capital projects funds as required by General Statutes. A budgetary comparison statement demonstrating compliance with the budget ordinance is provided for the general fund in the basic financial statements.

Proprietary Funds. The City has two different kinds of proprietary funds. *Enterprise Funds* report business-type activities that are included in the government-wide financial statements. Enterprise funds are used to account for water and sewer utilities, solid waste disposal, stormwater management, parking, public transportation, and public assembly facilities activities. Rate structures of enterprise operations, other than public transportation and public assembly facilities, are set, insofar as practicable, to recover full operating costs plus depreciation and interest expense and to provide reasonable working capital and other reserves. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central warehouse, fleet services, information services, workers' compensation, health benefits, dental and flexible benefits, and employee benefits funds. These funds predominantly benefit governmental functions and have been included with the respective governmental activities in the government-wide financial statements. The risk management reserve fund predominantly benefits business-type activities. It has been included within the business-type activities in the government-wide financial statements.

Proprietary fund financial statements provide more detailed information than that presented in the government-wide financial statements and separate information for the water and sewer utility, solid waste disposal, and Transit Authority operations, which are major funds of the City.

Fiduciary Funds. Fiduciary funds are used to account for resources held by the government in a trustee capacity for others. Because the resources of fiduciary funds cannot be used to support the government's own programs, such funds are specifically excluded from the government-wide statements. The City uses fiduciary funds to account for the assets of other post-employment benefits, which include the Winston-

Salem Police Officers' Retirement and Police Officers' Separation Allowance plans, and retired life and health programs.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information in Exhibits 11 through 21. The purpose of Exhibits 11 through 21 is to provide the information needed for financial reporting and accounting of the Winston-Salem Police Officers' Retirement plan, Police Officers' Separation Allowance plan, other Post-employment Benefits Plans, and the Local Government Employees' Retirement System plan.

Notes to the Financial Statements

The next section of the basic financial statements is the notes to the financial statements, which adds detailed explanations of some of the data contained in the statements. The notes may provide a better understanding of the information presented in the government-wide and fund financial statements.

Government-wide Financial Analysis

The following is a summary of net position for the City of Winston-Salem as of June 30, 2024 (as shown in Exhibit 1) with comparative data for June 30, 2023.

Net Position

Figure 2

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	Restated 2023	2024	Restated 2023
Current and other assets	\$ 463,401	\$ 438,535	\$ 365,452	\$ 370,674	\$ 828,853	\$ 809,209
Capital assets	612,634	585,620	1,276,325	1,216,659	1,888,959	1,802,279
Net OPEB Asset	5,312	2,865	919	505	6,231	3,370
Total assets	1,081,347	1,027,020	1,642,696	1,587,838	2,724,043	2,614,858
Deferred outflows of resources	69,865	70,386	24,681	26,203	94,546	96,589
Long-term liabilities	572,595	551,078	640,958	618,928	1,213,553	1,170,006
Other liabilities	73,186	78,453	15,311	44,625	88,497	123,078
Total liabilities	645,781	629,531	656,269	663,553	1,302,050	1,293,084
Deferred inflows of resources	20,210	8,671	18,518	18,862	38,728	27,533
Net position:						
Net investment in capital assets	303,990	246,227	720,823	674,658	1,024,813	920,885
Restricted	158,304	182,721	40,827	33,526	199,131	216,247
Unrestricted	22,927	30,256	230,940	223,442	253,867	253,698
Total net position	\$ 485,221	\$ 459,204	\$ 992,590	\$ 931,626	\$ 1,477,811	\$ 1,390,830

As indicated above, assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$1.478 billion as of June 30, 2024. Analysis of the business-type activities indicates that capital assets increased \$59.7 million and total net position increased \$61.0 million.

The change in business-type activities is due to capital improvements in the Water and Sewer Fund, such as the expansion of the R.W. Neilson Water Treatment Plant, as well as automated meter infrastructure (AMI) improvements. Business-type activities also experienced an increase in cash due to favorable investment returns.

Analysis of the governmental activities indicates that net position increased \$26.02 million; this is primarily attributable to an increase in cash due to various factors such as increased investment returns and revenue growth. The General Fund revenues came in \$2.03 million over budget as the City experienced higher growth than expected in property tax revenues.

A large portion of the City’s net position (69%) as of June 30, 2024, is net investment in capital assets, which are used to provide services to citizens. Net investment in capital assets is reported net of the outstanding related debt; however, resources to repay that debt must be provided in future years from current revenues. Restricted net position, 13.5% of the City’s net position, represents resources that are subject to external restrictions, such as the perpetual care fund and funds restricted for use under various grant programs. Restricted net position has decreased by 9% as compared to the prior fiscal year, primarily due to a decrease in the amount restricted by state statute.

As of June 30, 2024, the City reports positive balances in all three categories of net position.

Figure 3 presents the changes in net position of the City of Winston-Salem.

Changes in Net Position

Figure 3

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
			Restated			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 32,326	\$ 39,539	\$ 179,259	\$ 159,474	\$ 211,585	\$ 199,013
Operating grants and contributions	26,915	37,519	10,244	9,464	37,159	46,983
Capital grants and contributions	1,253	1,349	12,413	5,270	13,666	6,619
General revenues:						
Property taxes	172,224	160,815	12,963	12,647	185,187	173,462
Sales taxes	70,783	68,476	-	-	70,783	68,476
Other local taxes	1,719	1,667	-	-	1,719	1,667
Telecommunications sales tax	1,007	1,051	-	-	1,007	1,051
Utilities sales tax	16,368	14,998	-	-	16,368	14,998
Piped natural gas sales tax	1,051	1,253	-	-	1,051	1,253
Video programming tax	1,679	1,827	-	-	1,679	1,827
Local tax reimbursements	1,236	1,134	-	-	1,236	1,134
Gain on disposal of capital assets	-	-	2,701	-	2,701	-
Investment income	21,032	9,801	28,686	19,520	49,718	29,321
Other	4,274	4,278	-	-	4,274	4,278
Total revenues	<u>351,867</u>	<u>343,707</u>	<u>246,266</u>	<u>206,375</u>	<u>598,133</u>	<u>550,082</u>

Changes in Net Position

Figure 3 Continued

(dollars in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	Restated 2023	2024	Restated 2023
Expenses:						
General government	\$ 52,330	\$ 44,475	\$ -	\$ -	\$ 52,330	\$ 44,475
Public protection	157,572	133,013	-	-	157,572	133,013
Environmental health	26,704	25,443	-	-	26,704	25,443
Transportation	24,692	21,846	-	-	24,692	21,846
Culture and recreation	20,731	17,027	-	-	20,731	17,027
Community and economic development	37,507	36,842	-	-	37,507	36,842
Interest and fiscal charges	11,287	9,870	-	-	11,287	9,870
Water and sewer utility	-	-	115,637	107,884	115,637	107,884
Solid waste disposal	-	-	12,472	14,260	12,472	14,260
Transit Authority	-	-	23,963	25,927	23,963	25,927
Parking	-	-	1,587	1,537	1,587	1,537
Stormwater management	-	-	7,320	7,320	7,320	7,320
Public assembly facilities management	-	-	16,672	8,768	16,672	8,768
Risk management reserve	-	-	2,678	2,314	2,678	2,314
Total expenses	330,823	288,516	180,329	168,010	511,152	456,526
Increase in net position before transfers	21,044	55,191	65,937	38,365	86,981	93,556
Transfers						
Government-wide	4,973	533	(4,973)	(533)	-	-
Increase in net position	26,017	55,724	60,964	37,832	86,981	93,556
Net position - beginning	459,204	403,480	931,626	893,794	1,390,830	1,297,274
Net position - ending	\$ 485,221	\$ 459,204	\$ 992,590	\$ 931,626	\$ 1,477,811	\$ 1,390,830

Governmental Activities

Net position of governmental activities increased by \$26.02 million. Key elements of this increase are as follows:

- Property tax revenues are recorded in governmental and business-type activities. During the fiscal year, property tax revenue increased by \$11.7 million which is a 6.7% increase. Governmental activities property tax revenue increased \$11.4 million or 7.1%. The increase in tax revenues is a result of an increase in the property tax rate as well as a 2.65% increase in assessed valuation. The 2024 property tax rate was \$0.6610, which was an increase of \$.025 as compared to 2023. Current real and personal property tax collections during fiscal year 2024 were 99.3% of the current year levy.
- General revenues, other than property taxes and investment income, increased \$3.4 million, including a sales tax increase of \$2.3 million, which was 3.4% higher than 2023. Utilities sales tax increased \$1.4 million, which was 9.1% more than 2023.
- Investment income increased \$11.2 million as compared to 2023 due to strong investment returns and our increased average cash balance available for investment during the fiscal year as compared to 2023.
- Program revenues provided 18.3% of the support for governmental services.
- Total governmental expenses increased \$42.3 million during fiscal year 2024. The largest increase can be seen in public protection, which is attributable to larger than average salary increases during the fiscal year and additional overtime expense as a result of increased position vacancies. Pension costs are also higher for 2024 due to increases in funding rates.

- Federal and state grants are an important source of supplementary funding for public facilities and programs. During fiscal year 2024, the City received \$28.2 million in grant revenue for restricted programs.

Business-type Activities

Net position of business-type activities increased by \$61.0 million, primarily attributable to an increase in capital assets due to spending on large projects, particularly for water and sewer. An additional factor in the increase was investment income which increased by \$9.2 million due to stronger market conditions as compared to 2023. Rate structures of enterprise operations, other than the Transit Authority and public assembly facilities management, are set, insofar as practicable, to recover full operating costs plus depreciation and interest expense and to provide a reasonable working capital and reserve. The parking and public assembly facilities funds are provided an operating subsidy through a transfer from the general fund. The Transit Authority is provided operating support from the 4.86 cents collected in property taxes to be used for mass transportation.

Business-type Activities
June 30, 2024

Figure 4

(dollars in thousands)

	Operating Expenses		Nonoperating			Increase (Decrease)	
	Operating Revenues	Before Depreciation	Depreciation Expense	Revenues (Expenses)	Capital Contributions	Transfers In (Out)	Net Position
Water and sewer utility	\$ 139,866	\$ 63,376	\$ 38,519	\$ 2,899	\$ 10,609	\$ (308)	\$ 51,171
Solid waste disposal	11,536	10,545	1,875	6,363	-	511	5,990
Transit Authority	1,696	21,524	2,439	22,530	1,694	(6)	1,951
Parking	623	1,119	468	70	-	744	(150)
Stormwater management	11,096	5,565	1,559	2,418	-	(2,826)	3,564
Public assembly facilities management	14,310	14,095	2,062	(368)	110	162	(1,943)
Risk management reserve	39	2,680	-	6,273	-	(3,250)	382
Total	\$ 179,166	\$ 118,904	\$ 46,922	\$ 40,185	\$ 12,413	\$ (4,973)	\$ 60,965

Financial Analysis of the City's Funds

As noted earlier, fund accounting enables the City to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the general fund was \$108.02 million of which \$60.7 million was unassigned. At year-end unassigned fund balance increased \$5.9 million as compared to fiscal year 2023 and was 20.35% of 2025 budgeted expenditures. The total fund balance of the general fund decreased \$1.2 million during the fiscal year. The FY 2024 budget appropriated fund balance for various one-time projects including supplemental pay adjustments and various capital needs and studies.

The debt service fund has a fund balance of \$82.5 million as of June 30, 2024, an increase of \$16.1 million, all of which is restricted for payment of debt service.

The fund balance of the capital projects fund decreased \$58.2 million, to \$92.2 million as of June 30, 2024, all of which is restricted for capital projects.

General Fund Budgetary Highlights. The general fund revenues recognized a favorable budget variance of \$2.0 million during 2024.

Major budget amendments included an increase in appropriations of \$18 million for carry over encumbrances, and an increase of \$1 million for additional funds needed to replace the roof at the Jocelyn Johnson Municipal Services Center.

Proprietary Funds. The City’s proprietary fund financial statements provide the same type of information as that provided in the government-wide financial statements, but in more detail. The major enterprise funds are the water and sewer utility, solid waste disposal and Transit Authority funds.

Net position of the water and sewer utility, solid waste disposal and Transit Authority funds was \$742.7 million, \$65.3 million and \$28.2 million on June 30, 2024, respectively. The net position of the water and sewer fund increased \$51.2 million primarily due to an increase in investment income as well as increase in charges for services, as well as and an increase in capital assets due to increased spending for major capital projects. The water and sewer fund rates increased by 7% on average as compared to the fiscal year 2023 rates. In addition, the landfill rates were increased by \$1 per ton as compared to fiscal year 2023.

Capital Asset and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$1.02 billion (net of accumulated depreciation and amortization). These assets include land, buildings, improvements other than buildings (infrastructure assets, such as streets, sidewalks, water and sewer lines), machinery and equipment, construction in progress, and right to use leased assets and subscription assets.

Capital Assets (net of depreciation)

Figure 5

June 30, 2024 with Comparative Data for June 30, 2023

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 83,409	\$ 81,338	\$ 49,024	\$ 48,395	\$ 132,433	\$ 129,733
Buildings	176,586	169,444	152,981	157,727	329,567	327,171
Improvements other than buildings	273,019	243,040	872,792	859,046	1,145,811	1,102,086
Machinery and equipment	39,259	35,480	56,284	44,088	95,543	79,568
Construction in progress	28,650	43,669	144,568	106,061	173,218	149,730
Total	<u>\$ 600,923</u>	<u>\$ 572,971</u>	<u>\$ 1,275,649</u>	<u>\$ 1,215,317</u>	<u>\$ 1,876,572</u>	<u>\$ 1,788,288</u>
Right to use assets						
Leased equipment	\$ 299	\$ 135	\$ -	\$ -	\$ 299	\$ 135
Leased buildings	9,131	9,568	422	445	9,553	10,013
Subscription assets	2,281	2,946	254	897	2,535	3,843
Total right to use assets	<u>\$ 11,711</u>	<u>\$ 12,649</u>	<u>\$ 676</u>	<u>\$ 1,342</u>	<u>\$ 12,387</u>	<u>\$ 13,991</u>
Grand total	<u>\$ 612,634</u>	<u>\$ 585,620</u>	<u>\$ 1,276,325</u>	<u>\$ 1,216,659</u>	<u>\$ 1,888,959</u>	<u>\$ 1,802,279</u>

Major capital asset transactions during the year include the following:

- Construction in progress for governmental activities was \$28.6 million, which reflects construction of street widening and resurfacing projects, improvements to recreation centers and parks, and other economic development projects.
- Business-type capital assets increased \$61 million which included major improvements to the extension of water and sewer lines, installation of automated meter infrastructure, stormwater system improvements, and the R. W. Neilson modernization project.

Additional information on the City’s capital assets is included in Note 2D of the Basic Financial Statements.

Long-term Debt. The City utilizes various techniques to fund capital improvements and other long-term needs. A debt management model is maintained which identifies resources available for current and future payments of principal and interest on outstanding debt. Resources are identified and designated for payment of both principal and interest before issuance of additional debt. The debt management model clearly identifies the City’s capacity for future debt service and the adequacy of designated resources.

In accordance with the Capital Improvement Program, funding for projects may include: current revenues or financing by non-voted general obligation bonds; general obligation bonds authorized by referendum; limited obligation bonds through North Carolina Municipal Leasing Corporation; installment financing contracts; special obligation bonds; Clean Water State Revolving Loan funds; and revenue bonds for water and sewer utilities and stormwater management.

As of June 30, 2024, the City had total bonded debt outstanding of \$706 million, of which, \$226 million is backed by the City’s full faith and credit and taxing power, \$112 million is secured by city facilities, and \$368 million is secured solely by specified revenue sources. Revenues of the water and sewer utility system and stormwater management system are pledged as security for revenue bonds.

Bonded Debt and Contractual Obligations Outstanding

Figure 6

June 30, 2024 with Comparative Data for June 30, 2023

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds						
General obligation	\$ 225,525	\$ 243,195	\$ -	\$ -	\$ 225,525	\$ 243,195
Revenue	-	-	367,910	389,040	367,910	389,040
Limited obligation bonds (NCMLC)	90,740	101,356	21,378	23,714	112,118	125,070
Other Contractual Obligations:						
State loans	-	-	139,462	121,903	139,462	121,903
Installment contracts (NCMLC)	48,334	57,056	-	-	48,334	57,056
Total	<u>\$ 364,599</u>	<u>\$ 401,607</u>	<u>\$ 528,750</u>	<u>\$ 534,657</u>	<u>\$ 893,349</u>	<u>\$ 936,264</u>

The City has \$112 million in contractual lease obligations to the North Carolina Municipal Leasing Corporation (“NCMLC”) for limited obligation bonds issued by the corporation for property and equipment acquired by the City under installment agreements and issued to increase the funding level of the Winston-Salem Police Officers’ Retirement System. Installment financing agreements have funded equipment and certain real property acquired under the City’s internal leasing program for many years. Issues for equipment purchases have been between \$18 and \$25 million, approximately every other year since 1996. The City has \$48 million in outstanding installment purchase loans and \$139 million in loan obligations through the NC Clean Water and NC Drinking Water State Revolving Loan Funds.

General obligation bonded debt service is funded substantially by dedicated sources such as a portion of local property and sales taxes, one-third of the City’s profits from alcoholic beverage sales, and interest on designated governmental fund investments. The City has capacity for additional future debt because of the allocation of specific resources and the relatively short schedule of maturing debt. Nearly 67% of outstanding general obligation bonds will be repaid within 10 years as shown in the following schedule (excludes premium on issuance).

General Obligation Bond Debt Service

Figure 7

(dollars in thousands)

<u>Maturities</u>	<u>Principal</u>	<u>Percent of Total</u>	<u>Interest and Principal</u>
2025-2029	\$ 76,190	33.78%	\$ 112,215
2030-2034	74,275	32.93	95,079
2039-2038	57,910	25.69	65,816
2040-2044	17,150	7.60	18,518
	<u>\$ 225,525</u>	<u>100.00%</u>	<u>\$ 291,628</u>

The City maintained AAA bond ratings from Moody’s Investors Service and Standard & Poor’s. The bond ratings are a clear indication of the sound financial condition of the City of Winston-Salem.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the City is \$2,054,332,055.

Additional information regarding the City’s long-term debt can be found in Note 2E.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities. The general fund accounts for municipal services that are covered primarily by property and sales taxes. The fiscal year 2024-2025 adopted budget is \$289.1 million, an increase of \$15.2 million or 5.6% compared to the fiscal year 2023-2024 adopted budget.

The FY 2024-25 budget major drivers include employee compensation and equipment replacement. Employee compensation changes include pay adjustments from a recently completed classification study, as well as a new minimum pay rate of \$18 per hour. The budget is focused on balancing service delivery needs and revenue enhancements to maintain a more sustainable operational and financial position, while considering the burden of additional taxes and fees.

The 2024-25 budget includes a general fund balance appropriation of \$5.55 million to be used exclusively for non-recurring purposes such as replacement of fire department self-contained breathing apparatus equipment and other building maintenance needs such as elevator replacement for the Bryce A. Stuart parking deck and roof replacement at the Benton Convention Center.

The fiscal year 2024-2025 operations budget is balanced by a tax rate of 72.5 cents per \$100, which is a 6.40 cent increase from the previous rate of 66.1 cents. The tax increase will cover the increased operating and personnel costs.

Business-type Activities. The City/County Utility Commission approved a resolution recommending the Mayor, Mayor Pro Tempore, and City Council adopt the fiscal year 2024-2025 budget for the water and sewer system and the solid waste fund. The recommended budget includes a volumetric and readiness to serve rate increase that represents a 7% increase for the average residential water and sewer customer, as well as a \$1 per ton increase at the Hanes Mill Road Landfill.

The City Council also approved an 8% stormwater fee increase effective January 1, 2025, to provide additional resources for operating and capital needs.

The recommended budget will generate sufficient revenues to meet the net operating income-to-debt service ratio requirements of approved revenue bonds. These requirements are part of the revenue bond covenants and are intended to ensure that there are sufficient revenues to meet the debt obligations of the water and sewer system. If the system did not generate sufficient revenues to pay off the bonds, the covenants would require the City to increase water and sewer rates.

Requests for Information

This report is designed to provide an overview of the City of Winston-Salem's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, City of Winston-Salem, P. O. Box 2511, Winston-Salem, North Carolina 27102, or by visiting our website at www.cityofws.org.

Basic Financial Statements

City of Winston-Salem, North Carolina

Statement of Net Position

Exhibit 1

June 30, 2024

Page 1 of 2

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents/investments	\$ 287,179,955	\$ 230,490,407	\$ 517,670,362
Receivables			
Taxes, net	1,734,813	131,269	1,866,082
Accounts, net	2,917,319	22,263,380	25,180,699
Restricted opioid	3,803,770	-	3,803,770
Leases, net	431,435	580,319	1,011,754
Assessments, net	595,711	76,917	672,628
Loans, net	20,613,329	-	20,613,329
Total receivables	30,096,377	23,051,885	53,148,262
Due from other governments	28,283,197	1,893,271	30,176,468
Inventories	2,712,752	5,710,729	8,423,481
Prepaid items	516,002	370,633	886,635
Total current assets	348,788,283	261,516,925	610,305,208
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents/investments	112,629,944	86,387,020	199,016,964
Net OPEB asset	5,311,888	919,138	6,231,026
Lease receivable, noncurrent	1,982,762	17,047,921	19,030,683
Accounts receivables	-	500,000	500,000
Capital assets			
Land	83,408,702	49,023,800	132,432,502
Construction in progress	28,649,634	144,568,276	173,217,910
Other capital assets, net of accumulated depreciation	488,864,314	1,082,057,320	1,570,921,634
Right to use leased assets, net of amortization	9,430,069	421,715	9,851,784
Right to use subscription assets, net of amortization	2,280,863	253,573	2,534,436
Total capital assets	612,633,582	1,276,324,684	1,888,958,266
Total noncurrent assets	732,558,176	1,381,178,763	2,113,736,939
Total assets	1,081,346,459	1,642,695,688	2,724,042,147
Deferred Outflows of Resources			
Pension deferrals	66,153,605	9,271,181	75,424,786
OPEB deferrals	1,750,963	302,976	2,053,939
Charge on refunding	1,960,642	15,106,567	17,067,209
Total deferred outflows of resources	69,865,210	24,680,724	94,545,934

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Net Position

Exhibit 1

June 30, 2024

Page 2 of 2

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 24,627,353	\$ 11,879,380	\$ 36,506,733
Accrued payroll	2,481,722	418,498	2,900,220
Accrued vacation	8,500,784	1,024,151	9,524,935
Accrued interest payable	1,201,447	1,406,541	2,607,988
Loan escrow	12,574	-	12,574
Unearned revenue	36,361,718	174,206	36,535,924
Landfill closure and postclosure costs	-	377,500	377,500
Pollution remediation	-	30,000	30,000
Current maturities			
Claims payable	7,973,502	549,552	8,523,054
Leases payable	542,083	7,906	549,989
Subscriptions payable	1,172,726	-	1,172,726
Contracts payable	35,264,345	8,483,675	43,748,020
Bonds payable	15,660,000	22,135,000	37,795,000
Total current liabilities	<u>133,798,254</u>	<u>46,486,409</u>	<u>180,284,663</u>
Noncurrent Liabilities			
Construction contracts payable from restricted assets	-	15,442,657	15,442,657
Accrued vacation	13,395,530	1,587,540	14,983,070
Landfill closure and postclosure costs	-	30,441,657	30,441,657
Pollution remediation	-	1,921,596	1,921,596
Claims payable	13,168,677	2,862,527	16,031,204
Leases payable	9,026,581	437,633	9,464,214
Subscriptions payable	357,356	-	357,356
Contracts payable	106,787,695	152,536,353	259,324,048
Bonds payable	232,418,584	389,325,441	621,744,025
Arbitrage liability	1,294,794	-	1,294,794
Net pension liability	135,533,059	15,226,254	150,759,313
Total noncurrent liabilities	<u>511,982,276</u>	<u>609,781,658</u>	<u>1,121,763,934</u>
Total liabilities	<u>645,780,530</u>	<u>656,268,067</u>	<u>1,302,048,597</u>
Deferred Inflows of Resources			
Leases	2,518,485	17,441,164	19,959,649
Pension deferrals	14,500,585	470,121	14,970,706
OPEB deferrals	3,190,395	552,048	3,742,443
Charge on refunding	-	55,095	55,095
Total deferred inflows of resources	<u>20,209,465</u>	<u>18,518,428</u>	<u>38,727,893</u>
Net Position			
Net investment in capital assets	303,989,756	720,822,942	1,024,812,698
Restricted for:			
Stabilization by state statute	43,111,084	-	43,111,084
Debt service	79,105,286	-	79,105,286
Capital improvements	-	38,745,272	38,745,272
Maintenance and repair	-	1,162,850	1,162,850
General government	148,102	-	148,102
Public protection	2,127,476	-	2,127,476
Environmental health	4,082	-	4,082
Opioid settlement funds	4,724,569	-	4,724,569
Transportation	7,806,285	-	7,806,285
Culture and recreation	975,202	-	975,202
Community and economic development	9,859,606	-	9,859,606
OPEB	5,311,888	919,138	6,231,026
Perpetual care	5,130,850	-	5,130,850
Unrestricted	22,927,488	230,939,715	253,867,203
Total net position	<u>\$ 485,221,674</u>	<u>\$ 992,589,917</u>	<u>\$ 1,477,811,591</u>

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Activities

Exhibit 2

For the Fiscal Year Ended June 30, 2024

Page 1 of 2

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Activities:				
Governmental:				
General government	\$ 52,329,590	\$ 17,133,031	\$ 1,324,347	\$ -
Public protection	157,572,051	1,928,224	7,638,836	-
Environmental health	26,704,349	1,972,401	176,672	-
Transportation	24,692,471	2,520,427	10,333,581	1,001,138
Culture and recreation	20,731,085	1,427,596	-	251,636
Community and economic development	37,507,319	7,343,943	7,441,532	-
Interest and fiscal charges	11,286,374	-	-	-
Total governmental activities	330,823,239	32,325,622	26,914,968	1,252,774
Business-type:				
Water and sewer utility	115,636,929	139,958,752	-	10,609,356
Solid waste disposal	12,471,968	11,536,314	849,379	-
Transit Authority	23,962,926	1,695,755	9,352,175	1,693,797
Parking	1,587,001	623,286	-	-
Stormwater management	7,319,979	11,095,627	10,741	-
Public assembly facilities management	16,671,513	14,310,198	32,171	110,001
Risk management reserve	2,679,681	39,263	-	-
Total business-type activities	180,329,997	179,259,195	10,244,466	12,413,154
Total Primary Government	\$ 511,153,236	\$ 211,584,817	\$ 37,159,434	\$ 13,665,928

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Activities

Exhibit 2

For the Fiscal Year Ended June 30, 2024

Page 2 of 2

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Activities:			
Governmental:			
General government	\$ (33,872,212)	\$ -	\$ (33,872,212)
Public protection	(148,004,991)	-	(148,004,991)
Environmental health	(24,555,276)	-	(24,555,276)
Transportation	(10,837,325)	-	(10,837,325)
Culture and recreation	(19,051,853)	-	(19,051,853)
Community and economic development	(22,721,844)	-	(22,721,844)
Interest and fiscal charges	(11,286,374)	-	(11,286,374)
Total governmental activities	<u>(270,329,875)</u>	<u>-</u>	<u>(270,329,875)</u>
Business-type:			
Water and sewer utility	-	34,931,179	34,931,179
Solid waste disposal	-	(86,275)	(86,275)
Transit Authority	-	(11,221,199)	(11,221,199)
Parking	-	(963,715)	(963,715)
Stormwater management	-	3,786,389	3,786,389
Public assembly facilities management	-	(2,219,143)	(2,219,143)
Risk management reserve	-	(2,640,418)	(2,640,418)
Total business-type activities	<u>-</u>	<u>21,586,818</u>	<u>21,586,818</u>
Total Primary Government	<u>(270,329,875)</u>	<u>21,586,818</u>	<u>(248,743,057)</u>
General revenues:			
Taxes:			
Property taxes	172,223,545	12,962,663	185,186,208
Sales taxes	70,782,658	-	70,782,658
Gross receipts taxes	563,624	-	563,624
Occupancy taxes	1,155,304	-	1,155,304
Beer and wine excise tax-state	1,236,098	-	1,236,098
Telecommunications sales tax	1,007,025	-	1,007,025
Utilities sales tax	16,367,697	-	16,367,697
Piped natural gas sales tax	1,051,432	-	1,051,432
Video programming tax	1,679,119	-	1,679,119
Payments in lieu of taxes	256,012	-	256,012
ABC store allocations	4,019,482	-	4,019,482
Gain on disposal of capital assets	-	2,701,207	2,701,207
Investment income	21,032,484	28,685,666	49,718,150
Transfers			
Government-wide	4,973,329	(4,973,329)	-
Total general revenues and transfers	<u>296,347,809</u>	<u>39,376,207</u>	<u>335,724,016</u>
Change in net position	26,017,934	60,963,025	86,980,959
Total net position - beginning	459,203,740	940,062,030	1,399,265,770
Error correction	-	(8,435,138)	(8,435,138)
Total net position - beginning, as restated	459,203,740	931,626,892	1,390,830,632
Total net position - ending	<u>\$ 485,221,674</u>	<u>\$ 992,589,917</u>	<u>\$ 1,477,811,591</u>

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Balance Sheet

Governmental Funds
June 30, 2024

Exhibit 3

	General	Debt	Capital	Economic	Other	Total
	Fund	Service	Projects	Development	Governmental	Governmental
Assets	Fund	Fund	Fund	Grant Fund	Funds	Funds
Cash and cash equivalents/investments	\$ 91,019,469	\$ 79,344,420	\$ 32,233,410	\$ -	\$ 45,703,052	\$ 248,300,351
Restricted cash and cash equivalents	-	-	68,404,902	35,338,714	8,886,328	112,629,944
Receivables						
Taxes, net	1,469,333	262,006	-	-	3,474	1,734,813
Accounts, net	2,137,924	440,000	302,711	-	783	2,881,418
Restricted opioid	-	-	-	-	3,803,770	3,803,770
Leases, net	907,987	-	1,370,000	-	136,210	2,414,197
Assessments, net	595,431	-	280	-	-	595,711
Loans	-	-	-	-	20,613,329	20,613,329
Total receivables	5,110,675	702,006	1,672,991	-	24,557,566	32,043,238
Due from other governments	22,285,284	3,321,720	-	-	2,676,193	28,283,197
Due from other funds	1,932,803	-	-	-	-	1,932,803
Inventories	456,661	-	-	-	264,395	721,056
Prepaid items	64,696	-	-	-	-	64,696
Total assets	\$ 120,869,588	\$ 83,368,146	\$ 102,311,303	\$ 35,338,714	\$ 82,087,534	\$ 423,975,285
Liabilities						
Accounts payable	\$ 7,498,120	\$ 204,701	\$ 8,079,775	\$ -	\$ 3,344,223	\$ 19,126,819
Accrued payroll	2,371,791	-	-	-	1,095	2,372,886
Due to other funds	-	-	-	-	1,305,128	1,305,128
Loan escrow	2,592	-	-	-	9,981	12,573
Unearned revenue	12,002	-	532,864	35,338,714	478,138	36,361,718
Total liabilities	9,884,505	204,701	8,612,639	35,338,714	5,138,565	59,179,124
Deferred Inflows of Resources						
Taxes	1,469,333	262,006	-	-	3,474	1,734,813
Opioid settlement	-	-	-	-	3,803,770	3,803,770
Leases	898,715	-	1,492,087	-	127,682	2,518,484
Accounts and assessments	595,432	440,000	687	-	-	1,036,119
Total deferred inflows of resources	2,963,480	702,006	1,492,774	-	3,934,926	9,093,186
Fund Balances						
Nonspendable						
Loans	-	-	-	-	-	-
Leases	9,272	-	-	-	8,528	17,800
Inventories	456,661	-	-	-	264,395	721,056
Prepays	64,696	-	-	-	-	64,696
Perpetual care	-	-	-	-	5,130,850	5,130,850
Restricted						
Stabilization by state statute	39,555,951	3,356,153	-	-	198,980	43,111,084
Debt service	-	79,105,286	-	-	-	79,105,286
Capital improvements	-	-	68,404,902	-	-	68,404,902
General government	-	-	-	-	148,102	148,102
Public protection	-	-	-	-	3,048,275	3,048,275
Environmental health	-	-	-	-	4,082	4,082
Transportation	-	-	-	-	7,806,285	7,806,285
Culture and recreation	-	-	-	-	975,202	975,202
Community and economic development	-	-	-	-	9,859,606	9,859,606
Committed						
Capital improvements	-	-	23,800,988	-	-	23,800,988
Community and economic development	-	-	-	-	45,569,738	45,569,738
Assigned						
Subsequent year's budget	5,554,320	-	-	-	-	5,554,320
Local fiscal recovery	1,683,348	-	-	-	-	1,683,348
Unassigned	60,697,355	-	-	-	-	60,697,355
Total fund balances	108,021,603	82,461,439	92,205,890	-	73,014,043	355,702,975
Total liabilities, deferred inflows of resources, and fund balances	\$ 120,869,588	\$ 83,368,146	\$ 102,311,303	\$ 35,338,714	\$ 82,087,534	\$ 423,975,285

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Reconciliation of the Governmental Funds

Balance Sheet to the Statement of Net Position

June 30, 2024

Exhibit 3.1

Total fund balances for governmental funds (Exhibit 3)	\$ 355,702,975
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Gross capital assets at historical cost	935,405,181
Accumulated depreciation	(334,482,531)
Right to use leased assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Right to use assets	10,936,939
Accumulated amortization	(1,506,870)
Right to use subscription assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Right to use assets	4,268,730
Accumulated amortization	(1,987,867)
Net OPEB asset	5,311,888
Pension deferrals in the current fiscal year are deferred outflows of resources on the statement of net position.	66,153,605
OPEB deferrals in the current fiscal year are deferred outflows of resources on the statement of net position.	1,750,963
Other assets not available to pay for current period expenditures and, therefore, are inflows of resources in fund statements.	
Property taxes	1,734,813
Unavailable resources	1,036,119
Opioid settlement	3,803,770
Internal service funds are used by management to charge the costs of warehouse, fleet services, information services, workers' compensation, health benefits, dental and flex benefits, and employee benefits. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	13,979,281
Net pension liability	(135,533,059)
Pension related deferrals	(14,500,585)
OPEB related deferrals	(3,190,395)
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:	
Accrued payroll	
Accrued vacation	(21,896,314)
Accrued interest	(1,201,447)
Leases	(9,568,664)
Arbitrage liability	(1,294,794)
Subscriptions	(1,530,082)
Contracts payable	(142,052,040)
Bonds payable	(248,078,584)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	1,960,642
Net position of governmental activities (Exhibit 1)	<u>\$ 485,221,674</u>

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2024

Exhibit 4

	General Fund	Debt Service Fund	Capital Projects Fund	Midtown Economic Development Grant Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 205,674,569	\$ 36,575,734	\$ -	\$ -	\$ 1,886,067	\$ 244,136,370
Licenses and permits	6,813,262	-	-	-	-	6,813,262
Intergovernmental	24,535,783	1,544,677	1,252,774	-	22,647,741	49,980,975
Investment income	-	14,001,674	2,053,737	-	3,142,230	19,197,641
Charges for services	18,530,551	-	282,607	-	8,107	18,821,265
NCMLC charges	-	-	560,151	-	-	560,151
Other	2,109,621	2,048,252	820,647	-	772,637	5,751,157
Total revenues	257,663,786	54,170,337	4,969,916	-	28,456,782	345,260,821
Expenditures						
Current						
General government	43,559,233	-	-	-	686,305	44,245,538
Public protection	137,908,022	-	-	-	2,848,123	140,756,145
Environmental health	26,029,486	-	-	-	-	26,029,486
Transportation	14,063,296	-	-	-	2,607,548	16,670,844
Culture and recreation	15,811,560	-	-	-	1,039,201	16,850,761
Community and economic development	20,937,542	-	-	-	11,206,059	32,143,601
Other	-	731,187	-	-	-	731,187
Capital outlay	-	-	52,748,486	-	-	52,748,486
Debt service						
Bond	-	17,670,000	-	-	-	17,670,000
Other	715,755	11,351,292	8,887,351	-	215,420	21,169,818
Interest and fiscal charges						
Bond	-	9,223,894	-	-	-	9,223,894
Other	237,968	3,044,636	1,142,277	-	4,080	4,428,961
Total expenditures	259,262,862	42,021,009	62,778,114	-	18,606,736	382,668,721
Excess of revenues over (under) expenditures	(1,599,076)	12,149,328	(57,808,198)	-	9,850,046	(37,407,900)
Other Financing Sources (Uses)						
Issuance of contracts payable	-	-	8,304,734	-	-	8,304,734
Transfers in	10,260,150	4,463,343	8,180,527	-	18,196,045	41,100,065
Transfers out	(10,099,842)	(500,000)	(16,878,663)	-	(11,695,591)	(39,174,096)
Lease liabilities issued	198,477	-	-	-	-	198,477
Total other financing sources (uses), net	358,785	3,963,343	(393,402)	-	6,500,454	10,429,180
Net change in fund balances	(1,240,291)	16,112,671	(58,201,600)	-	16,350,500	(26,978,720)
Fund balance - beginning	109,261,894	66,348,768	150,407,490	-	56,663,543	382,681,695
Fund balances - ending	\$ 108,021,603	\$ 82,461,439	\$ 92,205,890	\$ -	\$ 73,014,043	\$ 355,702,975

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2024

Exhibit 4.1

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds (Exhibit 4)	\$ (26,978,720)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlay expenditures which were capitalized	54,368,440
Depreciation expense for governmental assets	(24,737,527)
Amortization expense for right to use assets	(2,208,455)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(408,772)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	15,822,698
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	652,052
Unavailable	(161,363)
Opioid settlement	3,803,770
Internal service funds are used by management to charge the costs of warehouse, fleet services, information services, workers' compensation, health benefits, dental and flex benefits, and employee benefits. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.	(4,415,923)
The issuance of long-term debt is reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also governmental funds report the effect of issuance costs, premiums and discounts, and similar items as expenses when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Debt issued:	
Issuance of leases	(408,494)
Arbitrage liability	(1,294,794)
Equipment contracts payable	(10,539,180)
Issuance of subscription based IT agreements	(806,938)
Decrease in contracts payable	21,585,225
Repayments:	
Bonds	19,667,243
Leases	619,099
Limited obligation bonds and installment financing	8,722,351
Subscriptions	1,640,130
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
Pension expense	(24,951,743)
OPEB expense	1,058,962
Accrued vacation	(4,953,949)
Accrued interest	236,989
Amortization of deferred amounts of refunding	(293,167)
Change in net position of governmental activities (Exhibit 2)	\$ 26,017,934

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund

For the Fiscal Year Ended June 30, 2024

Exhibit 5
(Page 1 of 5)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Taxes				
Property taxes				
Current levy	\$ 143,232,160	\$ 143,232,160	\$ 145,163,682	\$ 1,931,522
Prior years levies	450,000	450,000	106,134	(343,866)
Penalty and interest on taxes	400,000	400,000	529,090	129,090
Total property taxes	<u>144,082,160</u>	<u>144,082,160</u>	<u>145,798,906</u>	<u>1,716,746</u>
Other local taxes				
Local option sales taxes	61,965,830	61,965,830	59,312,039	(2,653,791)
Gross receipts taxes	360,000	360,000	563,624	203,624
Total other local taxes	<u>62,325,830</u>	<u>62,325,830</u>	<u>59,875,663</u>	<u>(2,450,167)</u>
Total taxes	<u>206,407,990</u>	<u>206,407,990</u>	<u>205,674,569</u>	<u>(733,421)</u>
Licenses and permits				
Building permits	1,736,600	1,736,600	1,935,219	198,619
Electrical permits	1,200,000	1,200,000	1,294,056	94,056
Plumbing permits	530,000	530,000	453,946	(76,054)
Heating permits	775,000	775,000	574,820	(200,180)
Erosion control permits	-	-	4,400	4,400
Zoning board ordinances	12,000	12,000	13,300	1,300
Other construction related permits	116,700	116,700	142,920	26,220
Site inspection permits	15,500	15,500	30,500	15,000
Zoning permits	230,000	230,000	263,110	33,110
Refrigeration permits	7,000	7,000	3,026	(3,974)
Privilege licenses and penalties	8,000	8,000	10,040	2,040
Motor vehicle licenses	1,883,630	1,883,630	1,840,140	(43,490)
Other licenses and permits	228,830	228,830	247,785	18,955
Total licenses and permits	<u>6,743,260</u>	<u>6,743,260</u>	<u>6,813,262</u>	<u>70,002</u>
Intergovernmental revenues				
Beer and wine excise tax - state	955,440	955,440	1,236,098	280,658
Telecommunications sales tax	776,450	776,450	1,007,025	230,575
Utilities sales tax	14,618,860	14,618,860	16,367,697	1,748,837
Piped natural gas sales tax	1,113,710	1,113,710	1,051,432	(62,278)
Video programming tax	1,814,610	1,814,610	1,679,119	(135,491)
Payments in lieu of taxes	245,650	245,650	256,012	10,362
Emergency management	62,500	62,500	81,573	19,073
Other state grants	-	-	177,172	177,172
ABC store allocations	2,377,840	2,377,840	2,679,655	301,815
Total intergovernmental revenues	<u>21,965,060</u>	<u>21,965,060</u>	<u>24,535,783</u>	<u>2,570,723</u>

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund
For the Fiscal Year Ended June 30, 2024

Exhibit 5
(Page 2 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for sales and services				
Governmental services and sales				
Public safety services	\$ 92,800	\$ 92,800	\$ 49,241	\$ (43,559)
Transportation	200,000	200,000	241,700	41,700
Public works services	1,965,640	1,965,640	2,103,968	138,328
Governmental services	758,000	758,000	1,065,255	307,255
Miscellaneous sales and services	367,850	367,850	643,004	275,154
Total governmental services and sales	3,384,290	3,384,290	4,103,168	718,878
Charges to State of North Carolina				
Highway maintenance/special projects	224,760	224,760	224,754	(6)
Traffic control devices	375,000	375,000	296,411	(78,589)
Computerized traffic system	100,000	100,000	276,692	176,692
Total charges to state	699,760	699,760	797,857	98,097
Charges to Other Governments				
Forsyth County				
Planning board support	1,728,570	1,728,570	1,674,511	(54,059)
Emergency management	500,730	500,730	459,270	(41,460)
Inspections	154,730	154,730	85,572	(69,158)
Purchasing	150,980	150,980	136,109	(14,871)
Police	642,030	642,030	600,899	(41,131)
Other	20,000	20,000	20,774	774
Total charges to county	3,197,040	3,197,040	2,977,135	(219,905)
Interfund charges for services				
Engineering	1,325,000	1,325,000	1,163,363	(161,637)
Financial management services	1,199,150	1,199,150	1,187,583	(11,567)
Streets	150,000	150,000	101,003	(48,997)
Planning	500	500	0	(500)
Property management	1,915,090	1,915,090	1,549,509	(365,581)
Sanitation	40,000	40,000	0	(40,000)
Police	371,500	371,500	256,274	(115,226)
Real estate	100,000	100,000	66,347	(33,653)
Street cuts	-	-	2,197	2,197
Indirect cost allocation	5,599,830	5,599,830	5,599,830	-
Traffic engineering	427,000	427,000	548,941	121,941
Vegetation management services	50,000	50,000	51,442	1,442
Human relations	-	-	15,000	15,000
TURN program	160,250	160,250	61,654	(98,596)
Other	-	-	49,315	49,315
Total interfund charges for services	11,338,320	11,338,320	10,652,391	(685,929)
Total charges for sales and services	18,619,410	18,619,410	18,530,551	(88,859)

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund
For the Fiscal Year Ended June 30, 2024

