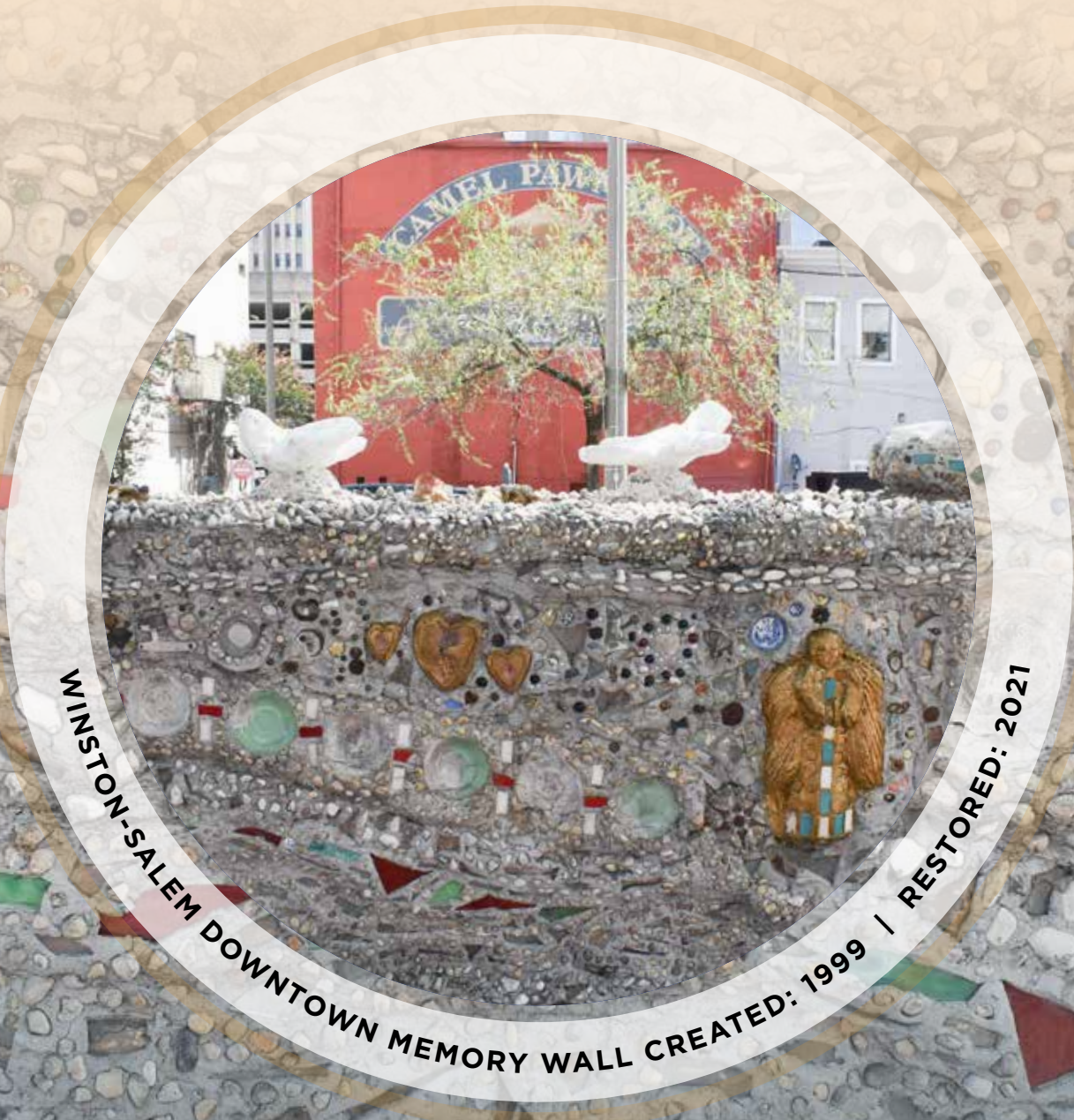


CITY OF
Winston-Salem
NORTH CAROLINA



WINSTON-SALEM DOWNTOWN MEMORY WALL CREATED: 1999 | RESTORED: 2021



WINSTON-SALEM DOWNTOWN MEMORY WALL CREATED: 1999 | RESTORED: 2021



CITY OF
Winston-Salem

Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021

The Annual Comprehensive Financial Report
is prepared by Financial Management Services.