Exhibit 5
(Page 3 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Other revenues				
Rentals	\$ 399,650	\$ 399,650	\$ 137,172	\$ (262,478)
Sales of property	310,000	310,000	686,987	376,987
Parking meters	110,000	110,000	82,556	(27,444)
Parking tickets	150,000	150,000	192,651	42,651
Fines and forfeitures	636,200	636,200	57,731	(578,469)
Miscellaneous revenue	431,293	293,034	952,524	659,490
Total other revenues	2,037,143	1,898,884	2,109,621	210,737
Total revenues	255,772,863	255,634,604	257,663,786	2,029,182
Expenditures (by function)				
General government				
Legislative	2,215,200	2,223,926	2,176,695	47,231
Executive	5,739,330	5,763,300	5,354,734	408,566
Staff services	10,343,620	10,197,631	9,298,972	898,659
Financial management	8,837,150	8,876,030	7,988,538	887,492
Intergovernmental services	16,270,219	17,190,157	15,893,546	1,296,611
Employee health	738,260	738,260	665,471	72,789
Human relations	1,115,560	1,115,841	1,017,069	98,772
Property tax collections	1,095,320	1,293,724	1,164,208	129,516
Total general government	46,354,659	47,398,869	43,559,233	3,839,636
Public protection				
Police	92,842,087	93,273,703	88,735,897	4,537,806
Fire	46,951,091	48,000,298	48,391,688	(391,390)
Emergency management	855,098	835,628	780,437	55,191
Total public protection	140,648,276	142,109,629	137,908,022	4,201,607
Environmental health				
Sanitation administration	1,183,406	1,183,449	1,010,876	172,573
Organic and solid waste collection	11,490,010	11,571,677	11,227,547	344,130
Sustainability	5,987,510	7,053,452	5,555,628	1,497,824
Yard waste collections	1,468,950	1,472,914	1,287,487	185,427
Curbside collection	8,050,330	8,088,829	6,947,948	1,140,881
Total environmental health	28,180,206	29,370,321	26,029,486	3,340,835

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund

For the Fiscal Year Ended June 30, 2024

Exhibit 5
(Page 4 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (by function continued)				
Transportation				
Technical support	\$ 2,326,353	\$ 2,521,413	\$ 2,029,962	\$ 491,451
Signal system operations	506,640	659,054	391,187	267,867
Traffic system maintenance	7,268,880	7,571,722	6,916,797	654,925
Street parking	342,370	343,380	250,042	93,338
Streets and sidewalks	6,546,819	8,552,010	4,475,308	4,076,702
Total transportation	16,991,062	19,647,579	14,063,296	5,584,283
Culture and recreation				
Recreation administration	1,763,907	1,761,006	1,784,789	(23,783)
Participant recreation	14,724,444	15,154,249	14,026,771	1,127,478
Total culture and recreation	16,488,351	16,915,255	15,811,560	1,103,695
Community and economic development				
Zoning and construction control	5,757,620	5,925,221	5,194,618	730,603
Real estate management	435,640	435,640	426,683	8,957
Planning board	3,009,720	3,015,640	2,901,479	114,161
Housing services	5,842,980	5,946,491	4,446,108	1,500,383
Housing and neighborhood development	1,228,830	1,228,830	1,146,123	82,707
Housing finance repayment	-	-	-	-
Economic development	2,091,450	2,178,616	1,567,108	611,508
Community agencies	1,112,580	12,510,100	5,255,423	7,254,677
Total community and economic development	19,478,820	31,240,538	20,937,542	10,302,996
Debt service				
Principal	715,755	715,755	715,755	-
Interest and other charges	237,968	237,968	237,968	-
Total debt service	953,723	953,723	953,723	-
Other				
Appropriated expenditure reductions	(4,359,690)	(4,359,690)	-	(4,359,690)
Total other	(4,359,690)	(4,359,690)	-	(4,359,690)
Total expenditures	264,735,407	283,276,224	259,262,862	24,013,362
Excess of expenditures (over) under revenues	(8,962,544)	(27,641,620)	(1,599,076)	26,042,544

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund
For the Fiscal Year Ended June 30, 2024

Exhibit 5
(Page 5 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers in				
Community development fund	\$ 1,193,010	\$ 1,193,010	\$ 1,085,526	\$ (107,484)
Gasoline tax fund	5,146,100	5,146,100	5,529,319	383,219
Economic and housing development fund	65,000	65,000	65,000	-
National opioid settlement fund	412,840	412,840	412,840	-
Capital projects fund	104,550	104,550	104,550	-
Cemetery perpetual care fund	237,377	237,377	237,377	-
Water and sewer utility fund	96,540	96,540	88,024	(8,516)
Stormwater fund	2,594,990	2,594,990	2,534,874	(60,116)
Workers' compensation fund	220,160	220,160	202,640	(17,520)
Total transfers in	10,070,567	10,070,567	10,260,150	189,583
Transfers out				
Grants fund	(518,990)	(525,980)	(129,610)	396,370
Economic and housing development fund	(3,550,210)	(3,550,210)	(3,550,210)	-
Debt service fund	(2,118,770)	(2,118,770)	(2,118,770)	-
Capital projects fund	(1,703,940)	(3,280,710)	(3,280,710)	-
Cemetery perpetual care fund	-	-	(25,530)	(25,530)
Cemeteries fund	-	-	-	-
Parking fund	(743,870)	(743,870)	(743,870)	-
Public assembly facilities management fund	(699,340)	(699,340)	(251,142)	448,198
Total transfers out	(9,335,120)	(10,918,880)	(10,099,842)	819,038
Lease liabilities issued	198,477	-	198,477	198,477
Total other financing sources, net	933,924	(848,313)	358,785	1,207,098
Appropriated fund balance	8,028,620	28,489,933	-	28,489,933
Net change in fund balance	\$ -	\$ -	(1,240,291)	(1,240,291)
Fund balance July 1			109,261,894	
Fund balance June 30			\$ 108,021,603	

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Net Position

Proprietary Funds
June 30, 2024

Exhibit 6
Page 1 of 2

Assets	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
Current Assets						
Cash and cash equivalents/investments	\$ 101,646,357	\$ 39,798,779	\$ 6,374,937	\$ 30,140,182	\$ 177,960,255	\$ 91,409,756
Receivables for uncollectibles						
Taxes, net	-	-	131,269	-	131,269	-
Accounts, net	19,839,845	180,391	80,693	2,162,451	22,263,380	35,901
Assessments, net	76,917	-	-	-	76,917	-
Leases	104,244	-	-	476,075	580,319	-
Total receivables	20,021,006	180,391	211,962	2,638,526	23,051,885	35,901
Due from other governments	617,522	-	1,251,699	24,050	1,893,271	-
Inventories	5,278,296	-	432,433	-	5,710,729	1,991,696
Prepaid expenses	230,000	-	138,013	2,620	370,633	451,306
Total current assets	127,793,181	39,979,170	8,409,044	32,805,378	208,986,773	93,888,659
Noncurrent Assets						
Restricted assets						
Cash and cash equivalents/investments	54,187,929	30,819,157	-	1,379,934	86,387,020	-
Net OPEB asset	700,254	79,093	-	139,791	919,138	224,576
Capital assets						
Land	20,527,518	12,969,331	2,298,106	13,228,845	49,023,800	801,682
Construction in progress	139,849,274	953,299	33,450	3,732,253	144,568,276	326,960
Other capital assets, net of accumulated depreciation	961,277,582	16,368,652	18,656,548	85,754,538	1,082,057,320	5,923,942
Right to use assets, net of amortization	421,715	-	-	-	421,715	192,749
Right to use subscriptions, net of amortization	253,573	-	-	-	253,573	1,644,169
Accounts receivables	-	-	-	500,000	500,000	-
Lease receivable, noncurrent	579,826	-	-	16,468,095	17,047,921	-
Total noncurrent assets	1,177,797,671	61,189,532	20,988,104	121,203,456	1,381,178,763	9,114,078
Total assets	1,305,590,852	101,168,702	29,397,148	154,008,834	1,590,165,536	103,002,737
Deferred Outflows of Resources						
Pension deferrals	7,024,638	793,429	-	1,402,325	9,220,392	2,400,243
OPEB deferrals	230,825	26,072	-	46,079	302,976	74,027
Charge on refunding	15,102,017	-	-	4,550	15,106,567	-
Total deferred outflows of resources	22,357,480	819,501	-	1,452,954	24,629,935	2,474,270

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Net Position

Proprietary Funds
June 30, 2024

Exhibit 6
Page 2 of 2

Liabilities	Enterprise Funds				Total	Internal
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		Service Funds
Current Liabilities						
Accounts payable	\$ 7,891,405	\$ 1,057,907	\$ 813,106	\$ 1,669,125	\$ 11,431,543	\$ 5,948,373
Accrued payroll	319,435	35,103	-	61,633	416,171	111,163
Accrued vacation	590,861	52,086	259,461	117,468	1,019,876	290,536
Accrued interest payable	1,344,765	4,550	-	57,226	1,406,541	9,244
Due to other funds	-	-	-	-	-	627,675
Unearned revenue	1,930	-	131,270	41,006	174,206	-
Landfill closure and postclosure costs	-	377,500	-	-	377,500	-
Pollution remediation	-	-	-	30,000	30,000	-
Current maturities						
Claims payable	-	-	-	-	-	8,523,054
Leases payable	7,906	-	-	-	7,906	38,702
Subscriptions payable	-	-	-	-	-	819,076
Contracts payable	5,966,085	1,378,046	-	1,139,544	8,483,675	1,212,695
Bonds payable	21,480,000	-	-	655,000	22,135,000	-
Total current liabilities	37,602,387	2,905,192	1,203,837	3,771,002	45,482,418	17,580,518
Noncurrent Liabilities						
Construction contracts payable						
from restricted assets	15,442,657	-	-	-	15,442,657	-
Accrued vacation	1,208,723	113,203	-	261,857	1,583,783	341,342
Landfill closure and postclosure costs	-	30,441,657	-	-	30,441,657	-
Pollution remediation	-	-	-	1,921,596	1,921,596	-
Claims payable	-	-	-	-	-	16,031,204
Leases payable	437,633	-	-	-	437,633	155,049
Subscriptions payable	-	-	-	-	-	357,356
Contracts payable	134,464,033	1,825,988	-	16,246,332	152,536,353	2,641,068
Bonds payable	382,998,575	-	-	6,326,866	389,325,441	-
Net pension liability	11,536,710	1,303,065	-	2,303,067	15,142,842	3,941,970
Total noncurrent liabilities	546,088,331	33,683,913	-	27,059,718	606,831,962	23,467,989
Total liabilities	583,690,718	36,589,105	1,203,837	30,830,720	652,314,380	41,048,507
Deferred Inflows of Resources						
Leases	672,018	-	-	16,769,146	17,441,164	-
Pension deferrals	356,205	40,233	-	71,108	467,546	121,711
OPEB deferrals	420,582	47,505	-	83,961	552,048	134,883
Charge on refunding	55,095	-	-	-	55,095	-
Total deferred inflows of resources	1,503,900	87,738	-	16,924,215	18,515,853	256,594
Net Position						
Net investment in capital assets	594,395,146	27,087,248	20,988,104	78,352,444	720,822,942	3,665,556
Restricted for capital improvements	38,745,272	-	-	-	38,745,272	-
Restricted for maintenance and repair	-	-	-	1,162,850	1,162,850	-
Restricted for OPEB	700,254	79,093	-	139,791	919,138	224,576
Unrestricted	108,913,042	38,145,019	7,205,207	28,051,768	182,315,036	60,281,774
Total net position	\$ 742,753,714	\$ 65,311,360	\$ 28,193,311	\$ 107,706,853	943,965,238	\$ 64,171,906
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					48,624,679	
Net position of business-type activities					\$ 992,589,917	

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2024

Exhibit 7

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
Operating Revenues						
Sales	\$ 130,436,194	\$ -	\$ -	\$ -	\$ 130,436,194	\$ -
Charges for services	9,317,000	11,527,054	1,389,136	17,630,505	39,863,695	101,668,822
Other	112,750	9,260	306,619	8,398,606	8,827,235	2,198,426
Total operating revenues	<u>139,865,944</u>	<u>11,536,314</u>	<u>1,695,755</u>	<u>26,029,111</u>	<u>179,127,124</u>	<u>103,867,248</u>
Operating Expenses						
Personnel services	25,662,724	2,941,390	15,159,558	5,054,479	48,818,151	8,871,107
Maintenance and operations	37,713,265	7,603,717	6,364,261	15,724,884	67,406,127	105,219,861
Total operating expenses before depreciation	63,375,989	10,545,107	21,523,819	20,779,363	116,224,278	114,090,968
Depreciation and amortization	38,519,493	1,875,170	2,439,107	4,089,334	46,923,104	1,902,288
Total operating expenses	<u>101,895,482</u>	<u>12,420,277</u>	<u>23,962,926</u>	<u>24,868,697</u>	<u>163,147,382</u>	<u>115,993,256</u>
Operating income (loss)	37,970,462	(883,963)	(22,267,171)	1,160,414	15,979,742	(12,126,008)
Nonoperating Revenues (Expenses)						
Intergovernmental revenue	-	849,379	9,323,974	10,741	10,184,094	-
Property taxes	-	-	12,962,663	-	12,962,663	-
Lease revenue	92,808	-	-	-	92,808	-
Investment income	13,873,528	5,546,641	214,697	2,778,227	22,413,093	8,107,416
Gain on disposal of assets	2,674,523	18,492	-	8,192	2,701,207	77,460
State of NC grant	-	-	-	24,050	24,050	-
Damage settlements	-	-	28,201	8,121	36,322	-
Interest and fiscal expense	(16,054,613)	(132,264)	-	(757,792)	(16,944,669)	(167,740)
Amortization of financing costs	2,313,166	80,573	-	47,996	2,441,735	-
Total nonoperating revenues (expenses), net	<u>2,899,412</u>	<u>6,362,821</u>	<u>22,529,535</u>	<u>2,119,535</u>	<u>33,911,303</u>	<u>8,017,136</u>
Income (loss) before capital contributions and transfers	40,869,874	5,478,858	262,364	3,279,949	49,891,045	(4,108,872)
Capital Contributions	10,609,356	-	1,693,797	110,001	12,413,154	-
Transfers In	120,721	510,705	-	1,907,389	2,538,815	3,250,000
Transfers Out	(428,493)	-	(6,155)	(3,827,496)	(4,262,144)	(3,452,640)
Total transfers	<u>(307,772)</u>	<u>510,705</u>	<u>(6,155)</u>	<u>(1,920,107)</u>	<u>(1,723,329)</u>	<u>(202,640)</u>
Change in net position	51,171,458	5,989,563	1,950,006	1,469,843	60,580,870	(4,311,512)
Total net position - beginning	691,582,256	59,321,797	34,678,443	106,237,010		68,483,418
Error correction	-	-	(8,435,138)	-		-
Total net position - beginning, as restated	<u>691,582,256</u>	<u>59,321,797</u>	<u>26,243,305</u>	<u>106,237,010</u>		<u>68,483,418</u>
Total net position - ending	<u>\$ 742,753,714</u>	<u>\$ 65,311,360</u>	<u>\$ 28,193,311</u>	<u>\$ 107,706,853</u>		<u>\$ 64,171,906</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					382,155	
Change in net position of business-type activities					<u>\$ 60,963,025</u>	

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Cash Flows

Proprietary Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 8
Page 1 of 2

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
Cash Flows from Operating Activities						
Cash received from sales	\$ 135,223,784	\$ 11,529,237	\$ 1,750,865	\$ 24,853,539	\$ 173,357,425	\$ 104,181,936
Cash payments to suppliers for goods and services	(38,173,205)	(5,612,063)	(6,489,243)	(15,334,719)	(65,609,230)	(93,788,575)
Cash payments to employees for services	(24,482,049)	(2,796,633)	(15,858,560)	(4,861,385)	(47,998,627)	(8,435,602)
Net cash provided (used) by operating activities	72,568,530	3,120,541	(20,596,938)	4,657,435	59,749,568	1,957,759
Cash Flows from Noncapital Financing Activities						
Intergovernmental revenue	68,086	849,379	8,620,607	15,478	9,553,550	-
Property taxes	-	-	12,474,653	-	12,474,653	-
Borrowings from other funds	-	-	-	-	-	346,015
Transfers in	120,721	510,705	-	1,907,389	2,538,815	3,250,000
Transfers out	(428,493)	-	(6,155)	(3,827,496)	(4,262,144)	(3,452,640)
Net cash provided (used) by noncapital financing activities	(239,686)	1,360,084	21,089,105	(1,904,629)	20,304,874	143,375
Cash Flows from Capital and Related Financing Activities						
Proceeds from issuance of contracts	23,107,585	-	-	-	23,107,585	-
Intergovernmental revenue	-	-	1,217,250	279,369	1,496,619	-
Property taxes	-	-	442,727	-	442,727	-
Capital contributions	(799,709)	-	-	99,001	(700,708)	-
Acquisition of property and equipment	(94,521,407)	(416,734)	(989,078)	(4,535,084)	(100,462,303)	361,533
Retirement of bonds	(20,500,000)	-	-	(630,000)	(21,130,000)	-
Retirement of contracts payable	(6,147,106)	(1,499,043)	-	(1,201,748)	(8,847,897)	(1,621,175)
Retirement of subscriptions payable	(543,169)	-	-	-	(543,169)	(954,944)
Retirement of lease payable	(6,725)	-	-	-	(6,725)	(16,266)
Cash received from cell tower and license agreement	82,949	-	-	-	82,949	-
Interest and fiscal expense paid on debt	(16,161,808)	(135,306)	-	(761,905)	(17,059,019)	(167,740)
Proceeds from sale of assets	197,942	18,492	-	8,192	224,626	98,583
Damage settlements	5,496,419	-	28,201	8,121	5,532,741	-
Net cash provided (used) by capital financing activities	(109,795,029)	(2,032,591)	699,100	(6,734,054)	(117,862,574)	(2,300,009)
Cash Flows from Investing Activities						
Investment income	13,873,528	5,546,641	214,697	2,778,227	22,413,093	8,107,416
Net increase (decrease) in cash	(23,592,657)	7,994,675	1,405,964	(1,203,021)	(15,395,039)	7,908,541
Cash and cash equivalents/investments July 1	179,426,943	62,623,261	4,968,973	32,723,137	279,742,314	83,501,215
Cash and cash equivalents/investments June 30	\$ 155,834,286	\$ 70,617,936	\$ 6,374,937	\$ 31,520,116	\$ 264,347,275	\$ 91,409,756

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Cash Flows

Proprietary Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 8
Page 2 of 2

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
Reconciliation of Cash and Cash Equivalents/Investments						
Cash and investments - current	\$ 101,646,357	\$ 39,798,779	\$ 6,374,937	\$ 30,140,182	\$ 177,960,255	\$ 91,409,756
Cash and investments - restricted	54,187,929	30,819,157	-	1,379,934	86,387,020	-
Cash and cash equivalents/investments June 30	\$ 155,834,286	\$ 70,617,936	\$ 6,374,937	\$ 31,520,116	\$ 264,347,275	\$ 91,409,756
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 37,970,462	\$ (883,963)	\$ (22,267,171)	\$ 1,160,414	\$ 15,979,742	\$ (12,126,008)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	38,519,493	1,875,170	2,439,107	4,089,334	46,923,104	1,902,288
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources						
(Increase) decrease in receivables	(4,803,405)	(7,077)	11,449	(321,698)	(5,120,731)	314,688
(Increase) decrease in inventories	(819,325)	-	(70,421)	-	(889,746)	(34,630)
(Increase) decrease in prepaid expenses	(230,000)	-	(138,013)	113,174	(254,839)	(311,683)
(Increase) decrease in net OPEB asset	(314,726)	(38,066)	-	(60,868)	(413,660)	(96,143)
(Increase) decrease in deferred outflows of resources - pensions	(147,146)	(61,548)	-	5,596	(203,098)	(89,922)
(Increase) decrease in deferred outflows of resources - OPEB	(117,457)	(14,008)	-	(22,871)	(154,336)	(36,260)
Increase (decrease) in net pension liability	1,051,313	187,241	-	156,556	1,395,110	419,663
Increase (decrease) in deferred inflows of resources - leases	160,615	-	-	(861,253)	(700,638)	-
Increase (decrease) in deferred inflows of resources - pensions	(25,193)	(354)	-	(6,970)	(32,517)	(6,410)
Increase (decrease) in deferred inflows of resources - OPEB	300,227	34,697	-	59,323	394,247	94,789
Increase (decrease) in accounts payable	589,385	451,021	83,452	276,994	1,400,852	(50,778)
Increase (decrease) in accrued payroll	31,615	4,038	(200,480)	1,893	(162,934)	8,053
Increase (decrease) in unearned revenue	630	-	43,661	7,378	51,669	-
Increase (decrease) in accrued vacation	402,042	32,757	(498,522)	60,433	(3,290)	141,735
Increase in landfill closure and postclosure costs	-	1,540,633	-	-	1,540,633	-
Increase (decrease) in claims payable	-	-	-	-	-	11,548,115
Increase (decrease) in contracts payable	-	-	-	-	-	280,262
Total adjustments	34,598,068	4,004,504	1,670,233	3,497,021	43,769,826	14,083,767
Net cash provided (used) by operating activities	\$ 72,568,530	\$ 3,120,541	\$ (20,596,938)	\$ 4,657,435	\$ 59,749,568	\$ 1,957,759

Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$963,814 for the year ended June 30, 2024.

The City received contributed land amounting to \$11,273,520 during the year ended June 30, 2024, from various developers.

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Fiduciary Net Position

Fiduciary Funds
June 30, 2024

Exhibit 9

	Benefits Trust Fund
Assets	
Cash and cash equivalents	
Money market	\$ 19,531,408
Investments, at fair value	
Domestic stock and ADRs	130,617,258
Mutual funds	113,283,590
United States government agencies	22,549,404
Corporate bonds	20,087,932
Municipal bonds	1,778,588
Prepaid Expenses	119,303
Total assets	<u>307,967,483</u>
Deferred Outflows of Resources	
Pension deferrals	<u>41,451</u>
Liabilities	
Accounts payable	161,048
Accrued payroll	1,935
Accrued vacation	7,314
Net pension liability	68,075
Claims payable	1,098,453
Total liabilities	<u>1,336,825</u>
Deferred Inflows of Resources	
Pension deferrals	<u>2,102</u>
Net Position	
Restricted for pensions	228,269,089
Restricted for post-employment benefits other than pensions	78,400,918
Total net position	<u><u>\$ 306,670,007</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2024

Exhibit 10

	Benefits Trust Fund
Additions	
Contributions	
Employer	\$ 10,501,430
Plan members	3,208,755
Total contributions	<u>13,710,185</u>
Investment income	
Net appreciation in fair value	36,881,947
Interest and dividends	6,099,497
Total investment income	42,981,444
Less: investment expense	<u>1,377,413</u>
Net investment income	<u>41,604,031</u>
Total additions	<u>55,314,216</u>
Deductions	
Benefits	24,827,084
Refund of contributions	52,953
Administrative expense	252,507
Total deductions	<u>25,132,544</u>
Net increase in net position	30,181,672
Net position - beginning	<u>276,488,335</u>
Net position - ending	<u><u>\$ 306,670,007</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

June 30, 2024

1. Summary of Significant Accounting Policies

Accounting policies conform to generally accepted principles applicable to governmental units. The following paragraphs summarize significant policies:

A. The Reporting Entity

The City of Winston-Salem, North Carolina, a municipal corporation, is governed by an elected mayor and an eight member City Council. This report presents the financial position and results of operations of the City and one legally separate component unit that has a significant financial relationship because it provides services only to the City. Other criteria used to determine component units under generally accepted accounting principles include appointment of a voting majority of the governing board and/or imposition of will or financial benefit/burden, fiscal dependency, or other significant operational and financial relationships. The financial statements of the nonprofit corporation are included in this report as blended component units.

North Carolina Municipal Leasing Corporation assists the City by financing certain real and personal property under contractual agreements. The assets and related long-term contractual obligations are reported in the related governmental and business-type funds.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements, the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. Interfund activity has been eliminated from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, taxes, and intergovernmental revenues are reported separately for business-type activities, which are normally supported by user charges and fees.

The statement of activities presents a comparison between direct expenses and program revenues for governmental and business types of the City's activities. Direct expenses are those that are clearly identifiable with a specific governmental function or business segment. Program revenues include 1) fees or charges for services paid by customers or recipients of goods or services and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other revenues not included among program revenues are reported as general revenues.

Fund Financial Statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Emphasis in these statements is placed on major governmental and enterprise funds with each major individual fund displayed in a separate column. The City's determination of reporting major funds considered the criteria prescribed by GASB and consistency of presentation from year to year. All remaining governmental and enterprise funds are aggregated and shown as nonmajor funds.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

The City reports the following major governmental funds:

The **General Fund** is the primary operating fund of the City and accounts for the provision of governmental services. The general fund summarizes the financial transactions of governmental services, except for those more appropriately recorded in other funds.

The **Debt Service Fund** accumulates resources to pay maturing principal and interest on long-term general obligations and capital lease charges for governmental capital projects. General, revenue, and special obligations issued for water and sewer utilities, solid waste disposal, stormwater, parking facilities, and public assembly facilities plus related debt service, are recorded in the respective enterprise funds.

The **Capital Projects Fund** accounts for resources to acquire or construct major capital improvements, other than those financed by proprietary funds. Principal resources include intergovernmental revenues, proceeds of general obligation bonds, capital leases, and transfers from other funds.

The **Midtown Economic Development Grant Fund** tracks revenue and expenditure related to a \$35 million grant from the State of NC to support economic development activities and improve infrastructure in the city.

The City reports the following major enterprise funds:

The **Water and Sewer Utility Fund** accounts for water and sewer services in the City and certain areas of the county. The system is under the administrative direction of the Winston-Salem/Forsyth County Utility Commission.

The **Solid Waste Disposal Fund** accounts for recycling and disposal services of solid waste in Winston-Salem and Forsyth County. The system is under the administrative direction of the Winston-Salem/Forsyth County Utility Commission.

The **Transit Authority Fund** accounts for the provisions of public transportation within the City and the County. The City contracts for management and operation of the system with a privately owned management company. Charges and fares are structured to encourage the community to use public transportation.

Additionally, the City reports the following fund types:

Internal Service Funds account for central warehouse, fleet services, information services, workers' compensation, health benefits, dental and flexible benefits, employee benefits, and risk management.

Fiduciary Funds account for other post-employment benefits, and pension trust funds, including Winston-Salem Police Officers' Retirement System and Winston-Salem Police Officers' Separation Allowance.

C. Measurement Focus and Basis of Accounting

Government-wide, Proprietary Fund, and Fiduciary Fund Financial Statements are reported using the flow of economic resources measurement focus and accrual basis of accounting. Revenues are recognized in the period earned, and expenses are recognized in the period incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants and similar items is recognized when all eligibility requirements have been met. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Governmental Fund Financial Statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the period received and are accrued if considered to be both measurable and available to pay current liabilities. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures for compensated absences and claims and judgments, are recorded only when payment is due. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Issuance of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financial sources. General capital asset acquisitions are reported as expenditures.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes received are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. 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 fund.

Administrative control is exercised through the establishment of detailed line item budgets. Budget amendments to total expenditures between functions, which are the legal level of budgetary control, require approval by the City Council. Budgets are reported as originally adopted and amended by executive or council action. During the year, amendments to the original budget were made, when appropriate, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the City Council must adopt an interim budget that covers that time until the annual ordinance can be adopted. All unencumbered budget appropriations lapse at year-end.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Deposits and Investments

The City's cash and investments under the "pooled cash concept" is composed of fixed income and equity investments and demand deposit accounts and is used by all funds as allowed by its investment authority. For arbitrage purposes, the City maintains separate investments of proceeds of bond issues and other tax-exempt financings. Each fund's portion of cash and investments is included as "Cash and Cash Equivalents/Investments."

Investments are governed by state statutes and written policies. Governmental monies may be deposited in FDIC-insured or collateralized demand accounts and certificates of deposit. Other investments may be made in obligations of the United States Treasury and federal agencies, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, and master repurchase agreements. Equity investments of the pension trust funds, other employee benefit reserves, and designated capital reserves are permitted by North Carolina State Statutes and governed by City policies.

The City utilizes Capital Management of the Carolinas which facilitates electronic transfers between the state and units of local government and provides immediate short-term investment of temporarily idle funds, principally bond proceeds. The North Carolina Capital Management Trust (NCCMT) - Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Investments are stated at fair value and securities traded on national exchanges are valued at the last reported sales price.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

2. Receivables and Payables

Lending/borrowing arrangements between funds outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (for the current portion of interfund loans) or “advances to/from other funds” (for the non-current portion of interfund loans.)

All receivables are shown net of an allowance for uncollectibles which is estimated by analyzing the historical collection experience of the fund.

3. Ad Valorem Taxes Receivable

The City property tax is based on the assessed valuation of property located in the City as of the preceding January first. The value of personal property is established annually, and by state law, real property must be appraised at least once every eight years. The last revaluation of real property became effective with the 2021 tax levy for fiscal year 2022. The City’s fiscal year 2024 tax rate was .6610 mils, allocated as follows: .5183 mils for general purposes, .0941 mils for general debt service, and .0486 mils for mass transit, and an additional tax rate of .09 mils on all property within the Downtown Business Improvement District for enhanced services in the downtown area. Taxes are due on September first and payable without penalty or interest until the fifth of January. On and after January sixth, taxes become delinquent, a lien attaches to the property, and a penalty of 2% is assessed. On February first, interest accrues at the rate of .75% per month until paid. Property tax receivables are recorded net of allowance for estimated uncollectible amounts and offset as deferred inflows of resources since the amount due is not considered to be currently available.

4. Restricted Assets

Certain funds of the Winston-Salem/Forsyth County Utility System are restricted by revenue bond covenants and other intergovernmental agreements. These funds include unexpended bond proceeds, which are restricted to be used solely for the purpose for which the bonds were originally issued, funds restricted to be used for system maintenance and replacement, future expansion, and economic development purposes. Capital reserve funds for closure and post-closure costs are reserved in the solid waste disposal fund. The City also holds a capital reserve account in the public assembly facilities fund to be used for repair or to make capital improvements to the Bowman Gray Stadium Field House. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. The City has received funds for 911 Emergency Communications, Midtown economic development and the national opioid settlement and these funds are classified as restricted cash due to restricted expenditure purpose. The City hold funds received from private entities that is restricted for stormwater maintenance projects.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Restricted Cash June 30, 2024

Governmental activities	
General capital projects (bond proceeds)	\$ 68,404,902
Midtown economic development funds (grant proceeds)	35,338,714
Nonmajor governmental funds	
Unexpended Powell Bill proceeds	6,481,072
Unexpended State 911 proceeds	1,484,457
Unexpended opioid settlement proceeds	920,799
Total governmental activities	<u>112,629,944</u>
Business-type activities	
Water and sewer utility	
Unexpended bond proceeds	2,372,794
Equipment and replacement reserves	48,815,135
Economic development	3,000,000
Solid waste disposal	
Landfill closure and postclosure costs	30,819,157
Stormwater private maintenance projects	1,162,850
Public assembly facilities management	
Capital reserve	217,084
Total business-type activities	<u>86,387,020</u>
Total restricted cash	<u>\$ 199,016,964</u>

5. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

6. Inventories

Inventories are recognized under the consumption method of accounting, which recognizes expenditures or expenses of operating materials and supplies as goods are used. Inventories are stated at average cost for warehouse, fleet services, Transit Authority, and water and sewer funds. All other inventories are stated at lower of cost (first in, first out) or market.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

7. Capital Assets

Capital assets, which include property, plant, equipment, right to use assets, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide statements. Equipment purchases are considered capital assets when the individual cost is equal to or greater than \$5,000 and useful life is in excess of two years. Donated capital assets are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets, consist of road network and water and sewer system assets. These assets are reported at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings	10-40 years
Improvements other than buildings	10-40 years
Machinery and equipment	3-12 years
Computer software	5-8 years

The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods, and so will not be recognized as revenue until then.

9. Accumulated Vacation and Sick Leave Benefits

Earned vacation may be accumulated to a maximum of 30 days at the end of each calendar year. Accumulated vacation is due when leave time is taken by the employee or at the time of termination, retirement, or death. Accrued vacation leave is recorded as a liability when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Employees terminating service before retirement forfeit accumulated sick leave; therefore, sick leave is charged as an expenditure or expense when paid. Sick leave may be accumulated without limit until retirement, at which time, limited credit for this leave is given in the computation of retirement benefits. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

10. National Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities.

Thus far, the amounts the City has received or will receive qualify as an exchange or exchange-like transaction.

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuance are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

12. Net Position/Fund Balances

Net position in government-wide and business-type activity financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position is either constrained externally by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Restricted Net Position June 30, 2024

Stabilization by state statute	\$ 43,111,084
Debt service	79,105,286
OPEB	6,231,026
Capital improvements	38,745,272
Maintenance and repair	1,162,850
Public protection - opioid settlement funds	4,724,569
Other purposes	
Nonmajor governmental	26,051,603
Total	<u>\$ 199,131,690</u>

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Lease – portion of fund balance that is not an available resource because it represents the year-end receivable, net in excess of the deferred inflow of resources for the receivable, net, which is not a spendable resource.

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of ending prepaids, which are not spendable resources.

Perpetual care – Cemetery resources that are required to be retained in perpetuity for the maintenance of the Woodland and Evergreen Cemeteries.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – N.C.G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in N.C.G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories, leases, and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for debt service – portion of fund balance restricted by revenue source for debt service.

Restricted for capital improvements - portion of fund balance restricted by bond proceeds for capital improvements.

Restricted for general government - portion of fund balance restricted by revenue source for general government expenditures.

Restricted for public protection - portion of fund balance restricted by revenue source for certain emergency telephone system expenditures.

Restricted for environmental health – portion of fund balance restricted by revenue source for environmental health expenditures.

Restricted for opioid settlement – portion of fund balance restricted by revenue source for opioid settlement expenditures.

Restricted for transportation - portion of fund balance restricted by revenue source for transportation expenditures.

Restricted for culture and recreation - portion of fund balance restricted by revenue source for cultural and recreational expenditures.

Restricted for community and economic development - portion of fund balance restricted by revenue source for community and economic development expenditures.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Winston-Salem’s City Council. Any changes or removal of specific purpose requires majority action by City Council.

Committed for community and economic development - portion of fund balance committed by City Council for community and economic development.

Assigned Fund Balance – portion of fund balance that the City Council has assigned for specific management purposes. The City Council may delegate to the City Manager or Chief Financial Officer the authority to assign a portion of fund balance to promote sound financial operations of the City or to meet a future obligation.

Subsequent year’s budget – portion of fund balance that is appropriated in the adopted 2024-2025 Budget Ordinance and as approved by City Council on June 17, 2024, that is not already classified in restricted or committed.

Assigned for local fiscal recovery – portion of fund balance assigned by City Council to be spent for local fiscal recovery.

Unassigned fund balance – portion of fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only governmental fund that can report a positive amount of unassigned fund balance. However, for governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the restricted, committed, or assigned resources available for those purposes, the deficit would be reported in the unassigned category.

The City will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-City funds, City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

The City’s financial policy is to maintain a minimum unassigned fund balance of 16% of the estimated general fund expenditures.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Fund Balance June 30, 2024

Nonspendable	
Inventories	\$ 721,056
Lease receivable, net	17,800
Prepays	64,696
Perpetual care	5,130,850
Restricted	
Stabilization by state statute	43,111,084
Debt service	79,105,286
Capital improvements	68,404,902
General government	148,102
Public protection	3,048,275
Environmental health	4,082
Transportation	7,806,285
Culture and recreation	975,202
Community and economic development	9,859,606
Committed	
Capital improvements	23,800,988
Community and economic development	45,569,738
Assigned	
Subsequent year's budget	5,554,320
Local fiscal recovery	1,683,348
Unassigned	60,697,355
Total	\$ 355,702,975

13. Defined Benefit Pensions and OPEB

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS), and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Winston-Salem's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

The City also administers two single-employer defined benefit pension plans; the Winston-Salem Police Officers' Retirement System and the Winston-Salem Police Officers' Separation Allowance. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, the pension plans recognize benefit payments when due and payable in accordance with the benefit terms. Employer contributions are determined and paid annually based on actuarial recommendations. Investments are reported at fair value.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are determined and paid annually based on actuarial recommendations. Investments are reported at fair value.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

2. Stewardship, Compliance, and Accountability

A. Budget Violations

For the fiscal year ended June 30, 2024, the expenditures in the Public Assembly Facilities Management Fund exceeded appropriations by \$5,661,953. This occurred due to an accounting change to properly record gross revenues and gross expenditures for the Benton Convention Center. These amounts were previously presented as a net amount with expenditures being deducted from the gross cash proceeds due the City from our third-party management company. This change in accounting occurred after the City Council's last meeting in June; therefore, the budget could not be amended to reflect the change in accounting.

3. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

All of the City's deposits are entirely insured or collateralized. The City requires collateral for demand deposits and certificates of deposit to be held by an independent custodian in the City's name or through a collateral pool held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or with the escrow agent. Because of the inability to measure exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City does not have a policy regarding custodial credit risk for deposits.

At June 30, 2024, the City's deposits had a carrying value of \$79,118,216 and bank balance of \$89,593,260. Of the bank balance, \$61,096,675 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2024, the City maintained various petty cash funds totaling \$64,540.

2. Investments

The City's investment policy is designed to provide liquidity for disbursement needs and to maximize investment income. Since individual funds may deposit and withdraw funds at any time, the cash and investment types, short-term and longer-term fixed income investments and equity investments are essentially managed on demand deposit accounts. For the statement of cash flows, all proprietary fund types pooled cash is considered cash and cash equivalents. Restricted cash and cash equivalents are restricted by bond covenants and other financing intergovernmental agreements.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

As of June 30, 2024, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Value</u>	<u>Less Than 6 Months</u>	<u>6 - 12 Months</u>	<u>Over 1 Year</u>
Domestic stock and ADRs	\$ 202,491,881	\$ 202,491,881	\$ -	\$ -
US Treasuries	58,900,867	73,833	2,554,005	56,273,029
US government agencies	110,440,347	10,471,170	26,698,068	73,271,109
Corporate bonds	50,583,427	1,522,753	3,473,696	45,586,978
Municipal bonds	20,087,932	164,550	124,900	19,798,482
Mutual funds	186,289,452	186,289,452	-	-
Money market funds	29,971,444	29,971,444	-	-
Government Portfolio	286,587,401	286,587,401	-	-
Total	\$ 945,352,750	\$ 717,572,484	\$ 32,850,669	\$ 194,929,597

The table above includes \$307,848,180 of fiduciary fund cash and investments.

At June 30, 2024, the City's investment balances measured at fair value were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>	
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>
Domestic stock and ADRs	\$ 202,491,881	\$ 202,491,881	\$ -
US Treasuries	58,900,867	58,900,867	-
US government agencies	110,440,346	-	110,440,346
Corporate bonds	50,583,427	-	50,583,427
Municipal bonds	20,087,932	-	20,087,932
Open-end mutual funds	186,289,452	184,826,309	1,463,143
Money market funds	29,971,444	-	29,971,444
NC Capital Management Trust			
Government Portfolio	286,587,401	286,587,401	-
Total fair value investments	\$ 945,352,750	\$ 732,806,458	\$ 212,546,292

All investments are measured using the market approach: using prices and relevant information by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted prices available in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies. U.S. government agencies, corporate bonds, and municipal bonds classified in Level 2 are valued using Institutional bond quotes – evaluations based on various market and industry inputs.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits direct investment of operating funds to securities maturing no more than five years from the date of purchase. Also, the City's investment policy requires purchases of securities to be laddered with staggered maturity dates to meet the operating requirements of each individual fund and cash flow requirements of the City's overall operations. Reserve funds invested by external asset managers are not required to meet liquidity needs within the short-term and may have maturities generally consistent with benchmark indices established to monitor performance of the assets managers. The City's investment policy requires that proceeds of general obligation, special obligation, revenue bonds, and limited obligation bonds shall be invested in cash and short-term fixed income securities since these funds are required to be expended within 3 years.

Credit Risk. The City's investment policy requires that all investments subject to N.C.G.S. 159-30 in bonds or notes, including commercial paper, bear the highest ratings of at least one nationally recognized rating service and do not bear a rating below the highest by any nationally recognized rating service which rates the particular obligation. The City's investment policy requires that investments in corporate bonds under its statutorily expanded investment authority for investments not subject to N.C.G.S. 159-30 must be investment grade or higher. The City's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2024. The City's investments in US Agencies are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. All commercial paper of the City is rated A1 by Standard & Poor's and P1 by Moody's.

The ratings of the municipal and corporate bonds are presented in the following tables:

<u>Type of Bonds</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
Municipal	AAA	AAA	\$ 4,383,349
	AAA	N/A	330,378
	AA+	AAA	37,971
	AA+	AA1	1,974,107
	AA+	AA2	468,621
	AA+	N/A	1,377,093
	AA	AA1	61,323
	AA	AA2	1,045,481
	AA	AA3	196,527
	AA	A1	884,252
	AA	A3	25,855
	AA	BAA3	4,895
	AA	N/A	1,035,658
	AA-	AA2	1,169,414
	AA-	AA3	1,323,758
	AA-	A1	268,536
	AA-	N/A	215,078
	A+	AA3	165,137
	A+	A1	422,684
	A	A1	476,430
	A	A2	140,703
	A	N/A	189,619
	A-	A1	34,435
	A-	A2	24,825
	A-	A3	954,958
	A-	N/A	138,485
	BBB+	N/A	238,840
	N/A	AAA	242,435
	N/A	AA2	1,016,303
	N/A	A1	443,012
	N/A	A3	24,695
	N/A	BAA2	600,676
	N/A	N/A	19,373
	N/A	N/R	53,068
	N/R	AAA	25,000
	N/R	N/R	74,963
Total Municipal			<u>20,087,932</u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

<u>Type of Bonds</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
Corporate	AAA	AAA	\$ 332,635
	AAA	N/A	123,361
	AA+	AAA	589,763
	AA+	AA1	495,295
	AA+	AA2	254,097
	AA	AA2	137,647
	AA	A1	972,065
	AA	A2	201,762
	AA	N/A	1,569,601
	AA-	AA2	268,662
	AA-	AA3	421,754
	AA-	A1	408,893
	AA-	A3	23,949
	AA-	N/A	552,662
	A+	AA2	421,935
	A+	A1	1,643,664
	A+	A2	847,098
	A+	A3	205,354
	A+	N/A	602,274
	A	AA3	391,198
	A	A1	506,888
	A	A2	2,481,900
	A	A3	282,666
	A	BAA1	617,728
	A	BAA2	78,788
	A	N/A	169,857
	A-	A1	1,652,912
	A-	A2	838,017
	A-	A3	5,549,499
	A-	BAA1	486,112
	A-	BAA2	84,185
	A-	N/A	635,300
	BBB+	A1	446,335
	BBB+	A2	230,855
	BBB+	A3	728,304
	BBB+	BAA1	5,052,543
	BBB+	BAA2	1,196,197
	BBB+	N/A	1,657,027
	BBB	A3	167,278
	BBB	BAA1	597,881
	BBB	BAA2	4,583,751
	BBB	BAA3	404,697
	BBB	N/A	1,327,584
	BBB-	BAA2	188,815
	BBB-	BAA3	3,586,574
	BBB-	BA1	1,066,169
	BBB-	N/A	169,186
	BB+	BAA3	108,059
	BB+	N/A	112,091
	N/A	AAA	123,756
	N/A	A1	1,548,600
	N/A	A2	208,494
	N/A	BAA1	19,840
	N/A	BAA2	989,592
	N/A	BAA3	388,224
	N/A	N/A	971,998
	N/A	N/R	562,195
	N/R	WR	299,865
			<hr/>
Total Corporate			50,583,427
Total			<hr/> \$ 70,671,358 <hr/>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

The City has special authority to invest retirement, other employee benefits, risk reserve, cemetery perpetual care funds, and capital reserves designated by the City Council in “Securities and other investments authorized by State Law for the State Treasurer” in N.C.G.S. §147-69.1 and N.C.G.S. §147-69.2. These investments have similar interest rate and credit risk characteristics, include common stocks, municipal bonds and corporate bonds, and other instruments similar to those used by the North Carolina State Treasurer for long-term financial assets.

B. Receivables-Allowance for Uncollectible Accounts

The receivable amounts shown in the Balance Sheet and the Statement of Net Position are net of the following allowances for uncollectible accounts:

Allowances for Uncollectible Accounts at June 30, 2024

General fund		
Taxes receivable		\$ 970,198
Other receivables		3,168,781
Special revenue funds		
Nonmajor		
Taxes receivable		2,328
Other receivables		27,025,749
Debt service fund		
Taxes receivable		175,567
Enterprise funds		
Water and sewer utility		2,419,075
Solid waste disposal		294
Transit Authority		
Taxes receivable		87,963
Nonmajor		261,668
Internal service funds		
Nonmajor		8,356
Total		\$ 34,119,979

C. Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables at June 30, 2024, is as follows:

	Interfund Payables	Interfund Receivables
General Fund	\$ -	\$ 1,932,803
Special revenue funds		
Nonmajor	1,305,128	-
Internal service fund - Warehouse Fund	311,189	-
Internal service fund - Fleet Services Fund	316,486	-
Total	\$ 1,932,803	\$ 1,932,803

All balances are from time lags between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The City uses transfers to 1) move revenues from a fund that state statute or budget requires to collect them to a fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts, to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Major transfers made in the year ended June 30, 2024, include: a transfer of \$2,534,874 from the stormwater management fund to the general fund for the seasonal leaf collection and rodent control; a community development fund transfer to the general fund for \$1,085,526 to cover housing rehabilitation expenditures; a gasoline tax fund transfer to the general fund for \$5,529,319 and to capital projects fund for \$4,050,528; a transfer from general fund to the grants fund for \$519,860 to cover the City's share of grant expenditures; a transfer from general fund to economic and housing development fund of \$3,419,260 to fund economic development projects; a general fund transfer to the public assembly facilities management fund for \$251,142 for operations; a transfer from general fund to debt service fund of \$2,118,770 to cover debt service payments on economic development projects and the Bryce A. Stuart Building, a transfer of \$14,429,540 from the capital projects fund to the economic development fund for various affordable housing needs, a transfer of \$2,344,573 in bond premium proceeds from the capital projects fund to the debt service fund for interest related to the 2023 general obligation bond issue, and a transfer to the parking fund of \$743,870 for operations.

Transfers for Fiscal Year Ended June 30, 2024

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 10,260,150	\$ 10,099,842
Debt service fund	4,463,343	500,000
Capital projects fund	8,180,527	16,878,663
Special revenue funds		
Nonmajor	18,196,045	11,695,591
Enterprise funds		
Water and sewer utility	120,721	428,493
Solid waste disposal	510,705	-
Transit authority	-	6,155
Nonmajor	1,907,389	3,827,496
Internal service funds	<u>3,250,000</u>	<u>3,452,640</u>
Total	<u><u>\$ 46,888,880</u></u>	<u><u>\$ 46,888,880</u></u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

D. Capital Assets

The following tables summarize the changes in the components of capital assets for the year ended June 30, 2024:

Governmental Activities

	Balance June 30, 2023	Increase	Transfers	Decrease	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 81,338,463	\$ 1,081,705	\$ 1,172,306	\$ (183,772)	\$ 83,408,702
Construction in progress	43,669,123	39,272,402	(54,291,891)	-	28,649,634
Total capital assets, not being depreciated	<u>125,007,586</u>	<u>40,354,107</u>	<u>(53,119,585)</u>	<u>(183,772)</u>	<u>112,058,336</u>
Capital assets, being depreciated:					
Buildings	230,010,036	869,101	12,432,046	(490,115)	242,821,068
Improvements other than buildings	403,399,970	-	40,687,539	(196,750)	443,890,759
Machinery and equipment	129,827,116	11,797,604	(49,316)	(4,940,388)	136,635,016
Total capital assets, being depreciated	<u>763,237,122</u>	<u>12,666,705</u>	<u>53,070,269</u>	<u>(5,627,253)</u>	<u>823,346,843</u>
Less accumulated depreciation for:					
Buildings	60,566,362	5,681,723	-	(13,565)	66,234,520
Improvements other than buildings	160,360,547	10,528,829	-	(17,451)	170,871,925
Machinery and equipment	94,346,879	7,689,521	-	(4,660,316)	97,376,084
Total accumulated depreciation	<u>315,273,788</u>	<u>23,900,073</u>	<u>-</u>	<u>(4,691,332)</u>	<u>334,482,529</u>
Capital assets being amortized:					
Right to use assets:					
IT subscriptions	3,689,267	874,450	-	(294,989)	4,268,728
Lease equipment	594,651	312,477	-	(594,647)	312,481
Lease buildings	10,414,446	210,017	-	-	10,624,463
Total right to use assets	<u>14,698,364</u>	<u>1,396,944</u>	<u>-</u>	<u>(889,636)</u>	<u>15,205,672</u>
Less accumulated amortization for:					
IT subscriptions	742,948	1,413,369	-	(168,452)	1,987,865
Lease equipment	460,376	147,469	-	(594,651)	13,194
Lease buildings	846,064	647,617	-	-	1,493,681
Total accumulated amortization	<u>2,049,388</u>	<u>\$ 2,208,455</u>	<u>\$ -</u>	<u>\$ (763,103)</u>	<u>3,494,740</u>
Total capital assets, being depreciated, net	<u>447,963,334</u>				<u>488,864,314</u>
Right to use assets, net	<u>12,648,976</u>				<u>11,710,932</u>
Governmental activities capital assets, net	<u>\$ 585,619,896</u>				<u>\$ 612,633,582</u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Business-type Activities

	Balance June 30, 2023	Increase	Transfers	Decrease	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 48,394,589	\$ -	\$ 629,211	\$ -	\$ 49,023,800
Construction in progress	106,060,625	80,283,125	(41,775,474)	-	144,568,276
Total capital assets, not being depreciated	<u>154,455,214</u>	<u>80,283,125</u>	<u>(41,146,263)</u>	<u>-</u>	<u>193,592,076</u>
Capital assets, being depreciated:					
Buildings	330,538,012	-	2,931,346	-	333,469,358
Improvements other than buildings	1,419,813,112	11,273,519	38,214,917	(4,635,460)	1,464,666,088
Machinery and equipment	103,368,571	18,226,600	49,316	(990,885)	120,653,602
Total capital assets, being depreciated	<u>1,853,719,695</u>	<u>29,500,119</u>	<u>41,195,579</u>	<u>(5,626,345)</u>	<u>1,918,789,048</u>
Less accumulated depreciation for:					
Buildings	172,811,135	7,677,321	-	-	180,488,456
Improvements other than buildings	560,766,464	32,754,956	-	(1,647,598)	591,873,822
Machinery and equipment	59,280,735	6,053,098	-	(964,383)	64,369,450
Total accumulated depreciation	<u>792,858,334</u>	<u>46,485,375</u>	<u>-</u>	<u>(2,611,981)</u>	<u>836,731,728</u>
Capital assets being amortized:					
Right to use assets:					
IT subscriptions	1,426,789	-	-	(343,407)	1,083,382
Lease buildings	456,457	-	-	-	456,457
Total right to use assets	<u>1,883,246</u>	<u>-</u>	<u>-</u>	<u>(343,407)</u>	<u>1,539,839</u>
Less accumulated amortization for:					
IT subscriptions	529,373	414,906	-	(114,470)	829,809
Lease buildings	11,919	22,823	-	-	34,742
Total accumulated amortization	<u>541,292</u>	<u>\$ 437,729</u>	<u>\$ -</u>	<u>\$ (114,470)</u>	<u>864,551</u>
Total capital assets, being depreciated, net	1,060,861,361				1,082,057,320
Right to use assets, net	1,341,954				675,288
Business-type activities capital assets, net	<u>\$ 1,216,658,529</u>				<u>\$ 1,276,324,684</u>

The City has outstanding project authorizations for governmental activities capital projects in the amount of \$171,995,160 and \$29,500,988 in unexpended commitments; for capital projects in business-type activities outstanding project authorizations total to \$199,425,759 and \$102,371,848 in unexpended commitments. Funding for these commitments has been identified in capital project ordinances and should not require future financing.

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities

	Depreciation Expense For Year Ended June 30, 2024	Amortization Expense For Year Ended June 30, 2024	Total For Year Ended June 30, 2024
General government	\$ 3,750,389	\$ 1,477,612	\$ 5,228,001
Public protection	4,878,961	717,650	5,596,611
Environmental health	2,458,106	-	2,458,106
Transportation	7,581,773	-	7,581,773
Culture and recreation	3,609,117	13,193	3,622,310
Community and economic development	1,621,727	-	1,621,727
Total	<u>\$ 23,900,073</u>	<u>\$ 2,208,455</u>	<u>\$ 26,108,528</u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

E. Long-term Liabilities

General Obligation Bonds

The City issues general obligation bonds to provide funds for general government capital improvement projects. The bonds are direct obligations and pledge the full faith and credit, and taxing power of the City. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements.

In November 2018, City residents approved a \$122,000,000 bond referendum that authorized bonds to be issued for road improvements, economic development, housing development, parks and recreation improvements, and public safety center renovations. As of June 30, 2024, \$32,035,000 of these bonds were unissued.

Provisions of the state constitution and the Local Government Bond Act, as amended, permit the City statutory capacity for additional general obligation bonds in the amount of \$2.01 billion.

General Obligation Bonds Debt Service Requirements to Maturity are:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 15,660,000	\$ 8,382,845
2026	15,975,000	7,804,562
2027	15,055,000	7,206,659
2028	15,325,000	6,622,002
2029	14,175,000	6,008,644
2030-2034	74,275,000	20,803,702
2035-2039	57,910,000	7,906,056
2040-2043	17,150,000	1,368,775
Total	\$ 225,525,000	\$ 66,103,245

Stormwater Fee Revenue Bonds

In fiscal year 2013, the City issued stormwater fee revenue bonds to finance and reimburse the City for improvements to the City’s stormwater facilities. The revenues, net of operating expenses, of the stormwater management system are pledged as security for these bonds. Stormwater fee revenue bonds outstanding at June 30, 2024 were \$6,645,000 with interest rates ranging from 3.0% to 4.0%, which are payable over the next 10 years. A trust agreement dated April 1, 2013, between the City and US Bank, as trustee, authorizes and secures all outstanding stormwater fee revenue bonds. Certain financial covenants are contained in the trust agreement including a requirement that the City maintain a long-term debt service coverage ratio on all stormwater fee revenue debt of not less than 1.2. Management believes the City was in compliance with all covenants for the fiscal year ended June 30, 2024, and the ratio was 2.2. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. The principal and interest remaining to be paid on the bonds is \$7,698,138. The principal and interest paid in the fiscal year ended June 30, 2024 was \$856,394.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Stormwater Fee Revenue Bonds Debt Service Requirements to Maturity are:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 655,000	\$ 201,394
2026	675,000	181,744
2027	695,000	161,494
2028	715,000	140,644
2029	735,000	119,193
2030-2033	3,170,000	248,669
Total	\$ 6,645,000	\$ 1,053,138

Water and Sewer Revenue Bonds

The City issues revenue bonds to fund capital improvement projects for the Winston-Salem/Forsyth County Water and Sewer System. The revenues, net of operating expenses, of the water and sewer system are pledged as security for the revenue bonds which were issued in 2010, 2014, 2016, 2017, 2020, and 2022. The amended and restated general trust agreement dated January 1, 2022, between the City and the Bank of New York, as trustee, authorizes and secures all outstanding revenue bonds. Certain financial covenants are contained in the trust agreement including a requirement that the City maintain a long-term debt service coverage ratio on all utility revenue debt of not less than 1.1. Management believes the City was in compliance with all covenants for the fiscal year ended June 30, 2024, and the ratio was 2.19. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. The total principal and interest remaining to be paid on the bonds is \$484,556,290. The principal and interest paid in the fiscal year ended June 30, 2024 was \$35,318,475.

Water and sewer revenue bonds outstanding at June 30, 2024 were \$361,265,000 with interest rates between .96 % and 5.00%, which are payable over the next 30 years.

Water and Sewer Revenue Bonds Debt Service Requirements to Maturity are:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 21,480,000	\$ 13,838,475
2026	22,490,000	12,782,710
2027	23,455,000	11,757,286
2028	24,240,000	10,766,826
2029	24,040,000	9,789,222
2030-2034	96,905,000	35,080,509
2035-2039	86,640,000	17,946,874
2040-2044	30,035,000	7,634,500
2045-2049	22,680,000	3,178,713
2050-2052	9,300,000	516,175
Total	\$ 361,265,000	\$ 123,291,290

City of Winston-Salem, North Carolina

Notes to the Financial Statements

State Revolving Loan

During fiscal year 2024, the City's Water and Sewer Utility fund received \$23,107,585 in proceeds from the direct borrowing Drinking Water State Revolving Fund. The City also has outstanding NC Clean Water Revolving funds. These loans carry fixed interest rates of 0% to 2% and are payable over 20 years. The total approved loan amounts are approximately \$211 million, which includes \$31.2 million approved and unissued for the R. W. Neilson Water Treatment Plant modernization project. Final amounts for each loan will be determined when the project is completed, and repayments will begin six months after the estimated project completion dates. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal payments of \$5,547,996 were made in fiscal year 2024. At June 30, 2024, the City had \$139,462,574 outstanding.

Leases

The City has entered into agreements to lease certain property and equipment. The lease agreements have been recorded at the present value of the expected lease payments as of the date of their inception.

The net present value of expected lease payments as of June 30, 2024 are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 542,083	\$ 333,832	\$ 7,906	\$ 18,195
2026	567,823	314,801	9,169	17,846
2027	596,230	293,931	10,517	17,444
2028	620,314	270,974	11,955	16,984
2029	585,382	246,446	13,488	16,463
2030-2034	2,256,307	1,000,780	94,157	72,080
2035-2039	2,627,138	597,951	150,105	47,332
2040-2043	1,773,387	123,537	148,242	11,413
Total	\$ 9,568,664	\$ 3,182,252	\$ 445,539	\$ 217,757

Subscriptions

The City has entered into agreements to receive subscription-based software. The subscription agreements have been recorded at the present value of the expected subscription payments as of the date of their inception.

The net present value of expected payments as of June 30, 2024, were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,172,726	\$ 39,070
2026	277,991	9,454
2027	79,365	1,797
Total	\$ 1,530,082	\$ 50,321

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Contracts Payable

Contracts Payable Debt Service Requirements to Maturity are:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 35,264,345	\$ 3,353,075	\$ 2,935,680	\$ 598,229
2026	17,400,368	2,789,890	2,612,984	503,705
2027	14,954,163	2,402,564	1,594,965	450,163
2028	12,962,280	2,022,482	1,013,970	420,716
2029	7,804,000	1,703,808	900,000	395,866
2030-2034	35,989,000	5,310,524	5,980,000	1,548,764
2035-2039	12,275,000	1,347,705	6,340,000	622,599
2040-2043	2,425,000	145,200	-	-
Total	\$ 139,074,156	\$ 19,075,248	\$ 21,377,599	\$ 4,540,042

The City has contracts payable to North Carolina Municipal Leasing Corporation (“NCMLC”) obligating the City to make periodic payments that include interest and principal components. At June 30, 2024, the City had \$160,451,755 outstanding and due to NCMLC.

In fiscal year 2020, the City entered into an installment financing contract in the amount of \$25.5 million with Bank of America, N.A. to finance budgeted equipment for fiscal years 2020 and 2021 for \$18 million, and refinancing of the remaining balance of the 2016 equipment lease agreement of \$7.5 million. The terms of the lease include a stated interest rate of 1.61% for a 59-month term. At June 30, 2024, the City had \$18,000,000 outstanding.

In November 2021, the City entered into a \$20 million installment financing contract with TD Equipment Finance, Inc. The terms of the lease include a stated interest rate of 0.799% for a 59-month term. At June 30, 2024, the City had \$10,080,025 outstanding.

In June 2023, the City entered into a \$25 million installment financing contract with Bank of America Public Capital Corp. The terms of the lease include a stated interest rate of 3.3207% for a 59-month term. At June 30, 2024, the City had \$20,253,729 outstanding.

The City has various limited obligation bond issues outstanding at June 30, 2024 in the amount of \$112,118,000.

In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements.

Assets have been pledged as collateral for the following contracts payable:

Limited Obligation Bonds executed and delivered by North Carolina Municipal Leasing Corporation

Series 2010A	City Hall, Public Safety Center, Lowery Street, Ballpark
Series 2018	City Hall, Public Safety Center, Lowery Street, Ballpark
Series 2020A & B	City Hall, Public Safety Center, Lowery Street, Ballpark
Series 2022A & B	Convention Center Facility, Bryce A. Stuart Building

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Long-term Liabilities at June 30, 2024

Bonds Payable

General obligation bonds, issues dated 2012 to 2023, with stated interest rates of .50% to 5.00%	
General government	\$ 225,525,000
Discounts/premiums	22,553,584
Revenue bonds, water and sewer system	
Series 2014A, principal due annually through 2025, with stated interest rate of 5.0%	2,100,000
Series 2016A, principal due annually through 2039, with stated interest rates of 3.0% to 5.0%	92,420,000
Series 2017, principal due annually through 2047, with stated interest rates of 3.0% to 5.0%	48,785,000
Series 2020A, principal due annually through 2040, with stated interest rates of 2.0% to 5.0%	132,735,000
Series 2020B, principal due annually through 2033, with stated interest rates of .96% to 1.87%	23,085,000
Series 2022, principal due annually through 2052, with stated interest rates of 2.38% to 5.0%	62,140,000
Discounts/premiums	43,213,575
Revenue bonds, stormwater management	
Series 2013, principal due annually through 2033, with stated interest rates of 3.0% to 4.0%	6,645,000
Discounts/premiums	336,866

Leases Payable 10,014,203

Subscriptions Payable 1,530,082

Contracts Payable

Limited obligation bonds issued by North Carolina Municipal Leasing Corporation	
Series 2018, principal due annually through June 1, 2031, with stated interest rate of 3.07%	8,838,000
Series 2020A, principal due annually through June 1, 2027, with stated interest rates of 2.0% to 5.0%	5,545,000
Series 2020B, principal due annually through June 1, 2039, with stated interest rates of 2.06% to 3.4%	47,470,000
Series 2022A, principal due annually through June 1, 2042, with stated interest rates of 3.0% to 5.0%	14,535,000
Series 2022B, principal due annually through June 1, 2034, with stated interest rates of 1.10% to 2.7%	35,730,000
Discounts/premiums	3,157,739

Installment financing agreements

Direct borrowing, Series 2019, principal due from August 1, 2020 to August 1, 2024, with a stated interest rate of 1.610%	18,000,000
Direct borrowing, Series 2022, principal due from March 1, 2022 to September 1, 2026, with a stated interest rate of 0.799%	10,080,025
Direct borrowing, Series 2023, principal due from November 15, 2023 to May 15, 2028, with a stated interest rate of 3.3207%	20,253,730
Direct borrowing, Clean/Drinking water state revolving loan fund, payable over 20 years, with stated interest rate of 0% to 2%	139,462,574

Other

Net pension liability - LGERS	102,966,551
Net pension liability - WSPORS	31,176,120
Net pension liability - separation allowance	16,684,717
Accrued vacation	24,515,319
Accrued interest payable	2,607,988
Landfill closure and postclosure costs	30,819,157
Pollution remediation	1,951,596
Claims payable - employment and post-retirement benefits	22,240,552
Claims payable - risk management reserves fund	3,412,159
Arbitrage rebate liability	1,294,794

Total long-term liabilities including current maturities **\$ 1,211,824,331**

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Changes in Long-term Liabilities during Fiscal Year 2024

	Principal Outstanding June 30, 2024	Additions	Retirement and Deferrals	Principal Outstanding June 30, 2024	Due Within Year
Governmental Activities					
General obligation bonds	\$ 243,195,000	\$ -	\$ 17,670,000	\$ 225,525,000	\$ 15,660,000
Discount/premium	24,550,827	-	1,997,243	22,553,584	-
Lease liabilities	9,779,269	408,494	619,099	9,568,664	542,083
Subscription liabilities	2,363,274	806,938	1,640,130	1,530,082	1,172,726
Contracts payable					
North Carolina Municipal					
Leasing Corporation	101,356,313	10,539,180	21,155,092	90,740,401	8,440,328
Discount/premium	3,408,017	-	430,133	2,977,884	-
Installment financing contracts	57,056,106	-	8,722,351	48,333,755	26,824,017
Net pension liability - LGERS	77,932,359	9,739,863	-	87,672,222	-
Net pension liability - WSPORS	41,773,478	-	10,597,358	31,176,120	-
Net pension liability - separation allowance	17,339,341	-	654,624	16,684,717	-
Accrued vacation	16,942,365	11,894,864	6,940,915	21,896,314	8,500,784
Accrued interest payable	1,438,436	-	236,989	1,201,447	1,201,447
Arbitrage rebate liability	-	1,294,794	-	1,294,794	-
Claims payable-employment benefits	10,536,215	43,605,910	32,999,946	21,142,179	7,973,502
Total governmental activities debt	<u>607,671,000</u>	<u>78,290,043</u>	<u>103,663,880</u>	<u>582,297,163</u>	<u>70,314,887</u>
Business-Type Activities					
Revenue bonds	389,040,000	-	21,130,000	367,910,000	22,135,000
Discount/premium	47,805,774	-	4,255,333	43,550,441	-
Lease liabilities	452,264	-	6,725	445,539	7,906
Subscription liabilities	773,077	-	773,077	-	-
Contracts payable					
North Carolina Municipal					
Leasing Corporation	23,713,685	963,814	3,299,900	21,377,599	2,935,680
North Carolina Municipal					
Leasing Corporation discount/premium	271,806	-	91,951	179,855	-
Clean water state revolving loan fund	76,157,209	-	5,547,996	70,609,213	5,547,995
Drinking water state revolving loan fund	45,745,776	23,107,585	-	68,853,361	-
Net pension liability - LGERS	13,776,968	1,449,286	-	15,226,254	-
Accrued vacation	2,607,402	1,065,381	1,061,092	2,611,691	1,024,151
Accrued interest payable	1,520,890	-	114,349	1,406,541	1,406,541
Landfill closure and postclosure costs	29,278,524	1,718,318	177,685	30,819,157	377,500
Pollution remediation	1,951,596	-	-	1,951,596	30,000
Claims payable - risk management reserve fund	2,553,151	2,231,689	1,372,761	3,412,079	549,552
Total business-type activities debt	<u>635,648,122</u>	<u>30,536,073</u>	<u>37,830,869</u>	<u>628,353,326</u>	<u>34,014,325</u>
Fiduciary Funds					
Net pension liability - LGERS	64,860	3,215	-	68,075	-
Accrued vacation	7,314	6,427	6,427	7,314	4,398
Claims payable - post-employment benefits	1,004,087	6,610,043	6,515,677	1,098,453	1,098,453
Total fiduciary fund debt	<u>1,076,261</u>	<u>6,619,685</u>	<u>6,522,104</u>	<u>1,173,842</u>	<u>1,102,851</u>
Total	<u>\$ 1,244,395,383</u>	<u>\$ 115,445,801</u>	<u>\$ 148,016,853</u>	<u>\$ 1,211,824,331</u>	<u>\$ 105,432,063</u>

Compensated absences for governmental funds primarily have been liquidated in the general fund.

Net pension liabilities and other post-employment benefits liability primarily have been liquidated in the general fund.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

F. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2024

	Governmental Activities	Business-Type Activities
Capital assets	\$ 612,633,582	\$ 1,276,324,684
less: long-term debt	(327,705,216)	(542,299,427)
less: short-term debt	(51,304,154)	(30,626,581)
add: unexpended debt proceeds	68,404,902	2,372,794
add: charge on refunding, net	1,960,642	15,051,472
Net investment in capital assets	\$ 303,989,756	\$ 720,822,942

G. Fund Balance

The following schedule provides management and citizens with information on the portion of general fund balance that is available for appropriation at June 30, 2024.

Total fund balance - general fund	\$ 108,021,603
Less:	
Leases	9,272
Inventories	456,661
Prepays	64,696
Stabilization by state statute	39,555,951
Subsequent year's budget	5,554,320
Local fiscal recovery	1,683,348
Unassigned fund balance	\$ 60,697,355

The fiscal year 2025 budget includes a fund balance appropriation of \$5.56 million, a decrease of \$2.47 million compared to the fiscal year 2024 appropriation. The City's policy is to maintain a minimum fund balance reserve in the general fund that is equivalent to 16% of budgeted expenditures. The amount of unassigned fund balance was 20.35% of 2025 estimated expenditures. The City will continue to closely monitor expenditures and revenues in fiscal year 2025.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Encumbrances Outstanding at June 30, 2024

Encumbrances Outstanding at June 30, 2024

General fund	\$ 13,199,941
Debt service fund	34,433
Capital projects fund	28,988,317
Special revenue funds	
Nonmajor	10,722,475
Enterprise funds	
Water & sewer fund	82,273,273
Solid waste disposal fund	19,902,799
Transit Authority	5,921,329
Nonmajor	2,517,077
Internal service funds	3,018,792
Fiduciary funds	3,483
Total	\$ 166,581,919

3. Other Information

A. Pension Plan

1. The City participates in three defined benefit pension plans:

a. North Carolina Local Government Employees' Retirement System

Plan Description. The City is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of N.C.G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serves as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by N.C.G.S. 128-30 and may be amended only by the North Carolina General Assembly. City of Winston-Salem employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2024, was 14.10% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$19,288,393 for the year ended June 30, 2024.

Refunds of Contributions. City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a liability of \$102,966,551 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the City's proportion was 1.55466%, which was a decrease of .07213% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$28,230,602. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,473,523	\$ 247,005
Changes of assumptions	4,375,485	-
Net difference between projected and actual earnings on pension plan investments	27,558,356	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	2,932,166
City contributions subsequent to the measurement date	19,288,393	-
Total	\$ 62,695,757	\$ 3,179,171

City of Winston-Salem, North Carolina

Notes to the Financial Statements

\$19,288,393 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30

2025	\$ 14,332,482
2026	6,669,926
2027	18,060,473
2028	1,165,312
Total	\$ 40,228,193

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	3.25% to 8.25%, including inflation and productivity factor
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	2.4%
Global Equity	38.0	6.9
Real Estate	8.0	6.0
Alternatives	8.0	8.6
Opportunistic Fixed Income	7.0	5.3
Inflation Sensitive	6.0	4.3
Total	100.0%	

City of Winston-Salem, North Carolina

Notes to the Financial Statements

The information above is based on 30-year expectations developed with the consulting actuary for the asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 178,385,503	\$ 102,966,551	\$ 40,874,603

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

b. Winston-Salem Police Officers' Retirement System

Summary of Significant Accounting Policies

Basis of Accounting. Pension trust fund financial statements are prepared using the accrual basis of accounting. The defined benefit plan does not issue a stand-alone financial report, and it is not included in the financial report of another entity. Member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price.

Plan Description

Plan Administration. Winston-Salem Police Officer's Retirement System (WSPORS) is a single-employer, defined benefit plan with required membership for police officers hired prior to January 1, 2014. It was established by the City in 1977. The City established WSPORS, which is similar to the North Carolina Local Governmental Employees' Retirement System for Law Enforcement Officers, and authorizes benefit provisions and amendments, including post-retirement benefit increases. The Commission is composed of a member of the City Council, three representatives elected by members of WSPORS from employees or retirees participating in WSPORS, and an unaffiliated citizen of Winston-Salem who serves as Chairperson of the Commission. Two alternate representatives elected by the members of WSPORS from employees or retirees participating in WSPORS. The Chief Financial Officer of the City serves as WSPORS Administrator and oversees both benefits administration and investments.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Plan Membership. At January 1, 2024, the Winston-Salem Police Officers' Retirement System membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	491
Inactive plan members entitled to but not receiving benefits	90
Active plan members	<u>200</u>
Total	781

As of December 31, 2013, the plan is closed to new entrants.

Benefits Provided. Members may retire with unreduced benefits after completing 30 years of creditable service or at age 55 with 5 years of creditable service. Officers retiring with unreduced benefits are entitled to annual benefits equal to 1.85% of average highest earnings for four consecutive years times the number of years of creditable service.

Contributions. Under the Code of the City of Winston-Salem, contribution requirements of plan members and the City are established and may be amended. Members are required to contribute 6% of their salary and contributions by the City are based upon annual actuarial studies. The City is responsible for the payment of administrative expenses of the plan as additional contributions.

In 2008, the City entered into a trust agreement with U.S. Bank National Association to establish an irrevocable trust for post-employment benefits including the Winston-Salem Police Officers' Retirement System.

Investments

Investment Policy. City Council has adopted an Investment Policy for all City funds inclusive of the investment of the retirement fund. The City Manager, with recommendation from the Chief Financial Officer, has the authority, with the assistance of financial consultants, to select and employ asset managers to direct investment activities of WSPORS in accordance with the Investment Policy. The City has eight equity managers, two fixed income managers, and three index funds, whose performance is measured against appropriate market indices. Financial consultants are approved by City Council to assist the City in the selection and oversight of asset managers. Alex. Brown a Division of Raymond James serves as the financial consultant that helps select and monitor the performance of WSPORS equity and fixed income asset managers.

Asset allocation is a strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio. Based on the principle that asset types perform differently in different market and economic conditions, asset allocation is an important factor in determining returns for an investment portfolio. Target asset allocations are set by ranges by the Chief Financial Officer with the assistance of the financial consultant and adjusted within those ranges from time to time to adjust for market conditions.

Concentrations. The pension plan does not hold 5% or more of the pension plan's fiduciary net position (other than those issued or explicitly guaranteed by the U.S. government) in any one organization.

Rate of Return. For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 15.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Net Pension Liability

The components of the net pension liability of the City as of June 30, 2024 are as follows:

Total pension liability	\$ 245,043,209
Plan fiduciary net position	(213,867,089)
Net pension liability	\$ 31,176,120
Plan fiduciary net position as a percentage of total pension liability	87.3%

At June 30, 2024, the City reported a net pension liability of \$31,176,120. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Salary increases	4.75% to 6.25%, based on years of service (2% - 3.5% plus 2.75% inflation)
Investment rate of return	7.00%, net of investment expense and including inflation

Mortality rates were based on the Pub 2010S Tables projected on a generational basis using Scale SSA (50% of the tables apply for pre-retirement deaths).

The Entry Age cost method is used to determine the funding requirements for the system. Each investment gain or loss is recognized over a 7-year period. The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed period (14 years remaining as of January 1, 2024).

Changes in Actuarial Assumptions. There were no changes since the prior valuation.

Assumed Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity Funds	69%	6.30
Fixed Income Funds	30	2.30
Cash	1	.75
Total Weighted Average Real Return	100%	5.04%
Plus inflation		2.75
Total return w/o adjustment		7.79
Risk adjustment		(0.79)
Total Expected Return		7.00%

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members.

Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 234,066,869	\$ 192,293,391	\$ 41,773,478
Changes for the year:			
Service cost	2,244,422	-	2,244,422
Interest	16,025,973	-	16,025,973
Differences between expected and actual experience	7,697,145	-	7,697,145
Contributions - employer	-	6,374,728	(6,374,728)
Contributions - member	-	1,289,783	(1,289,783)
Net investment income	-	28,973,153	(28,973,153)
Benefit payments, including refunds of member contributions	(14,991,200)	(14,991,200)	-
Administrative expense	-	(72,766)	72,766
Net changes	10,976,340	21,573,698	(10,597,358)
Balances at June 30, 2024	\$ 245,043,209	\$ 213,867,089	\$ 31,176,120

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 274,043,535	\$ 245,043,209	\$ 220,917,584
Plan net position	(213,867,089)	(213,867,089)	(213,867,089)
Net pension liability (asset)	\$ 60,176,446	\$ 31,176,120	\$ 7,050,495

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$7,462,405. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,647,832	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	10,161,410
Total	\$ 5,647,832	\$ 10,161,410

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2025	\$ 127,826
2026	3,557,954
2027	(5,049,060)
2028	(3,150,298)
Total	\$ (4,513,578)

c. Winston-Salem Police Officers' Separation Allowance

Summary of Significant Accounting Policies

Basis of Accounting. Pension trust fund financial statements are prepared using the accrual basis of accounting. The defined benefit plan does not issue a stand-alone financial report, and it is not included in the financial report of another entity. Employer contributions are recognized in the period in which the contributions are due. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Plan Description

Plan Administration. Winston-Salem Police Officers' Separation Allowance is a single-employer, defined benefit plan established by the State of North Carolina in 1987 for all local law enforcement officers. Article 12D of N.C.G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Plan Membership. At January 1, 2024, the Winston-Salem Police Officers' Separation Allowance membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	151
Inactive plan members entitled to but not receiving benefits	-
Active plan members	375
Total	526

Benefits Provided. The monthly benefit is paid by the City to officers retired under the Winston-Salem Police Officers' Retirement System or the North Carolina Local Governmental Employees' Retirement System until age 62, who have completed 30 years of creditable service or have attained 55 years of age and have completed 5 or more years of creditable service. The benefit is 0.85% of the annual equivalent of the most recent base rate of compensation times the years of creditable service.

Contributions. Benefit provisions are established and may be amended by the State of North Carolina. City contributions are based upon annual actuarial studies. Administrative expenses are funded by additional City contributions.

In 2008, the City entered into a trust agreement with U.S. Bank National Association to establish an irrevocable trust for post-employment benefits including the Winston-Salem Police Officers' Separation Allowance.

Investments

Investment Policy. City Council has adopted an Investment Policy for all City funds inclusive of the investment of the retirement fund. The City Manager, with recommendation from the Chief Financial Officer, has the authority, with the assistance of financial consultants, to select and employ asset managers to direct investment activities of Separation Allowance in accordance with the Investment Policy. The City has eight equity managers, two fixed income managers, and three index funds, whose performance is measured against appropriate market indices. Financial consultants are approved by City Council to assist the City in the selection and oversight of asset managers. Alex. Brown a Division of Raymond James serves as the financial consultant that helps select and monitor the performance of the equity and fixed income asset managers.

Asset allocation is a strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio. Based on the principle that asset types perform differently in different market and economic conditions, asset allocation is an important factor in determining returns for an investment portfolio. Target asset allocations are set by ranges by the Chief Financial Officer with the assistance of the financial consultant and adjusted within those ranges from time to time to adjust for market conditions.

Concentrations. The pension plan does not hold 5% or more of the pension plan's fiduciary net position (other than those issued or explicitly guaranteed by the U.S. government) in any one organization.

Rate of Return. For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 14.81%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Net Pension Liability

The components of the net pension liability of the City as of June 30, 2024, are as follows:

Total pension liability	\$ 31,086,717
Plan fiduciary net position	(14,402,000)
Net pension liability	\$ 16,684,717
Plan fiduciary net position as a percentage of total pension liability	46.3%

At June 30, 2024, the City reported a net pension liability of \$16,684,717. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Salary increases	4.75% to 6.25%, based on years of service
Investment rate of return	7.00%, net of investment expense and including inflation
Interest on contributions	4.00% per year

Mortality rates were based on the Pub 2010S Tables projected on a generational basis using Scale SSA (50% of the tables apply for pre-retirement deaths).

The Entry Age Normal cost method is used to determine the funding requirements for the system. Each investment gain or loss is recognized over a 7-year period. The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed period (14 years remaining as of January 1, 2024).

Changes in Actuarial Assumptions. There were no changes since the prior valuation.

Assumed Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity Funds	69%	6.30
Fixed Income Funds	30	2.30
Cash	1	0.75
Total Weighted Average Real Return	100%	5.04
Plus inflation		2.75
Total return w/o adjustment		7.79
Risk adjustment		(0.79)
Total Expected Return		7.00%

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Discount Rate. The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 30,223,087	\$ 12,883,746	\$ 17,339,341
Changes for the year:			
Service cost	627,492	-	627,492
Interest	2,056,151	-	2,056,151
Differences between expected and actual experience	1,184,782	-	1,184,782
Contributions - employer	-	2,633,748	(2,633,748)
Net investment income	-	1,895,262	(1,895,262)
Benefit payments, including refunds of member contributions	(3,004,795)	(3,004,795)	-
Administrative expense	-	(5,961)	5,961
Net changes	863,630	1,518,254	(654,624)
Balances at June 30, 2024	\$ 31,086,717	\$ 14,402,000	\$ 16,684,717

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Total pension liability	\$ 33,346,399	\$ 31,086,717	\$ 29,027,519
Plan net position	(14,402,000)	(14,402,000)	(14,402,000)
Net pension liability	\$ 18,944,399	\$ 16,684,717	\$ 14,625,519

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$3,329,436. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,760,874	\$ 861,871
Changes of assumptions	361,774	186,689
Net difference between projected and actual earnings on pension plan investments	-	583,667
Total	\$ 7,122,648	\$ 1,632,227

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2025	\$ 1,287,125
2026	1,360,336
2027	529,730
2028	646,930
2029	804,345
Thereafter	861,955
Total	\$ 5,490,421

The following are financial statements for the Winston-Salem Police Officers' Retirement System and the Winston-Salem Police Officers' Separation Allowance Funds included in Exhibits 9 and 10 at June 30, 2024.

Statement of Fiduciary Net Position

June 30, 2024

	Winston-Salem Police Officers'	
	Retirement System	Separation Allowance
Cash and cash equivalents/investments	\$ 10,320,577	\$ 1,823,242
Investments, at fair value		
Domestic stock and ADRs	91,533,650	5,673,683
United States government agencies	1,314,969	79,883
Corporate bonds	16,671,526	1,012,779
Municipal bonds	14,851,677	902,224
Mutual funds	79,282,539	4,916,768
Total assets	213,974,938	14,408,579
Liabilities		
Accounts payable	107,849	6,579
Total liabilities	107,849	6,579
Net position		
Restricted for pensions	\$ 213,867,089	\$ 14,402,000

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2024

	Winston-Salem Police Officers'	
	Retirement System	Separation Allowance
Additions		
Contributions		
Employer	\$ 6,374,728	\$ 2,633,748
Plan members	1,289,783	-
Total contributions	7,664,511	2,633,748
Investment income		
Net appreciation in fair value	25,702,757	1,656,540
Interest and dividends	4,237,613	301,077
Total investment income (loss)	29,940,370	1,957,617
Less investment expense	967,217	62,355
Net investment income	28,973,153	1,895,262
Total additions	36,637,664	4,529,010
Deductions		
Benefits	14,938,247	3,004,795
Refund of contributions	52,953	-
Administrative expense	72,766	5,961
Total deductions	15,063,966	3,010,756
Net increase (decrease) in net position	21,573,698	1,518,254
Net position - beginning	192,293,391	12,883,746
Net position - ending	\$ 213,867,089	\$ 14,402,000

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

The following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	WSPORS	Separation	Total
Pension expense	\$ 28,230,602	\$ 7,462,405	\$ 3,329,436	\$ 39,022,443
Pension liability	102,966,551	\$31,176,120	16,684,717	150,827,388
Proportionate share of the net pension liability	1.55466	n/a	n/a	
Deferred Outflows of Resources				
Differences between expected and actual experience	11,473,523	5,647,832	6,760,874	23,882,229
Changes of assumptions	4,375,485	-	361,774	4,737,259
Net difference between projected and actual earnings on pension plan investments	27,558,356	-	-	27,558,356
City benefit payments and administrative costs paid subsequent to the measurement date	19,288,393	-	-	19,288,393
Total Deferred Outflows of Resources	\$ 62,695,757	\$ 5,647,832	\$ 7,122,648	\$ 75,466,237
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 247,005	\$ -	\$ 861,871	\$ 1,108,876
Changes of assumptions	-	-	186,689	186,689
Net difference between projected and actual earnings on pension plan investments	-	10,161,410	583,667	10,745,077
Changes in proportion and differences between City contributions and proportionate share of contributions	2,932,166	-	-	2,932,166
Total Deferred Inflows of Resources	\$ 3,179,171	\$ 10,161,410	\$ 1,632,227	\$ 14,972,808

City of Winston-Salem, North Carolina

Notes to the Financial Statements

2. The City participates in three defined contribution plans:

a. Winston-Salem Police Officers' Defined Contribution Plan

Plan Description. Winston-Salem Police Officers' Defined Contribution Plan is a defined contribution plan effective January 1, 2014. Sworn police officers employed after December 31, 2013 may voluntarily participate in the Winston-Salem Police Officers' Defined Contribution Retirement Plan, which shall consist of the Winston-Salem Police Officers' Defined Contribution Retirement Plan for employee contributions (the "457(b) plan"), to which employees may defer compensation, and the Winston-Salem Police Officers' Defined Contribution Retirement Plan for employer contributions (the "401(a) plan"), under which the City will match employees' deferrals to the 457(b) plan.

The maximum amount of a participant's deferrals under the 457(b) plan and all other plans under Section 457(b) of the Internal Revenue Code for any calendar year shall not exceed the lesser of (1) the amount established under Section 457(e)(15) of the Internal Revenue Code, as adjusted annually for cost-of-living changes to the extent provided under Section 415(d) of the Internal Revenue Code, or (2) the participant's includible compensation for the calendar year. For this purpose, annual deferrals do not include any rollover amounts.

Funding Policy. The City shall contribute 4% of each participant's compensation to the 401(a) plan for each payroll period during which such participant contributes 4% under the 457(b) plan. Contributions for the year ended June 30, 2024 were \$965,046 which consisted of \$482,523 from the City and \$482,523 from the law enforcement officers. Trust agreements have been adopted to hold the assets of the 457(b) plan for employee contributions and 401(a) plan for the employer contributions.

b. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of N.C.G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of N.C.G.S. Chapter 143 requires the City to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. City contributions for the year ended June 30, 2024 were \$1,696,992.

c. Winston-Salem General and Fire Employees' Defined Contribution Retirement Plan

Plan Description. Winston-Salem General and Fire Employee's Defined Contribution Plan is a defined contribution plan effective January 1, 2017. The defined contribution plan is permitted under the North Carolina State Statutes 160A-163 that allows municipalities to provide voluntary supplemental retirement plans.

Funding Policy. The City shall contribute 2% of each participant's compensation to the 401(a) plan for each payroll period during which such participant is duly employed by the City and is an employee, as defined in Section 50-201 of the City code. Contributions for the year ended June 30, 2024 were \$2,265,853. A trust agreement has been adopted to hold the assets of the 401(a) plan for employer contributions.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

B. Other Post-employment Benefits (OPEB)

Healthcare and Death Benefits

Summary of Significant Accounting Policies

Basis of Accounting. Post-employment trust fund financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value asset, consistent with the long-term perspective of the calculations.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Administration costs are financed through investment earnings.

Plan Description

Plan Administration. Under a City Council resolution dated September 9, 1991, the City of Winston-Salem provides healthcare and death benefits as a single-employer defined benefit plan to cover retirees of the City who have at least 15 years creditable service and retire from the City of Winston-Salem. Employees hired after June 30, 2010 are not eligible for the retiree healthcare benefit. The City Council may amend the benefit provisions. A separate report was not issued for the plan.

Plan Membership. At January 1, 2024, the Other Post-employment Benefits Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	1,273
Active plan members	659
Total	1,932

Benefits Provided. The City pays a \$2,000 death benefit and contributes a maximum of \$2,520 annually towards the retiree's healthcare premium. Retirees participate in the City's healthcare program until age 65, when they are eligible to participate in the City's Medicare supplemental plan. The healthcare premium for active employees and retirees under age 65 is a blended rate reflecting costs for both active and retired employees. Dependents of retirees may participate in the City's group health plan by paying premiums that vary depending upon their type of coverage. Employees hired after June 30, 2010 are not eligible for the Retiree healthcare benefit.