ON THE *Cover*

The Memory Wall of Peace and Love, located downtown near the Winston-Salem Transit Center, was created by the late artist Gregory Warmack during a five-week visit to the City in 1999. Commissioned by the Transit Authority and the Southeastern Center for Contemporary Art, the wall combines Warmack's sculptures with hundreds of stones, tiles, pieces of pottery, buttons, hubcaps and other keepsakes donated by local residents.

In 2021, the Winston-Salem Public Art Commission funded a restoration of the 4-by-55-foot concrete wall by DENT Creative Reuse Center and Art Laboratory, a nonprofit dedicated to diverting waste from landfills through reusing discarded objects. Local artists Duncan Lewis, Aaron Gibbons and Derrick Monk, under the direction of former SECCA curator David Brown, performed the restoration.



Credits

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City of Winston-Salem, North Carolina

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

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Certain pages in this report are intentionally blank.

Ever since the merger of Winston and Salem in 1913, the twin City has prospered through the cooperation of its public and private institutions. This was true in the years following the incorporation of Winston-Salem, and it remains true today. The enduring veracity of our City motto was underscored again during the past year, as our community continues to see the tangible benefits of the past decade of efforts by City government and private institutions to diversify our economy, increase our tax base, bring new jobs to our City, and breathe new life into our downtown.

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, 2021. 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, 2021.

North Carolina general statutes require each unit of local government to publish within four months after the close of the fiscal year 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 auditors, 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 an unmodified opinion that the financial statements of the City of Winston-Salem for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The report of independent auditors 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 financial position and results of operations of two nonprofit corporations, North Carolina Municipal Leasing Corporation and Risk Acceptance Management Corporation, which provide services under contract to the City. Although legally separate they are included because they have significant financial relationships with the City. Additional information on these entities can be found in the notes to the financial statements.

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

Page 2

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 auditors.

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 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 14.85% of the budgeted expenditures for fiscal year 2022 while total general fund balance was 27.1%.

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 2022 through fiscal year 2027 includes capital appropriations totaling \$391.8 million and includes projects funded by general fund resources, general obligation bonds, utility revenue bonds, North Carolina Clean Water State Revolving Loan Funds, special obligation bonds, North Carolina Municipal Leasing Corporation, state and federal grants, gasoline taxes, and capital reserves.

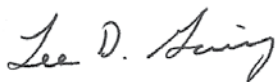
Awards and Acknowledgements

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, 2020. This was the 35th 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.

Deserving special commendation are skilled, talented, and dedicated employees – the work force of the City of Winston-Salem. Acknowledgement and appreciation is expressed for their contributions to a successful year. We also express our sincere appreciation to the Mayor and City Council for leadership, guidance, and establishment of policies for managing financial operations in a sound and progressive manner.

Respectfully submitted,



Lee D. Garrity
City Manager



Lisa M. Saunders
Chief Financial Officer

Local Economy

2020-2021



Despite a year of dealing with various phases of the COVID pandemic, the City of Winston-Salem experienced continued growth and good news on the economic development front.

Giant cranes towered over Fourth Street and next to the Truist Stadium ballpark, evidence of a building boom bringing more than 500 new apartments by early 2022 to the 10,000 residents already living in the downtown area. With 2020 census data showing that the City's population grew 9.2% — to 250,765 — since 2010, downtown and surrounding urban neighborhoods are attracting many new residents, including young professionals. It is a stark contrast to the beginning of the 21st Century, when there were fewer than 700 downtown residents.