Contributions. The City Council establishes the contribution requirements of plan members. The current annual required contribution was .03% of estimated annual covered payroll. For the current year, the City contributed \$1,492,954 or 3.1% of annual covered payroll. The City of Winston-Salem is self-insured. Contributions were made by plan members of \$1,918,972 through healthcare premiums. The City's obligation to provide healthcare and death benefits may be amended by City Council.

In 2008, the City entered into a trust agreement with U.S. Bank National Association to establish an irrevocable trust for post-employment benefits including the other post-employment benefits.

Investments

Investment Policy. City Council has adopted an Investment Policy for all City funds inclusive of the investment of the retirement fund. The City Manager, with recommendation from the Chief Financial Officer, has the authority, with the assistance of financial consultants, to select and employ asset managers to direct investment activities of OPEB in accordance with the Investment Policy. The City has eight equity managers, two fixed income managers, and three index funds, whose performance is measured against appropriate market indices. Financial consultants are approved by City Council to assist the City in the selection and oversight of asset managers. Alex. Brown a Division of Raymond James serves as the financial consultant that helps select and monitor the performance of the equity and fixed income asset managers.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Asset allocation is a strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio. Based on the principle that asset types perform differently in different market and economic conditions, asset allocation is an important factor in determining returns for an investment portfolio. Target asset allocations are set by ranges by the Chief Financial Officer with the assistance of the financial consultant and adjusted within those ranges from time to time to adjust for market conditions.

Concentrations. The OPEB plan does not hold 5% or more of the OPEB plan's fiduciary net position (other than those issued or explicitly guaranteed by the U.S. government) in any one organization.

Rate of Return. For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of investment expense was 15.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability (Asset)

The components of the net OPEB liability (asset) of the City as of June 30, 2024 are as follows:

Total OPEB liability	\$ 72,169,892
Plan fiduciary net position	(78,400,918)
Net OPEB liability (asset)	<u><u>\$ (6,231,026)</u></u>
Plan fiduciary net position as a percentage of total OPEB asset	108.6%

At June 30, 2024, the City reported a net OPEB asset of \$6,231,026. The net OPEB asset was measured as of June 30, 2024. The total OPEB liability as of this date is based on an actuarial valuation as of January 1, 2024, with adjustments made for the 6 month difference. Adjustments include service cost, interest on total OPEB liability, and expected benefit payments during the year. This is also known as a roll-forward.

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
	4.00% for Medicare coverage (Post 65)
Investment rate of return	7.00%, net of investment expense and including inflation
Healthcare trend	5.50% initially, grading down to 4.25% ultimate

Mortality rates were based on the Pub 2010-G and 2010-S general and safety headcount Tables, projected generationally using Scale SSA-2021 (50% of the tables apply for pre-retirement deaths).

The Entry Age, individual level percent of pay method is used for accounting/GASB purposes, therefore all of the actuarial figures are based on it. Actuarially determined contributions are also based on the Entry Age method, with a closed level dollar (22 remaining years) amortization of the unfunded liability and five year asset smoothing.

Changes in Actuarial Assumptions. There were no changes since the prior valuation.

Actuarial Methods for Determining Employer Contributions. The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75.

Assumed Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	40%	6.30
International Funds	30	6.55
Fixed Income - U. S.	30	2.30
Total Weighted Average Real Return	100%	5.18
Plus inflation		2.75
Total return w/o adjustment		7.93
Risk adjustment		(0.93)
Total Expected Return		7.00%

Discount Rate. The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made equal to the actuarially determined contribution.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rates of return on OPEB Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 67,940,299	\$ 71,311,198	\$ (3,370,899)
Changes for the year:			
Service cost	468,973	-	468,973
Interest	4,617,811	-	4,617,811
Differences between expected and actual experience	4,107,879	-	4,107,879
Contributions - employer	-	1,492,954	(1,492,954)
Contributions - member	-	1,918,972	(1,918,972)
Net investment income	-	10,735,616	(10,735,616)
Benefit payments, including refunds of member contributions	(4,965,070)	(6,884,042)	1,918,972
Administrative expense	-	(173,780)	173,780
Net changes	4,229,593	7,089,720	(2,860,127)
Balances at June 30, 2024	\$ 72,169,892	\$ 78,400,918	\$ (6,231,026)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the net OPEB asset of the City, calculated using the discount rate of 7.0%, as well as what the City's net OPEB asset would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total OPEB liability	\$ 80,099,210	\$ 72,169,892	\$ 65,515,991
Plan net position	(78,400,918)	(78,400,918)	(78,400,918)
Net OPEB liability (asset)	\$ 1,698,292	\$ (6,231,026)	\$ (12,884,927)

Sensitivity of the Net OPEB Asset to Changes in the Trend Rate. The following presents the net OPEB liability asset of the City, calculated using the healthcare trend rate of 5.5% to an ultimate rate of 4.25%, as well as what each plan's net OPEB liability asset would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rate:

Ultimate Trend Rate

	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase 5.25%
Total OPEB liability	\$ 65,265,508	\$ 72,169,892	\$ 80,372,732
Plan net position	(78,400,918)	(78,400,918)	(78,400,918)
Net OPEB liability (asset)	\$ (13,135,410)	\$ (6,231,026)	\$ 1,971,814

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$260,243. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,053,939	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	3,742,443
Total	\$ 2,053,939	\$ 3,742,443

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended June 30

2025	\$ (134,568)
2026	1,492,794
2027	(1,908,337)
2028	(1,138,393)
Total	\$ (1,688,504)

The following are financial statements for the Post-employment Benefits Trust Funds included as Fiduciary Funds in Exhibits 9 and 10 at June 30, 2024.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Statement of Fiduciary Net Position

June 30, 2024

	Post-employment Benefits Trust Funds
Assets	
Cash and cash equivalents/investments	\$ 7,387,589
Investments, at fair value	
Domestic stock and ADRs	33,409,925
United States government agencies	383,736
Corporate bonds	4,865,099
Municipal bonds	4,334,030
Mutual funds	29,084,284
Prepaid expenses	119,303
Total assets	<u>79,583,966</u>
Deferred Outflows of Resources	
Pension deferrals	<u>41,451</u>
Liabilities	
Accounts payable	46,620
Accrued payroll	1,935
Accrued vacation	7,314
Net pension liability	68,075
Claims payable	1,098,453
Total liabilities	<u>1,222,397</u>
Deferred Inflows of Resources	
Pension deferrals	<u>2,102</u>
Net position	
Restricted for post-employment benefits other than pensions	<u><u>\$ 78,400,918</u></u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Statement of Changes in Fiduciary Net Position

June 30, 2024

	Post-employment Benefits Trust Funds
Additions	
Contributions	
Employer	\$ 1,492,954
Plan members	1,918,972
Total contributions	<u>3,411,926</u>
Investment income	
Net appreciation in fair value	9,522,650
Interest and dividends	1,560,807
Total investment income (loss)	<u>11,083,457</u>
Less investment expense	<u>347,841</u>
Net investment income	<u>10,735,616</u>
Total additions	<u>14,147,542</u>
Deductions	
Benefits	6,884,042
Administrative expense	173,780
Total deductions	<u>7,057,822</u>
Net decrease in net position	7,089,720
Net position - beginning	<u>71,311,198</u>
Net position - ending	<u>\$ 78,400,918</u>

C. Deferred Compensation

The City offers a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All City employees are eligible to participate and may defer until future years up to 25% of their gross income with a maximum of \$22,500 per year. The compensation deferred is not available to employees until termination, retirement, death, or an unforeseeable emergency.

During 1998, the plan assets were placed in trust for the exclusive benefit of participants and beneficiaries as required by Section 457 of the Internal Revenue Code and, therefore, are no longer included in the City's financial statements.

D. Joint Ventures and Jointly Governed Organizations

Joint Ventures. The City of Winston-Salem, Village of Clemmons, Town of Kernersville, Town of Lewisville, Town of Oak Ridge, Town of Bermuda Run, and Town of Yadkinville jointly appoint the nine member Triad Municipal Alcoholic Beverage Control Board, which operates 15 liquor stores in Forsyth County, Davie County, Guilford County, and Yadkin County. N.C.G.S. 18B-805 requires the Triad Municipal Alcoholic Beverage Control Board to distribute its net income to the seven municipalities who appoint the Board and Forsyth County. During fiscal year 2024, the City received \$4,019,482 in distributed net income. The participating governments do not have equity interest in the joint venture. The City does not have financial responsibility for the Triad Municipal Alcoholic Beverage Control Board and is not held responsible for its debts. Audited financial statements for the Triad Municipal Alcoholic Beverage Control Board are available through their administrative offices at 3127 Starlight Drive, Winston-Salem, North Carolina 27107-4141.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

The governing boards of the cities of Winston-Salem, Burlington, Greensboro, and High Point established the Piedmont Authority for Regional Transportation (PART) under the Regional Public Transportation Authority Act, N.C.G.S. Chapter 160A, Article 27. The purpose of the authority is to promote the development of sound transportation systems that provide transportation choices for citizens in its territorial jurisdiction. The participating governments do not have an equity interest in the joint venture. The City of Winston-Salem does not have financial responsibility for the authority and is not responsible for its debts. Audited financial statements for PART are available through the PART Administrative Office, 107 Arrow Road, Greensboro, North Carolina 27409.

Jointly Governed Organizations. The Piedmont Triad Regional Council (PTRC) was formed on July 1, 2011 by consolidating the Northwest Piedmont Council of Governments, and the Piedmont Triad Council of Governments. The PTRC was designated by the State of North Carolina to serve as the lead regional organization for the Piedmont Triad region. PTRC serves 76 member governments in a 12 county area. Each participating government appoints one member to the council's governing board. The City paid membership fees of \$52,552 to the council during the fiscal year ended June 30, 2024.

E. Closure and Postclosure Care Costs

State and federal laws and regulations require that the City place a final cover on the Hanes Mill Road Sanitary Landfill and the Old Salisbury Road Construction and Demolition Landfill when each unit is closed and perform certain maintenance and monitoring functions at the site for a minimum of 30 years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on future closure and postclosure care costs that will be incurred during operation and will continue after the date the landfills no longer accept waste. The liability as of June 30, 2024, is \$30,819,157.

The City is required by state and federal laws and regulations to demonstrate financial assurance for closure and postclosure care. The City is in compliance with the requirement and has established a capital reserve fund for these purposes. The capital reserve fund of \$30,819,157 at June 30, 2024, is reported as restricted assets on the balance sheet of the solid waste disposal fund. Recognition of these reserves for landfill closure and postclosure costs is based on 100% usage of the Hanes Mill Road Sanitary Landfill for the unlined section of the landfill which closed in June 1997. Cell one, two, and three of the lined section was closed in July 2005. Phase one and two at the Hanes Mill Road Landfill is currently constructed and being filled and recognition of reserves is based on the engineer's estimate of cost projected through closure of the landfill as well as the usage of the landfill capacity as of June 30, 2024. The total capacity for cells 1-7 at Hanes Mill Road Landfill is 12,065,688 cubic yards, of which approximately 57.32% is used. The City has applied for a permit to further increase the capacity of the Hanes Mill Road Landfill; the City will recognize additional costs as new capacity is constructed. Old Salisbury Road Landfill is currently constructed and being filled, and recognition of reserves is based on the engineer's estimate of cost projected through closure of the landfill as well as the usage of the landfill capacity as of June 30, 2024. The total capacity for the Old Salisbury Road Landfill is 3,775,400 cubic yards, of which approximately 88% is used. The landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2024. However, the actual cost may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

F. Pollution Remediation Obligations

The City has identified specific City-owned properties where it is either known or reasonably believed that the sites contain certain pollutants. Most of the properties have not completed an environmental assessment of the impact or have active remediation systems in place; however, each site has been reported to a North Carolina regulatory agency as having a current or reportable incident, thus voluntarily obligating the City for certain remediation activities. None of the reported pollution creates an imminent endangerment to public health or welfare and many of the sources of impact have already been eliminated, as reasonably appropriate.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

An estimated pollution remediation obligation of \$1,951,596 is recorded in the Statement of Net Position in the stormwater fund. This amount reflects current estimates for groundwater pollution remediation at City Yard. City staff has voluntarily worked with appropriate State regulators to assess the environmental impact and to develop a corrective action plan. The estimated cost of remediation is based on an external consultant's estimate for the corrective action plan, which involves a) remediating 29,029 gallons of contaminated water and 7,800 tons of petroleum-contaminate soil, and b) excavating and disposing of 20,179 cubic yards of CCBP (fly-ash) and 945 tons of metal-contaminated soil. As remediation activities proceed or new information becomes available, the obligations will be reassessed. Increases or decreases in estimated costs due to price fluctuations or changes due to technology or laws or regulations cannot be estimated at this time. Obligations pertain to soil or groundwater contamination, primarily from storage of underground fuel tanks, former disposal activities, or industrial use at the sites.

Certain other sites associated with pollution activity within the City have been identified, primarily pertaining to former waste disposal or prior property use; however, costs for remediation activities are not estimable as of June 30, 2024.

In addition, we estimate no future recoveries to potentially reduce the recorded pollution liabilities in fiscal year 2024.

G. Risk Management

The City has employment benefit funds for health benefits and workers' compensation, and post-employment benefit trust funds for retired employees' life and health insurance. The City also has a risk management reserve fund; the City is self insured for claims and damages. Reserves are established for reported claims and claims incurred but not reported for each fiscal year. Traditional insurance contracts cover property damage, loss of money, and situational risks.

The City carries flood insurance which provides \$1,000,000 in aggregate flood coverage for the Idol's Dam, Intake, and Pump station location. The coverage also provides \$2,500,000 aggregate flood coverage for all buildings, structures, and property located within Zone A. The City has no coverage for properties located within Zone V. The City maintains \$10,000,000 aggregate flood coverage for all other territories.

In accordance with N.C.G.S. 159-29, the City's Finance Officer is individually bonded for \$1,000,000, and the Deputy Finance Officer, Treasury Manager, Investment Analyst, and Revenue Collector are individually bonded for \$500,000. All City employees are covered by a crime insurance policy that carries a \$500K single loss limit coverage for employee theft, ERISA fidelity, and employee theft of client property.

Claims payable recorded in the general purpose financial statements are composed of the self-insurance claims for health benefits, workers' compensation, and retired health insurance, and risk management claims for damages.

Changes in Claims Payable

	<u>2024</u>	<u>2023</u>
Claims payable July 1	\$ 14,093,454	\$ 11,013,719
Claims paid	(40,888,385)	(37,736,558)
New claims and changes in claim estimates	52,447,642	40,816,293
Claims payable June 30	<u>\$ 25,652,711</u>	<u>\$ 14,093,454</u>
Employment benefits funds	\$ 21,142,179	\$ 10,536,216
Other post-employment benefits trust fund	1,098,453	1,004,087
Risk management reserves fund	3,412,079	2,553,151
	<u>\$ 25,652,711</u>	<u>\$ 14,093,454</u>
Due within year	\$ 9,621,507	\$ 7,925,376

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Contingent Liabilities and Commitments

Claims and Legal Action

Various claims and legal actions are pending against the City, and it is not possible at this time to predict their outcome. However, in the opinion of management and the City attorney, ultimate resolutions will not have a material, adverse impact on financial position.

The City has federal and state grants for specific purposes that are subject to annual audit and other periodic review by grantor agencies. Such reviews could result in request for reimbursements to the grantor agencies for costs which may be disallowed as appropriate expenditures under grant terms. City management believes disallowances, if any, will be insignificant.

H. Changes to or within the Financial Reporting Entity

During fiscal year 2024, the City determined that construction related expenses in the amount of \$1,699,138 were being capitalized instead of expensed as incurred.

During fiscal year 2024, the City determined that intergovernmental revenue in the amount of \$6,736,000 was recorded as revenue prior to eligibility determinations being met.

Therefore, net position was overstated by \$8,435,138 for the fiscal year ended June 30, 2023. The effect of correcting that error is shown in the table below:

	June 30, 2023			June 30, 2023
	As Previously	Error Correction -	Error Correction -	As Restated
	Reported	Expenses	Revenue	
Transit Authority Fund	<u>\$ 34,678,443</u>	<u>\$ (1,699,138)</u>	<u>\$ (6,736,000)</u>	<u>\$ 26,243,305</u>
Total Business-type Activities	<u>\$ 940,062,030</u>	<u>\$ (1,699,138)</u>	<u>\$ (6,736,000)</u>	<u>\$ 931,626,892</u>

**Required
Supplementary
Information**

City of Winston-Salem, North Carolina

Schedule of Changes in Net Pension Liability and Related Ratios

Winston-Salem Police Officer's Retirement System
Last Ten Fiscal Years

Exhibit 11
Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 2,244,422	\$ 2,732,999	\$ 2,969,143	\$ 2,905,668	\$ 2,931,903
Interest	16,025,973	15,447,933	15,347,148	14,678,729	14,274,058
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	7,697,145	5,397,778	(2,538,208)	4,722,267	702,442
Changes of assumptions	-	-	7,571,318	-	-
Benefit payments, including refunds of employee contributions	(14,991,200)	(14,678,922)	(13,558,713)	(12,756,479)	(11,860,183)
Net change in total pension liability	10,976,340	8,899,788	9,790,688	9,550,185	6,048,220
Total pension liability, beginning	234,066,869	225,167,081	215,376,393	205,826,208	199,777,988
Total pension liability, ending (a)	245,043,209	234,066,869	225,167,081	215,376,393	205,826,208
Plan fiduciary net position					
Contributions - employer	6,374,728	6,646,130	6,078,827	5,862,603	5,070,702
Contributions - member	1,289,783	1,284,976	1,266,106	1,339,105	1,437,121
Net investment income	28,973,153	21,696,175	(28,385,858)	56,872,827	2,571,341
Benefit payments, including refunds of employee contributions	(14,991,200)	(14,678,922)	(13,558,713)	(12,756,479)	(11,860,183)
Administrative expense	(72,766)	(110,501)	(117,194)	(105,904)	(98,836)
Other	-	-	-	-	-
Net change in plan fiduciary net position	21,573,698	14,837,858	(34,716,832)	51,212,152	(2,879,855)
Plan fiduciary net position, beginning	192,293,391	177,455,533	212,172,365	160,960,213	163,840,068
Plan fiduciary net position, ending (b)	213,867,089	192,293,391	177,455,533	212,172,365	160,960,213
Net pension liability, ending (a-b)	\$ 31,176,120	\$ 41,773,478	\$ 47,711,548	\$ 3,204,028	\$ 44,865,995
Plan fiduciary net position as a percentage of the total pension liability	87.3%	82.2%	78.8%	98.5%	78.2%
Covered payroll	\$ 19,892,057	\$ 19,135,735	\$ 20,363,014	\$ 23,501,713	\$ 23,569,786
Net pension liability as a percentage of covered payroll	156.7%	218.3%	234.3%	13.6%	190.4%

City of Winston-Salem, North Carolina

Schedule of Changes in Net Pension Liability and Related Ratios

Winston-Salem Police Officer's Retirement System
Last Ten Fiscal Years

Exhibit 11
Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 2,822,356	\$ 2,800,881	\$ 2,786,122	\$ 2,839,943	\$ 2,972,457
Interest	13,900,788	13,818,009	12,280,395	11,744,716	11,314,615
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	3,723,670	4,119,005	2,916,465	1,289,927	2,594,276
Changes of assumptions	87,029	4,612,557	188,562	191,138	175,153
Benefit payments, including refunds of employee contributions	(11,514,176)	(10,937,034)	(10,502,703)	(9,968,384)	(9,429,751)
Net change in total pension liability	9,019,667	14,413,418	7,668,841	6,097,340	7,626,750
Total pension liability, beginning	190,758,321	176,344,903	168,676,062	162,578,722	154,951,972
Total pension liability, ending (a)	199,777,988	190,758,321	176,344,903	168,676,062	162,578,722
Plan fiduciary net position					
Contributions - employer	4,152,384	4,034,558	4,034,169	4,035,399	4,205,640
Contributions - member	1,470,001	1,571,265	1,493,643	1,484,341	1,543,565
Net investment income	10,731,236	15,285,822	20,820,215	742,534	5,330,797
Benefit payments, including refunds of employee contributions	(11,514,176)	(10,937,034)	(10,502,703)	(9,968,384)	(9,429,751)
Administrative expense	(100,775)	(104,951)	(95,168)	(95,299)	(111,694)
Other	-	-	-	-	-
Net change in plan fiduciary net position	4,738,670	9,849,660	15,750,156	(3,801,409)	1,538,557
Plan fiduciary net position, beginning	159,101,398	149,251,738	133,501,582	137,302,991	135,764,434
Plan fiduciary net position, ending (b)	163,840,068	159,101,398	149,251,738	133,501,582	137,302,991
Net pension liability, ending (a-b)	\$ 35,937,920	\$ 31,656,923	\$ 27,093,165	\$ 35,174,480	\$ 25,275,731
Plan fiduciary net position as a percentage of the total pension liability	82.0%	83.4%	84.6%	79.1%	84.5%
Covered payroll	\$ 23,797,216	\$ 24,217,617	\$ 23,336,940	\$ 23,733,206	\$ 25,206,604
Net pension liability as a percentage of covered payroll	151.0%	130.7%	116.1%	148.2%	100.3%

City of Winston-Salem, North Carolina

Schedule of Contributions

Winston-Salem Police Officers' Retirement System
Last Ten Fiscal Years

Exhibit 12
Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 6,374,728	\$ 6,646,130	\$ 6,078,827	\$ 5,862,603	\$ 5,070,702
Contributions in relation to the actuarially determined contribution	6,374,728	6,646,130	6,078,827	5,862,603	5,070,702
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,892,057	\$ 19,135,735	\$ 20,363,014	\$ 23,501,713	\$ 23,569,786
Contributions as a percentage of covered payroll	32.0%	34.7%	29.9%	24.9%	21.5%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

The City's actuarial contribution is determined as a percentage of payroll, as shown in the annual funding valuation. The percentage is then applied to actual payroll.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar amount, closed
Remaining amortization period	14
Asset valuation method	7-year smoothed fair value
Inflation	2.75%
Salary increases	4.75% to 6.25%, based on years of service
Investment rate of return	7.00%, net of pension plan investment expense and including inflation
Interest on contributions	4.00% per year
Mortality	Mortality rates were based on the Pub 2010S Tables and projected generationally using Scale SSA (50% of the tables apply for pre-retirement deaths).

City of Winston-Salem, North Carolina

Schedule of Contributions

Winston-Salem Police Officers' Retirement System
 Last Ten Fiscal Years

Exhibit 12
 Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,152,384	\$ 3,746,180	\$ 3,421,184	\$ 3,370,392	\$ 3,326,051
Contributions in relation to the actuarially determined contribution	4,152,384	4,034,558	4,034,169	4,035,399	4,205,640
Contribution deficiency (excess)	\$ -	\$ (288,378)	\$ (612,985)	\$ (665,007)	\$ (879,589)
Covered payroll	\$ 23,797,216	\$ 24,217,617	\$ 23,336,940	\$ 23,733,206	\$ 25,206,604
Contributions as a percentage of covered payroll	17.4%	16.7%	17.3%	17.0%	16.7%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Retirement System
Last Ten Fiscal Years

Exhibit 13
Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	15.30%	12.40%	-13.60%	35.89%	1.59%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Retirement System
 Last Ten Fiscal Years

Exhibit 13
 Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	6.87%	10.94%	15.86%	0.56%	3.97%

City of Winston-Salem, North Carolina

Schedule of Changes in Net Pension Liability and Related Ratios

Winston-Salem Police Officer's Separation Allowance
Last Ten Fiscal Years

Exhibit 14
Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 627,492	\$ 590,492	\$ 669,107	\$ 604,860	\$ 579,453
Interest	2,056,151	1,777,023	1,864,054	1,793,410	1,763,549
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	1,184,782	4,526,109	(1,378,993)	1,914,676	381,917
Changes of assumptions	-	-	400,972	-	-
Benefit payments, including refunds of member contributions	(3,004,795)	(2,883,422)	(2,561,669)	(2,408,580)	(2,270,725)
Net change in total pension liability	863,630	4,010,202	(1,006,529)	1,904,366	454,194
Total pension liability, beginning	30,223,087	26,212,885	27,219,414	25,315,048	24,860,854
Total pension liability, ending (a)	31,086,717	30,223,087	26,212,885	27,219,414	25,315,048
Plan fiduciary net position					
Contributions - employer	2,633,748	2,472,624	2,311,923	2,280,145	2,207,950
Contributions - member	-	-	-	-	-
Net investment income	1,895,262	1,410,600	(1,876,425)	3,638,697	165,320
Benefit payments, including refunds of member contributions	(3,004,795)	(2,883,422)	(2,561,669)	(2,408,580)	(2,270,725)
Administrative expense	(5,961)	(6,083)	(8,340)	(13,254)	(8,006)
Other	-	-	-	-	-
Net change in plan fiduciary net position	1,518,254	993,719	(2,134,511)	3,497,008	94,539
Plan fiduciary net position, beginning	12,883,746	11,890,027	14,024,538	10,527,530	10,432,991
Plan fiduciary net position, ending (b)	14,402,000	12,883,746	11,890,027	14,024,538	10,527,530
Net pension liability, ending (a-b)	\$ 16,684,717	\$ 17,339,341	\$ 14,322,858	\$ 13,194,876	\$ 14,787,518
Plan fiduciary net position as a percentage of the total pension liability	46.3%	42.6%	45.4%	51.5%	41.6%
Covered payroll	\$ 28,955,000	\$ 26,625,979	\$ 29,320,555	\$ 34,511,461	\$ 33,547,308
Net pension liability as a percentage of covered payroll	57.6%	65.1%	48.8%	38.2%	44.1%

City of Winston-Salem, North Carolina

Schedule of Changes in Net Pension Liability and Related Ratios

Winston-Salem Police Officer's Separation Allowance
Last Ten Fiscal Years

Exhibit 14
Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 600,358	\$ 429,595	\$ 418,102	\$ 394,050	\$ 394,050
Interest	1,752,912	1,699,044	1,348,120	1,272,982	1,231,261
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	2,822,846	2,267,413	963,257	511,859	720,148
Changes of assumptions	(746,747)	885,664	4,156	4,028	3,995
Benefit payments, including refunds of member contributions	(2,103,520)	(1,854,762)	(1,648,310)	(1,596,792)	(1,535,057)
Net change in total pension liability	2,325,849	3,426,954	1,085,325	586,127	814,397
Total pension liability, beginning	22,535,005	19,108,051	18,022,726	17,436,599	16,622,202
Total pension liability, ending (a)	24,860,854	22,535,005	19,108,051	18,022,726	17,436,599
Plan fiduciary net position					
Contributions - employer	1,572,291	1,402,746	1,312,250	1,205,933	1,035,697
Contributions - member	-	-	-	-	-
Net investment income	714,974	905,322	1,340,751	39,642	375,053
Benefit payments, including refunds of member contributions	(2,103,520)	(1,854,762)	(1,648,310)	(1,596,792)	(1,535,057)
Administrative expense	(5,070)	(6,884)	(13,820)	(4,331)	(460)
Other	-	-	-	-	-
Net change in plan fiduciary net position	178,675	446,422	990,871	(355,548)	(124,767)
Plan fiduciary net position, beginning	10,254,316	9,807,894	8,817,023	9,172,571	9,297,338
Plan fiduciary net position, ending (b)	10,432,991	10,254,316	9,807,894	8,817,023	9,172,571
Net pension liability, ending (a-b)	\$ 14,427,863	\$ 12,280,689	\$ 9,300,157	\$ 9,205,703	\$ 8,264,028
Plan fiduciary net position as a percentage of the total pension liability	42.0%	45.5%	51.3%	48.9%	52.6%
Covered payroll	\$ 29,916,749	\$ 27,562,707	\$ 26,667,735	\$ 26,209,341	\$ 26,095,009
Net pension liability as a percentage of covered payroll	48.2%	44.6%	34.9%	35.1%	31.7%

City of Winston-Salem, North Carolina

Schedule of Contributions

Winston-Salem Police Officers' Separation Allowance
Last Ten Fiscal Years

Exhibit 15
Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 2,633,748	\$ 2,472,624	\$ 2,311,923	\$ 2,245,859	\$ 1,977,462
Contributions in relation to the actuarially determined contribution	2,633,748	2,472,624	2,311,923	2,280,145	2,207,950
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (34,286)	\$ (230,488)
Covered payroll	\$ 28,955,000	\$ 26,625,979	\$ 29,320,555	\$ 34,511,461	\$ 33,547,308
Contributions as a percentage of covered payroll	9.1%	9.3%	7.9%	6.6%	6.6%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

The City's actuarial contribution is determined as a percentage of payroll, as shown in the annual funding valuation. The percentage is then applied to actual payroll.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar amount, closed
Remaining amortization period	14
Asset valuation method	7-year smoothed fair value
Inflation	2.75%
Salary increases	4.75% to 6.25%, based on years of service
Investment rate of return	7.00%, net of pension plan investment expense and including inflation
Interest on contributions	4.00% per year
Mortality	Mortality rates were based on the Pub 2010S Table and projected generationally using Scale SSA (50% of the tables apply for pre-retirement deaths).

City of Winston-Salem, North Carolina

Schedule of Contributions

Winston-Salem Police Officers' Separation Allowance
 Last Ten Fiscal Years

Exhibit 15
 Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,503,773	\$ 1,356,667	\$ 1,235,894	\$ 1,203,418	\$ 1,086,587
Contributions in relation to the actuarially determined contribution	1,572,291	1,402,746	1,312,250	1,205,933	1,035,697
Contribution deficiency (excess)	\$ (68,518)	\$ (46,079)	\$ (76,356)	\$ (2,515)	\$ 50,890
Covered payroll	\$ 29,916,749	\$ 27,562,707	\$ 26,667,735	\$ 26,209,341	\$ 26,095,009
Contributions as a percentage of covered payroll	5.3%	5.1%	4.9%	4.6%	4.0%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Separation Allowance
Last Ten Fiscal Years

Exhibit 16
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	Fiscal Year				
	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	14.81%	12.00%	-13.40%	34.56%	1.58%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Separation Allowance
Last Ten Fiscal Years

Exhibit 16
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	Fiscal Year				
	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	7.11%	9.40%	15.54%	0.44%	4.15%

City of Winston-Salem, North Carolina

Schedule of Changes in Net OPEB Liability and Related Ratios

Post-employment Benefits
Last Eight Fiscal Years ⁽¹⁾

Exhibit 17
Page 1 of 2

	Fiscal Year			
	2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 468,973	\$ 456,421	\$ 600,566	\$ 584,492
Interest	4,617,811	4,633,768	4,987,261	5,048,172
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	4,107,879	-	(3,157,003)	-
Changes of assumptions	-	-	1,432,364	-
Benefit payments, including refunds	(4,965,070)	(5,684,184)	(6,915,265)	(6,077,192)
Net change in total OPEB liability	4,229,593	(593,995)	(3,052,077)	(444,528)
Total OPEB liability, beginning	67,940,299	68,534,294	71,586,371	72,030,899
Total OPEB liability, ending (a)	72,169,892	67,940,299	68,534,294	71,586,371
Plan fiduciary net position				
Contributions - employer	1,492,954	1,521,574	1,586,487	2,775,245
Contributions - member	1,918,972	1,984,010	2,063,707	2,178,222
Net investment income	10,735,616	8,561,965	(11,130,796)	22,944,124
Benefit payments, including refunds	(6,884,042)	(7,668,194)	(8,978,972)	(8,255,414)
Administrative expense	(173,780)	(163,242)	(150,898)	(135,014)
Other	-	-	-	-
Net change in plan fiduciary net position	7,089,720	4,236,113	(16,610,472)	19,507,163
Plan fiduciary net position, beginning	71,311,198	67,075,085	83,685,557	64,178,394
Plan fiduciary net position, ending (b)	78,400,918	71,311,198	67,075,085	83,685,557
Net OPEB liability, ending (a-b)	\$ (6,231,026)	\$ (3,370,899)	\$ 1,459,209	\$ (12,099,186)
Plan fiduciary net position as a percentage of the total OPEB liability	108.6%	105.0%	97.9%	116.9%
Covered-employee payroll	\$ 48,589,964	\$ 51,875,353	\$ 49,411,757	\$ 56,809,190
Net OPEB liability as a percentage of covered payroll	-12.8%	-6.5%	3.0%	-21.3%

⁽¹⁾ Required supplementary information is intended for 10 years and will be shown when available.

City of Winston-Salem, North Carolina

Schedule of Changes in Net OPEB Liability and Related Ratios

Post-employment Benefits
Last Eight Fiscal Years ⁽¹⁾

Exhibit 17
Page 2 of 2

	Fiscal Year			
	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 845,494	\$ 820,868	\$ 798,898	\$ 957,457
Interest	5,731,267	5,835,564	6,461,804	6,117,675
Changes of benefit terms	-	-	2,989,827	-
Difference between expected and actual experience	(8,682,182)	-	(2,089,619)	-
Changes of assumptions	-	-	(2,911,904)	-
Benefit payments, including refunds	(8,000,327)	(8,378,901)	(7,897,384)	(7,846,542)
Net change in total OPEB liability	(10,105,748)	(1,722,469)	(2,648,378)	(771,410)
Total OPEB liability, beginning	82,136,647	83,859,116	86,507,494	87,278,904
Total OPEB liability, ending (a)	72,030,899	82,136,647	83,859,116	86,507,494
Plan fiduciary net position				
Contributions - employer	2,856,574	3,949,401	4,192,751	7,027,147
Contributions - member	1,950,101	2,002,084	1,945,017	1,908,432
Net investment income	1,017,246	4,755,650	6,048,274	8,248,248
Benefit payments, including refunds	(9,950,428)	(10,380,985)	(7,897,384)	(7,846,542)
Administrative expense	(143,333)	(124,209)	(128,708)	(137,572)
Other	-	-	-	-
Net change in plan fiduciary net position	(4,269,840)	201,941	4,159,950	9,199,713
Plan fiduciary net position, beginning	68,448,234	68,246,293	64,086,343	54,886,630
Plan fiduciary net position, ending (b)	64,178,394	68,448,234	68,246,293	64,086,343
Net OPEB liability, ending (a-b)	\$ 7,852,505	\$ 13,688,413	\$ 15,612,823	\$ 22,421,151
Plan fiduciary net position as a percentage of the total OPEB liability	89.1%	83.3%	81.4%	74.1%
Covered-employee payroll	\$ 61,842,481	\$ 68,916,592	\$ 75,814,665	\$ 107,640,260
Net OPEB liability as a percentage of covered payroll	12.7%	19.9%	20.6%	20.8%

⁽¹⁾ Required supplementary information is intended for 10 years and will be shown when available.

City of Winston-Salem, North Carolina

Schedule of Contributions

Post-employment Benefits
Last Ten Fiscal Years

Exhibit 18
Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 13,866	\$ -	\$ 1,340,078	\$ 1,304,212	\$ 2,448,424
Contributions in relation to the actuarially determined contribution	1,492,954	1,521,574	1,586,487	2,775,245	2,856,574
Contribution deficiency (excess)	\$ (1,479,088)	\$ (1,521,574)	\$ (246,409)	\$ (1,471,033)	\$ (408,150)
Covered payroll	\$ 48,589,964	\$ 51,875,353	\$ 49,411,757	\$ 56,809,190	\$ 61,842,481
Contributions as a percentage of covered payroll	3.1%	2.9%	3.2%	4.9%	4.6%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

The City's actuarial contribution is determined as a percentage of payroll, as shown in the annual funding valuation. The percentage is then applied to actual payroll.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	22
Asset valuation method	5-year smoothed fair value
Inflation	2.75%
Investment rate of return	7.00%, net of investment expense and including inflation
Healthcare trend	6.00% initially, grading down to 4.25% ultimate
	4.00% for Medicare coverage (Post 65)
Mortality	Mortality rates were based on the Pub 2010G and 2010S Tables and projected generationally using Scale SSA 2021 (50% of the tables apply for pre-retirement deaths).

City of Winston-Salem, North Carolina

Schedule of Contributions

Post-employment Benefits
Last Ten Fiscal Years

Exhibit 18
Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,448,424	\$ 3,497,231	\$ 3,497,231	\$ 6,483,194	\$ 6,483,194
Contributions in relation to the actuarially determined contribution	3,949,401	4,192,751	3,497,231	6,483,194	6,483,194
Contribution deficiency (excess)	\$ (1,500,977)	\$ (695,520)	\$ -	\$ -	\$ -
Covered payroll	\$ 68,916,592	\$ 75,814,665	\$ 107,640,260	\$ 107,640,260	\$ 104,119,336
Contributions as a percentage of covered payroll	5.7%	5.5%	3.2%	6.0%	6.2%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Post-employment Benefits
 Last Eight Fiscal Years ⁽¹⁾

Exhibit 19
 Page 1 of 2

	Fiscal Year			
	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	15.40%	13.20%	-13.80%	36.60%

⁽¹⁾ Required supplementary information is intended for 10 years and will be shown when available.

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Post-employment Benefits
Last Eight Fiscal Years ⁽¹⁾

Exhibit 19
Page 2 of 2

	Fiscal Year			
	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	1.50%	7.20%	9.60%	14.80%

⁽¹⁾ Required supplementary information is intended for 10 years and will be shown when available.

City of Winston-Salem, North Carolina

City of Winston-Salem's Proportionate Share of Net Pension Liability (Asset)

Local Government Employees' Retirement System
Last Ten Fiscal Years*

Exhibit 20
Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Winston-Salem's proportion of the net pension liability (asset) (%)	1.55466%	1.62679%	1.77170%	1.78316%	1.77345%
Winston-Salem's proportion of the net pension liability (asset) (\$)	\$ 102,966,551	\$ 91,774,187	\$ 27,170,720	\$ 63,719,903	\$ 48,431,536
Winston-Salem's covered payroll	\$ 134,504,545	\$ 122,428,341	\$ 122,086,793	\$ 124,907,991	\$ 119,568,576
Winston-Salem's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.5525%	74.9616%	22.2552%	51.0135%	40.5052%
Plan fiduciary net position as a percentage of the total pension liability **	82.49%	84.14%	95.51%	88.61%	90.86%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

City of Winston-Salem, North Carolina
City of Winston-Salem's Proportionate Share of Net Pension
Liability (Asset)

Local Government Employees' Retirement System
 Last Ten Fiscal Years*

Exhibit 20
 Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Winston-Salem's proportion of the net pension liability (asset) (%)	1.81132%	1.74550%	1.73309%	1.80025%	1.80839%
Winston-Salem's proportion of the net pension liability (asset) (\$)	\$ 42,970,705	\$ 26,666,405	\$ 36,781,996	\$ 8,079,434	\$ (10,664,916)
Winston-Salem's covered payroll	\$ 117,262,357	\$ 111,203,433	\$ 104,723,508	\$ 101,433,133	\$ 99,590,382
Winston-Salem's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.6449%	23.9798%	35.1230%	7.9653%	(10.7088)%
Plan fiduciary net position as a percentage of the total pension liability **	91.63%	94.18%	91.47%	98.09%	102.47%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

City of Winston-Salem, North Carolina

City of Winston-Salem's Contributions

Local Government Employees' Retirement System
 Last Ten Fiscal Years

Exhibit 21
 Page 1 of 2

	Fiscal Year				
	2024	2023	2022	2021	2020
Contractually required contribution	\$ 19,288,393	\$ 16,653,879	\$ 14,169,348	\$ 12,660,516	\$ 11,103,950
Contributions in relation to the contractually required contribution	19,288,393	16,653,879	14,169,348	12,660,516	11,103,950
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Winston-Salem's covered payroll	\$ 146,577,372	\$ 134,504,545	\$ 122,428,341	\$ 122,086,793	\$ 124,907,991
Contributions as a percentage of covered payroll	13.16%	12.38%	11.57%	10.37%	8.89%

City of Winston-Salem, North Carolina

City of Winston-Salem's Contributions

Local Government Employees' Retirement System
 Last Ten Fiscal Years

Exhibit 21
 Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 9,566,443	\$ 9,039,532	\$ 8,322,237	\$ 7,196,687	\$ 7,282,532
Contributions in relation to the contractually required contribution	9,566,443	9,039,532	8,322,237	7,196,687	7,282,532
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Winston-Salem's covered payroll	\$ 119,568,576	\$ 117,262,357	\$ 111,203,433	\$ 104,723,508	\$ 101,433,133
Contributions as a percentage of covered payroll	8.00%	7.71%	7.48%	6.87%	7.18%

Combining and Individual Fund Statements and Schedules

Major Funds

City of Winston-Salem, North Carolina

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 22

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Property taxes	\$ 24,685,540	\$ 25,105,115	\$ 419,575
Local option sales taxes	11,648,580	11,470,619	(177,961)
Intergovernmental	1,354,500	1,544,677	190,177
Investment income	100,000	14,001,674	13,901,674
Other	2,048,250	2,048,252	2
Total revenues	<u>39,836,870</u>	<u>54,170,337</u>	<u>14,333,467</u>
Expenditures			
Other	11,888,057	731,187	11,156,870
Debt Service			
Principal retirement			
Bond	17,670,080	17,670,000	80
Other	326,580	11,351,292	(11,024,712)
Interest and fiscal charges	<u>14,207,300</u>	<u>12,268,530</u>	<u>1,938,770</u>
Total expenditures	<u>44,092,017</u>	<u>42,021,009</u>	<u>2,071,008</u>
Excess of expenditures over revenues	(4,255,147)	12,149,328	16,404,475
Other Financing Sources (Uses)			
Transfers in			
General fund	2,118,770	2,118,770	-
Capital projects fund	2,907,230	2,344,573	(562,657)
Transfers out			
Public assembly facilities management fund	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total transfers, net	4,526,000	3,963,343	(562,657)
Appropriated fund balance	<u>(270,853)</u>	-	<u>(270,853)</u>
Net change in fund balance	<u>\$ -</u>	<u>16,112,671</u>	<u>\$ 16,112,671</u>
Fund balance - beginning		66,348,768	
Fund balance - ending		<u>\$ 82,461,439</u>	

City of Winston-Salem, North Carolina

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 23

	Current Year	Prior Years	Total to Date	Project Authorizations
Revenues				
Intergovernmental - federal	\$ 841,800	\$ 1,143,154	\$ 1,984,954	\$ 16,846,500
Intergovernmental - state	410,974	2,664,286	3,075,260	24,538,931
Intergovernmental - local	-	33,880	33,880	-
Investment income	2,053,737	-	2,053,737	2
Sales and Services	282,607	4,353	286,960	233,590
NCMLC charges	560,151	-	560,151	473,950
Other	820,647	14,616,915	15,437,562	11,377,803
Total revenues	4,969,916	18,462,588	23,432,504	53,470,776
Expenditures				
General government	12,253,918	408,661	12,662,579	24,892,218
Public protection	8,895,081	3,505,896	12,400,977	22,416,268
Environmental health	-	-	-	300,000
Transportation	14,605,304	24,813,296	39,418,600	147,315,406
Culture and recreation	12,162,777	13,748,535	25,911,312	53,612,438
Community and economic development	4,831,406	6,681,894	11,513,300	54,479,098
Debt service				
Principal retirement	8,887,351	-	8,887,351	8,661,470
Interest and fiscal charges	1,142,277	704,161	1,846,438	1,221,690
Total expenditures	62,778,114	49,862,443	112,640,557	312,898,588
Excess of expenditures over revenues	(57,808,198)	(31,399,855)	(89,208,053)	(259,427,812)
Other Financing Sources (Uses)				
Premium on general obligation bonds	-	12,725,512	12,725,512	4,280,635
Issuance of limited obligation bonds	-	9,229,234	9,229,234	9,229,088
Issuance of general obligation bonds	-	86,507,675	86,507,675	129,603,525
Issuance of installment financing contract	-	2,356	2,356	2,356
Issuance of contracts payable	8,304,734	284,543	8,589,277	83,649,109
Transfers in	8,180,527	42,038,873	50,219,400	41,396,880
Transfers out	(16,878,663)	(3,533,648)	(20,412,311)	(6,348,214)
Appropriated fund balance	-	-	-	(2,385,567)
Total other financing sources, net	(393,402)	147,254,545	146,861,143	259,427,812
Excess of revenues and other financing sources over expenditures and other uses	(58,201,600)	115,854,690	57,653,090	\$ -
Fund balance - beginning	150,407,490	-	-	
Budgeted on an annual basis	-	34,552,800	34,552,800	
Fund balance - ending	\$ 92,205,890	\$ 150,407,490	\$ 92,205,890	

City of Winston-Salem, North Carolina

Special Revenue Funds

Midtown Economic Development Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2024 Exhibit 24

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ 35,000,000
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000,000</u>
Expenditures				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	-	35,000,000
Other Financing Sources (Uses)				
Transfers out				
General fund	-	-	-	-
Total other financing sources, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	<u>\$ 35,000,000</u>
Fund balance - beginning	<u>-</u>			
Fund balance - ending	<u>\$ -</u>			

City of Winston-Salem, North Carolina

Enterprise Funds

Water and Sewer Utility Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 25

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Sales			
Water	\$ 65,334,000	\$ 63,347,410	\$ (1,986,590)
Sewer	63,418,500	63,639,336	220,836
Industrial waste surcharge	3,300,000	3,449,447	149,447
Total sales	<u>132,052,500</u>	<u>130,436,193</u>	<u>(1,616,307)</u>
Charges for services			
New connections	100,000	354,625	254,625
Special area and privilege charges	-	1,161	1,161
Other charges for services	5,690,000	8,961,214	3,271,214
Total charges for services	<u>5,790,000</u>	<u>9,317,000</u>	<u>3,527,000</u>
Other	10,000	112,868	102,868
Total operating revenues	<u>137,852,500</u>	<u>139,866,061</u>	<u>2,013,561</u>
Operating Expenditures			
Personal services	26,602,820	24,915,706	1,687,114
Maintenance and operations	40,531,070	35,707,915	4,823,155
Capital outlay	1,088,860	459,048	629,812
Total operating expenditures	<u>68,222,750</u>	<u>61,082,669</u>	<u>7,140,081</u>
Operating income	69,629,750	78,783,392	9,153,642
Nonoperating Revenues (Expenditures)			
Investment income	-	13,873,528	13,873,528
Lease revenue	-	92,808	92,808
Proceeds from sale of assets	-	99,943	99,943
Damage settlements	-	-	-
Interest and fiscal charges	(16,419,400)	(16,054,613)	364,787
Principal retirement	(26,867,475)	(27,197,000)	(329,525)
Total nonoperating expenditures, net	<u>(43,286,875)</u>	<u>(29,185,334)</u>	<u>14,101,541</u>
Income before capital contributions and transfers	26,342,875	49,598,058	23,255,183
Capital Contributions			
Conveyances	-	11,273,520	11,273,520
Total capital contributions	<u>-</u>	<u>11,273,520</u>	<u>11,273,520</u>
Transfers In (Out)			
Stormwater fund	120,720	120,720	-
General fund	(96,540)	(88,024)	8,516
Solid waste disposal fund	(410,090)	(340,469)	69,621
Total transfers out	<u>(385,910)</u>	<u>(307,773)</u>	<u>78,137</u>
Appropriated net position	<u>(25,956,965)</u>	<u>-</u>	<u>(25,956,965)</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 60,563,805</u>	<u>\$ 60,563,805</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 60,563,805	
Water and Sewer Capital Projects Fund		4,832,138	
Depreciation		(38,081,766)	
Amortization		(437,727)	
Amortization of financing costs		2,313,166	
Capital outlay		459,048	
Principal retirement		27,197,000	
Book value of disposed assets		(4,927,188)	
Increase (decrease) in net OPEB asset		314,726	
Increase (decrease) in deferred outflows of resources - pensions		147,146	
Increase (decrease) in deferred outflows of resources - OPEB		117,457	
(Increase) decrease in net pension liability		(1,051,313)	
(Increase) decrease in deferred inflows of resources - pensions		25,193	
(Increase) decrease in deferred inflows of resources - OPEB		(300,227)	
Change in Net Position - Full Accrual Basis		<u>\$ 51,171,458</u>	

City of Winston-Salem, North Carolina

Enterprise Funds

Water & Sewer Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 26

	Program Authorizations	Current Year	Prior Years	Total to Date
Revenues				
Intergovernmental revenues	\$ 116,443,400	\$ 23,243,130	\$ 45,915,754	\$ 69,158,884
Contributions from operations	315,552,288	40,149,434	27,141,306	67,290,740
Other contributions	5,600,000	4,696,710	1,333,961	6,030,671
Proceeds from bonds	2,000,000	23,500,025	30,997,446	54,497,471
Total revenues	<u>439,595,688</u>	<u>91,589,299</u>	<u>105,388,467</u>	<u>196,977,766</u>
Expenses				
Water Capital	263,900,192	59,831,630	89,931,123	149,762,753
Sewer Capital	171,379,287	32,764,645	31,031,102	63,795,747
Water Distribution	3,195,133	1,741,959	675,421	2,417,380
Sewer Collection	1,121,076	261,245	19,225	280,470
Total expenses	<u>439,595,688</u>	<u>94,599,479</u>	<u>121,656,871</u>	<u>216,256,350</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (3,010,180)</u>	<u>\$ (16,268,404)</u>	<u>\$ (19,278,584)</u>

City of Winston-Salem, North Carolina

Enterprise Funds

Solid Waste Disposal Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 27

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 12,063,610	\$ 11,527,054	\$ (536,556)
Other	-	9,260	9,260
Total operating revenues	<u>12,063,610</u>	<u>11,536,314</u>	<u>(527,296)</u>
Operating Expenditures			
Personnel services	3,145,730	2,833,428	312,302
Maintenance and operations	9,556,384	6,063,083	3,493,301
Total operating expenditures	<u>12,702,114</u>	<u>8,896,511</u>	<u>3,805,603</u>
Operating income	(638,504)	2,639,803	3,278,307
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	867,870	849,379	(18,491)
Investment income	-	5,546,641	5,546,641
Damage settlements	-	-	-
Interest and fiscal charges	(198,740)	(132,264)	66,476
Principal retirement	(1,878,800)	(1,499,043)	379,757
Total nonoperating expenditures, net	<u>(1,209,670)</u>	<u>4,764,713</u>	<u>5,974,383</u>
Income (loss) before transfers	(1,848,174)	7,404,516	9,252,690
Transfers In			
Water and sewer utility fund	410,090	340,469	(69,621)
Stormwater management fund	205,050	170,235	(34,815)
Total transfers in	<u>615,140</u>	<u>510,704</u>	<u>(104,436)</u>
Appropriated net position	819,399	-	819,399
Change in net position - modified accrual basis	<u>\$ (413,635)</u>	<u>\$ 7,915,220</u>	<u>\$ 8,328,855</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 7,915,220	
Depreciation		(1,875,170)	
Amortization of financing costs		80,573	
Principal retirement		1,499,043	
Book value of disposed assets		18,492	
Increase (decrease) in net OPEB asset		38,066	
Increase (decrease) in deferred outflows of resources - pensions		61,548	
(Increase) decrease in net pension liability		(187,241)	
(Increase) decrease in deferred inflows of resources - pensions		354	
Increase (decrease) in deferred outflows of resources - OPEB		14,008	
(Increase) decrease in deferred inflows of resources - OPEB		(34,697)	
(Increase) decrease in landfill closure/post-closure liability		(1,540,633)	
Change in Net Position - Full Accrual Basis		<u>\$ 5,989,563</u>	

City of Winston-Salem, North Carolina

Enterprise Funds

Solid Waste Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 28

	Program			Total
	Authorizations	Current Year	Prior Years	to Date
Revenues				
Contributions from operations	\$ 25,316,945	\$ 735,831	\$ 1,730,694	\$ 2,466,525
Total revenues	25,316,945	735,831	1,730,694	2,466,525
Expenses				
Hanes Landfill Leachate System	24,008,152	285,080	2,520,287	2,805,367
Hanes Landfill Liners	298,793	171,386	93,120	264,506
Other Landfill Projects	1,010,000	-	-	-
Total expenses	25,316,945	456,466	2,613,407	3,069,873
Change in Net Position	\$ -	\$ 279,365	\$ (882,713)	\$ (603,348)

City of Winston-Salem, North Carolina

Enterprise Funds

Transit Authority Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 29

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 1,653,300	\$ 1,389,136	\$ (264,164)
Other	412,340	306,619	(105,721)
Total operating revenues	<u>2,065,640</u>	<u>1,695,755</u>	<u>(369,885)</u>
Operating Expenditures			
Personnel services	16,815,651	15,159,558	1,656,093
Maintenance and operations	7,322,110	5,620,679	1,701,431
Total operating expenditures	<u>24,137,761</u>	<u>20,780,237</u>	<u>3,357,524</u>
Operating Income (loss)	(22,072,121)	(19,084,482)	2,987,639
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue			
FTA operating grant	900,000	968,000	68,000
FTA preventative maintenance grant	2,400,000	2,400,000	-
FTA CARES Act	-	67,970	67,970
FTA ARPA	4,023,030	4,023,025	(5)
FTA JARC / Enhanced Mobility	-	429,190	429,190
Piedmont Triad Regional Council	286,000	232,407	(53,593)
Forsyth County	368,050	35,242	(332,808)
State of North Carolina	1,168,140	1,168,139	(1)
Total intergovernmental revenues	<u>9,145,220</u>	<u>9,323,973</u>	<u>178,753</u>
Property taxes	12,335,990	12,519,936	183,946
Investment income	-	214,697	214,697
Damage settlements	10,000	28,201	18,201
Total nonoperating revenues (expenditures), net	<u>21,491,210</u>	<u>22,086,807</u>	<u>595,597</u>
Income (loss) before capital contributions and transfers	(580,911)	3,002,325	3,583,236
Capital Contributions			
Federal and state grants	-	5,259,134	5,259,134
Total capital contributions	-	5,259,134	5,259,134
Transfers Out			
Grants fund	(19,610)	(6,155)	13,455
Total transfers out	<u>(19,610)</u>	<u>(6,155)</u>	<u>13,455</u>
Appropriated net position	<u>600,521</u>	<u>-</u>	<u>600,521</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 2,996,170</u>	<u>\$ 2,996,170</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 2,996,170	
Transit Capital Projects Fund		\$ 2,136,525	
Depreciation		(2,439,107)	
Book value of disposed assets		(743,582)	
Change in Net Position - Full Accrual Basis		<u>\$ 1,950,006</u>	

City of Winston-Salem, North Carolina

Enterprise Funds

Transit Authority Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 30

	Program			Total
	Authorizations	Current Year	Prior Years	to Date
Revenues				
Property tax revenue	\$ 5,969,158	\$ 442,727	\$ 1,429,409	\$ 1,872,136
Intergovernmental revenues	28,110,721	1,693,797	6,181,410	7,875,207
Transfers in from other funds	301,239	-	50,863	50,863
Total revenues	<u>34,381,118</u>	<u>2,136,524</u>	<u>7,661,682</u>	<u>9,798,206</u>
Expenses				
5307 capital	23,495,788	1,030,722	4,247,890	5,278,612
Bus replacement	10,260,330	965,285	2,793,159	3,758,444
Other capital improvements	625,000	-	572,274	572,274
Total expenses	<u>34,381,118</u>	<u>1,996,007</u>	<u>7,613,323</u>	<u>9,609,330</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 140,517</u>	<u>\$ 48,359</u>	<u>\$ 188,876</u>

Nonmajor Governmental Funds

Special Revenue Funds

The **community development fund** provides accountability for 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.

The **grants fund** centralizes the accounting for other activities funded by federal, state, and/or intergovernmental aid.

The **economic and housing development fund** centralizes the accounting for City initiatives in downtown revitalization, economic development incentive funds, and housing.

The **gasoline tax fund** is established to account for the state-shared gasoline tax which is restricted to maintenance of local streets and roads.

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

The **emergency telephone system 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.

The **Downtown Winston-Salem Business Improvement District fund** is a defined area within the downtown area whereby the City may raise money to pay for enhanced services or projects from those property owners that most directly benefit from the services or projects.

The **National Opioid Settlement fund** accounts for funds received from the national settlement.

Permanent Fund

The **cemetery perpetual care fund** accounts for endowment funds established to provide income for landscaping and grounds maintenance of the City's cemeteries.

City of Winston-Salem, North Carolina

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2024

Exhibit 31
Page 1 of 2

	Special Revenue				
	Community Development	Grants	Economic and Housing		Occupancy Tax
			Development	Gasoline Tax	
Assets					
Cash and cash equivalents/investments	\$ -	\$ 2,712,062	\$ 36,938,998	\$ -	\$ 718,700
Restricted cash and cash equivalents	-	-	-	6,481,072	-
Receivables for uncollectibles					
Taxes, net	-	-	-	-	-
Accounts	-	783	-	-	-
Restricted opioid	-	-	-	-	-
Leases	-	136,210	-	-	-
Loans	10,212,870	-	10,400,459	-	-
Total receivables	<u>10,212,870</u>	<u>136,993</u>	<u>10,400,459</u>	<u>-</u>	<u>-</u>
Due from other governments	1,086,417	1,550,338	39,438	-	-
Inventories	-	-	264,395	-	-
Total assets	<u>\$ 11,299,287</u>	<u>\$ 4,399,393</u>	<u>\$ 47,643,290</u>	<u>\$ 6,481,072</u>	<u>\$ 718,700</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 955,426	\$ 510,705	\$ 1,586,956	\$ -	\$ 207,566
Accrued payroll	1,095	-	-	-	-
Due to other funds	1,305,128	-	-	-	-
Unearned revenue	-	261,440	216,698	-	-
Loan escrow	4,478	-	5,503	-	-
Total liabilities	<u>2,266,127</u>	<u>772,145</u>	<u>1,809,157</u>	<u>-</u>	<u>207,566</u>
Deferred Inflows of Resources					
Taxes	-	-	-	-	-
Opioid settlement	-	-	-	-	-
Leases	-	127,682	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>127,682</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable					
Leases	-	8,528	-	-	-
Inventories	-	-	264,395	-	-
Perpetual care	-	-	-	-	-
Restricted					
Stabilization by state statute	-	-	-	-	198,980
General government	-	148,102	-	-	-
Public protection	-	723,933	-	-	-
Environmental health	-	4,082	-	-	-
Transportation	-	1,325,213	-	6,481,072	-
Culture and recreation	-	663,048	-	-	312,154
Community and economic development	9,033,160	626,660	-	-	-
Committed					
Community and economic development	-	-	45,569,738	-	-
Total fund balances	<u>9,033,160</u>	<u>3,499,566</u>	<u>45,834,133</u>	<u>6,481,072</u>	<u>511,134</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,299,287</u>	<u>\$ 4,399,393</u>	<u>\$ 47,643,290</u>	<u>\$ 6,481,072</u>	<u>\$ 718,700</u>

City of Winston-Salem, North Carolina

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2024

Exhibit 31
Page 2 of 2

	Special Revenue			Permanent	Total
	Emergency Telephone System	Downtown W-S Business Improv. District	National Opioid Settlement	Cemetery Perpetual Care	Nonmajor Governmental Funds
Assets					
Cash and cash equivalents/investments	\$ -	\$ 199,786	\$ -	\$ 5,133,506	\$ 45,703,052
Restricted cash and cash equivalents	1,484,457	-	920,799	-	8,886,328
Receivables for uncollectibles					
Taxes, net	-	3,474	-	-	3,474
Accounts	-	-	-	-	783
Restricted opioid	-	-	3,803,770	-	3,803,770
Leases	-	-	-	-	136,210
Loans	-	-	-	-	20,613,329
Total receivables	-	3,474	3,803,770	-	24,557,566
Due from other governments	-	-	-	-	2,676,193
Inventories	-	-	-	-	264,395
Total assets	<u>\$ 1,484,457</u>	<u>\$ 203,260</u>	<u>\$ 4,724,569</u>	<u>\$ 5,133,506</u>	<u>\$ 82,087,534</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 80,914	\$ -	\$ -	\$ 2,656	\$ 3,344,223
Accrued payroll	-	-	-	-	1,095
Due to other funds	-	-	-	-	1,305,128
Unearned revenue	-	-	-	-	478,138
Loan escrow	-	-	-	-	9,981
Total liabilities	80,914	-	-	2,656	5,138,565
Deferred Inflows of Resources					
Taxes	-	3,474	-	-	3,474
Opioid settlement	-	-	3,803,770	-	3,803,770
Leases	-	-	-	-	127,682
Total deferred inflows of resources	-	3,474	3,803,770	-	3,934,926
Fund Balances					
Nonspendable					
Leases	-	-	-	-	8,528
Inventories	-	-	-	-	264,395
Perpetual care	-	-	-	5,130,850	5,130,850
Restricted					
Stabilization by state statute	-	-	-	-	198,980
General government	-	-	-	-	148,102
Public protection	1,403,543	-	920,799	-	3,048,275
Environmental health	-	-	-	-	4,082
Transportation	-	-	-	-	7,806,285
Culture and recreation	-	-	-	-	975,202
Community and economic development	-	199,786	-	-	9,859,606
Committed					
Community and economic development	-	-	-	-	45,569,738
Total fund balances	1,403,543	199,786	920,799	5,130,850	73,014,043
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,484,457</u>	<u>\$ 203,260</u>	<u>\$ 4,724,569</u>	<u>\$ 5,133,506</u>	<u>\$ 82,087,534</u>

City of Winston-Salem, North Carolina

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 32
Page 1 of 2

	Special Revenue				
	Community Development	Grants	Economic and Housing Development	Gasoline Tax	Occupancy Tax
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,155,304
Intergovernmental	6,365,997	5,433,691	1,568,244	7,992,828	-
Investment income (loss)	-	43,156	1,591,337	647,201	40,062
Charges for services	-	8,107	-	-	-
Other	101,568	227,014	443,011	-	-
Total revenues	<u>6,467,565</u>	<u>5,711,968</u>	<u>3,602,592</u>	<u>8,640,029</u>	<u>1,195,366</u>
Expenditures					
Current					
General government	-	686,305	-	-	-
Public protection	-	2,536,165	-	-	-
Transportation	-	2,607,548	-	-	-
Culture and recreation	-	71,788	-	-	967,413
Community and economic development	4,656,971	151,422	5,691,913	-	-
Debt service					
Principal retirement	-	215,420	-	-	-
Interest and fiscal charges	-	4,080	-	-	-
Total expenditures	<u>4,656,971</u>	<u>6,272,728</u>	<u>5,691,913</u>	<u>-</u>	<u>967,413</u>
Excess of revenues over (under) expenditures	1,810,594	(560,760)	(2,089,321)	8,640,029	227,953
Other Financing Sources (Uses)					
Transfers in	-	190,765	17,979,750	-	-
Transfers out	(1,085,527)	-	(65,000)	(9,579,847)	(315,000)
Total other financing sources (uses), net	<u>(1,085,527)</u>	<u>190,765</u>	<u>17,914,750</u>	<u>(9,579,847)</u>	<u>(315,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	725,067	(369,995)	15,825,429	(939,818)	(87,047)
Fund balance July 1	8,308,093	3,869,561	30,008,704	7,420,890	598,181
Fund balances - ending	<u>\$ 9,033,160</u>	<u>\$ 3,499,566</u>	<u>\$ 45,834,133</u>	<u>\$ 6,481,072</u>	<u>\$ 511,134</u>

City of Winston-Salem, North Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 32
Page 2 of 2

	Special Revenue			Permanent	Total
	Emergency Telephone System	Downtown W-S Business Improv. District	National Opioid Settlement	Cemetery Perpetual Care	Nonmajor Governmental Funds
Revenues					
Taxes	\$ -	\$ 730,763	\$ -	\$ -	\$ 1,886,067
Intergovernmental	-	-	1,286,981	-	22,647,741
Investment income (loss)	78,844	6,874	35,876	698,880	3,142,230
Charges for services	-	-	-	-	8,107
Other	-	-	-	1,044	772,637
Total revenues	78,844	737,637	1,322,857	699,924	28,456,782
Expenditures					
Current					
General government	-	-	-	-	686,305
Public protection	311,958	-	-	-	2,848,123
Transportation	-	-	-	-	2,607,548
Culture and recreation	-	-	-	-	1,039,201
Community and economic development	-	705,753	-	-	11,206,059
Debt service					
Principal retirement	-	-	-	-	215,420
Interest and fiscal charges	-	-	-	-	4,080
Total expenditures	311,958	705,753	-	-	18,606,736
Excess of revenues over (under) expenditures	(233,114)	31,884	1,322,857	699,924	9,850,046
Other Financing Sources (Uses)					
Transfers in	-	-	-	25,530	18,196,045
Transfers out	-	-	(412,840)	(237,377)	(11,695,591)
Total other financing sources (uses), net	-	-	(412,840)	(211,847)	6,500,454
Excess of revenues and other financing sources over (under) expenditures and other uses	(233,114)	31,884	910,017	488,077	16,350,500
Fund balance July 1	1,636,657	167,902	10,782	4,642,773	56,663,543
Fund balances - ending	\$ 1,403,543	\$ 199,786	\$ 920,799	\$ 5,130,850	\$ 73,014,043

City of Winston-Salem, North Carolina

Special Revenue Funds

Community Development Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 33

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ 6,365,997	\$ 15,518,025	\$ 21,884,022	\$ 44,921,005
Other	1,369,788	5,688,094	7,057,882	6,607,970
Total revenues	<u>7,735,785</u>	<u>21,206,119</u>	<u>28,941,904</u>	<u>51,528,975</u>
Expenditures				
Community development	8,902,812	15,664,347	24,567,159	44,741,887
Debt service				
Principal retirement	-	333,000	333,000	333,000
Interest and fiscal charges	-	21,699	21,699	21,699
Total expenditures	<u>8,902,812</u>	<u>16,019,046</u>	<u>24,921,858</u>	<u>45,096,586</u>
Excess of revenues over expenditures	(1,167,027)	5,187,073	4,020,046	6,432,389
Other Financing Uses				
Transfers out				
General fund	(1,085,527)	(3,125,888)	(4,211,415)	(4,572,322)
Capital projects fund	-	(988,340)	(988,340)	(1,860,067)
Total other financing uses	<u>(1,085,527)</u>	<u>(4,114,228)</u>	<u>(5,199,755)</u>	<u>(6,432,389)</u>
Fund balance appropriated	-	-	-	-
Net change in fund balance	(2,252,554)	1,072,845	(1,179,709)	<u>\$ -</u>
Fund balance - beginning	<u>1,072,845</u>			
Fund balance - ending	<u>\$ (1,179,709)</u>			
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	\$ 8,308,093			
Loans issued and adjustments	3,048,146			
Payments received on loan balances	(1,268,222)			
Change in estimate of loan portfolio allowance	1,197,697			
Total reconciling items	<u>11,285,714</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 9,033,160</u>			

City of Winston-Salem, North Carolina

Special Revenue Funds

Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 34

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ 5,433,691	\$ 15,817,905	\$ 21,251,596	\$ 34,544,213
Charges for services	8,107	16,214	24,321	-
Investment income	43,156	42,970	86,126	42,872
Other	227,014	1,413,913	1,640,927	2,054,716
Total revenues	<u>5,711,968</u>	<u>17,291,002</u>	<u>23,002,970</u>	<u>36,641,801</u>
Expenditures				
General government	686,305	394,135	1,080,440	3,228,350
Public protection	2,536,165	3,755,110	6,291,275	10,533,916
Environmental health	-	940,433	940,433	2,500,000
Transportation	2,607,548	7,031,416	9,638,964	17,878,897
Culture and recreation	71,788	140,059	211,847	1,211,231
Community and economic development	151,422	4,814,543	4,965,965	5,865,099
Debt service				
Principal	215,420	217,496	432,916	215,420
Interest and other charges	4,080	2,004	6,084	4,080
Total expenditures	<u>6,272,728</u>	<u>17,295,196</u>	<u>23,567,924</u>	<u>41,436,993</u>
Excess of expenditures over (under) revenues	(560,760)	(4,194)	(564,954)	(4,795,192)
Other Financing Sources (Uses)				
Transfers in				
General fund	129,610	3,369,310	3,498,920	4,216,137
Occupancy tax fund	55,000	342,085	397,085	397,085
Capital projects fund	-	250,220	250,220	250,220
Transit authority fund	6,155	37,140	43,295	56,750
Transfers out				
Capital projects fund	-	(125,000)	(125,000)	(125,000)
Total other financing sources, net	<u>190,765</u>	<u>3,873,755</u>	<u>4,064,520</u>	<u>4,795,192</u>
Fund balance appropriated	-	-	-	<u>\$ -</u>
Net change in fund balance	(369,995)	3,869,561	3,499,566	
Fund balance - beginning	<u>3,869,561</u>			
Fund balance - ending	<u>\$ 3,499,566</u>			
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	<u>\$ 3,869,561</u>			
Total reconciling items	<u>3,869,561</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 3,499,566</u>			

City of Winston-Salem, North Carolina

Special Revenue Funds

Economic and Housing Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 35

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ 1,568,244	\$ 14,852,807	\$ 16,421,051	\$ 25,214,107
Investment income (loss)	1,591,336	2,642,712	4,234,048	3,172,745
Capital lease charges	-	1,004,928	1,004,928	1,000,000
Other	829,883	21,442,194	22,272,077	13,139,170
Total revenues	<u>3,989,463</u>	<u>39,942,641</u>	<u>43,932,104</u>	<u>42,526,022</u>
Expenditures				
Neighborhood stabilization	-	837,837	837,837	1,700,110
UDAG loan	-	378,991	378,991	413,593
Emergency rental assistance	(10,336)	13,390,235	13,379,899	13,395,640
Housing financing assistance loan	3,325,578	1,906,686	5,232,264	30,274,928
Economic development loan	109,071	5,695,539	5,804,610	6,868,398
Economic development project	3,137,140	20,342,909	23,480,049	33,443,638
Rental rehabilitation	132,607	291,915	424,522	1,000,000
Foreclosed property	103,598	16,848	120,446	60,000
Total expenditures	<u>6,797,658</u>	<u>42,860,960</u>	<u>49,658,618</u>	<u>87,156,307</u>
Excess of revenues over (under) expenditures	(2,808,195)	(2,918,319)	(5,726,514)	(44,630,285)
Other Financing Sources (Uses)				
Transfers in				
General fund	3,550,210	25,081,594	28,631,804	42,896,428
Economic and housing development fund	-	191,014	191,014	100,000
Capital projects fund	14,429,540	138,830	14,568,370	126,813
Transfers out				
General fund	(65,000)	(68,993)	(133,993)	(134,000)
Economic and housing development fund	-	(139,600)	(139,600)	(139,600)
Capital projects fund	-	(1,993,500)	(1,993,500)	(1,993,500)
Total other financing sources, net	<u>17,914,750</u>	<u>23,209,345</u>	<u>41,124,095</u>	<u>40,856,141</u>
Fund balance appropriated		-	-	3,774,144
Net change in fund balance	15,106,555	20,291,026	35,397,581	<u>\$ -</u>
Fund balance - beginning	<u>20,291,026</u>			
Fund balance - ending	<u>\$ 35,397,581</u>			
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	\$ 30,008,704			
Loans issued and adjustments	982,361			
Payments received on loan balances	(386,873)			
Change in estimate of loan portfolio allowance	123,386			
Total reconciling items	<u>30,727,578</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 45,834,133</u>			

City of Winston-Salem, North Carolina

Special Revenue Funds

Gasoline Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 36

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 7,257,180	\$ 7,992,828	\$ 735,648
Investment income	-	647,201	647,201
Total revenues	<u>7,257,180</u>	<u>8,640,029</u>	<u>1,382,849</u>
Other Financing Uses			
Transfers out			
General fund	(5,146,100)	(5,529,319)	(383,219)
Capital projects fund	<u>(3,225,080)</u>	<u>(4,050,528)</u>	<u>(825,448)</u>
Total other financing uses	<u>(8,371,180)</u>	<u>(9,579,847)</u>	<u>(1,208,667)</u>
Fund balance appropriated	1,114,000	-	1,114,000
Net change in fund balance	<u>\$ -</u>	(939,818)	<u>\$ (939,818)</u>
Fund balance - beginning		7,420,890	
Fund balance - ending		<u>\$ 6,481,072</u>	

City of Winston-Salem, North Carolina

Special Revenue Funds

Occupancy Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 37

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Taxes	\$ 1,200,000	\$ 1,155,304	\$ (44,696)
Investment income	-	40,062	40,062
Total revenues	<u>1,200,000</u>	<u>1,195,366</u>	<u>(4,634)</u>
Expenditures			
Culture and recreation	<u>1,329,240</u>	<u>967,413</u>	<u>361,827</u>
Excess of revenues over expenditures	(129,240)	227,953	357,193
Other Financing Sources (Uses)			
Transfers out			
Grants fund	(55,000)	(55,000)	-
Public assembly facilities management fund	<u>(260,000)</u>	<u>(260,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(315,000)</u>	<u>(315,000)</u>	<u>-</u>
Fund balance appropriated	444,240	-	444,240
Net change in fund balance	<u>\$ -</u>	(87,047)	<u>\$ (87,047)</u>
Fund balance - beginning		598,181	
Fund balance - ending		<u><u>\$ 511,134</u></u>	

City of Winston-Salem, North Carolina

Special Revenue Funds

Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2024 Exhibit 38

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Licenses	\$ -	\$ 3,491,610	\$ 3,491,610	\$ 3,844,674
Investment income (loss)	78,844	114,233	193,077	-
Other	-	173	173	-
Total revenues	<u>78,844</u>	<u>3,606,016</u>	<u>3,684,860</u>	<u>3,844,674</u>
Expenditures				
Implemental functions	-	-	-	6,471,654
Telephone	164,064	1,022,576	1,186,640	-
Software maintenance	98,712	528,843	627,555	-
Hardware maintenance	48,738	382,278	431,016	-
Training	444	35,662	36,106	-
Total operating expenditures	<u>311,958</u>	<u>1,969,359</u>	<u>2,281,317</u>	<u>6,471,654</u>
Fund balance appropriated	-	-	-	2,626,980
Net change in fund balance	(233,114)	1,636,657	1,403,543	<u>\$ -</u>
Fund balance - beginning	<u>1,636,657</u>			
Fund balance - ending	<u>\$ 1,403,543</u>			

City of Winston-Salem, North Carolina

Special Revenue Funds

Downtown Winston-Salem Business Improvement District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2024

Exhibit 39

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes	\$ 725,380	\$ 730,763	\$ 5,383
Investment income	-	6,874	6,874
Total revenues	<u>725,380</u>	<u>737,637</u>	<u>12,257</u>
Expenditures			
Community and economic development	<u>726,383</u>	<u>705,753</u>	<u>20,630</u>
Excess of revenues over expenditures	(1,003)	31,884	32,887
Fund balance appropriated	1,003	-	1,003
Net change in fund balance	<u>\$ -</u>	<u>31,884</u>	<u>\$ 31,884</u>
Fund balance - beginning		<u>167,902</u>	
Fund balance - ending		<u>\$ 199,786</u>	

City of Winston-Salem, North Carolina

Special Revenue Funds

National Opioid Settlement Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 40

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ 1,286,981	\$ -	\$ 1,286,981	\$ -
Investment income	35,876	10,782	46,658	-
Total revenues	<u>1,322,857</u>	<u>10,782</u>	<u>1,333,639</u>	<u>-</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,322,857	10,782	1,333,639	-
Other Financing Sources (Uses)				
Transfers out				
General fund	<u>(412,840)</u>	<u>-</u>	<u>(412,840)</u>	<u>(412,840)</u>
Total other financing sources, net	<u>(412,840)</u>	<u>-</u>	<u>(412,840)</u>	<u>(412,840)</u>
Net change in fund balance	910,017	10,782	920,799	<u>\$ -</u>
Fund balance - beginning	<u>10,782</u>			
Fund balance - ending	<u>\$ 920,799</u>			

Nonmajor Enterprise Funds

The **parking fund** accounts for parking facilities owned and operated as self-supporting enterprises of the City.

The **stormwater management fund** is established to account for monitoring and maintaining stormwater runoff as required by federal mandate.

The **public assembly facilities management fund** is established to account for the operations of public meetings, exhibition facilities, and outdoor activities consisting of an annex, convention center, fairgrounds, and baseball park.

City of Winston-Salem, North Carolina

Combining Statement of Net Position

Nonmajor Enterprise Funds
June 30, 2024

Exhibit 41

	Public Assembly			Total
	Parking	Stormwater Management	Facilities Management	
Assets				
Current Assets				
Cash and cash equivalents/investments	\$ 1,734,886	\$ 28,184,887	\$ 220,409	\$ 30,140,182
Accounts receivables, net	17,301	1,422,174	722,976	2,162,451
Lease receivable	55,601	-	420,474	476,075
Due from other governments	-	-	24,050	24,050
Prepaid expenses	-	-	2,620	2,620
Total current assets	1,807,788	29,607,061	1,390,529	32,805,378
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents/investments	-	1,162,850	217,084	1,379,934
Net OPEB Asset	18,958	77,946	42,887	139,791
Capital assets				
Land	824,169	732,190	11,672,486	13,228,845
Construction in progress	302,482	3,194,336	235,435	3,732,253
Other capital assets, net of accumulated depreciation	6,694,603	42,181,138	36,878,797	85,754,538
Accounts receivables	-	-	500,000	500,000
Lease receivable, noncurrent	992,985	-	15,475,110	16,468,095
Total noncurrent assets	8,833,197	47,348,460	65,021,799	121,203,456
Total assets	10,640,985	76,955,521	66,412,328	154,008,834
Deferred Outflows of Resources				
Pension deferrals	190,177	781,918	430,230	1,402,325
OPEB deferrals	6,249	25,693	14,137	46,079
Charge on refunding	-	-	4,550	4,550
Total deferred outflows of resources	196,426	807,611	448,917	1,452,954
Liabilities				
Current Liabilities				
Accounts payable	34,325	626,362	1,008,438	1,669,125
Accrued payroll	8,357	37,868	15,408	61,633
Accrued vacation	6,397	60,650	50,421	117,468
Accrued interest payable	-	16,783	40,443	57,226
Unearned revenue	-	41,006	-	41,006
Pollution remediation	-	30,000	-	30,000
Current maturities				
Contracts payable	-	89,825	1,049,719	1,139,544
Bonds payable	-	655,000	-	655,000
Total current liabilities	49,079	1,557,494	2,164,429	3,771,002
Noncurrent Liabilities				
Accrued vacation	34,081	148,693	79,083	261,857
Net pension liability	312,332	1,284,159	706,576	2,303,067
Pollution remediation	-	1,921,596	-	1,921,596
Contracts payable	-	15,051	16,231,281	16,246,332
Bonds payable	-	6,326,866	-	6,326,866
Total noncurrent liabilities	346,413	9,696,365	17,016,940	27,059,718
Total liabilities	395,492	11,253,859	19,181,369	30,830,720
Deferred Inflows of Resources				
Leases	1,880,308	-	14,888,838	16,769,146
Pension deferrals	9,643	39,649	21,816	71,108
OPEB deferrals	11,386	46,815	25,760	83,961
Total deferred inflows of resources	1,901,337	86,464	14,936,414	16,924,215
Net Position				
Net investment in capital assets	7,821,254	39,020,922	31,510,268	78,352,444
Restricted for maintenance and repair	-	1,162,850	-	1,162,850
Restricted for OPEB	18,958	77,946	42,887	139,791
Unrestricted	700,370	26,161,091	1,190,307	28,051,768
Total net position	\$ 8,540,582	\$ 66,422,809	\$ 32,743,462	\$ 107,706,853

City of Winston-Salem, North Carolina

Combining Statement of Revenues, Expenses, and Changes in Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2024

Exhibit 42

	Public Assembly			Total
	Parking	Stormwater Management	Facilities Management	
Operating Revenues				
Charges for services	\$ 601,099	\$ 10,826,539	\$ 6,202,867	\$ 17,630,505
Other	22,187	269,088	8,107,331	8,398,606
Total operating revenues	623,286	11,095,627	14,310,198	26,029,111
Operating Expenses				
Personnel services	680,126	2,830,365	1,543,988	5,054,479
Maintenance and operations	438,608	2,734,805	12,551,471	15,724,884
Total operating expenses before depreciation	1,118,734	5,565,170	14,095,459	20,779,363
Depreciation	468,267	1,558,595	2,062,472	4,089,334
Total operating expenses	1,587,001	7,123,765	16,157,931	24,868,697
Operating income (loss)	(963,715)	3,971,862	(1,847,733)	1,160,414
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	-	10,741	-	10,741
Investment income	69,959	2,598,226	110,042	2,778,227
Gain on disposal of assets	-	4,884	3,308	8,192
State of NC grant	-	-	24,050	24,050
Damage settlements	-	-	8,121	8,121
Interest and fiscal expense	-	(234,350)	(523,442)	(757,792)
Amortization of financing costs	-	38,136	9,860	47,996
Total nonoperating revenues (expenses), net	69,959	2,417,637	(368,061)	2,119,535
Income (loss) before capital contributions and transfers	(893,756)	6,389,499	(2,215,794)	3,279,949
Capital Contributions	-	-	110,001	110,001
Transfers In	743,870	-	1,163,519	1,907,389
Transfers Out	-	(2,825,829)	(1,001,667)	(3,827,496)
Total transfers	743,870	(2,825,829)	161,852	(1,920,107)
Change in net position	(149,886)	3,563,670	(1,943,941)	1,469,843
Total net position - beginning	8,690,468	62,859,139	34,687,403	106,237,010
Total net position - ending	\$ 8,540,582	\$ 66,422,809	\$ 32,743,462	\$ 107,706,853

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 43
Page 1 of 2

	Parking	Stormwater Management	Public Assembly Facilities Management	Total
Cash Flows from Operating Activities				
Cash received from sales	\$ 523,410	\$ 10,990,463	\$ 13,339,666	\$ 24,853,539
Cash payments to suppliers for goods and services	(421,141)	(2,488,015)	(12,425,563)	(15,334,719)
Cash payments to employees for services	(664,734)	(2,748,447)	(1,448,204)	(4,861,385)
Net cash provided (used) by operating activities	(562,465)	5,754,001	(534,101)	4,657,435
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenue	5,800	10,221	(543)	15,478
Transfers in	743,870	-	1,163,519	1,907,389
Transfers out	-	(2,825,829)	(1,001,667)	(3,827,496)
Net cash provided (used) by noncapital financing activities	749,670	(2,815,608)	161,309	(1,904,629)
Cash Flows from Capital and Related Financing Activities				
Intergovernmental revenue	-	279,369	-	279,369
Capital contributions	-	-	99,001	99,001
Acquisition of property and equipment	(250,458)	(3,652,637)	(631,989)	(4,535,084)
Retirement of bonds	-	(630,000)	-	(630,000)
Retirement of contracts payable	-	(97,280)	(1,104,468)	(1,201,748)
Interest and fiscal expense paid on debt	-	(236,450)	(525,455)	(761,905)
Proceeds from sale of assets	-	4,884	3,308	8,192
Damage settlements	-	-	8,121	8,121
Net cash provided (used) by capital and related financing activities	(250,458)	(4,332,114)	(2,151,482)	(6,734,054)
Cash Flows from Investing Activities				
Investment income (loss)	69,959	2,598,226	110,042	2,778,227
Net increase (decrease) in cash	6,706	1,204,505	(2,414,232)	(1,203,021)
Cash and cash equivalents/investments July 1	1,728,180	28,143,232	2,851,725	32,723,137
Cash and cash equivalents/investments June 30	\$ 1,734,886	\$ 29,347,737	\$ 437,493	\$ 31,520,116

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 43
Page 2 of 2

	Parking	Stormwater Management	Public Assembly Facilities Management	Total
Reconciliation of Cash and Cash Equivalents/Investments				
Cash and investments - current	\$ 1,734,886	\$ 28,184,887	\$ 220,409	\$ 30,140,182
Cash and investments - restricted	-	1,162,850	217,084	1,379,934
Cash and cash equivalents/investments June 30	\$ 1,734,886	\$ 29,347,737	\$ 437,493	\$ 31,520,116
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (963,715)	\$ 3,971,862	\$ (1,847,733)	\$ 1,160,414
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	468,267	1,558,595	2,062,472	4,089,334
(Increase) decrease in receivables	43,842	(112,542)	(252,998)	(321,698)
(Increase) decrease in prepaid expenses	-	-	113,174	113,174
(Increase) decrease in net OPEB asset	(7,794)	(31,408)	(21,666)	(60,868)
(Increase) decrease in deferred outflows of resources - pensions	8,978	48,284	(51,666)	5,596
(Increase) decrease in deferred outflows of resources - OPEB	(2,966)	(12,008)	(7,897)	(22,871)
(Increase) decrease in deferred outflows of resources - refunding	-	-	-	-
Increase (decrease) in net pension liability	8,701	18,436	129,419	156,556
Increase (decrease) in deferred inflows of resources - leases	(143,718)	-	(717,535)	(861,253)
Increase (decrease) in deferred inflows of resources - pensions	(1,401)	(6,391)	822	(6,970)
Increase (decrease) in deferred inflows of resources - OPEB	7,901	32,287	19,135	59,323
Increase (decrease) in accounts payable	17,467	246,790	12,737	276,994
Increase (decrease) in accrued payroll	(52)	2,017	(72)	1,893
Increase (decrease) in unearned revenue	-	7,378	-	7,378
Increase (decrease) in accrued vacation	2,025	30,701	27,707	60,433
Total adjustments	401,250	1,782,139	1,313,632	3,497,021
Net cash provided (used) by operating activities	\$ (562,465)	\$ 5,754,001	\$ (534,101)	\$ 4,657,435

Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$215,262 for the year ended June 30, 2024.