Much of the excitement is driven by downtown's **Innovation Quarter** area, one of the nation's fastest growing urban innovation districts and the downtown campus of the **Wake Forest School of Medicine**. Many former **R.J. Reynolds Tobacco Company** warehouses and manufacturing facilities were repurposed for Innovation Quarter, which is home to more than 2.1 million square feet of office and retail space. It also includes public art, the 1.2-mile Long Branch greenway, the **Bailey Park** green space that hosts concerts, yoga classes and other events, and an array of restaurants, bars and retail.

In June 2021, Innovation Quarter announced a dramatic expansion, presenting plans for an additional 2.7 million new square feet of medical and mixed-use development, including 450 new apartments. As many as 10 new buildings will include a new **Atrium Health Wake Forest Baptist Eye Institute**.

While many of the new downtown residences are luxury apartments, ensuring that Innovation Quarter's growth benefits all citizens is a major goal of **Mayor Allen Joines** and the **Winston-Salem City Council**. The Council in April approved rezoning for a new housing complex on the eastern side of downtown to be called **Metropolitan Village**. Two four-story buildings will include 265 quality, affordable apartments, with another three townhouse buildings providing 60 more units. The development, planned for several years by neighboring **United Metropolitan Missionary Baptist Church**, will replace nine substandard and boarded-up apartment buildings currently on the seven-acre site.

Thanks to a \$30 million **Choice Neighborhoods Initiative** grant from the **U.S. Department of Housing and Urban Development**, the City and the **Housing Authority of Winston-Salem** have embarked on a six-year program to revitalize and transform the **Cleveland Avenue Homes** public housing apartments. The grant will allow the Housing Authority to replace 244 aging apartments with 406 new units. It also includes funds for education, workforce development and other programs.

Whitaker Park, another former R.J. Reynolds Tobacco manufacturing complex on the northern edge of downtown, is also undergoing a transformation. The park continued to gain new high-profile tenants who have committed to filling about 80% of the 1.7 million square feet available. **Nature's Value, Inc.**, currently based in Coram, New York, announced it will consolidate its headquarters and manufacturing operations



in Winston-Salem, bringing 183 new jobs to the City. Nature's Value pledged to invest \$19 million to upfit a 426,000-square-foot production site within the park by mid-2023. The company will join **Cook Medical**, a manufacturer of medical devices that is expanding its operations by moving into an 850,000-square-foot building in Whitaker Park.

Also planned for Whitaker Park are the renovations of two historic buildings into a hotel, retail and apartments by private developer and former NFL athlete **Chris Harrison**. Reynolds continues to operate tobacco processing and warehousing operations in part of the park. The rest of the campus is managed by the nonprofit Whitaker Park Development Authority Inc. (WPDA), which was formed by the **Winston-Salem Alliance**, **Wake Forest University**, and **Winston-Salem Business, Inc.** (WSBI), which later merged with the Winston-Salem Chamber of Commerce to form **Greater Winston-Salem, Inc.**

Efficiently carrying traffic in, out and around downtown is **Salem Parkway**, the renamed and rebuilt former Business 40. After 14½ months of total closure, the highway reopened in early 2020 with widened roadways, longer on- and off-ramps, two new pedestrian bridges, a metal arch feature, brick-veneered sound walls and many other aesthetic touches designed to reflect Winston-Salem as the **City of Arts and Innovation**. The transformation earned a **2021 Grand Award** in the national **American Council of Engineering Companies' Excellence Awards** competition.

"THIS MODERN FREEWAY AND ITS NUMEROUS AESTHETIC TOUCHES ARE SOMETHING THE CITY OF ARTS AND INNOVATION CAN TRULY BE PROUD OF."