City of Winston-Salem, North Carolina

Enterprise Funds

Parking Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 44

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 674,000	\$ 601,099	\$ (72,901)
Other	-	22,187	22,187
Total operating revenues	<u>674,000</u>	<u>623,286</u>	<u>(50,714)</u>
Operating Expenditures			
Personnel services	777,260	666,707	110,553
Maintenance and operations	<u>597,100</u>	<u>438,608</u>	<u>158,492</u>
Total operating expenditures	<u>1,374,360</u>	<u>1,105,315</u>	<u>269,045</u>
Operating income (loss)	(700,360)	(482,029)	218,331
Nonoperating Revenues (Expenditures)			
Investment income	-	69,959	69,959
Interest and fiscal charges	(1,770)	-	1,770
Principal retirement	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total nonoperating expenditures, net	<u>(51,770)</u>	<u>69,959</u>	<u>121,729</u>
Income (loss) before transfers	(752,130)	(412,070)	340,060
Transfers In			
General fund	<u>743,870</u>	<u>743,870</u>	<u>-</u>
Total transfers	<u>743,870</u>	<u>743,870</u>	<u>-</u>
Appropriated net position	<u>8,260</u>	<u>-</u>	<u>8,260</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>331,800</u>	<u>\$ 331,800</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 331,800	
Depreciation		(468,267)	
Increase (decrease) in net OPEB asset		7,794	
Increase (decrease) in deferred outflows of resources - pensions		(8,978)	
(Increase) decrease in net pension liability		(8,701)	
(Increase) decrease in deferred inflows of resources - pensions		1,401	
Increase (decrease) in deferred outflows of resources - OPEB		2,966	
(Increase) decrease in deferred inflows of resources - OPEB		<u>(7,901)</u>	
Change in Net Position - Full Accrual Basis		<u>\$ (149,886)</u>	

City of Winston-Salem, North Carolina

Enterprise Funds

Parking Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 45

	Program			Total
	Authorizations	Current Year	Prior Years	to Date
Revenues				
Contributions from operations	\$ 498,910	\$ -	\$ 498,910	\$ 498,910
Total revenues	1,248,910	-	498,910	498,910
Expenses				
Parking deck repair	498,910	250,458	52,023	302,481
6th-Cherry & Trade deck	750,000	-	-	-
Total expenses	1,248,910	250,458	52,023	302,481
Change in Net Position	\$ -	\$ (250,458)	\$ 446,887	\$ 196,429

City of Winston-Salem, North Carolina

Enterprise Funds

Stormwater Management Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 46

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 10,661,000	\$ 10,826,539	\$ 165,539
Other	188,600	269,088	80,488
Total operating revenues	10,849,600	11,095,627	246,027
Operating Expenditures			
Personnel services	4,137,320	2,781,165	1,356,155
Maintenance and operations	4,686,886	2,719,665	1,967,221
Capital outlay	60,000	47,000	13,000
Total operating expenditures	8,884,206	5,547,830	3,336,376
Operating income	1,965,394	5,547,797	3,582,403
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	111,990	10,741	(101,249)
Investment income	-	2,598,226	2,598,226
Proceeds from sale of assets	-	4,884	4,884
Interest and fiscal charges	(246,520)	(234,350)	12,170
Principal retirement	(873,940)	(727,281)	146,659
Total nonoperating expenditures, net	(1,008,470)	1,652,220	2,660,690
Income before capital contributions and transfers	956,924	7,200,017	6,243,093
Transfers Out			
General fund	(2,594,990)	(2,534,874)	60,116
Solid waste fund	(205,050)	(170,235)	34,815
Water and sewer utility fund	(120,720)	(120,720)	-
Total transfers out	(2,920,760)	(2,825,829)	94,931
Appropriated net position	1,963,836	-	1,963,836
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 4,374,188</u>	<u>\$ 4,374,188</u>

Reconciliation of Modified Accrual Basis to Full Accrual Basis

Change in Net Position - Modified Accrual Basis	\$ 4,374,188
Depreciation	(1,558,595)
Amortization of financing costs	38,136
Capital outlay	47,000
Principal retirement	727,281
Book value of disposed assets	(15,140)
Increase (decrease) in net OPEB asset	31,408
Increase (decrease) in deferred outflows of resources - pensions	(48,284)
Increase (decrease) in deferred outflows of resources - OPEB	12,008
(Increase) decrease in net pension liability	(18,436)
(Increase) decrease in deferred inflows of resources - pensions	6,391
(Increase) decrease in deferred inflows of resources - OPEB	(32,287)
Change in Net Position - Full Accrual Basis	<u>\$ 3,563,670</u>

City of Winston-Salem, North Carolina

Enterprise Funds

Stormwater Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 47

	Program			Total
	Authorizations	Current Year	Prior Years	to Date
Revenues				
Intergovernmental revenues	\$ -	\$ (24)	\$ 279,393	\$ 279,369
Contributions from operations	36,556,242	1,198,419	6,412,114	7,610,533
Other contributions	137,020	-	10,264	10,264
Proceeds from bonds	1,519,080	-	1,534,004	1,534,004
Transfers in from other funds	-	-	47,220	47,220
Total revenues	<u>38,212,342</u>	<u>1,198,395</u>	<u>8,282,995</u>	<u>9,481,390</u>
Expenses				
Stormwater System Improvements	19,293,340	3,273,125	6,229,803	9,502,928
Bath Branch (PTRP Project)	9,670,238	17,895	-	17,895
70/30 projects	1,976,984	-	-	-
Basin study updates	1,908,820	34,084	396,151	430,235
Other capital improvements	5,362,960	295,674	-	295,674
Total expenses	<u>38,212,342</u>	<u>3,620,778</u>	<u>6,625,954</u>	<u>10,246,732</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (2,422,383)</u>	<u>\$ 1,657,041</u>	<u>\$ (765,342)</u>

City of Winston-Salem, North Carolina

Enterprise Funds

Public Assembly Facilities Management Fund - Schedule of Revenues, Expenditures, and Transfers -

For the Fiscal Year Ended June 30, 2024

Exhibit 48

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 5,260,550	\$ 6,202,867	\$ 942,317
Other	1,935,020	8,107,331	6,172,311
Total operating revenues	<u>7,195,570</u>	<u>14,310,198</u>	<u>7,114,628</u>
Operating Expenditures			
Personnel services	1,448,460	1,475,839	(27,379)
Maintenance and operations	6,916,900	12,551,474	(5,634,574)
Total operating expenditures	<u>8,365,360</u>	<u>14,027,313</u>	<u>(5,661,953)</u>
Operating income (loss)	(1,169,790)	282,885	1,452,675
Nonoperating Revenues (Expenditures)			
Investment income (loss)	-	110,042	110,042
Interest and fiscal charges	(607,000)	(523,442)	83,558
Principal retirement	(1,150,210)	(1,104,468)	45,742
Total nonoperating expenditures, net	<u>(1,757,210)</u>	<u>(1,517,868)</u>	<u>239,342</u>
Income (loss) before capital contributions and transfers	(2,927,000)	(1,234,983)	1,692,017
Capital Contributions			
Other	-	11,000	11,000
Total capital contributions	-	11,000	11,000
Transfers In (Out)			
General fund	699,340	251,142	(448,198)
Occupancy tax fund	260,000	260,000	-
Debt service fund	500,000	500,000	-
Winston-Salem Fairgrounds Fund	483,870	152,377	(331,493)
Capital projects fund	(849,290)	(849,290)	-
Bowman Gray Stadium Fund	(483,870)	(152,377)	331,493
Total transfers in (out)	<u>610,050</u>	<u>161,852</u>	<u>(448,198)</u>
Appropriated net position	<u>2,316,950</u>	<u>-</u>	<u>2,316,950</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (1,062,131)</u>	<u>\$ (1,062,131)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (1,062,131)	
Public Assembly Facilities Capital Projects Fund		131,172	
Depreciation		(2,062,471)	
Amortization of financing costs		9,860	
Principal retirement		1,104,468	
Book value of disposed assets		3,308	
Increase (decrease) in in net OPEB asset		21,666	
Increase (decrease) in deferred outflows of resources - pensions		51,666	
(Increase) decrease in net pension liability		(129,419)	
(Increase) decrease in deferred inflows of resources - pensions		(822)	
Increase (decrease) in deferred outflows of resources - OPEB		7,897	
(Increase) decrease in deferred inflows of resources - OPEB		(19,135)	
Change in Net Position - Full Accrual Basis		<u>\$ (1,943,941)</u>	

City of Winston-Salem, North Carolina

Enterprise Funds

Public Assembly Facilities Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position -
Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2024

Exhibit 49

	Program			Total
	Authorizations	Current Year	Prior Years	to Date
Revenues				
Intergovernmental revenues	\$ 530,020	\$ 24,050	\$ -	\$ 24,050
Contributions from operations	1,672,189	211,394	-	211,394
Transfers in from other funds	463,813	-	463,813	463,813
Other revenue	676,835	107,123	422,082	529,205
Total revenues	<u>3,342,857</u>	<u>342,567</u>	<u>885,895</u>	<u>1,228,462</u>
Expenses				
Downtown Ballpark	504,170	40,770	19,875	60,645
Convention Center	455,706	208,145	37,985	246,130
Bowman Gray Stadium	814,648	44,555	-	44,555
Carolina Classic Fair	1,568,333	339,081	375,076	714,157
Total expenses	<u>3,342,857</u>	<u>632,551</u>	<u>432,936</u>	<u>1,065,487</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (289,984)</u>	<u>\$ 452,959</u>	<u>\$ 162,975</u>

Internal Service Funds

The **central warehouse fund** accounts for the acquisition and storage of goods and materials required by the operations of other departments, divisions, and agencies.

The **fleet services fund** accounts for the provision of automotive maintenance and repair services to other departments, divisions, and agencies.

The **information services fund** accounts for the provision of computer operations and system design and development services to other departments, divisions, and agencies.

The **workers' compensation fund** accounts for the workers' compensation program of the City of Winston-Salem.

The **health benefits fund** accounts for the health benefits of employees of the City of Winston-Salem.

The **dental and flex benefits fund** accounts for the dental and flex benefits of employees of the City of Winston-Salem.

The **employee benefits fund** accounts for various employee benefits for employees of the City of Winston-Salem.

The **risk management reserve fund** accounts for claims and provides reserve funding for claims for the City of Winston-Salem.

City of Winston-Salem, North Carolina

Combining Statement of Net Position

Internal Service Funds
June 30, 2024

Exhibit 50
Page 1 of 2

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Assets				
Current Assets				
Cash and cash equivalents/investments	\$ -	\$ -	\$ 628,353	\$ 15,367,832
Accounts receivables, net	803	-	-	-
Inventories	1,032,149	959,547	-	-
Prepaid expenses	-	-	2,500	-
Total current assets	1,032,952	959,547	630,853	15,367,832
Noncurrent Assets				
Net OPEB asset	8,575	60,009	149,917	6,075
Capital assets				
Land	801,682	-	-	-
Construction in progress	-	-	326,960	-
Other capital assets, net of accumulated depreciation	127,800	2,715,502	3,080,640	-
Right to use assets, net of amortization	-	-	192,749	-
Right to use subscriptions, net of amortization	-	-	1,644,169	-
Total noncurrent assets	938,057	2,775,511	5,394,435	6,075
Total assets	1,971,009	3,735,058	6,025,288	15,373,907
Deferred Outflows of Resources				
Pension deferrals	86,024	601,984	1,503,902	60,941
OPEB deferrals	2,827	19,781	49,417	2,002
Total deferred outflows of resources	88,851	621,765	1,553,319	62,943
Liabilities				
Current Liabilities				
Accounts payable	42,068	391,882	391,254	20,994
Accrued payroll	3,690	25,425	72,808	2,634
Accrued vacation	5,158	52,514	199,091	15,835
Accrued interest payable	-	-	9,244	-
Due to other funds	311,189	316,486	-	-
Current maturities				
Claims payable	-	-	-	3,002,407
Leases payable	-	-	38,702	-
Subscriptions payable	-	-	819,076	-
Contracts payable	5,430	382,762	824,503	-
Total current liabilities	367,535	1,169,069	2,354,678	3,041,870
Noncurrent Liabilities				
Accrued vacation	5,878	52,481	239,834	18,209
Net pension liability	141,279	988,651	2,469,890	100,085
Claims payable	-	-	-	13,168,677
Leases payable	-	-	155,049	-
Subscriptions payable	-	-	357,356	-
Contracts payable	10,860	1,073,495	1,556,713	-
Total noncurrent liabilities	158,017	2,114,627	4,778,842	13,286,971
Total liabilities	525,552	3,283,696	7,133,520	16,328,841
Deferred Inflows of Resources				
Pension deferrals	4,362	30,525	76,260	3,090
OPEB deferrals	5,150	36,042	90,042	3,649
Total deferred inflows of resources	9,512	66,567	166,302	6,739
Net Position				
Net investment in capital assets	913,192	1,259,245	1,493,119	-
Restricted for OPEB	8,575	60,009	149,917	6,075
Unrestricted	603,029	(312,694)	(1,364,251)	(904,805)
Total net position	\$ 1,524,796	\$ 1,006,560	\$ 278,785	\$ (898,730)

City of Winston-Salem, North Carolina

Combining Statement of Net Position

Internal Service Funds
June 30, 2024

Exhibit 50
Page 2 of 2

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Assets					
Current Assets					
Cash and cash equivalents/investments	\$ 7,982,240	\$ 5,079,768	\$ 9,821,411	\$ 52,530,152	\$ 91,409,756
Accounts receivables, net	-	-	35,098	-	35,901
Inventories	-	-	-	-	1,991,696
Prepaid expenses	448,806	-	-	-	451,306
Total current assets	8,431,046	5,079,768	9,856,509	52,530,152	93,888,659
Noncurrent Assets					
Net OPEB asset	-	-	-	-	224,576
Capital assets					
Land	-	-	-	-	801,682
Construction in progress	-	-	-	-	326,960
Other capital assets, net of accumulated depreciation	-	-	-	-	5,923,942
Right to use assets, net of amortization	-	-	-	-	192,749
Right to use subscriptions, net of amortization	-	-	-	-	1,644,169
Total noncurrent assets	-	-	-	-	9,114,078
Total assets	8,431,046	5,079,768	9,856,509	52,530,152	103,002,737
Deferred Outflows of Resources					
Pension deferrals	96,603	-	-	50,789	2,400,243
OPEB deferrals	-	-	-	-	74,027
Total deferred outflows of resources	96,603	-	-	50,789	2,474,270
Liabilities					
Current Liabilities					
Accounts payable	190,371	13,927	4,450,040	447,837	5,948,373
Accrued payroll	4,279	-	-	2,327	111,163
Accrued vacation	13,663	-	-	4,275	290,536
Accrued interest payable	-	-	-	-	9,244
Due to other funds	-	-	-	-	627,675
Current maturities					
Claims payable	4,838,688	132,407	-	549,552	8,523,054
Leases payable	-	-	-	-	38,702
Subscriptions payable	-	-	-	-	819,076
Contracts payable	-	-	-	-	1,212,695
Total current liabilities	5,047,001	146,334	4,450,040	1,003,991	17,580,518
Noncurrent Liabilities					
Accrued vacation	21,183	-	-	3,757	341,342
Net pension liability	158,653	-	-	83,412	3,941,970
Claims payable	-	-	-	2,862,527	16,031,204
Leases payable	-	-	-	-	155,049
Subscriptions payable	-	-	-	-	357,356
Contracts payable	-	-	-	-	2,641,068
Total noncurrent liabilities	179,836	-	-	2,949,696	23,467,989
Total liabilities	5,226,837	146,334	4,450,040	3,953,687	41,048,507
Deferred Inflows of Resources					
Pension deferrals	4,899	-	-	2,575	121,711
OPEB deferrals	-	-	-	-	134,883
Total deferred inflows of resources	4,899	-	-	2,575	256,594
Net Position					
Net investment in capital assets	-	-	-	-	3,665,556
Restricted for OPEB	-	-	-	-	224,576
Unrestricted	3,295,913	4,933,434	5,406,469	48,624,679	60,281,774
Total net position	\$ 3,295,913	\$ 4,933,434	\$ 5,406,469	\$ 48,624,679	\$ 64,171,906

City of Winston-Salem, North Carolina

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2024

Exhibit 51

Page 1 of 2

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Operating Revenues				
Charges for services	\$ 378,213	\$ 11,457,510	\$ 12,791,730	\$ 6,282,962
Other	40	-	-	52,285
Total operating revenues	378,253	11,457,510	12,791,730	6,335,247
Operating Expenses				
Personnel services	297,193	2,226,863	5,425,052	367,283
Maintenance and operations	235,096	9,103,556	5,536,620	14,850,255
Total operating expenses before depreciation and amortization	532,289	11,330,419	10,961,672	15,217,538
Depreciation and amortization	13,543	454,702	1,434,043	-
Total operating expenses	545,832	11,785,121	12,395,715	15,217,538
Operating income (loss)	(167,579)	(327,611)	396,015	(8,882,291)
Nonoperating Revenues (Expenses)				
Investment income (loss)	-	-	-	536,173
Gain (loss) on disposal of assets	6,843	72,726	(2,109)	-
Interest and fiscal expense	(192)	(48,073)	(119,475)	-
Total nonoperating revenues (expenses), net	6,651	24,653	(121,584)	536,173
Income (loss) before transfers	(160,928)	(302,958)	274,431	(8,346,118)
Other Financing Sources (Uses)				
Transfers In	-	-	-	3,250,000
Transfers Out	-	-	-	(202,640)
Total transfers	-	-	-	3,047,360
Change in net position	(160,928)	(302,958)	274,431	(5,298,758)
Total net position - beginning	1,685,724	1,309,518	4,354	4,400,028
Total net position - ending	\$ 1,524,796	\$ 1,006,560	\$ 278,785	\$ (898,730)

City of Winston-Salem, North Carolina

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2024

Exhibit 51

Page 2 of 2

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Operating Revenues					
Charges for services	\$ 26,076,274	\$ 1,967,068	\$ 42,715,065	\$ -	\$ 101,668,822
Other	2,072,547	-	34,291	39,263	2,198,426
Total operating revenues	28,148,821	1,967,068	42,749,356	39,263	103,867,248
Operating Expenses					
Personnel services	352,674	-	-	202,042	8,871,107
Maintenance and operations	29,277,370	1,979,948	41,759,377	2,477,639	105,219,861
Total operating expenses before depreciation and amortization	29,630,044	1,979,948	41,759,377	2,679,681	114,090,968
Depreciation and amortization	-	-	-	-	1,902,288
Total operating expenses	29,630,044	1,979,948	41,759,377	2,679,681	115,993,256
Operating income (loss)	(1,481,223)	(12,880)	989,979	(2,640,418)	(12,126,008)
Nonoperating Revenues (Expenses)					
Investment income (loss)	438,956	255,002	604,712	6,272,573	8,107,416
Gain (loss) on disposal of assets	-	-	-	-	77,460
Interest and fiscal expense	-	-	-	-	(167,740)
Total nonoperating revenues (expenses), net	438,956	255,002	604,712	6,272,573	8,017,136
Income (loss) before transfers	(1,042,267)	242,122	1,594,691	3,632,155	(4,108,872)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	3,250,000
Transfers Out	-	-	-	(3,250,000)	(3,452,640)
Total transfers	-	-	-	(3,250,000)	(202,640)
Change in net position	(1,042,267)	242,122	1,594,691	382,155	(4,311,512)
Total net position - beginning	4,338,180	4,691,312	3,811,778	48,242,524	68,483,418
Total net position - ending	\$ 3,295,913	\$ 4,933,434	\$ 5,406,469	\$ 48,624,679	\$ 64,171,906

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 52
Page 1 of 4

	<u>Central Warehouse</u>	<u>Fleet Services</u>	<u>Information Services</u>	<u>Workers' Compensation</u>
Cash Flows from Operating Activities				
Cash received from sales	\$ 377,450	\$ 11,457,510	\$ 12,791,730	\$ 6,335,247
Cash payments for suppliers for goods and services	(270,869)	(8,936,975)	(5,520,349)	(4,342,214)
Cash payments to employees for services	(299,600)	(2,093,192)	(5,197,543)	(349,112)
Net cash provided (used) by operating activities	<u>(193,019)</u>	<u>427,343</u>	<u>2,073,838</u>	<u>1,643,921</u>
Cash Flows from Noncapital Financing Activities				
Borrowings from other funds	191,797	154,218	-	-
Transfers in	-	-	-	3,250,000
Transfers out	-	-	-	(202,640)
Net cash provided (used) by noncapital financing activities	<u>191,797</u>	<u>154,218</u>	<u>-</u>	<u>3,047,360</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of property and equipment	-	(5,945)	367,478	-
Retirement of contracts payable	(5,429)	(617,087)	(998,659)	-
Retirement of leases payable	-	-	(16,266)	-
Retirement of subscriptions payable	-	-	(954,944)	-
Interest paid on debt	(192)	(48,073)	(119,475)	-
Proceeds from sale of assets	6,843	89,544	2,196	-
Net cash provided (used) by capital and related financing activities	<u>1,222</u>	<u>(581,561)</u>	<u>(1,719,670)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment income (loss)	-	-	-	536,173
Net increase (decrease) in cash	-	-	354,168	5,227,454
Cash and cash equivalents/investments July 1	-	-	274,185	10,140,378
Cash and cash equivalents/investments June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 628,353</u></u>	<u><u>\$ 15,367,832</u></u>

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 52
Page 2 of 4

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Cash Flows from Operating Activities					
Cash received from sales	\$ 28,497,172	\$ 1,967,068	\$ 42,716,496	\$ 39,263	\$ 104,181,936
Cash payments for suppliers for goods and services	(29,365,416)	(1,980,178)	(42,088,305)	(1,284,269)	(93,788,575)
Cash payments to employees for services	(325,836)	-	-	(170,319)	(8,435,602)
Net cash provided (used) by operating activities	(1,194,080)	(13,110)	628,191	(1,415,325)	1,957,759
Cash Flows from Noncapital Financing Activities					
Borrowings from other funds	-	-	-	-	346,015
Transfers in	-	-	-	-	3,250,000
Transfers out	-	-	-	(3,250,000)	(3,452,640)
Net cash provided (used) by noncapital financing activities	-	-	-	(3,250,000)	143,375
Cash Flows from Capital and Related Financing Activities					
Acquisition of property and equipment	-	-	-	-	361,533
Retirement of contracts payable	-	-	-	-	(1,621,175)
Retirement of leases payable	-	-	-	-	(16,266)
Retirement of subscriptions payable	-	-	-	-	(954,944)
Interest paid on contracts payable	-	-	-	-	(167,740)
Proceeds from sale of assets	-	-	-	-	98,583
Net cash provided (used) by capital and related financing activities	-	-	-	-	(2,300,009)
Cash Flows from Investing Activities					
Investment income (loss)	438,956	255,002	604,712	6,272,573	8,107,416
Net increase (decrease) in cash	(755,124)	241,892	1,232,903	1,607,248	7,908,541
Cash and cash equivalents/investments July 1	8,737,364	4,837,876	8,588,508	50,922,904	83,501,215
Cash and cash equivalents/investments June 30	\$ 7,982,240	\$ 5,079,768	\$ 9,821,411	\$ 52,530,152	\$ 91,409,756

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 52
Page 3 of 4

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Reconciliation of Cash and Cash Equivalents/Investments				
Cash and investments - current	\$ -	\$ -	\$ 628,353	\$ 15,367,832
Cash and cash equivalents/investments June 30	\$ -	\$ -	\$ 628,353	\$ 15,367,832
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (167,579)	\$ (327,611)	\$ 396,015	\$ (8,882,291)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization expense	13,543	454,702	1,434,043	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in receivables	(803)	-	-	-
(Increase) decrease in inventories	(75,757)	41,127	-	-
(Increase) decrease in prepaid expenses	-	-	65,013	-
(Increase) decrease in net OPEB asset	(2,443)	(31,294)	(65,315)	(2,638)
(Increase) decrease in deferred outflows for pensions	23,371	(89,728)	5,318	372
(Increase) decrease in deferred outflows for OPEB	(1,024)	(11,337)	(24,539)	(991)
Increase (decrease) in net pension liability	(25,504)	207,667	168,939	6,607
Increase (decrease) in deferred inflows for pensions	(1,705)	2,117	(7,435)	(310)
Increase (decrease) in deferred inflows for OPEB	3,236	27,078	63,631	2,576
Increase (decrease) in accounts payable	39,984	125,454	(329,004)	20,994
Increase (decrease) in accrued payroll	(201)	(1,336)	9,224	271
Increase (decrease) in accrued vacation	1,863	30,504	77,686	12,284
Increase (decrease) in claims payable	-	-	-	10,487,047
Increase (decrease) in contracts payable	-	-	280,262	-
Total adjustments	(25,440)	754,954	1,677,823	10,526,212
Net cash provided (used) by operating activities	\$ (193,019)	\$ 427,343	\$ 2,073,838	\$ 1,643,921

Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$2,234,446 for the year ended June 30, 2024.

The City entered into leases and subscriptions for property and software in the amounts of \$210,017 and \$874,450 respectively, for the year ended June 30, 2024.

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 52
Page 4 of 4

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Reconciliation of Cash and Cash Equivalents/Investments					
Cash and investments - current	\$ 7,982,240	\$ 5,079,768	\$ 9,821,411	\$ 52,530,152	\$ 91,409,756
Cash and cash equivalents/investments June 30	\$ 7,982,240	\$ 5,079,768	\$ 9,821,411	\$ 52,530,152	\$ 91,409,756
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (1,481,223)	\$ (12,880)	\$ 989,979	\$ (2,640,418)	\$ (12,126,008)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization expense	-	-	-	-	1,902,288
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources					
(Increase) decrease in receivables	348,351	-	(32,860)	-	314,688
(Increase) decrease in inventories	-	-	-	-	(34,630)
(Increase) decrease in prepaid expenses	(376,696)	-	-	-	(311,683)
(Increase) decrease in net OPEB asset	5,547	-	-	-	(96,143)
(Increase) decrease in deferred outflows for pensions	2,358	-	-	(31,613)	(89,922)
(Increase) decrease in deferred outflows for OPEB	1,631	-	-	-	(36,260)
Increase (decrease) in net pension liability	7,778	-	-	54,176	419,663
Increase (decrease) in deferred inflows for pensions	(589)	-	-	1,512	(6,410)
Increase (decrease) in deferred inflows for OPEB	(1,732)	-	-	-	94,789
Increase (decrease) in accounts payable	177,746	(8,243)	(412,151)	334,442	(50,778)
Increase (decrease) in accrued payroll	27	-	-	68	8,053
Increase (decrease) in accrued vacation	11,818	-	-	7,580	141,735
Increase (decrease) in claims payable	110,904	8,013	83,223	858,928	11,548,115
Increase (decrease) in contracts payable	-	-	-	-	280,262
Total adjustments	287,143	(230)	(361,788)	1,225,093	14,083,767
Net cash provided (used) by operating activities	\$ (1,194,080)	\$ (13,110)	\$ 628,191	\$ (1,415,325)	\$ 1,957,759

City of Winston-Salem, North Carolina

Internal Service Funds

Central Warehouse Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 53

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 662,230	\$ 378,213	\$ (284,017)
Other	-	40	40
Total operating revenues	<u>662,230</u>	<u>378,253</u>	<u>(283,977)</u>
Operating Expenditures			
Personnel services	411,120	301,262	109,858
Maintenance and operations	243,860	235,096	8,764
Total operating expenditures	<u>654,980</u>	<u>536,358</u>	<u>118,622</u>
Operating income (loss)	<u>7,250</u>	<u>(158,105)</u>	<u>(165,355)</u>
Nonoperating Revenues (Expenditures)			
Proceeds from sale of assets	-	1,357	1,357
Interest and fiscal charges	(250)	(192)	58
Principal retirement	<u>(7,000)</u>	<u>(5,430)</u>	<u>1,570</u>
Total nonoperating expenditures, net	<u>(7,250)</u>	<u>(4,265)</u>	<u>2,985</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (162,370)</u>	<u>\$ (162,370)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (162,370)	
Depreciation		(13,543)	
Book value of disposed assets		5,486	
Principal retirement		5,430	
Increase (decrease) in net OPEB asset		2,443	
Increase (decrease) in deferred outflows of resources - pensions		(23,371)	
Increase (decrease) in deferred outflows of resources - OPEB		1,024	
(Increase) decrease in net pension liability		25,504	
(Increase) decrease in deferred inflows of resources - pensions		1,705	
(Increase) decrease in deferred inflows of resources - OPEB		(3,236)	
Change in Net Position - Full Accrual Basis		<u>\$ (160,928)</u>	

City of Winston-Salem, North Carolina

Internal Service Funds

Fleet Services Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 54

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 13,200,370	\$ 11,457,510	\$ (1,742,860)
Total operating revenues	13,200,370	11,457,510	(1,742,860)
Operating Expenditures			
Personnel services	2,665,520	2,122,360	543,160
Maintenance and operations	9,974,253	9,103,556	870,697
Capital Outlay	46,500	5,945	40,555
Total operating expenditures	12,686,273	11,231,861	1,454,412
Operating income (loss)	514,097	225,649	(288,448)
Nonoperating Revenues (Expenditures)			
Interest and fiscal charges	(63,330)	(48,073)	15,257
Principal retirement	(826,870)	(617,087)	209,783
Total nonoperating expenditures, net	(890,200)	(665,160)	225,040
Other Financing Sources (Uses)			
Appropriated net position	376,103	-	376,103
Total other financing sources (uses)	376,103	-	376,103
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (439,511)</u>	<u>\$ (439,511)</u>

Reconciliation of Modified Accrual Basis to Full Accrual Basis

Change in Net Position - Modified Accrual Basis	\$ (439,511)
Depreciation	(454,702)
Capital outlay	5,945
Principal retirement	617,087
Book value of disposed assets	72,726
Increase (decrease) in OPEB asset	31,294
Increase (decrease) in deferred outflows of resources - pensions	89,728
Increase (decrease) in deferred outflows of resources - OPEB	11,337
(Increase) decrease in net pension liability	(207,667)
(Increase) decrease in deferred inflows of resources - OPEB	(27,078)
(Increase) decrease in deferred inflows of resources - pensions	(2,117)
Change in Net Position - Full Accrual Basis	<u>\$ (302,958)</u>

City of Winston-Salem, North Carolina

Internal Service Funds

Information Services Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 55

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 15,529,370	\$ 12,791,730	\$ (2,737,640)
Total operating revenues	15,529,370	12,791,730	(2,737,640)
Operating Expenditures			
Personnel services	5,576,630	5,284,453	292,177
Maintenance and operations	9,456,448	5,256,358	4,200,090
Total operating expenditures	15,033,078	10,540,811	4,492,267
Operating income (loss)	496,292	2,250,919	1,754,627
Nonoperating Revenues (Expenditures)			
Proceeds from sales of assets	-	2,195	2,195
Interest and fiscal charges	(131,520)	(119,475)	12,045
Principal retirement	(1,885,160)	(1,014,925)	870,235
Total nonoperating expenditures, net	(2,016,680)	(1,132,205)	884,475
Other financing sources (uses)			
Appropriated net position	1,520,388	-	1,520,388
Total other financing sources (uses)	1,520,388	-	1,520,388
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 1,118,714</u>	<u>\$ 1,118,714</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 1,118,714	
Depreciation		(550,015)	
Amortization		(884,028)	
IT Subscription Agreement		874,450	
Capital outlay - subscription based information technology agreements		(874,450)	
Capital outlay - GASB87 leases		(210,017)	
Leases issued		210,017	
Principal retirement		1,014,925	
Book value of disposed assets		(4,304)	
Increase in contracts payable		(280,262)	
Increase (decrease) in deferred outflows of resources - pensions		(5,318)	
(Increase) decrease in net pension liability		(168,939)	
(Increase) decrease in deferred inflows of resources - pensions		7,435	
Increase (decrease) in OPEB asset		65,315	
Increase (decrease) in deferred outflows of resources - OPEB		24,539	
(Increase) decrease in deferred inflows of resources - OPEB		(63,631)	
Change in Net Position - Full Accrual Basis		<u>\$ 274,431</u>	

City of Winston-Salem, North Carolina

Internal Service Funds

Workers' Compensation Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 56

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 5,630,700	\$ 6,282,962	\$ 652,262
Other	30,000	52,285	22,285
Total operating revenues	<u>5,660,700</u>	<u>6,335,247</u>	<u>674,547</u>
Operating Expenditures			
Personnel services	290,670	361,667	(70,997)
Maintenance and operations	5,832,800	14,850,255	(9,017,455)
Total operating expenditures	<u>6,123,470</u>	<u>15,211,922</u>	<u>(9,088,452)</u>
Operating income (loss)	(462,770)	(8,876,675)	(8,413,905)
Nonoperating Revenues (Expenditures)			
Investment income	-	536,173	536,173
Total nonoperating revenues, net	<u>-</u>	<u>536,173</u>	<u>536,173</u>
Income (loss) before transfers	(462,770)	(8,340,502)	(7,877,732)
Other Financing Sources (Uses)			
Transfers In (Out)			
Risk management reserve fund	3,250,000	3,250,000	-
General fund	(220,160)	(202,640)	17,520
Total transfers out	<u>3,029,840</u>	<u>3,047,360</u>	<u>17,520</u>
Appropriated net position	<u>(2,567,070)</u>	<u>-</u>	<u>2,567,070</u>
Total other financing sources (uses)	<u>462,770</u>	<u>3,047,360</u>	<u>(2,584,590)</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (5,293,142)</u>	<u>\$ (5,293,142)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (5,293,142)	
Increase (decrease) in deferred outflows of resources - pensions		(372)	
(Increase) decrease in net pension liability		(6,607)	
(Increase) decrease in deferred inflows of resources - pensions		310	
Increase (decrease) in deferred outflows of resources - OPEB		991	
Increase (decrease) in net OPEB asset		2,638	
(Increase) decrease in deferred inflows of resources - OPEB		(2,576)	
Change in Net Position - Full Accrual Basis		<u>\$ (5,298,758)</u>	

City of Winston-Salem, North Carolina

Internal Service Funds

Health Benefits Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 57

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 24,932,260	\$ 26,076,274	\$ 1,144,014
Other	1,100,000	2,072,547	972,547
Total operating revenues	<u>26,032,260</u>	<u>28,148,821</u>	<u>2,116,561</u>
Operating Expenditures			
Personnel services	311,940	337,681	(25,741)
Maintenance and operations	25,974,373	29,277,370	(3,302,997)
Total operating expenditures	<u>26,286,313</u>	<u>29,615,051</u>	<u>(3,328,738)</u>
Operating income (loss)	(254,053)	(1,466,230)	(1,212,177)
Nonoperating Revenues (Expenditures)			
Investment income	-	438,956	438,956
Total nonoperating revenues, net	-	438,956	438,956
Other Financing Sources (Uses)			
Appropriated net position	254,053	-	254,053
Total other financing sources (uses)	<u>254,053</u>	<u>-</u>	<u>254,053</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (1,027,274)</u>	<u>\$ (1,027,274)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (1,027,274)	
Increase (decrease) in deferred outflows of resources - pensions		(2,358)	
(Increase) decrease in net pension liability		(7,778)	
(Increase) decrease in deferred inflows of resources - pensions		589	
Increase (decrease) in deferred outflows of resources - OPEB		(1,631)	
Increase (decrease) in net asset OPEB		(5,547)	
(Increase) decrease in deferred inflows of resources - OPEB		1,732	
Change in Net Position - Full Accrual Basis		<u>\$ (1,042,267)</u>	

City of Winston-Salem, North Carolina

Internal Service Funds

Dental and Flex Benefits Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024 Exhibit 58

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 1,972,190	\$ 1,967,068	\$ (5,122)
Total operating revenues	1,972,190	1,967,068	(5,122)
Operating Expenditures			
Maintenance and operations	2,209,600	1,979,948	229,652
Total operating expenditures	2,209,600	1,979,948	229,652
Operating income (loss)	(237,410)	(12,880)	224,530
Nonoperating Revenues (Expenditures)			
Investment income	-	255,002	255,002
Total nonoperating revenues, net	-	255,002	255,002
Other Financing Sources (Uses)			
Appropriated net position	(237,410)	-	(237,410)
Total other financing sources (uses)	(237,410)	-	(237,410)
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 242,122</u>	<u>\$ 242,122</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 242,122	
Change in Net Position - Full Accrual Basis		<u>\$ 242,122</u>	

City of Winston-Salem, North Carolina

Internal Service Funds

Employee Benefits Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 59

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 39,532,240	\$ 42,715,065	\$ 3,182,825
Other	201,000	34,291	(166,709)
Total operating revenues	<u>39,733,240</u>	<u>42,749,356</u>	<u>3,016,116</u>
Operating Expenditures			
Maintenance and operations	40,127,139	41,759,377	(1,632,238)
Total operating expenditures	<u>40,127,139</u>	<u>41,759,377</u>	<u>(1,632,238)</u>
Operating income (loss)	(393,899)	989,979	1,383,878
Nonoperating Revenues (Expenditures)			
Investment income	-	604,712	604,712
Total nonoperating revenues, net	-	604,712	604,712
Other Financing Sources (Uses)			
Appropriated net position	393,899	-	393,899
Total other financing sources (uses)	<u>393,899</u>	<u>-</u>	<u>393,899</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 1,594,691</u>	<u>\$ 1,594,691</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		<u>\$ 1,594,691</u>	
Change in Net Position - Full Accrual Basis		<u>\$ 1,594,691</u>	

City of Winston-Salem, North Carolina

Internal Service Funds

Risk Management Reserve Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2024

Exhibit 60

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Other	\$ -	\$ 39,263	\$ 39,263
Total operating revenues	-	39,263	39,263
Operating Expenditures			
Personnel services	178,160	177,966	194
Maintenance and operations	2,250,000	2,477,640	(227,640)
Total operating expenditures	2,428,160	2,655,606	(227,446)
Operating income (loss)	(2,428,160)	(2,616,343)	(188,183)
Nonoperating Revenues (Expenditures)			
Investment income	3,000,000	6,272,573	3,272,573
Total nonoperating revenues, net	3,000,000	6,272,573	3,272,573
Other Financing Sources (Uses)			
Transfers Out			
Workers Compensation Fund	(3,250,000)	(3,250,000)	-
Total transfers out	(3,250,000)	(3,250,000)	-
Appropriated net position	2,678,160	-	2,678,160
Total other financing sources (uses)	(571,840)	(3,250,000)	2,678,160
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 406,230</u>	<u>\$ 406,230</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 406,230	
Increase (decrease) in deferred outflows of resources - pensions		31,613	
(Increase) decrease in net pension liability		(54,176)	
(Increase) decrease in deferred inflows of resources - pensions		(1,512)	
Change in Net Position - Full Accrual Basis		<u>\$ 382,155</u>	

City of Winston-Salem, North Carolina

Internal Service Funds

Internal Service Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2024 Exhibit 61

	Program			Total
	Authorizations	Current Year	Prior Years	to Date
Revenues				
NCML Proceeds	\$ 3,756,670	\$ 968,462	\$ 163,220	\$ 1,131,682
Transfers in from other funds	30,783	-	30,783	30,783
Other contributions	244,283	-	244,281	244,281
Total revenues	<u>4,031,736</u>	<u>968,462</u>	<u>438,284</u>	<u>1,406,746</u>
Expenses				
Information Services	<u>4,031,736</u>	<u>997,049</u>	<u>352,313</u>	<u>1,349,362</u>
Total expenses	<u>4,031,736</u>	<u>997,049</u>	<u>352,313</u>	<u>1,349,362</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (28,587)</u>	<u>\$ 85,971</u>	<u>\$ 57,384</u>

Fiduciary Funds

City of Winston-Salem, North Carolina

Combining Statement of Fiduciary Net Position

Fiduciary Funds
June 30, 2024

Exhibit 62

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
Assets				
Cash and cash equivalents/investments	\$ 213,974,938	\$ 14,408,579	\$ 79,464,663	\$ 307,848,180
Prepaid expenses	-	-	119,303	119,303
Total assets	213,974,938	14,408,579	79,583,966	307,967,483
Deferred Outflows of Resources				
Pension deferrals	-	-	41,451	41,451
Total deferred outflows of resources	-	-	41,451	41,451
Liabilities				
Accounts payable	107,849	6,579	46,620	161,048
Accrued payroll	-	-	1,935	1,935
Accrued vacation	-	-	7,314	7,314
Net pension liability	-	-	68,075	68,075
Claims payable	-	-	1,098,453	1,098,453
Total liabilities	107,849	6,579	1,222,397	1,336,825
Deferred Inflows of Resources				
Pension deferrals	-	-	2,102	2,102
Total deferred inflows of resources	-	-	2,102	2,102
Net Position				
Restricted for pensions	213,867,089	14,402,000	-	228,269,089
Restricted for post-employment benefits other than pensions	-	-	78,400,918	78,400,918
Total net position	\$ 213,867,089	\$ 14,402,000	\$ 78,400,918	\$ 306,670,007

City of Winston-Salem, North Carolina

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2024

Exhibit 63

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
Additions				
Contributions				
Employer	\$ 6,374,728	\$ 2,633,748	\$ 1,492,954	\$ 10,501,430
Plan members	1,289,783	-	1,918,972	3,208,755
Total contributions	7,664,511	2,633,748	3,411,926	13,710,185
Investment income (loss)				
Net appreciation in fair value	25,702,757	1,656,540	9,522,650	36,881,947
Interest and dividends	4,237,613	301,077	1,560,807	6,099,497
Total investment income (loss)	29,940,370	1,957,617	11,083,457	42,981,444
Less: investment expense	967,217	62,355	347,841	1,377,413
Net investment income (loss)	28,973,153	1,895,262	10,735,616	41,604,031
Total additions	36,637,664	4,529,010	14,147,542	55,314,216
Deductions				
Benefits	14,938,247	3,004,795	6,884,042	24,827,084
Refund of contributions	52,953	-	-	52,953
Administrative expense	72,766	5,961	173,780	252,507
Total deductions	15,063,966	3,010,756	7,057,822	25,132,544
Net increase (decrease) in net position	21,573,698	1,518,254	7,089,720	30,181,672
Net position - beginning	192,293,391	12,883,746	71,311,198	276,488,335
Net position - ending	\$ 213,867,089	\$ 14,402,000	\$ 78,400,918	\$ 306,670,007

**Schedule of General
Obligation
Bonded Debt**

City of Winston-Salem, North Carolina

Schedule of General Obligation Bonded Debt

June 30, 2024

Purpose of Bond Issue	Date of Issue	Final Maturity Date	Interest Rate	Original Issue	Retired To Date
General Obligation Bonded Debt					
Recreation, safety & streets	06/20/12	06/01/32	2.00 - 3.00%	\$ 2,955,000	\$ 1,795,000
Refunding	06/21/12	06/01/22	2.00 - 5.00%	14,255,000	14,255,000
Recreation, safety & streets	06/26/14	06/01/31	2.00 - 4.00%	3,945,000	2,000,000
Public improvement, recreation & streets	04/05/16	06/01/36	2.00 - 3.00%	3,810,000	1,210,000
Development, recreation, safety & streets	04/06/16	06/01/36	3.00 - 5.00%	47,820,000	9,865,000
Refunding	04/06/16	06/01/28	3.00 - 5.00%	12,655,000	7,655,000
Public improvement, recreation & streets	07/11/17	06/01/37	2.00 - 5.00%	4,775,000	1,120,000
Public improvement, recreation, streets & housing	07/12/17	06/01/37	3.00 - 5.00%	54,690,000	9,520,000
Streets and recreation	07/13/20	06/01/40	2.00 - 5.00%	6,005,000	655,000
Development, recreation, buildings & streets	07/14/20	06/01/40	2.00 - 5.00%	44,140,000	-
Development & housing	07/14/20	06/01/28	0.40 - 1.41%	16,330,000	7,845,000
Refunding	07/14/20	06/01/26	1.00 - 5.00%	18,300,000	11,760,000
Refunding	07/14/20	06/01/32	0.49 - 1.15%	5,870,000	3,045,000
Public Improvements, safety, recreation, streets	05/10/23	06/01/43	4.00 - 5.00%	8,895,000	-
Safety, recreation, streets	05/11/23	06/01/43	4.00 - 5.00%	47,500,000	-
Development & housing	05/11/23	06/01/26	4.00 - 5.00%	7,500,000	3,195,000
Total General Obligation Bonded Debt				\$ 299,445,000	\$ 73,920,000

City of Winston-Salem, North Carolina

Schedule of General Obligation Bonded Debt

June 30, 2024

Principal Balance June 30, 2024	Fiscal Year 2023-24		Principal Balance June 30, 2024	Debt Service Requirement Fiscal Year 2024-25			Principal Balance June 30, 2025
	Retirements	Additions		Principal	Interest	Total	
\$ 1,305,000	\$ 145,000	\$ -	\$ 1,160,000	\$ 145,000	\$ 34,800	\$ 179,800	\$ 1,015,000
-	-	-	-	-	-	-	-
2,145,000	200,000	-	1,945,000	200,000	64,781	264,781	1,745,000
2,780,000	180,000	-	2,600,000	185,000	73,500	258,500	2,415,000
40,385,000	2,430,000	-	37,955,000	2,550,000	1,348,250	3,898,250	35,405,000
6,195,000	1,195,000	-	5,000,000	1,190,000	202,500	1,392,500	3,810,000
3,860,000	205,000	-	3,655,000	215,000	139,800	354,800	3,440,000
47,740,000	2,570,000	-	45,170,000	2,700,000	1,666,200	4,366,200	42,470,000
5,580,000	230,000	-	5,350,000	240,000	179,300	419,300	5,110,000
44,140,000	-	-	44,140,000	-	1,333,313	1,333,313	44,140,000
11,110,000	2,625,000	-	8,485,000	2,640,000	89,126	2,729,126	5,845,000
9,835,000	3,295,000	-	6,540,000	990,000	327,000	1,317,000	5,550,000
4,225,000	1,400,000	-	2,825,000	1,410,000	27,976	1,437,976	1,415,000
8,895,000	-	-	8,895,000	-	424,750	424,750	8,895,000
47,500,000	-	-	47,500,000	-	2,267,400	2,267,400	47,500,000
7,500,000	3,195,000	-	4,305,000	3,195,000	204,150	3,399,150	1,110,000
\$ 243,195,000	\$ 17,670,000	\$ -	\$ 225,525,000	\$ 15,660,000	\$ 8,382,845	\$ 24,042,845	\$ 209,865,000

Statistical Section

<u>Contents</u>	<u>Page</u>
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Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	205
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	212
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	219
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	221

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Winston-Salem, North Carolina

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 1 of 2

	Fiscal Year				
	2024	Restated 2023	Restated 2022	2021	2020
Governmental activities					
Net investment in capital assets	\$ 303,989,756	\$ 246,227,387	\$ 243,224,336	\$ 234,366,934	\$ 205,988,821
Restricted	158,304,430	182,719,924	144,991,802	107,418,521	77,921,104
Unrestricted	22,927,488	30,256,429	15,262,516	(642,509)	21,234,750
Total governmental activities net position	485,221,674	459,203,740	403,478,654	341,142,946	305,144,675
Business-type activities					
Net investment in capital assets	720,822,942	674,658,191	650,325,396	638,058,023	589,924,366
Restricted	40,827,260	33,526,400	38,111,166	1,875,155	-
Unrestricted	230,939,715	223,442,301	205,357,176	234,010,358	207,028,125
Total business-type activities net position	992,589,917	931,626,892	893,793,738	873,943,536	796,952,491
Primary government					
Net investment in capital assets	1,024,812,698	920,885,578	893,549,732	872,424,957	795,913,187
Restricted	199,131,690	216,246,324	183,102,968	109,293,676	77,921,104
Unrestricted	253,867,203	253,698,730	220,619,692	233,367,849	228,262,875
Total primary government net position	<u>\$ 1,477,811,591</u>	<u>\$ 1,390,830,632</u>	<u>\$ 1,297,272,392</u>	<u>\$ 1,215,086,482</u>	<u>\$ 1,102,097,166</u>

City of Winston-Salem, North Carolina

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 2 of 2

	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental activities					
Net investment in capital assets	\$ 198,478,120	\$ 166,252,662	\$ 164,415,590	\$ 153,711,370	\$ 131,696,233
Restricted	65,043,267	69,502,473	65,111,085	120,600,038	76,643,528
Unrestricted	29,962,893	41,526,432	51,074,905	31,498,836	85,333,859
Total governmental activities net position	293,484,280	277,281,567	280,601,580	305,810,244	293,673,620
Business-type activities					
Net investment in capital assets	553,853,458	507,218,169	483,821,989	473,054,885	419,642,228
Restricted	-	-	-	-	-
Unrestricted	202,082,964	204,209,597	182,382,886	163,448,423	185,351,836
Total business-type activities net position	755,936,422	711,427,766	666,204,875	636,503,308	604,994,064
Primary government					
Net investment in capital assets	752,331,578	673,470,831	648,237,579	626,766,255	551,338,461
Restricted	65,043,267	69,502,473	65,111,085	120,600,038	76,643,528
Unrestricted	232,045,857	245,736,029	233,457,791	194,947,259	270,685,695
Total primary government net position	\$ 1,049,420,702	\$ 988,709,333	\$ 946,806,455	\$ 942,313,552	\$ 898,667,684

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 4

	Fiscal Year					
	2024	Restated 2023	Restated 2022	2021	2020	2019
Expenses						
Governmental activities:						
General government ⁽¹⁾	\$ 52,329,590	\$ 44,475,366	\$ 38,897,499	\$ 34,021,230	\$ 34,700,220	\$ 34,337,104
Public protection	157,572,051	133,013,095	116,614,583	111,171,364	121,976,612	115,069,382
Environmental health	26,704,349	25,443,236	21,075,652	19,939,166	19,498,148	18,193,517
Transportation ⁽²⁾	24,692,471	21,846,047	20,138,772	19,966,122	18,660,360	18,778,394
Culture and recreation	20,731,085	17,026,677	15,475,504	14,201,946	14,462,457	13,883,844
Community and economic development	37,507,319	36,842,122	37,459,323	30,128,749	30,384,963	26,454,980
Interest and fiscal charges	11,286,374	9,868,649	10,157,490	10,557,262	11,425,747	11,825,173
Total governmental activities	<u>330,823,239</u>	<u>288,515,192</u>	<u>259,818,823</u>	<u>239,985,839</u>	<u>251,108,507</u>	<u>238,542,394</u>
Business-type activities:						
Water and sewer utility	115,636,929	107,883,663	96,458,373	93,232,560	96,705,230	93,659,022
Solid Waste Disposal ⁽³⁾	12,471,968	14,258,736	14,739,306	12,227,035	11,439,490	12,813,989
Transit Authority ⁽²⁾	23,962,926	24,228,158	22,992,304	23,038,976	21,852,043	21,903,029
Parking	1,587,001	1,536,919	1,449,184	1,447,463	1,433,620	1,401,592
Stormwater management	7,319,979	7,320,320	6,595,348	6,959,722	7,458,955	6,883,864
Public assembly facilities management	16,671,513	8,767,927	8,943,894	6,642,279	8,349,857	8,099,018
Risk management reserves	2,679,681	2,314,103	408,547	3,382,981	1,532,932	2,854,467
Total business-type activities	<u>180,329,997</u>	<u>166,309,826</u>	<u>151,586,956</u>	<u>146,931,016</u>	<u>148,772,127</u>	<u>147,614,981</u>
Total primary government expenses	<u>\$ 511,153,236</u>	<u>\$ 454,825,018</u>	<u>\$ 411,405,779</u>	<u>\$ 386,916,855</u>	<u>\$ 399,880,634</u>	<u>\$ 386,157,375</u>

Note:

- ⁽¹⁾ The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.
- ⁽²⁾ The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.
- ⁽³⁾ Includes a restatement in the amount of \$2,983,150 for fiscal year 2022

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
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	Fiscal Year				
	2019	2018	2017	2016	2015
Expenses					
Governmental activities:					
General government ⁽¹⁾	\$ 34,337,104	\$ 32,345,702	\$ 32,646,249	\$ 30,553,493	\$ 28,112,510
Public protection	115,069,382	108,272,672	106,739,938	100,928,955	91,609,111
Environmental health	18,193,517	19,666,634	17,720,245	17,002,328	16,270,988
Transportation ⁽²⁾	18,778,394	19,935,391	20,544,652	20,025,048	21,006,107
Culture and recreation	13,883,844	13,191,936	12,069,446	11,751,922	10,835,392
Community and economic development	26,454,980	23,993,835	36,064,551	21,981,252	19,105,095
Interest and fiscal charges	11,825,173	12,828,440	10,191,248	7,937,451	9,807,798
Total governmental activities	<u>238,542,394</u>	<u>230,234,610</u>	<u>235,976,329</u>	<u>210,180,449</u>	<u>196,747,001</u>
Business-type activities:					
Water and sewer utility	93,659,022	88,763,212	87,583,208	82,994,364	81,924,268
Solid waste disposal	12,813,989	12,159,440	13,579,703	10,717,746	10,288,446
Transit Authority ⁽²⁾	21,903,029	19,691,541	18,890,589	17,142,451	16,222,267
Parking	1,401,592	1,537,324	1,647,350	3,568,917	1,863,836
Stormwater management	6,883,864	7,112,538	11,675,062	6,081,683	5,541,532
Public assembly facilities management	8,099,018	8,939,682	7,761,968	7,261,379	7,405,950
Risk management reserves	2,854,467	3,351,881	2,628,391	2,326,714	4,350,212
Total business-type activities	<u>147,614,981</u>	<u>141,555,618</u>	<u>143,766,271</u>	<u>130,093,254</u>	<u>127,596,511</u>
Total primary government expenses	<u>\$ 386,157,375</u>	<u>\$ 371,790,228</u>	<u>\$ 379,742,600</u>	<u>\$ 340,273,703</u>	<u>\$ 324,343,512</u>

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 3 of 4

	Fiscal Year					
	Restated		2022	2021	2020	2019
	2024	2023				
Program Revenues						
Governmental activities:						
Charges for services						
General government ⁽¹⁾	\$ 17,133,031	\$ 16,065,314	\$ 14,367,449	\$ 16,329,762	\$ 16,777,155	\$ 16,211,409
Public protection	1,928,224	2,391,089	2,244,432	4,602,172	4,729,240	5,000,628
Environmental health	1,972,401	2,081,710	2,168,271	1,426,839	1,205,459	1,440,765
Transportation ⁽²⁾	2,520,427	2,362,224	2,480,133	4,100,649	2,808,598	4,562,299
Culture and recreation	1,427,596	1,050,761	957,910	641,093	1,033,779	1,051,133
Community and economic development	7,343,943	15,588,350	7,798,756	7,354,628	8,017,217	8,643,868
Operating Grants and Contributions	26,914,968	37,519,365	62,290,459	20,451,877	16,740,028	15,166,964
Capital Grants and Contributions	1,252,774	1,348,809	769,274	806,263	1,398,672	4,399,817
Total governmental activities	<u>60,493,364</u>	<u>78,407,622</u>	<u>93,076,684</u>	<u>55,713,283</u>	<u>52,710,148</u>	<u>56,476,883</u>
Business-type activities:						
Charges for Services						
Water and sewer utility	139,958,752	129,713,989	126,622,867	118,156,556	115,210,981	114,816,710
Solid waste disposal	11,536,314	10,945,273	12,579,687	12,266,693	12,327,986	11,863,707
Transit Authority ⁽²⁾	1,695,755	1,603,338	1,509,019	984,222	1,721,077	2,133,136
Parking	623,286	620,856	520,125	404,346	713,074	783,427
Stormwater management	11,095,627	10,782,532	10,829,599	11,089,995	10,465,247	10,714,457
Public assembly facilities management	14,310,198	5,808,019	5,210,414	1,486,664	5,425,875	6,543,535
Risk management reserves	39,263	-	-	1,130,735	1,108,560	1,086,820
Operating Grants and Contributions	10,244,466	9,464,258	10,139,353	8,401,362	11,130,441	12,198,440
Capital Grants and Contributions	12,413,154	12,005,839	7,394,735	17,969,214	15,286,839	10,572,472
Total business-type activities	<u>201,916,815</u>	<u>180,944,104</u>	<u>174,805,799</u>	<u>171,889,787</u>	<u>173,390,080</u>	<u>170,712,704</u>
Total primary government program revenues	<u>262,410,179</u>	<u>259,351,726</u>	<u>267,882,483</u>	<u>227,603,070</u>	<u>226,100,228</u>	<u>227,189,587</u>
Net (Expense) Revenue						
Governmental activities	(270,329,875)	(210,107,570)	(166,742,139)	(184,272,556)	(198,398,359)	(182,065,511)
Business activities	21,586,818	14,634,278	23,218,843	24,958,771	24,617,953	23,097,723
Total primary government net expense	<u>\$ (248,743,057)</u>	<u>\$ (195,473,292)</u>	<u>\$ (143,523,296)</u>	<u>\$ (159,313,785)</u>	<u>\$ (173,780,406)</u>	<u>\$ (158,967,788)</u>

Note:

- ⁽¹⁾ The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.
- ⁽²⁾ The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
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	Fiscal Year				
	2019	2018	2017	2016	2015
Program Revenues					
Governmental activities:					
Charges for services					
General government ⁽¹⁾	\$ 16,211,409	\$ 17,411,013	\$ 20,112,693	\$ 17,938,963	\$ 20,515,345
Public protection	5,000,628	5,248,085	4,236,530	3,861,336	3,808,576
Environmental health	1,440,765	2,296,645	2,306,884	2,285,788	2,425,703
Transportation ⁽²⁾	4,562,299	5,152,192	3,632,920	2,591,367	3,325,676
Culture and recreation	1,051,133	1,281,661	953,931	1,010,177	1,458,330
Community and economic development	8,643,868	6,985,681	6,869,820	6,464,175	6,293,171
Operating Grants and Contributions	15,166,964	17,446,122	18,328,564	15,560,775	15,607,683
Capital Grants and Contributions	4,399,817	2,753,420	3,408,596	2,527,339	3,265,941
Total governmental activities	<u>56,476,883</u>	<u>58,574,819</u>	<u>59,849,938</u>	<u>52,239,920</u>	<u>56,700,425</u>
Business-type activities:					
Charges for Services					
Water and sewer utility	114,816,710	109,226,819	104,398,204	100,834,307	93,221,504
Solid waste disposal	11,863,707	11,472,389	10,510,422	10,575,534	9,382,726
Transit Authority ⁽²⁾	2,133,136	2,068,708	2,078,733	2,543,903	2,670,064
Parking	783,427	826,606	745,034	1,196,763	1,178,191
Stormwater management	10,714,457	10,939,477	10,822,681	10,715,512	10,539,003
Public assembly facilities management	6,543,535	6,145,508	5,826,359	5,500,973	9,765,453
Risk management reserves	1,086,820	1,065,510	1,044,620	1,166,490	115,235
Operating Grants and Contributions	12,198,440	11,683,732	8,795,420	8,481,848	8,261,599
Capital Grants and Contributions	10,572,472	10,209,381	5,899,105	11,496,645	3,177,283
Total business-type activities	<u>170,712,704</u>	<u>163,638,130</u>	<u>150,120,578</u>	<u>152,511,975</u>	<u>138,311,058</u>
Total primary government program revenues	<u>227,189,587</u>	<u>222,212,949</u>	<u>209,970,516</u>	<u>204,751,895</u>	<u>195,011,483</u>
Net (Expense) Revenue					
Governmental activities	(182,065,511)	(171,659,791)	(176,126,391)	(157,940,529)	(140,046,576)
Business activities	23,097,723	22,082,512	6,354,307	22,418,721	10,714,547
Total primary government net expense	<u>\$ (158,967,788)</u>	<u>\$ (149,577,279)</u>	<u>\$ (169,772,084)</u>	<u>\$ (135,521,808)</u>	<u>\$ (129,332,029)</u>

City of Winston-Salem, North Carolina

General Revenues and Total Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 3
Page 1 of 2

	Fiscal Year				
	2024	Restated 2023	2022	2021	2020
Net (Expense)/Revenue					
Governmental activities	\$ (270,329,875)	\$ (210,107,570)	\$ (166,742,139)	\$ (184,272,556)	\$ (198,398,359)
Business-type activities	21,586,818	14,634,278	26,201,993	24,958,771	24,617,953
Total primary government expense	<u>\$ (248,743,057)</u>	<u>\$ (195,473,292)</u>	<u>\$ (140,540,146)</u>	<u>\$ (159,313,785)</u>	<u>\$ (173,780,406)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 172,223,545	\$ 160,814,721	\$ 149,957,339	\$ 139,314,797	\$ 135,466,442
Sales taxes	70,782,658	68,476,430	62,962,302	54,678,675	47,330,527
Gross receipt taxes	563,624	538,339	446,083	382,720	379,659
Occupancy taxes	1,155,304	1,129,135	988,566	537,520	754,826
Beer and wine excise-state	1,236,098	1,134,212	992,144	1,022,164	1,047,080
Telecommunications sales tax ⁽³⁾	1,007,025	1,051,074	1,051,132	1,312,485	1,587,905
Utilities sales tax ⁽³⁾	16,367,697	14,998,250	14,056,822	13,783,080	14,082,850
Piped natural gas sales tax ⁽³⁾	1,051,432	1,252,678	1,021,262	841,770	755,015
Video programming tax ⁽³⁾	1,679,119	1,826,604	1,902,960	1,890,996	1,947,918
Payments in lieu of taxes	256,012	445,827	221,884	232,406	233,921
ABC store allocations	4,019,482	3,831,360	3,437,260	3,361,961	2,850,564
Gain on Disposal of Assets	-	-	-	567,108	-
Investment income (loss)	21,032,484	9,801,311	(2,285,111)	2,865,176	2,837,353
Transfers					
Government-wide	4,973,329	532,715	(5,674,796)	(520,031)	784,694
Total governmental activities expenses	<u>296,347,809</u>	<u>265,832,656</u>	<u>229,077,847</u>	<u>220,270,827</u>	<u>210,058,754</u>
Business-type activities:					
Property taxes	12,962,663	12,646,662	12,279,057	11,169,671	10,789,311
Investment income (loss)	28,685,666	19,520,067	(21,777,151)	40,342,572	6,393,499
Gain on sale of fixed assets	2,701,207	-	454,657	-	-
Transfers					
Government-wide	(4,973,329)	(532,715)	5,674,796	520,031	(784,694)
Total business-type activities expenses	<u>39,376,207</u>	<u>31,634,014</u>	<u>(3,368,641)</u>	<u>52,032,274</u>	<u>16,398,116</u>
Total primary government	<u>335,724,016</u>	<u>297,466,670</u>	<u>225,709,206</u>	<u>272,303,101</u>	<u>226,456,870</u>
Change in Net Position					
Governmental activities	26,017,934	55,725,086	62,335,708	35,998,271	11,660,395
Business-type activities	60,963,025	46,268,292	22,833,352	76,991,045	41,016,069
Total change in net position	<u>\$ 86,980,959</u>	<u>\$ 101,993,378</u>	<u>\$ 85,169,060</u>	<u>\$ 112,989,316</u>	<u>\$ 52,676,464</u>

Note:

- (1) The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.
- (2) The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.
- (3) In fiscal year 2015 franchise taxes was separated between telecommunications sales tax, utilities sales tax, piped natural gas sales tax, and video programming tax.

City of Winston-Salem, North Carolina

General Revenues and Total Changes in Net Position

Last Ten Fiscal Years

Table 3

(accrual basis of accounting)

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	Fiscal Year				
	2019	2018	2017	2016	2015
Net (Expense)/Revenue					
Governmental activities	\$ (182,065,511)	\$ (171,659,791)	\$ (176,126,391)	\$ (157,940,529)	\$ (140,046,576)
Business-type activities	23,097,723	22,082,512	6,354,307	22,418,721	10,714,547
Total primary government expense	<u>\$ (158,967,788)</u>	<u>\$ (149,577,279)</u>	<u>\$ (169,772,084)</u>	<u>\$ (135,521,808)</u>	<u>\$ (129,332,029)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 124,204,213	\$ 121,372,562	\$ 114,867,555	\$ 109,495,096	\$ 101,672,305
Sales taxes	45,015,159	42,370,619	39,983,759	37,612,657	35,396,961
Gross receipt taxes	366,295	340,841	367,339	310,924	336,466
Occupancy taxes	904,606	842,962	783,673	738,282	676,361
Beer and wine excise-state	1,050,073	1,042,116	1,081,299	1,046,536	1,123,316
Telecommunications sales tax ⁽³⁾	1,785,133	1,915,819	2,112,407	2,129,618	2,434,801
Utilities sales tax ⁽³⁾	14,112,486	13,329,176	13,131,269	13,642,565	11,628,161
Piped natural gas sales tax ⁽³⁾	874,571	862,091	673,437	618,280	874,111
Video programming tax ⁽³⁾	2,089,991	2,170,118	2,224,104	2,211,617	2,299,732
Payments in lieu of taxes	223,000	273,215	272,227	252,827	215,901
ABC store allocations	2,610,489	1,566,167	1,524,244	1,290,517	1,071,106
Gain on Disposal of Assets	-	-	-	-	-
Investment income (loss)	4,386,880	2,901,158	1,369,676	989,065	713,752
Transfers					
Government-wide	645,328	(1,708,484)	770,910	(260,831)	280,537
Total governmental activities expenses	<u>198,268,224</u>	<u>187,278,360</u>	<u>179,161,899</u>	<u>170,077,153</u>	<u>158,723,510</u>
Business-type activities:					
Property taxes	10,662,035	10,434,990	7,176,905	7,090,014	6,889,480
Investment income (loss)	11,394,226	14,479,474	16,941,265	1,739,678	4,681,987
Gain on sale of fixed assets	-	-	-	-	-
Transfers					
Government-wide	(645,328)	1,708,484	(770,910)	260,831	(280,537)
Total business-type activities expenses	<u>21,410,933</u>	<u>26,622,948</u>	<u>23,347,260</u>	<u>9,090,523</u>	<u>11,290,930</u>
Total primary government	<u>219,679,157</u>	<u>213,901,308</u>	<u>202,509,159</u>	<u>179,167,676</u>	<u>170,014,440</u>
Change in Net Position					
Governmental activities	16,202,713	15,618,569	3,035,508	12,136,624	18,676,934
Business-type activities	44,508,656	48,705,460	29,701,567	31,509,244	22,005,477
Total change in net position	<u>\$ 60,711,369</u>	<u>\$ 64,324,029</u>	<u>\$ 32,737,075</u>	<u>\$ 43,645,868</u>	<u>\$ 40,682,411</u>

City of Winston-Salem, North Carolina

Program Revenues by Function/Program

Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
Page 1 of 2

Function/Program	Fiscal Year				
	2024	Restated 2023	2022	2021	2020
Governmental activities:					
General government ⁽¹⁾	\$ 18,457,378	\$ 17,067,401	\$ 14,831,631	\$ 16,501,280	\$ 17,259,000
Public protection	9,567,060	22,716,070	37,944,658	8,835,585	7,642,355
Environmental health	2,149,073	2,081,710	2,168,271	1,426,839	1,611,835
Transportation ⁽²⁾	13,855,146	13,048,185	12,346,054	12,741,027	10,336,353
Culture and recreation	1,679,232	1,138,901	985,270	641,093	1,033,779
Community and economic development	14,785,475	22,355,355	24,800,800	15,567,459	14,826,826
Total governmental activities	60,493,364	78,407,622	93,076,684	55,713,283	52,710,148
Business-type activities:					
Water and sewer utility	150,568,108	140,640,445	133,692,180	126,048,170	130,071,671
Solid waste disposal	12,385,693	12,107,850	14,054,378	12,989,792	13,708,747
Transit Authority ⁽²⁾	12,741,727	19,034,078	9,362,220	17,094,261	11,472,402
Parking	623,286	483,425	663,356	779,546	959,361
Stormwater management	11,106,368	10,904,858	10,901,510	12,359,468	10,601,918
Public assembly facilities management	14,452,370	6,208,586	6,132,155	1,487,815	5,467,421
Risk management reserves	39,263	-	-	1,130,735	1,108,560
Subtotal business-type activities	201,916,815	189,379,242	174,805,799	171,889,787	173,390,080
Total primary government	\$ 262,410,179	\$ 267,786,864	\$ 267,882,483	\$ 227,603,070	\$ 226,100,228

Note:

⁽¹⁾ The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.

⁽²⁾ The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.

City of Winston-Salem, North Carolina

Program Revenues by Function/Program

Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
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Function/Program	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental activities:					
General government ⁽¹⁾	\$ 17,158,616	\$ 18,666,497	\$ 21,363,164	\$ 19,085,167	\$ 21,556,561
Public protection	6,886,607	6,671,673	5,101,718	5,178,752	4,780,230
Environmental health	1,440,765	2,296,645	2,378,167	2,546,196	2,896,308
Transportation ⁽²⁾	16,324,869	15,758,835	13,696,353	13,006,388	14,772,541
Culture and recreation	1,051,133	1,281,661	1,673,931	1,010,177	1,458,330
Community and economic development	13,614,893	13,899,508	15,636,605	11,413,240	11,236,455
Total governmental activities	56,476,883	58,574,819	59,849,938	52,239,920	56,700,425
Business-type activities:					
Water and sewer utility	124,208,094	123,077,090	109,977,029	105,365,491	97,416,530
Solid waste disposal	12,906,593	13,082,714	11,434,616	11,540,453	10,284,939
Transit Authority ⁽²⁾	13,751,385	7,940,898	9,683,642	16,251,424	8,440,319
Parking	1,213,840	1,218,399	1,180,382	1,632,111	1,604,832
Stormwater management	11,002,437	11,108,011	10,975,967	11,001,768	10,616,379
Public assembly facilities management	6,543,535	6,145,508	5,834,322	5,554,238	9,832,824
Risk management reserves	1,086,820	1,065,510	1,044,620	1,166,490	115,235
Subtotal business-type activities	170,712,704	163,638,130	150,130,578	152,511,975	138,311,058
Total primary government	\$ 227,189,587	\$ 222,212,949	\$ 209,980,516	\$ 204,751,895	\$ 195,011,483

City of Winston-Salem, North Carolina

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5
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	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund					
Nonspendable	\$ 530,629	\$ 590,519	\$ 664,350	\$ 437,400	\$ 469,850
Restricted	39,555,951	43,702,742	28,922,360	25,605,419	21,613,488
Assigned	7,237,668	10,166,420	10,349,690	1,350,000	5,430,000
Unassigned	60,697,355	54,802,213	47,265,680	33,117,280	21,544,816
Total general fund	<u>\$ 108,021,603</u>	<u>\$ 109,261,894</u>	<u>\$ 87,202,080</u>	<u>\$ 60,510,099</u>	<u>\$ 49,058,154</u>
All Other Governmental Funds					
Nonspendable	\$ 5,403,773	\$ 5,149,162	\$ 4,859,953	\$ 5,874,871	\$ 4,760,637
Restricted	172,906,873	231,571,476	157,288,234	119,849,816	68,641,227
Committed	69,370,726	36,699,163	17,443,064	31,697,002	51,057,189
Unassigned	-	-	(1,918)	(47,105)	(77,960)
Total all other governmental funds	<u>\$ 247,681,372</u>	<u>\$ 273,419,801</u>	<u>\$ 179,589,333</u>	<u>\$ 157,374,584</u>	<u>\$ 124,381,093</u>

City of Winston-Salem, North Carolina

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5
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	Fiscal Year				
	2019	2018	2017	2016	2015
General Fund					
Nonspendable	\$ 1,348,546	\$ 1,314,636	\$ 1,272,235	\$ 1,109,012	\$ 1,181,005
Restricted	20,168,229	22,168,518	20,973,482	22,559,689	17,368,209
Assigned	2,000,000	2,000,000	2,035,000	4,365,350	2,879,210
Unassigned	27,952,999	24,697,951	25,273,474	23,403,739	29,673,717
Total general fund	<u>\$ 51,469,774</u>	<u>\$ 50,181,105</u>	<u>\$ 49,554,191</u>	<u>\$ 51,437,790</u>	<u>\$ 51,102,141</u>
All Other Governmental Funds					
Nonspendable	\$ 4,988,097	\$ 4,737,641	\$ 4,415,950	\$ 33,763,623	\$ 32,952,496
Restricted	79,939,396	98,016,939	45,903,851	140,896,415	57,947,312
Committed	53,035,576	66,031,761	56,047,230	13,378,770	53,126,687
Unassigned	(1,927)	(367,477)	-	(9,144,109)	(3,316,322)
Total all other governmental funds	<u>\$ 137,961,142</u>	<u>\$ 168,418,864</u>	<u>\$ 106,367,031</u>	<u>\$ 178,894,699</u>	<u>\$ 140,710,173</u>

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 1 of 4

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues					
Taxes	\$ 244,136,370	\$ 230,858,302	\$ 214,364,924	\$ 195,297,034	\$ 183,480,271
Licenses and permits	6,813,262	6,721,847	7,104,086	7,221,974	6,631,106
Intergovernmental	49,980,975	63,408,179	85,743,197	44,270,110	40,663,560
Investment income (loss)	19,197,641	9,047,206	(835,880)	2,122,287	2,247,457
Charges for services	18,821,265	17,781,121	17,635,179	18,634,588	17,083,396
NCMLC charges	560,151	408,514	535,094	467,296	753,039
Other	5,751,157	14,677,760	6,399,487	8,216,508	10,061,437
Total revenues	345,260,821	342,902,929	330,946,087	276,229,797	260,920,266
Expenditures					
General government	44,245,538	44,756,057	36,373,971	32,741,038	33,045,017
Public protection	140,756,145	125,044,012	116,409,787	115,909,628	117,037,124
Environmental health	26,029,486	25,942,743	20,707,310	20,078,464	19,552,249
Transportation	16,670,844	14,761,140	13,318,371	13,527,352	13,089,877
Culture and recreation	16,850,761	13,779,343	12,988,634	11,965,180	12,131,168
Community and economic development	32,143,601	25,557,749	35,540,901	27,877,609	21,890,755
Other	731,187	517,084	426,918	766,575	425,808
Capital outlay	52,748,486	42,949,771	48,308,340	46,452,542	38,205,238
Debt service					
Contracts payable ⁽¹⁾	-	-	-	-	-
Principal retirement					
Bond	17,670,000	13,860,000	13,345,000	11,230,000	11,565,000
Other	21,169,818	18,896,024	18,018,392	19,386,183	24,457,596
Interest & fiscal charges					
Bond	9,223,894	6,706,421	7,425,639	7,712,936	7,278,145
Other	4,428,961	4,679,305	4,495,295	4,790,685	5,431,644
Total expenditures	382,668,721	337,449,649	327,358,558	312,438,192	304,109,621
Excess of revenues over (under) expenditures	(37,407,900)	5,453,280	3,587,529	(36,208,395)	(43,189,355)

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 2 of 4

	Fiscal Year				
	2019	2018	2017	2016	2015
Revenues					
Taxes	\$ 170,551,871	\$ 164,925,559	\$ 156,135,468	\$ 148,399,035	\$ 138,451,639
Licenses and permits	7,217,854	6,658,529	6,609,148	6,296,921	8,630,553
Intergovernmental	41,890,520	41,359,369	42,757,909	39,280,074	38,521,025
Investment income (loss)	3,834,012	2,750,652	1,293,820	774,261	612,256
Charges for services	17,290,331	19,104,518	19,472,969	18,282,372	18,792,591
NCMLC charges	1,123,279	1,147,013	1,181,191	992,154	1,983,941
Other	11,160,397	11,740,795	9,158,744	8,785,375	8,510,071
Total revenues	253,068,264	247,686,435	236,609,249	222,810,192	215,502,076
Expenditures					
General government	33,270,116	32,218,813	30,894,515	29,729,507	28,142,891
Public protection	110,161,557	107,232,510	101,455,435	95,912,406	88,569,252
Environmental health	18,972,376	20,551,537	18,489,265	17,853,455	15,940,897
Transportation	14,127,749	16,496,237	14,014,244	14,260,344	14,075,040
Culture and recreation	11,999,323	11,601,727	10,510,943	10,305,086	9,547,647
Community and economic development	22,364,481	22,954,451	29,230,068	20,920,823	18,648,907
Other	304,885	369,425	361,645	370,143	-
Capital outlay	36,050,128	37,004,673	85,621,977	48,831,526	37,326,971
Debt service					
Contracts payable ⁽¹⁾	-	-	-	-	8,443,946
Principal retirement					
Bond	10,850,000	8,145,000	8,495,000	6,486,900	6,370,000
Other	20,345,412	17,082,571	22,619,730	9,114,563	18,176,842
Interest & fiscal charges					
Bond	7,076,345	7,192,077	5,381,551	3,794,371	3,707,737
Other	5,796,103	6,805,652	6,802,599	5,648,111	7,060,496
Total expenditures	291,318,475	287,654,673	333,876,972	263,227,235	256,010,626
Excess of revenues over (under) expenditures	(38,250,211)	(39,968,238)	(97,267,723)	(40,417,043)	(40,508,550)

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 3 of 4

	Fiscal Year				
	2024	2023	2022	2021	2020
Other Financing Sources (Uses)					
Proceeds of refunding bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of refunding LOBS	-	-	-	-	54,685,090
Payment to refunded LOBS escrow agent	-	-	(39,471,128)	(27,476,440)	(45,331,823)
Premium on general obligation bonds	-	8,240,117	-	9,347,113	-
Issuance of general obligation bonds	-	63,895,000	-	90,645,000	-
Issuance of refunding general obligation bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Issuance of contracts payable ⁽¹⁾	8,304,734	31,166,829	26,161,418	8,533,559	25,926,345
Refunding IFC proceeds	-	-	-	-	(10,093,567)
Premium on installment financing contract	-	-	-	-	1,105,927
Premium on limited obligation bonds	-	-	2,220,195	-	-
Issuance of limited obligation bonds	-	-	55,930,000	-	-
Lease liabilities issued	198,477	4,979,884	6,029,212	-	-
IT subscription agreements	-	1,494,097	-	-	-
Transfers in	41,100,065	47,284,127	68,771,422	21,308,112	17,170,818
Transfers out	(39,174,096)	(46,623,052)	(74,321,918)	(21,703,513)	(16,265,104)
Total other financing sources (uses), net	<u>10,429,180</u>	<u>110,437,002</u>	<u>45,319,201</u>	<u>80,653,831</u>	<u>27,197,686</u>
Net change in fund balances	<u>\$ (26,978,720)</u>	<u>\$ 115,890,282</u>	<u>\$ 48,906,730</u>	<u>\$ 44,445,436</u>	<u>\$ (15,991,669)</u>
Debt service as a percentage of noncapital expenditures	<u>15.5%</u>	<u>15.1%</u>	<u>15.6%</u>	<u>16.2%</u>	<u>18.0%</u>

Note:

⁽¹⁾ The City began reporting contracts payable in the expenditure service areas in fiscal year 2016. Contracts payables are payments made to the City's Equipment Leasing program recorded in the Capital Projects fund. Debt service payments are recorded in the Capital Projects fund.

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 4 of 4

	Fiscal Year				
	2019	2018	2017	2016	2015
Other Financing Sources (Uses)					
Proceeds of refunding bonds	\$ -	\$ -	\$ -	\$ -	\$ 6,018,464
Issuance on refunding LOBS	-	13,045,000	-	-	-
Payment to refunded LOBS escrow agent	-	(12,960,000)	-	-	(6,259,644)
Premium on general obligation bonds	-	6,810,320	-	7,261,851	-
Issuance of general obligation bonds	-	63,805,000	-	58,475,000	-
Issuance of refunding general obligation bonds	-	-	-	12,655,000	-
Payment to refunded bond escrow agent	-	-	-	(14,258,284)	-
Issuance of contracts payable ⁽¹⁾	8,316,590	31,510,479	22,541,776	15,403,662	18,937,813
Refunding IFC proceeds	-	-	-	-	-
Premium on installment financing contract	-	-	-	-	-
Premium on limited obligation bonds	-	-	-	-	5,613,000
Issuance of limited obligation bonds	-	2,015,000	-	-	45,170,000
Lease liabilities issued	-	-	-	-	-
IT subscription agreement	-	-	-	-	-
Transfers in	23,011,783	13,268,469	16,515,229	17,884,444	19,922,361
Transfers out	(22,247,215)	(14,847,283)	(16,200,549)	(18,484,455)	(20,255,654)
Total other financing sources (uses), net	9,081,158	102,646,985	22,856,456	78,937,218	69,146,340
Net change in fund balances	\$ (29,169,053)	\$ 62,678,747	\$ (74,411,267)	\$ 38,520,175	\$ 28,637,790
Debt service as a percentage of noncapital expenditures	17.1%	15.7%	17.1%	16.1%	11.2%

City of Winston-Salem, North Carolina

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 7

Fiscal Year	Property	Sales Tax	Gross Receipts Tax	Occupancy Tax	Total
2024	\$ 171,634,784	\$ 70,782,658	\$ 563,624	\$ 1,155,304	\$ 244,136,370
2023	160,714,398	68,476,430	538,339	1,129,135	230,858,302
2022	149,967,973	62,962,302	446,083	988,566	214,364,924
2021	139,698,119	54,678,675	382,720	537,520	195,297,034
2020	135,015,259	47,330,527	379,659	754,826	183,480,271
2019	124,265,811	45,015,159	366,295	904,606	170,551,871
2018	121,371,137	42,370,619	340,841	842,962	164,925,559
2017	115,000,697	39,983,759	367,339	783,673	156,135,468
2016	109,737,172	37,612,657	310,924	738,282	148,399,035
2015	102,041,851	35,396,961	336,466	676,361	138,451,639

Note:

Mass Transit Tax fund moved from governmental to business type fund in fiscal year 2015.

City of Winston-Salem, North Carolina

Taxable Property Assessed Value

Last Ten Fiscal Years
(dollars in thousands)

Table 8

Fiscal Year Ended June 30	Tax Year Ended December 31	Real Property	Personal Property	Public Service Companies	Total Assessed Value	Property Tax Rate (Per \$100 Assessed Value)	Ratio of Assessed Value to Estimated Actual Value
2024	2023	\$ 21,726,802	\$ 5,487,262	\$ 535,301	\$ 27,749,365	\$ 0.6610	100
2023	2022	21,391,396	5,112,423	528,789	27,032,608	0.6360	100
2022	2021	21,035,151	4,788,209	467,052	26,290,412	0.6124	100
2021	2020	18,305,471	4,533,246	433,967	23,272,684	0.6374	100
2020	2019	18,061,228	4,468,448	426,566	22,956,242	0.6374	100
2019	2018	17,728,302	4,243,342	412,545	22,384,189	0.5974	100
2018	2017	17,515,404	4,004,029	394,811	21,914,244	0.5974	100
2017	2016	16,487,513	3,915,171	376,435	20,779,119	0.5850	100
2016	2015	16,250,408	3,751,102	367,725	20,369,235	0.5650	100
2015	2014	16,069,241	3,581,619	343,078	19,993,938	0.5400	100

Note:

Taxable property was revalued on January 1, 2021.

Source:

Forsyth County Tax Department

City of Winston-Salem, North Carolina

Property Tax Rates

Last Ten Fiscal Years

Direct and Overlapping Local Government Jurisdictions

Table 9

Fiscal Year Ended June 30	City of Winston-Salem			Total City	Forsyth County	Combined Tax Rate
	General Fund	Mass Transit Tax Fund	Debt Service Fund			
2024	\$ 0.5183	\$ 0.0486	\$ 0.0941	\$ 0.6610	\$ 0.6778	\$ 1.3388
2023	0.4870	0.0486	0.1004	0.6360	0.6778	1.3138
2022	0.4634	0.0486	0.1004	0.6124	0.6778	1.2902
2021	0.4746	0.0498	0.1130	0.6374	0.7435	1.3809
2020	0.4746	0.0498	0.1130	0.6374	0.7535	1.3909
2019	0.4746	0.0498	0.0730	0.5974	0.7235	1.3209
2018	0.4746	0.0498	0.0730	0.5974	0.7235	1.3209
2017	0.4729	0.0362	0.0759	0.5850	0.7310	1.3160
2016	0.4529	0.0362	0.0759	0.5650	0.7310	1.2960
2015	0.4529	0.0362	0.0509	0.5400	0.7168	1.2568

Note:

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. The tax rates were adjusted during the fiscal years ended June 30, 2014, June 30, 2018, and June 30, 2022 to reflect the revaluation of taxable property.

Effective July 1, 2014, the City created a Downtown Business District to fund enhanced services or projects via a tax rate of \$.09 per \$100 valuation of assessed valuation.

City of Winston-Salem, North Carolina

Principal Property Tax Payers

Current Year and Ten Fiscal Years Ago

Table 10

Name	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Reynolds American, Inc.	\$ 451,966,864	1	1.63%	\$ 269,628,489	2	1.35%
Duke Energy Corp/Piedmont Natural Gas	396,224,891	2	1.43	190,629,026	4	0.95
Wells Fargo	349,177,449	3	1.26	151,288,883	5	0.76
Caterpillar Inc.,	223,283,988	4	0.80	356,316,115	1	1.78
Wexford Winston Salem	179,489,800	5	0.65	121,426,000	7	0.61
Ardagh Metal Packaging USA Corp	154,592,085	6	0.56	-	-	0.00
Parr Investments	149,066,498	7	0.54	-	-	0.00
Lowes Data Center/Lowes Home Centers, Inc	148,308,039	8	0.53	130,821,769	6	0.65
JG Winston-Salem LLC	125,009,201	9	0.45	203,477,000	3	1.02
Wake Forest Baptist Health	120,099,507	10	0.43	120,455,587	8	0.60
391 Technology Way LLC	-		-	66,775,100	9	0.33
SI Winston Salem LLC	-		-	66,775,600	10	0.33
Total	\$ 2,297,218,322		8.28%	\$ 1,677,593,569		8.38%

Note:

Above taxable assessed valuations are as of January 1, 2024 and 2015 respectively, and the associated tax levies of \$.6610 and \$.54 were due in fiscal years ended June 30, 2024 and 2015 respectively.

Source:

Forsyth County Tax Department and 2015 City of Winston-Salem Annual Comprehensive Financial Report.

City of Winston-Salem, North Carolina

Property Tax Levies and Collections

Last Ten Fiscal Years

Table 11

Fiscal Year Ended June 30	Taxes Levied for Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy			Property Amount	Percentage of Levy
		Amount	Percentage of Levy			
2024	\$ 184,754,613	\$ 183,532,222	99.3%	\$ -	\$ 183,532,222	99.3
2023	173,171,803	172,047,199	99.4	501,606	172,548,805	99.6
2022	162,080,217	161,086,013	99.4	544,365	161,630,378	99.7
2021	149,974,068	149,037,995	99.4	531,290	149,569,285	99.7
2020	146,501,542	144,908,342	98.9	1,298,841	146,207,183	99.8
2019	134,990,411	134,043,909	99.3	585,584	134,629,493	99.7
2018	131,824,477	130,807,225	99.2	567,480	131,374,705	99.7
2017	122,245,565	121,216,436	99.2	592,834	121,809,270	99.6
2016	116,512,698	115,428,747	99.1	699,226	116,127,973	99.7
2015	108,648,243	107,491,815	98.9	755,218	108,247,033	99.6

Note:

Tax collections do not include penalties and interest of \$571,866 and refunds of (\$545,566) in fiscal year 2024.

Outstanding delinquent taxes includes amounts considered uncollectible. The allowance for uncollectible accounts at June 30, 2024 was \$1,175,713.

Taxes Levied are shown as originally reported and do not include releases and other adjustments in subsequent years.

Collections in Subsequent Years include refunds.

Source:

Forsyth County Tax Department

City of Winston-Salem, North Carolina

Analysis of Current Tax Levy

City - Wide Levy

For the Fiscal Year Ended June 30, 2024

Table 12

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 27,647,081,036	\$ 0.6610	\$ 183,349,757	\$ 167,665,094	\$ 15,684,663
Downtown Business District ⁽¹⁾	-	0.090	728,759	710,173	18,586
Discoveries - current years	102,283,964	-	676,097	676,097	-
Total property valuation	<u>\$ 27,749,365,000</u>				
Net levy			184,754,613	169,051,364	15,703,249
Uncollected taxes at June 30, 2023			1,222,391	1,222,391	-
Current year's taxes collected			<u>\$ 183,532,222</u>	<u>\$ 167,828,973</u>	<u>\$ 15,703,249</u>
Current levy collection percentage			<u>99.34%</u>	<u>99.28%</u>	<u>100.00%</u>

Note:

Tax collections do not include penalties and interest of \$571,866 and refunds of (\$545,566) in fiscal year 2024.

⁽¹⁾ The Assessed value times the tax rate will not equal the amount of levy because the levy includes discoveries and releases at prior years' tax rates.

⁽²⁾ Downtown Business District is a part of the City's total property valuation and is included in the original levy. Downtown Business District pays an additional levy of \$0.09 to the current rate of \$0.636.