"We couldn't be more thrilled to see this amazing collaboration between NCDOT, Winston-Salem, and our contractors and various partners," said N.C. Department of Transportation Division 9 Engineer Pat Ivey. "This modern freeway and its numerous aesthetic touches are something the City of Arts and Innovation can truly be proud of."



THE STRETERY SATURDAY NIGHT EVENT DURING WARMER MONTHS

Support DURING THE PANDEMIC

In the single-family real estate market, demand has reached its highest level since before the 2008 recession. Winston-Salem continues to be a seller's market, with the average median sold price at \$228,100, the highest since 2003. Housing values overall increased by 17.7% over June 2020, with many homes selling for more than the asking price.

As the 2020-2021 fiscal year drew to a close, Forsyth County's unemployment rate stood at 5%, considered by many to be the full employment threshold, down from a pandemic high of 9.3% in June 2020. Thanks to federal support through the Payroll Protection Program, most organizations were able to retain employees in the long term. Exceptions have been the hospitality and tourism industries, which are continuing to recover from many canceled meeting and sporting events that had been planned to take place in the City.

To assist nonprofits, particularly those serving populations hardest hit by the pandemic, the City contributed \$1 million from funds approved during 2014 and 2018 bond referendums

toward the **COVID-19 Response Fund for Forsyth County**. Other contributors included the **Winston-Salem Foundation**, the **United Way of Forsyth County**, the **Forsyth County Government**, **HanesBrands**, **Wells Fargo**, **Atrium Health Wake Forest Baptist** and **Reynolds American**. An ad campaign encouraged residents of Winston-Salem to make individual contributions. By September 2020, the Fund had raised more than \$4.4 million and made grants to 112 different nonprofits and charitable organizations.

AS THE 2020-2021 FISCAL YEAR DREW TO A CLOSE, FORSYTH COUNTY'S UNEMPLOYMENT RATE STOOD AT 5%, DOWN FROM A PANDEMIC HIGH OF 9.3% IN JUNE 2020.

Another fund, the **Small Business Relief Grant** program, awarded more than \$350,000 to 87 small businesses. It was coordinated by **Greater Winston-Salem, Inc.** and the **Downtown Winston-Salem Partnership**.

Technology & INNOVATION

The downtown medical school campus and the 90 companies that are part of **Innovation Quarter** employ 3,600 workers. The **Global Institute on Innovation Districts (GIID)**, after studying nine such campuses around the country, recognized Innovation Quarter as a “**Best Practice for Creating Integrated Places**” in 2020 for establishing a true live-work-play community.

June 2021 saw the opening of the **RegeneratOR Test Bed** laboratory space in Innovation Quarter. Designed to make expensive, high-tech equipment available to start-up and emerging companies who are developing new prototypes, the lab has been made possible by 11 international companies who invested a total of \$50 million, including **Oracle**, **BioSperix** and **PHC**, formerly **Panasonic Health Care Corp.** A partnership between **RegenMed Development Organization (ReMDO)** of Winston-Salem and the **Wake Forest Institute for Regenerative Medicine**, also known as **WFIRM**, will operate the lab.

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.

Aside from the Medical School, a number of departments of **Forsyth Technical Community College** and **Winston-Salem State University** are also located in Innovation Quarter. In addition, Wake Forest University has established **Wake Downtown**, an undergraduate satellite campus offering bachelor of science degrees in engineering, biochemistry, molecular biology, mechanical chemistry and drug discovery. In all, about 1,800 degree-seeking students are attending programs in the technology park.

A major portion of **Bailey Power Plant**, the former power-generating plant for downtown RJR factories, has been reimagined into mixed-use space. With its iconic smokestacks and more than 111,000 square feet of space, it is now home to **Incendiary Brewing** and **Cugino Forno Pizzeria**. **Front Street Capital**, a private equity real estate company has redeveloped **Bailey South** and the adjacent **Morris Building** as the last phase of the Bailey Power Plant block, adding another 75,000 square feet of office, retail and entertainment space.