City of Winston-Salem, North Carolina

Ratios of Outstanding Debt by Type

Table 14

Last Ten Fiscal Years

Page 1 of 2

Fiscal Year	Governmental Activities					Business-type Activities		
	General Obligation Bonds	Contracts Payable	Leases Payable	Subscription Payable	Special Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Contracts Payable ⁽²⁾
2024	\$ 248,078,584	\$ 142,052,039	\$ 9,568,664	\$ 1,530,082	\$ -	\$ -	\$ 411,460,441	\$ 161,020,027
2023	267,745,827	161,820,436	9,779,269	2,363,274	-	-	436,845,774	145,888,477
2022	211,130,320	155,154,163	5,434,050	-	-	-	462,420,266	118,581,200
2021	226,500,762	128,015,029	-	-	5,730,000	-	415,898,230	111,016,407
2020	166,963,731	146,942,291	-	-	6,370,000	-	439,199,687	117,284,260
2019	179,144,303	149,710,764	-	-	6,985,000	14,419,145	435,171,625	105,144,385
2018	190,636,492	170,412,045	-	-	7,575,000	15,738,381	461,737,244	100,584,730
2017	128,823,361	162,250,524	-	-	8,150,000	18,283,125	426,168,456	96,676,279
2016	137,663,378	143,317,218	-	-	8,705,000	20,771,097	449,422,299	54,720,932
2015	79,424,827	145,020,555	-	-	9,241,900	23,672,637	461,217,653	28,791,050

Notes:

⁽¹⁾ See Table 19 for personal income and population data.

⁽²⁾ State Revolving Loan is included in contracts payable for business-type activities.

City of Winston-Salem, North Carolina

Ratios of Outstanding Debt by Type

Table 14

Last Ten Fiscal Years

Page 2 of 2

Fiscal Year	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
2024	\$ 973,709,837	6.68%	3,812
2023	1,024,443,057	7.52	4,076
2022	952,719,999	7.02	3,806
2021	887,160,428	7.07	3,555
2020	876,759,969	7.40	3,536
2019	890,575,222	7.89	3,615
2018	946,683,892	8.81	3,895
2017	840,351,745	8.68	3,493
2016	814,599,924	8.87	3,410
2015	747,368,622	8.28	3,141

City of Winston-Salem, North Carolina

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Table 15

General Bonded Debt Outstanding							
Fiscal Year	General Bonded Debt (1)	Net Bonded Debt (2)	Assessed Value (In Thousands)	Percentage of Actual Taxable Value of Property	Per Capita Bonded Debt		
					General (3)	Net	
2024	\$ 248,078,584	\$ 165,617,145	\$ 27,749,365	0.89%	\$ 971.27	\$ 648.42	
2023	267,745,827	201,397,059	27,032,608	0.99	1,065.26	801.28	
2022	211,130,320	158,599,910	26,290,412	0.80	843.38	633.55	
2021	226,500,762	180,229,880	23,272,684	0.97	907.65	722.23	
2020	166,963,731	133,514,517	22,956,242	0.73	673.39	538.48	
2019	179,144,303	153,601,674	22,384,189	0.80	727.26	623.57	
2018	190,636,492	165,672,415	21,914,244	0.87	784.43	681.71	
2017	128,823,361	105,205,256	20,779,119	0.62	535.42	437.26	
2016	137,663,378	114,918,662	20,369,235	0.68	576.24	481.03	
2015	79,424,827	62,710,031	19,993,938	0.40	333.85	263.59	

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Total includes all general obligation bonded debt.
- (2) Represents gross bonded debt less allowable statutory deductions.
- (3) Population data can be found in Table 19.

City of Winston-Salem, North Carolina

Legal Debt Margin

Last Ten Fiscal Years

(dollars in thousands)

Table 16

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Less: Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2024	\$ 2,219,949,200	\$ 165,617,145	\$ 2,054,332,055	7.46%
2023	2,162,608,570	201,397,059	1,961,211,511	9.31
2022	2,103,232,963	158,599,910	1,944,633,053	7.54
2021	1,861,814,769	180,229,881	1,681,584,888	9.68
2020	1,836,499,392	133,514,517	1,702,984,875	7.27
2019	1,790,735,087	153,601,674	1,637,133,413	8.58
2018	1,753,139,497	165,672,415	1,587,467,082	9.45
2017	1,662,329,520	105,205,256	1,557,124,264	6.33
2016	1,629,538,827	114,918,662	1,514,620,165	7.05
2015	1,599,515,050	62,710,031	1,536,805,019	3.92

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 27,749,365,000
Debt Limit (8% of assessed value)	2,219,949,200
Debt applicable to limit:	
General obligation bonds	248,078,584
Less statutory deduction:	
Debt service fund	(82,461,439)
Total net debt applicable to limit	<u>165,617,145</u>
Legal debt margin	<u>\$ 2,054,332,055</u>

GO Bond Number includes Premium - See Debt Rollforward

Debt Service Fund Deduction is Fund Balance - Make sure ties to Exhibit 22

City of Winston-Salem, North Carolina

Direct and Overlapping Governmental Activities Debt

As of June 30, 2024

(dollars in thousands)

Table 17

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City direct debt	\$ 401,229	100.00%	\$ 401,229
Debt repaid with property taxes			
Forsyth County	751,891	60.84 ⁽¹⁾	457,450
Total direct and overlapping debt			\$ 858,679

Notes:

⁽¹⁾ Percentage of Direct and Overlapping Debt is based on the 6/30/24 assessed valuation of the City of Winston-Salem as compared to the 6/30/24 assessed valuation of Forsyth County.

City of Winston-Salem, North Carolina

Pledged-Revenue Coverage

Last Ten Fiscal Years
(dollars in thousands)

Table 18
Page 1 of 2

Revenue Bonds							
Water & Sewer Bonds							
Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage	
				Principal	Interest		
2024	\$ 140,179	\$ 62,902	\$ 77,277	\$ 20,500	\$ 14,762	2.1x	
2023	129,882	53,479	76,403	20,310	15,759	2.1x	
2022	126,975	47,758	79,217	18,765	15,229	2.3x	
2021	118,462	47,851	70,611	18,235	14,865	2.1x	
2020	115,894	46,417	69,477	16,875	17,363	2.1x	
2019	114,820	44,849	69,971	24,425	18,698	1.6x	
2018	109,290	43,883	65,407	22,790	18,388	1.6x	
2017	104,477	43,202	61,275	21,280	17,167	1.6x	
2016	100,933	39,458	61,475	20,500	18,804	1.6x	
2015	93,225	39,011	54,214	19,800	19,637	1.4x	

Special Obligation Bonds					
Fiscal Year	Sales Tax	Debt Service		Coverage	
		Principal	Interest		
2024	\$ 57,529	\$ -	\$ -	NA	
2023	56,113	-	-	NA	
2022	51,968	5,730	179	8.8x	
2021	45,563	640	238	51.9x	
2020	39,602	1,279	479	22.5x	
2019	37,716	1,904	723	14.4x	
2018	35,441	3,024	703	9.5x	
2017	33,658	2,939	671	9.3x	
2016	31,845	3,329	706	7.9x	
2015	30,129	3,214	761	7.6x	

Note: The special obligation bonds were paid off in fiscal year 2022.

City of Winston-Salem, North Carolina

Pledged-Revenue Coverage

Last Ten Fiscal Years

Table 18

(dollars in thousands)

Page 2 of 2

Fiscal Year	Revenue Bonds							
	Stormwater Bonds							
	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage		
				Principal	Interest			
2024	\$ 11,111	\$ 8,327	\$ 2,784	\$ 630	\$ 224	2.2x		
2023	10,905	8,147	2,758	610	243	3.2x		
2022	10,951	7,283	3,668	585	266	4.3x		
2021	11,128	7,255	3,873	570	284	4.5x		
2020	10,561	7,624	2,937	545	307	3.4x		
2019	10,813	7,353	3,460	520	333	4.1x		
2018	11,011	7,767	3,244	505	347	3.8x		
2017	10,933	9,146	1,787	490	362	2.1x		
2016	10,848	7,365	3,483	475	376	4.1x		
2015	10,595	6,860	3,735	465	390	4.4x		

City of Winston-Salem, North Carolina

Demographic and Economic Statistics

Last Ten Fiscal Years

Table 19

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Income	Median Age	Public School Enrollment	Unemployment Rate
2024	255,417	14,584,566,117	\$ 57,101	36.3	52,717	4.3%
2023	251,343	13,621,533,885	54,195	36.2	51,304	3.6
2022	250,337	13,575,274,836	54,228	36.4	51,936	4.0
2021	249,545	12,553,361,225	50,305	38.4	52,022	4.8
2020	247,945	11,852,514,835	47,803	38.3	51,822	7.7
2019	246,328	11,290,197,552	45,834	38.2	53,934	4.3
2018	243,026	10,747,095,772	44,222	36.0	54,133	4.1
2017	240,603	9,676,330,851	40,217	37.7	55,070	4.1
2016	238,899	9,183,994,257	38,443	37.6	54,483	4.8
2015	237,905	9,026,829,415	37,943	37.5	54,528	6.0

Sources:

Bureau of Labor Statistics
 Federal Reserve Bank of St. Louis
 Publicschoolreview.com
 Winston-Salem/Forsyth County School System
 NC Census Reporter - Internet

City of Winston-Salem, North Carolina

Principal Employers

Current Year and Ten Years Ago

Table 20

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾
Atrium Health Wake Forest Baptist	18,570	1	7.27%	12,873	1	5.41%
Novant Health, Inc.	11,010	2	4.31	8,145	2	3.42
Winston-Salem /Forsyth County School System	5,500	3	2.15	6,692	3	2.81
BB&T/Truist	4,000	4	1.57	2,200	9	0.92
Wells Fargo	3,500	5	1.37	2,800	5	1.18
Reynolds American Inc.	2,500	6	0.98	3,000	4	1.26
Hanesbrands Inc.	2,400	7	0.94	2,500	7	1.05
City of Winston-Salem	2,287	8	0.90	2,660	6	1.12
Wake Forest University	2,270	9	0.89	2,401	8	1.01
Forsyth County	2,127	10	0.83	2,029	10	0.85
Total	54,164		21.21%	45,300		19.03%

Source:

Winston-Salem Chamber data from June 2021; updated data is not available

⁽¹⁾ Population data can be found in Table 19.

City of Winston-Salem, North Carolina

Full-time Equivalent City Government Employees by Function/Program

Table 21

Last Ten Fiscal Years

Page 1 of 2

<u>Function/Program</u>	Full-time-Equivalent Employees as of June 30				
	2024	2023	2022	2021	2020
General government	504.7	499.7	493.7	469.9	462.9
Public protection	1,051.0	1,102.0	1,087.0	1,080.0	1,091.0
Environmental health	163.9	164.9	162.9	162.9	162.9
Transportation	116.0	116.0	117.0	117.0	117.0
Culture and recreation	182.1	178.1	178.1	174.1	173.1
Community and economic development	132.7	135.7	158.7	148.7	149.0
Water & sewer utility	348.0	347.0	347.0	346.0	344.0
Solid waste disposal	45.2	45.2	45.2	45.2	44.2
Stormwater management	55.0	56.0	56.0	56.0	56.0
Transit Authority	-	1.0	1.0	1.0	1.0
Public assembly facilities management	31.8	31.8	31.8	31.8	31.8
	<u>2,630.4</u>	<u>2,677.4</u>	<u>2,678.4</u>	<u>2,632.6</u>	<u>2,632.9</u>

Source:

City of Winston-Salem Budget Department

City of Winston-Salem, North Carolina

Full-time Equivalent City Government Employees by Function/Program

Table 21
Page 2 of 2

Last Ten Fiscal Years

<u>Function/Program</u>	Full-time-Equivalent Employees as of June 30				
	2019	2018	2017	2016	2015
General government	467.4	462.1	450.9	446.9	441.8
Public protection	1,110.0	1,120.0	1,106.0	1,093.5	1,079.0
Environmental health	169.9	188.9	193.9	188.9	191.0
Transportation	122.0	122.0	126.3	125.3	125.3
Culture and recreation	176.6	148.0	159.9	160.9	160.8
Community and economic development	150.0	150.0	155.0	153.0	125.0
Water & sewer utility	339.0	339.0	338.0	331.0	331.0
Solid waste disposal	44.2	44.2	44.2	43.1	44.2
Stormwater management	56.0	56.0	54.0	49.0	49.0
Transit Authority	1.0	1.0	1.0	1.0	1.0
Public assembly facilities management	31.8	31.8	31.8	30.8	25.2
	<u>2,667.9</u>	<u>2,663.0</u>	<u>2,661.0</u>	<u>2,623.4</u>	<u>2,573.3</u>

Source:

City of Winston-Salem Budget Department

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Table 22

Last Ten Fiscal Years

Page 1 of 4

Function/Program	Fiscal Year				
	2024	2023	2022	2021	2020
Public protection					
Police					
Physical arrests	18,013	17,404	22,176	24,131	28,152
Traffic violations	19,306	16,073	20,290	31,279	45,048
Fire					
Fires extinguished	808	788	840	731	780
Emergency medical responses	15,949	12,577	11,596	6,650	13,828
Hazardous materials responses	857	1,222	989	391	26
Environmental health					
Sanitation services					
Residential refuse collected (tons)	71,108	73,035	69,020	69,373	65,319
Residential refuse collection points	85,000	97,869	81,589	81,589	81,589
Percentage of collections made at curbside	95	83	96	96	96
Tons of leaves collected	12,337	12,593	11,756	14,958	16,251
Tons of brush collected	14,035	13,057	12,070	18,868	15,849
Tons of goods recycled	8,417	10,801	10,823	11,440	10,842
Percentage of households participating in yard cart program	18	18	18	18	18
Transportation services					
City street mileage maintained (lane miles)	2,901	2,022	2,895	2,807	2,801
Street cuts repaired	-	24	261	366	477
Percentage of streets rated 85 or better	NA	53	46	46	51
Traffic intersections studied	191	245	740	754	700
Traffic signal repairs	500	772	687	1,274	1,174
Traffic signs upgraded/repared	813	1,329	1,259	1,117	1,659
Traffic signs new installations	91	562	401	463	577
Pavement markings renewed (feet)	59,387	470,669	196,874	727,222	217,271
Culture and recreation					
Parks and recreation					
Swimming pool attendees	89,875	57,962	64,817	36,894	74,951
Golf rounds	40,172	41,100	40,324	44,230	33,540
Participants in special populations	4,980	3,688	8,226	8,675	14,939
Community development					
Housing code violations corrected	328	505	634	625	533
Building permits issued	4,221	3,999	4,444	4,342	4,147
Building inspections conducted	15,023	15,312	15,682	16,378	16,832
Zoning complaints responded to	389	425	401	292	355

Source:

City of Winston-Salem Departments

Note : Data is not available for FY 2024 due to the pavement condition study that is currently underway.

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Table 22

Last Ten Fiscal Years

Page 2 of 4

Function/Program	Fiscal Year				
	2019	2018	2017	2016	2015
Public protection					
Police					
Physical arrests	30,322	29,685	34,442	33,961	36,044
Traffic violations	46,018	41,723	53,065	61,166	78,196
Fire					
Fires extinguished	681	811	836	829	819
Emergency medical responses	17,518	16,069	17,469	16,962	12,477
Hazardous materials responses	317	429	429	440	353
Environmental health					
Sanitation services					
Residential refuse collected (tons)	61,398	58,893	57,707	57,064	53,220
Residential refuse collection points	81,589	81,589	77,907	77,907	77,907
Percentage of collections made at curbside	96	96	96	96	96
Tons of leaves collected	21,631	22,006	11,025	12,089	17,205
Tons of brush collected	21,963	16,351	14,146	14,097	11,778
Tons of goods recycled	13,045	14,169	14,609	14,473	12,695
Percentage of households participating in yard cart program	18	18	18	18	18
Transportation services					
City street mileage maintained (lane miles)	2,792	2,228	2,225	2,219	2,200
Street cuts repaired	262	337	749	296	545
Percentage of streets rated 85 or better	50	49	55	53	53
Traffic intersections studied	1,209	965	1,175	1,066	1,022
Traffic signal repairs	853	1,264	910	1,142	1,689
Traffic signs upgraded/repared	1,043	1,621	1,643	1,031	1,099
Traffic signs new installations	1,241	623	580	367	369
Pavement markings renewed (feet)	1,647,165	63,360	1,784,000	811,017	1,214,880
Culture and recreation					
Parks and recreation					
Swimming pool attendees	79,951	68,738	55,317	61,308	56,568
Golf rounds	29,152	7,005	10,817	10,289	9,779
Participants in special populations	30,793	31,843	31,352	32,334	36,221
Community development					
Housing code violations corrected	903	1,154	1,573	1,674	1,785
Building permits issued	4,328	4,565	4,591	3,721	3,797
Building inspections conducted	17,675	17,234	16,944	16,841	17,876
Zoning complaints responded to	370	654	450	486	568

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Table 22

Last Ten Fiscal Years

Page 3 of 4

	Fiscal Year				
	2024	2023	2022	2021	2020
Economic development					
Small business loans approved	-	1	-	-	2
Water & sewer utility					
New connections	2,909	1,233	1,314	1,125	1,036
Water main breaks	220	435	245	200	191
Average daily consumption (MGD)	37	36	38	36	36
Peak daily consumption (MGD)	49	45	63	47	48
Storage capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	35	35	34	38	37
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	250,031	238,866	297,426	281,228	268,726
Number of trips	124,697	125,596	133,421	137,742	126,110
Old Salisbury Road Landfill					
Tons of waste landfilled	45,736	33,751	26,626	43,177	49,122
Number of trips	21,580	18,542	14,004	22,470	22,124
Household hazardous waste (3RC)					
Tons of HHW collected	425	430	430	540	514
Number of trips	10,086	10,265	10,525	12,619	10,692
Transit Authority					
Total route miles	1,882,885	1,885,848	1,912,536	1,977,736	2,181,553
Passengers	1,615,516	1,552,470	1,422,744	1,715,494	2,230,143
Public assembly facilities management					
Complex/Annex bookings	127	159	147	38	110
Complex/Annex usage days	628	547	455	566	503
Total spectators	515,655	443,965	329,689	197,932	462,268
Convention events	252	192	147	34	207
Fair attendees	270,190	229,761	182,048	9,839	292,354

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Table 22

Last Ten Fiscal Years

Page 4 of 4

	Fiscal Year				
	2019	2018	2017	2016	2015
Economic development					
Small business loans approved	3	4	4	3	1
Water & sewer utility					
New connections	2,287	1,269	1,388	1,320	1,289
Water main breaks	425	560	476	441	430
Average daily consumption (MGD)	36	36	36	37	36
Peak daily consumption (MGD)	48	48	48	47	53
Storage capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	38	32	32	33	29
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	269,801	259,420	258,867	252,744	233,786
Number of trips	113,507	107,817	105,893	97,360	88,461
Old Salisbury Road Landfill					
Tons of waste landfilled	47,691	38,646	42,426	37,987	30,902
Number of trips	23,772	22,207	24,219	21,041	19,169
Household hazardous Waste (3RC)					
Tons of HHW collected	677	737	720	712	522
Number of trips	11,907	12,063	12,387	11,555	9,208
Transit Authority					
Total route miles	2,354,835	1,887,834	1,688,812	1,589,633	1,582,989
Passengers	2,474,906	2,350,859	2,578,472	3,006,358	3,248,003
Public assembly facilities management					
Complex/Annex bookings	189	205	197	159	139
Complex/Annex usage days	490	510	504	390	335
Total spectators	563,239	548,107	428,914	392,699	451,755
Convention events	271	253	141	149	246
Fair attendees	325,856	300,105	280,067	253,700	300,362

City of Winston-Salem, North Carolina

Capital Asset Statistics by Function/Program

Table 23

Last Ten Fiscal Years

Page 1 of 2

Function/Program	Fiscal Year				
	2024	2023	2022	2021	2020
Police					
Stations	4	4	4	4	4
Fire					
Stations	20	20	19	19	19
Environmental health					
Collection trucks	61	61	61	62	55
Transportation					
Streets (miles)	1056	1054	1050	1047	1044
Streetlights	33854	33612	33576	33404	33379
Traffic signals	389	388	391	389	387
Culture and recreation					
Acreage	3818	3794	3816	3972	3972
Number of parks	89	88	87	82	87
Golf courses	2	2	2	2	2
Fishing and boating lakes	2	2	2	2	2
Swimming pools	8	8	8	8	8
Tennis courts	86	92	83	106	109
Baseball/softball diamonds	29	29	29	47	46
Soccer/football fields	41	41	43	50	50
Recreation centers	17	17	17	17	17
Water and Sewer Utility					
Water mains (miles)	2321	2346	2375	2349	2341
Sanitary sewer (miles)	1744	1787	1790	1786	1778

Source:

City of Winston-Salem Departments

City of Winston-Salem, North Carolina

Capital Asset Statistics by Function/Program

Table 23

Last Ten Fiscal Years

Page 2 of 2

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Police					
Stations	4	4	2	1	1
Fire					
Stations	19	19	19	19	19
Environmental health					
Collection trucks	65	42	42	38	38
Transportation					
Streets (miles)	1037	1037	1035	1034	1024
Streetlights	33853	33847	33963	34172	34195
Traffic signals	384	385	376	376	372
Culture and recreation					
Acreage	3900	3856	3847	3682	3682
Number of parks	80	79	79	76	76
Golf courses	2	2	2	2	2
Fishing and boating lakes	2	2	2	2	2
Swimming pools	9	10	9	8	8
Tennis courts	106	106	106	109	112
Baseball/softball diamonds	47	47	47	47	47
Soccer/football fields	50	50	50	50	50
Recreation centers	17	17	17	17	17
Water and Sewer Utility					
Water mains (miles)	2359	2324	2314	2276	2273
Sanitary sewer (miles)	1761	1770	1760	1750	1750

Source:

City of Winston-Salem Departments

Single Audit Section

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and Members of the City Council
City of Winston-Salem, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina (the “City”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City’s basic financial statements, and have issued our report thereon dated May 1, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
May 1, 2025

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

To the Honorable Mayor and Members of the City Council
City of Winston-Salem, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Winston-Salem, North Carolina (the “City”), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2024. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
May 1, 2025

Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

To the Honorable Mayor and Members of the City Council
City of Winston-Salem, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited City of Winston-Salem, North Carolina (the “City”), compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City’s major state programs for the year ended June 30, 2024. The City’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s state programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
May 1, 2025

CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial Statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to federal awards? yes no

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516 (a)? yes no

Identification of major federal programs:

Federal Assistance Listing Number

14.267
20.205
66.468

Names of Federal Program or Cluster

Continuum of Care
Highway Planning and Construction
Drinking Water Revolving Loan Program

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 1,553,227

Auditee qualified as low-risk auditee? yes no

CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to state awards? _____ yes X no

Type of auditor's report issued on compliance for major state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the *Audit Manual for Governmental Auditors in North Carolina*? _____ yes X no

Identification of major state programs:

Names of State Program or Cluster

Powell Bill Funds
 Office of State Budget and Management – Special Appropriation Program

Section II – Financial Statement Findings

Material Weakness

Finding 2024-001

Criteria: In accordance with generally accepted accounting principles, revenue for nonexchange transactions should be recognized when all applicable eligibility criteria are met, and the resources are available, and expenditures should be recognized in the period they are incurred.

Condition: The City recognized a due from other governments and grant revenue in prior years of approximately \$6,700,000 for federal grants that had not been officially awarded and, therefore, eligibility requirements could not be considered met for recognition of the receivable and revenue. Furthermore, the City capitalized expenditures that were considered noncapitalizable based on the City's capitalization policy in prior years of approximately \$1,700,000 that needed to be written off in the current year. Both issues identified were related to the Transit Fund.

Effect: The City overstated its beginning net position and due from other governments by approximately \$6,700,000. Additionally, the City overstated its beginning net position and current year expenses by approximately \$1,700,000.

Each of these issues was corrected in the current year as a restatement to the annual comprehensive financial report.

Cause: In previous years, the City had interpreted certain accounting guidance to allow for the recognition of federal grant revenue based on appropriation of the funding by the federal government rather than when the formal grant agreement was executed. In reassessing the guidance, it was realized that the City should not have been recognizing this revenue and receivable until the award between the federal government and the City was fully executed.

CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

For operational purposes, the City includes capitalizable and noncapitalizable expenditures in each capital project until the project is ready to be placed into service. When placed in service the City will then write off any noncapitalizable expenditures which may be in a year after the expenditure was incurred. The City was aware that they could not do this if the costs were material to the fund but did not have a process in place to ensure each funds projects were analyzed individually and in aggregate to determine if the amounts were material to each fund at the end of the year. As a result, the City had a material number of noncapitalizable expenditures that carried over from a prior year that were not written off in the correct year.

Recommendation: We recommend the City enhances its financial reporting close process related to revenue recognition of its grants by creating a policy that aligns with generally accepted accounting principles and ensure accounting staff in the Financial Management Services department are trained on the requirements.

Further, the City should review their construction in progress each year to identify material noncapitalized costs that may be included by fund individually and in aggregate to ensure material noncapitalizable costs are written off as incurred for financial reporting purposes.

Views of responsible officials: Management agrees with the finding and is implementing procedures to correct this, which is further discussed in the corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – State Award Findings and Questioned Costs

None reported.



Financial Management Services

City of Winston-Salem
P.O. Box 2511
Winston-Salem, NC 27102
336-727-8000
CityofWS.org

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024

Finding 2024-001 – Accounting and Reporting; Material Weakness

Responsible Person: Kelly Latham, Chief Financial Officer

Action: The City capitalized non-capital costs as part of construction in process in prior years, for ease of total project expense tracking, that were ultimately deemed non-capital and expensed. The City recorded an entry to correct this as a prior period adjustment in the Transit Fund for fiscal year 2023 as of June 30, 2024. The City will review our procedures to determine how to best manage the operational tracking and financial accounting needs. We will evaluate discontinuing accumulation of non-capital costs in construction in process or put a process in place to review the noncapitalized costs by project and by fund to ensure individually and in aggregate that no costs are above materiality on an annual basis.

In prior years the City interpreted accounting guidance to allow for grants revenue recognition in the Transit Fund based on the federal funding appropriation. Upon review of the applicable accounting guidance, it was determined that recognition must take place based upon the timing of the formal award and execution of the grant agreement with the Federal Transit Administration. The City recorded an entry to correct this as a prior period adjustment in the Transit Fund for fiscal year 2023 as of June 30, 2024. The City will document the accounting procedures for grants and communicate to the City’s staff who are responsible for accounting and reporting.

Anticipated Completion Date: June 2025

Kelly Latham

Kelly Latham, Chief Financial Officer

YOUR LINK TO CITY SERVICES



CALL: 311 [336-727-8000]
TEXT: 855-481-LINK [5465]
citylink@cityofws.org

City Council: Mayor Allen Joines; Denise D. Adams, Mayor Pro Tempore, North Ward; Barbara Hanes Burke, Northeast Ward; Robert C. Clark, West Ward; Vivian V. Joiner, South Ward; Regina Ford Hall, Northwest Ward; Scott Andree-Bowen, Southwest Ward; Annette Scippio, East Ward; James Taylor, Jr., Southeast Ward; City Manager: W. Patrick Pate

CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2024

Section V – Schedule of Prior Year Audit Findings

2023-001 – Corrected

City of Winston-Salem, North Carolina

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2024

Page 1 of 4

Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	Federal Assistance Listing		Federal Expenditures	State Expenditures	Local Expenditures	Pass-through to Subrecipients
	Number	Grant Number				
FEDERAL GRANTS						
US Department of Housing and Urban Development						
Direct Programs						
CDBG Entitlement Grants Cluster						
CDBG Entitlement Grants	14.218	B-19-MC-37-0011	\$ 8,973	\$ -	\$ -	\$ -
CDBG Entitlement Grants	14.218	B-20-MC-37-0011	442,043	-	-	75,000
COVID-19: CDBG Entitlement Grants	14.218	B-20-MW-37-0011	479,337	-	-	223,564
CDBG Entitlement Grants	14.218	B-21-MC-37-0011	334,325	-	-	-
CDBG Entitlement Grants	14.218	B-22-MC-37-0011	711,413	-	-	75,109
CDBG Entitlement Grants	14.218	B-23-MC-37-0011	478,142	-	-	142,319
Total CDBG Entitlement Grants Cluster			2,454,233	-	-	515,992
Continuum of Care Program						
Continuum of Care Program	14.267	NC0269L4F002109	65,690	-	-	-
Continuum of Care Program	14.267	NC0274L4F002109	249,426	-	-	249,426
Continuum of Care Program	14.267	NC0350L4F002105	49,304	-	-	49,304
Continuum of Care Program	14.267	NC0402L4F002103	66,272	-	-	66,272
Continuum of Care Program	14.267	NC0403L4F002103	17,010	-	-	17,010
Continuum of Care Program	14.267	NC0404D4F002103	170,408	-	-	170,408
Continuum of Care Program	14.267	NC0462L4F002100	39,240	-	-	-
Continuum of Care Program	14.267	NC0269L4F002210	58,315	-	-	-
Continuum of Care Program	14.267	NC0274L4F002210	242,050	-	-	242,050
Continuum of Care Program	14.267	NC0313L4F002209	49,346	-	-	49,346
Continuum of Care Program	14.267	NC0350L4F002206	95,490	-	-	95,490
Continuum of Care Program	14.267	NC0402L4F002204	278,478	-	-	278,478
Continuum of Care Program	14.267	NC0403L4F002204	17,041	-	-	17,041
Continuum of Care Program	14.267	NC0404D4F002204	315,254	-	-	315,254
Continuum of Care Program	14.267	NC0499L4F002200	63,865	-	-	-
Continuum of Care Program	14.267	NC0500L4F002200	5,024	-	-	5,024
Total Continuum of Care Program			1,782,213	-	-	1,555,103
Home Investment Partnerships Program						
Home Investment Partnerships Program	14.239	M-18-DC-37-0204	283,403	-	-	-
Home Investment Partnerships Program	14.239	M-19-DC-37-0204	20,078	-	-	6,951
Home Investment Partnerships Program	14.239	M-21-DC-37-0204	88,274	-	-	59,200
Home Investment Partnerships Program	14.239	M-22-DC-37-0204	48,837	-	-	14,800
Home Investment Partnerships Program	14.239	M-23-DC-37-0204	154,939	-	-	154,939
Total Home Investment Partnerships Program			595,531	-	-	235,890
HOPWA Grant Program						
HOPWA Grant Program	14.241	NCH21F005	52,531	-	-	52,531
HOPWA Grant Program	14.241	NCH22F005	332,551	-	-	332,551
Total HOPWA Program			385,082	-	-	385,082
Fair Housing Initiatives Program						
Fair Housing Initiatives Program	14.408	FF204K204014	61,251	-	-	-
Fair Housing Initiatives Program	14.408	FF204K214005	12,962	-	-	-
Total Fair Housing Initiatives Program			74,213	-	-	-
HOPE VI Cluster						
Choice Neighborhoods Implementation Grant	14.889	NC4F012CNG119	328,406	-	-	-
Total HOPE VI Cluster			328,406	-	-	-
COVID-19: Emergency Solutions Grant Program						
COVID-19: Emergency Solutions Grant Program	14.231	E-20-MW-37-0011	334,668	-	-	273,325
Emergency Solutions Grant Program	14.231	E-22-MC-37-0011	51,293	-	-	51,293
Emergency Solutions Grant Program	14.231	E-23-MC-37-0011	151,625	-	-	151,625
Passed through NC Department of DHHS - Division of Aging						
COVID-19: Emergency Solutions Grant Program	14.231	Contract 00041411	91,642	-	-	60,208
Emergency Solutions Grant Program	14.231	Contract 00045355	123,383	-	-	123,382
Emergency Solutions Grant Program	14.231	Contract 00046835	104,901	-	-	104,901
Total Emergency Solutions Grant Program			857,512	-	-	764,734
Total US Department of Housing and Urban Development			\$ 6,477,190	\$ -	\$ -	\$ 3,456,801

City of Winston-Salem, North Carolina

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2024

Page 2 of 4

Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	Federal	Grant Number	Federal	State	Local	Pass-
	Assistance Listing		Expenditures	Expenditures	Expenditures	through to
	Number					Subrecipients
US Department of Transportation Federal Transit Administration						
Direct Programs						
Federal Transit Cluster						
Federal Transit Capital Investment Grants	20.500	NC-2019-046-00	\$ 18,197	\$ -	\$ 4,549	\$ -
Federal Transit Formula Grants	20.507	NC-90-543-00	25,692	-	6,423	-
Federal Transit Formula Grants	20.507	NC-2017-026-00	83,842	-	20,961	-
Federal Transit Formula Grants	20.507	NC-2018-031-00	431,603	-	107,901	-
Federal Transit Formula Grants	20.507	NC-2018-071-00	355,346	-	88,837	213,213
Federal Transit Formula Grants	20.507	NC-2019-042-00	93,652	-	23,413	-
Federal Transit Formula Grants	20.507	NC-2019-053-00	203,055	-	50,764	132,787
COVID-19: Federal Transit Formula Grants	20.507	NC-2020-050-00	67,970	-	-	-
Federal Transit Formula Grants	20.507	NC-2021-003-00	13,675	-	3,419	-
Federal Transit Formula Grants	20.507	NC-2021-033-00	25,141	-	6,285	-
COVID-19: Federal Transit Formula Grants	20.507	NC-2022-002-00	4,146,319	-	-	138,294
Federal Transit Formula Grants	20.507	NC-2023-025-00	3,376,194	-	1,570,048	-
Bus and Bus Facilities Formula Program	20.526	NC-2018-028-00	170,688	-	42,672	-
Bus and Bus Facilities Formula Program	20.526	NC-2018-067-00	81,059	-	20,265	-
Bus and Bus Facilities Formula Program	20.526	NC-2019-043-00	44,544	-	11,136	-
Bus and Bus Facilities Formula Program	20.526	NC-2020-052-00	477,273	-	119,318	-
Total Federal Transit Cluster			9,614,250	-	2,075,991	484,294
Transit Services Programs Cluster						
Enhanced Mobility of Seniors and Individual with Disabilities	20.513	NC-16-X010-00	93,793	-	-	-
Enhanced Mobility of Seniors and Individual with Disabilities	20.513	NC-2018-022-00	85,157	-	-	8,653
Enhanced Mobility of Seniors and Individual with Disabilities	20.513	NC-2019-051-00	27,283	-	-	27,283
Enhanced Mobility of Seniors and Individual with Disabilities	20.513	NC-2019-052-00	163,740	-	-	25,277
Enhanced Mobility of Seniors and Individual with Disabilities	20.513	NC-2020-005-00	22,725	-	-	6,346
Enhanced Mobility of Seniors and Individual with Disabilities	20.513	NC-2022-005-00	72,235	-	-	71,184
Enhanced Mobility of Seniors and Individual with Disabilities	20.513	NC-2023-007-00	291,129	-	-	291,129
Job Access and Reverse Commute Program - 2016	20.516	NC-2017-026-00	5,000	-	-	-
Job Access and Reverse Commute Program - 2018	20.516	NC-2018-071-00	55,000	-	-	-
Job Access and Reverse Commute Program - 2019	20.516	NC-2019-053-00	19,000	-	-	-
Job Access and Reverse Commute Program - 2020	20.516	NC-2021-003-00	24,000	-	-	-
Job Access and Reverse Commute Program - 2021	20.516	NC-2021-033-00	47,000	-	-	47,000
Job Access and Reverse Commute Program - ARPA	20.516	NC-2022-002-00	15,000	-	-	-
Total Transit Services Program Cluster			921,062	-	-	476,872
Passed Through NC Department of Transportation						
Highway Planning and Construction						
West First Street Bridge/Southern Railway	20.205	41111.1.1	53,301	-	95,729	-
Piedmont Regional Greenway	20.205	39745.1.28	66,280	-	16,570	-
Downtown Traffic Cabinets	20.205	45866	58,848	-	-	-
Martin Luther King, Jr. Enhancement	20.205	50099.1.2	6,156	-	1,539	-
Barbara Jane Avenue	20.205	44662	6,544	-	1,636	-
Fairlawn Drive	20.205	48428	20,688	-	5,172	-
Griffith Rd	20.205	48430	23,592	-	5,899	-
Robinhood Rd	20.205	48431	22,734	-	5,683	-
Silas Creek Parkway	20.205	50418	5,014	-	1,254	-
Meadowlark Drive	20.205	43740.3.7	830,749	-	224,603	-
Multi-Use Path - West	20.205	48624	123,281	-	30,820	-
Metropolitan Planning Grant	20.205	50853.1.19	458,721	-	114,680	-
Metropolitan Planning Grant	20.205	50247.1.3	17,469	-	4,367	-
Metropolitan Planning Grant	20.205	50247.1.4	255,895	-	63,974	-
Safe Routes to School	20.205	48778.4.5	50,495	-	21,280	-
Total Highway Planning and Construction Cluster			1,999,767	-	593,206	-
Highway Safety Cluster						
National Priority Safety Programs - Year 13	20.616	M5HVE-23-15-07	7,328	-	21,984	-
National Priority Safety Programs - Year 14	20.616	M5HVE-24-15-06	3,267	-	9,801	-
National Priority Safety Programs - BikeSafe Year 3	20.616	M11MT-2023-16-07	270	-	-	-
National Priority Safety Programs - BikeSafe Year 4	20.616	MC-24-03-06	3,599	-	-	-
Total Highway Safety Cluster			14,464	-	31,785	-
Other Passed Through NC Department of Transportation						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.29.23.6	64,065	8,008	8,009	-
Total Other Passed Through NC Department of Transportation			64,065	8,008	8,009	-
Total Passed Through NC Department of Transportation			2,078,296	8,008	633,000	-
Total US Department of Transportation Federal Transit Administration			\$ 12,613,608	\$ 8,008	\$ 2,708,991	\$ 961,166

City of Winston-Salem, North Carolina

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2024

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Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	State Expenditures	Local Expenditures	Pass-through to Subrecipients
US Department of Homeland Security						
Direct Programs						
Assistance to Firefighters Grant	97.044	EMW-2021-FG-05457	\$ 34,425	\$ -	\$ 3,442	\$ -
Fire Prevention and Safety	97.044	EMW-2022-FP-00023	422	-	-	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2021-FF-01781	1,025,290	-	-	-
Passed through NC Department of Public Safety						
Emergency Management Performance Grants	97.042		116,392	-	-	-
Total US Department of Homeland Security			<u>1,176,529</u>	<u>-</u>	<u>3,442</u>	<u>-</u>
US Department of Justice						
Direct Programs						
Drug Court Discretionary Grant Program	16.585	2020-VC-BX-0129	49,465	-	-	46,823
Veterans Treatment Court Discretionary Grant Program	16.043	15PBJA-23-GG-05275-VTCX	55,414	-	-	40,090
COPS Technology and Equipment Program	16.710	15JCOPS-22-GG-01515-TECP	176,078	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-WY-BX-0007	75,053	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DG-BX-0004	240,446	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0932	36,948	-	-	36,948
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02194-JAGX	201,150	-	-	-
Equitable Sharing Program	16.922		26,684	-	-	-
Total US Department of Justice			<u>861,238</u>	<u>-</u>	<u>-</u>	<u>123,861</u>
US Environmental Protection Agency						
Passed Through NC Department of Environmental Quality						
Drinking Water State Revolving Fund Cluster						
Capitalization Grants for State Revolving Funds	66.468	WIF1937	30,031,613	-	-	-
Total Drinking Water State Revolving Fund Cluster			<u>30,031,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
US Department of Health & Human Services Administration for Community Living						
Passed through Piedmont Triad Regional Council of Local Governments						
Aging Cluster						
Special Programs for the Aging	93.044		232,407	-	-	-
Total Aging Cluster			<u>232,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
US Department of the Treasury						
Direct Program						
Equitable Sharing	21.016		217,480	-	-	-
Passed through NC Department of Health and Human Service						
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	Contract 00046948	19,719	-	-	-
Passed through NC Department of Environmental Quality						
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SRP-D-ARP-0047	135,545	-	-	-
Total US Department of the Treasury			<u>372,744</u>	<u>-</u>	<u>-</u>	<u>-</u>
US Department of the Interior						
Passed through NC Department of Natural and Cultural Resources						
Historic Preservation Fund Grant	15.904	P22AF00938	6,825	-	1,265	-
Total US Department of the Interior			<u>6,825</u>	<u>-</u>	<u>1,265</u>	<u>-</u>
US Department of Energy						
Direct Programs						
Energy Efficiency and Conservation Block Grant	81.128	DE-SE0000470	2,090	-	-	-
Total US Department of Energy			<u>2,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Programs			<u>\$ 51,774,244</u>	<u>\$ 8,008</u>	<u>\$ 2,713,698</u>	<u>\$ 4,541,828</u>

City of Winston-Salem, North Carolina

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2024

Page 4 of 4

Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	State Number	Grant Number	Federal Expenditures	State Expenditures	Local Expenditures	Pass- through to Subrecipients
STATE GRANTS						
NC Department of Transportation						
Direct Programs						
Powell Bill Funds	DOT-4	32570	\$ -	\$ 9,579,847	\$ -	\$ -
State Maintenance Assistance	DOT-9	36234.51.11.2	-	1,168,139	-	-
Passed Through Forsyth County						
Elderly and Disabled Transportation and ROAP funds		36220.10.11.1	-	70,539	-	70,539
Elderly and Disabled Transportation and ROAP funds			-	66,443	-	66,443
Total NC Department of Transportation			-	10,884,968	-	136,982
NC Department of Administration						
Direct Programs						
Advocacy Grant		Contract 202311	-	500	-	-
Total NC Department of Administration			-	500	-	-
NC Department of Commerce						
Direct Programs						
Motorsports Grant Fund		MGF-006	-	26,923	-	-
Total NC Department of Commerce			-	26,923	-	-
NC Department of Natural & Cultural Resources						
Direct Programs						
Clean Water Management Trust Fund			-	123,250	-	-
Total NC Department of Natural & Cultural Resources			-	123,250	-	-
NC Office of State Budget & Management						
Direct Programs						
SCIF Grant		Contract 10431	-	251,636	-	-
State Fiscal Recovery Funds		OSBM-63	-	957,590	-	-
Total NC Office of State Budget & Management			-	1,209,226	-	-
Other Assistance:						
NC Department of Justice						
Opioid Settlement Fund			-	412,840	-	-
Total State Programs			-	12,657,707	-	136,982
Total Assistance			\$ 51,774,244	\$ 12,665,715	\$ 2,713,698	\$ 4,678,810

City of Winston-Salem, North Carolina

Notes to Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2024

(1) Basis of Accounting

The accompanying schedule of expenditures of federal and state awards (SEFSA) presents expenditures using the modified accrual basis of accounting, which is described in Note 1 of the City's basic financial statements, except for the expenditures of the U.S. Department of Transportation which are recorded on an accrual basis. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City of Winston-Salem has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(2) Relationship to Basis Financial Statements

The City records all federal and state financial award revenues in the special revenue funds except for the U.S. Department of Transportation and Emergency Management Assistance Funds which are recorded in the Transit Authority and General Fund, respectively.

(3) Loans Outstanding

The City of Winston-Salem had the following loan balances outstanding as of June 30, 2023. The loans made during the year are included in the SEFSA in the federal expenditures presented in the schedule. Balances and transactions during related to these programs are included in the City of Winston-Salem's basic financial statements.

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Amount Outstanding</u>
Capitalization Grants for State		
Revolving Funds		
Clean Water	66.458	\$70,609,213
Drinking Water	66.468	\$68,853,361

(4) Opioid Settlement Funds

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State financial assistance since they are from a settlement with major private drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as Other Financial Assistance on the SEFSA and considered State Awards for State single audit requirements.

OUR VISION

A municipal government deserving of public confidence, that provides excellent and innovative services, and is an active and cooperative partner in creating a vital community.

OUR MISSION

The City of Winston-Salem provides quality, affordable services that ensure the health, safety and well-being of citizens, while collaborating throughout the community to ensure its economic, social and environmental vitality.

OUR VALUES

- Openness
- Integrity
- Equity
- Accountability
- Teamwork
- Respect for all citizens
- Fiscal soundness
- Continuous learning & improvement



FIREWORKS OVER QUARRY PARK



WINSTON-SALEM POLICE OFFICERS



PHOTO CREDIT: VISIT WINSTON-SALEM

MORAVIAN STAR ATOP ATRIUM HEALTH

WINSTON-SALEM
NORTH CAROLINA

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