Adjacent to Bailey Power Plant, **Bailey Park** is a green-space venue offering a series of outdoor yoga classes and events, including the annual **Winston-Salem Cycling Classic** professional bike races and the **Gears & Guitars** concert weekend.

Also on the Innovation Quarter campus is **The Center for Design Innovation**, a joint effort by **Forsyth Technical Community College**, the **UNC School of the Arts** and **Winston-Salem State University**. The 25,000-square-foot building includes a 60-by-60-foot-space known as “the Cube,” one of the largest dedicated spaces for motion-capture research in the Southeast. First used in the entertainment industry, motion-capture technology is now benefiting fields as diverse as manufacturing, engineering and athletics.

Much of Innovation Quarter’s redevelopment has been the result of more than \$841 million of public/private investments, much of it from **Wexford Science & Technology, LLC**, a **BioMed Realty Company**. The City, Forsyth County and the State of North Carolina have all been major players in supporting Innovation Quarter, which is now the largest historic redevelopment project in the history of the state, according to Preservation North Carolina. Much of the investment has leveraged historic tax credits approved by the **National Parks Service**.



Health Care

As home to two of the state's largest regional health systems, Winston-Salem has been an innovator in health care for decades. **Novant Health, Inc. (Novant)** and **Atrium Health Wake Forest Baptist** provide a combined total of more than 29,000 jobs in Forsyth County, making health care this area's top industry.

In October 2020, **Wake Forest Baptist Health** merged with Charlotte-based **Atrium Health**, which already had 55,000 employees and facilities in both Carolinas (though not in the Triad), Georgia and Virginia. The combined new system expects \$11.5 billion in combined net revenue from 42 hospitals and more than 1,500 care sites. Atrium has already announced a \$2.8 billion investment in improving the Winston-Salem hospital campus, including a new patient tower with an upgraded

emergency room, enhanced operating rooms and intensive care units. Atrium will also fund a new Eye Institute in Innovation Quarter.

A major component of the merger will be the opening of a second campus of the **Wake Forest School of Medicine** in Charlotte, which is currently the largest city in the nation without a medical school. Construction is scheduled to begin in 2022. Atrium CEO Gene Woods has said he envisions a Silicon Valley-type region for health care entrepreneurship blossoming in the geographic corridor between Charlotte and Winston-Salem.

In addition to the medical center and the medical school, the 885-bed Atrium Health Wake Forest Baptist also includes nationally ranked **Brenner Children's Hospital**, the region's only pediatric hospital; and the **Comprehensive Cancer Center**, one of only 51 in the nation designated as comprehensive by the National Cancer Institute, a designation it has held for over 30 years.

The system also provides outpatient services, physician practices and clinics, diagnostic centers, emergency and urgent care centers, community health and information locations, and a division that brings innovative discoveries in technology, products and services to patient bedsides. It is the region's only Level I Trauma and Burn Center and was the state's first Level 1 Pediatric Trauma Center. Other locations that are part of the Atrium Health Wake Forest Baptist network are Davie Medical Center, High Point Medical Center, Lexington Medical Center and Wilkes Medical Center.

The health system provides a number of community benefits by delivering more than \$580 million in charitable care and other efforts to help those in need. The hospital holds the coveted Gold Seal of Approval™ and is certified as a Comprehensive Stroke Center, both by the Joint Commission. Other national recognitions include the Comprehensive Cancer Center designation by the National Cancer Institute and Pancreatic Cancer Center by the National Pancreas Foundation.

Atrium Health Wake Forest Baptist has been recognized as one of the nation's Best Hospitals by *U.S. News & World Report* for 28 consecutive years, and 312 of its physicians are listed in the "Best Doctors in America" database in 36 specialties.

The Wake Forest School of Medicine serves approximately 1,900 students and fellows. As one of the most selective programs in the nation it focuses on education, research and innovation. The medical school consistently ranks among the best medical schools in the country by *U.S. News & World Report*.



Novant Health is a four-state integrated health care system headquartered in Winston-Salem that serves about 5.5 million patients annually. Novant's network consists of 15 medical centers, over 600 clinic locations, and more than 1,690 physicians in North Carolina, Virginia, South Carolina and Georgia.

Novant is a two-time recipient of the prestigious Ernest A. Codman Award from The Joint Commission, recognizing the quality and safety of its patient care. The health system garnered top honors from industry safety watchdog, The Leapfrog Group, with five hospitals designated as "Top Hospitals." Forbes recognizes Novant among the top 40 employers in the country for diversity, and the system has been commended for its commitment to reducing health care disparities among different races, ethnicities, genders and those living in rural areas. Novant provides over \$993 million in community benefits and its hospitals rank among the best in the country in *U.S. News & World Report's* "Best Hospitals."

Novant Health's **Forsyth Medical Center (FMC)** is an 859-bed, not-for-profit hospital in Winston-Salem offering a full array of emergency, medical, surgical, oncology, neurology, women's health, rehabilitative and behavioral health services. The largest in Novant's system, FMC is fully accredited by the Joint Commission and has earned top honors in specialties including its Chest Pain and Breast Centers, stroke care, heart and vascular care, congestive heart failure care, and its ventricular assist device (VAD) program. 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, Novant Health Rehabilitation, 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 300,000 deliveries in the last century. Novant's **Medical Park Hospital** is a 22-bed, not-for-profit hospital that specializes in elective inpatient and outpatient procedures. Medical Park performs about 12,000 surgeries each year and is a leader in the use of state-of-the-art technology and patient satisfaction.

Novant also operates four community hospitals in the region: **Novant Health Clemmons Medical Center, Novant Health Kernersville Medical Center, Novant Health Rowan Medical Center,** and **Novant Health Thomasville Medical Center.**



NOVANT HEALTH'S FORSYTH MEDICAL CENTER



Financial SERVICES

The December 2019 merger of BB&T Corp., a Fortune 500 company formerly headquartered in Winston-Salem, with SunTrust Banks Inc., resulted in the creation of **Truist Financial Corp.**, the nation's sixth largest bank with total assets of \$522 billion as of June 30, 2021.

Although Truist's headquarters are now in Charlotte, the bank still employs 4,000 people locally, and the community banking division has remained in Winston-Salem. The new bank's executive leaders promised to continue the same level of community support, including named sponsorships of **Truist Field**, the Wake Forest University football stadium, and **Truist Stadium**, home field of the **Winston-Salem Dash** professional Class A baseball team.

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 \$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 Savings 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. In the summer of 2019, the bank opened its 11th retail location in High Point. It operates nine other branches in Forsyth, Wilkes and Watauga counties.

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 almost \$2 billion in assets and an additional \$1.6 billion in assets under management by its financial planning group, it has 17 branches in 12 cities and two states. **Truiant Federal Credit Union**, chartered in 1952 to serve employees of Western Electric, now has more 280,000 member-owners and 30 locations in the Carolinas and Virginia. With assets of more than \$3.5 billion, it employs 620 workers in Forsyth County.

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**, both with historic ties to Winston-Salem, remain among the City's top employers and corporate citizens, supporting many local arts and charitable organizations.

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. Reynolds employs about 2,500 workers in Forsyth County.

HanesBrands, 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. Among the company's iconic brands are Hanes and Champion. HBI employs 2,400 associates locally and 61,000 in 47 countries worldwide. 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 WINSTON-SALEM ARE COLLINS AEROSPACE INTERIORS, DEER-HITACHI, HERBALIFE, HAYWARD INDUSTRIES, WESTROCK, COOK MEDICAL AND KRISPY KREME DOUGHNUTS, INC.

Other manufacturers with significant presences in Winston-Salem 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. **IFB Solutions**, the nation's largest employer of the blind and visually impaired, employs 500 people locally. **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.

In May 2021, **Ardagh Group**, a global supplier of sustainable and recyclable metal and glass packaging, announced a \$195.5 million investment and creation of 94 new jobs to expand two production lines at its Winston-Salem facility. The company currently has 230 employees here.



LOCAL ECONOMY



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 to 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.

A few blocks away, the former GMAC Insurance Building on Fifth Street has experienced a rebirth as **500 W. 5th**, a 21-floor entrepreneurial center for young companies and the new headquarters of the **Flow Automotive Group**. After standing vacant for four years, the building was acquired by local business leader Don Flow in 2018. The Flow companies now occupy floors 14 through 18 and about 90,000 square feet. Other prominent tenants include **Winston Starts**, a business accelerator for early-stage companies that occupies two floors; **Teall Capital Partners**, a private equity firm; **Flywheel**, a 24/7 co-working environment; and the **Salem College Center for Women in Entrepreneurship and Business**. An adjacent six-story building was demolished to make way for a mixed-use building with 224 residential units as well as storefronts.

Downtown Winston-Salem has become a thriving neighborhood and social scene. 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. **Sweet Potatoes**, a downtown restaurant serving Southern classics such as fried okra, three-cheese macaroni, and cornbread accompanied by a cold glass of buttermilk, has received accolades in national publications.

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. When restaurant capacity levels were reduced during the COVID pandemic, the City allowed downtown restaurants to expand their outdoor dining options on sidewalks. **The Streatory**, a Saturday night event during the warmer months during parts of Fourth Street were blocked off for outdoor dining, proved to be a very popular event.

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.

Before the pandemic, the completion of a new **Hampton Inn and Suites** and the renovation of the historic **Pepper Building** into the **Hotel Indigo Winston-Salem** brought more out-of-town to Winston-Salem's growing tourist industry. The Pepper Building, a long-vacant 49,000-square-foot art deco building, was brought back to its former glory with a modern twist, including the revival of the Sir Winston Steakhouse and Martini Bar on the first floor.

In a green space adjacent to the building, the City will create a public park, restrooms and sidewalks, to be known as **Merschel Park** in honor of former City Council member **Wanda Merschel**. On the south end of the park, construction has begun for the new \$30.5 million **Kaleideum** children's museum. The new facility, which has received funding from the City and Forsyth County as well as private donors, will combine the current two smaller Kaleideum museums into one modern, central location.

Downtown development, as well as recruitment of new business to the City as a whole, has largely resulted from the leadership and strategic moves of the City Council and the **Winston-Salem Alliance**, a non-profit alliance headed by **Mayor Allen Joines**, with membership that includes some of Winston-Salem's most influential companies and organizations. Other key players have included Greater Winston-Salem, Inc. (formerly the **Winston-Salem Chamber** and **Winston-Salem Business, Inc.**) and the **Downtown Winston-Salem Partnership**.

The Downtown Partnership also manages enhanced services that ensure a high standard for cleanliness and safety in downtown. A **Downtown Winston-Salem Business Improvement District**, which covers 60 blocks, is overseen by an 11-person advisory committee of various downtown stakeholders. The BID collects fees of 9 cents per \$100 of valuation on real and personal property to pay for extra 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.

2021-2022 CITY *Budget*

After one of its most challenging budget years in recent history, the City Council's approval of a \$530.9 million budget for 2021-22 signaled a return to normalcy.

Significant growth in sales tax and the property tax base (based on a 2021 reappraisal of real property) and an expected infusion of \$51.7 million from the American Rescue Plan (ARP) allowed the City to develop a budget based on "recovery, restoration, and maintaining a standard of excellence in delivering public services to our community," said City Manager Lee Garrity.

THE BUDGET INCLUDES \$373.3 MILLION FOR OPERATIONS, \$110.1 MILLION FOR CAPITAL, AND \$48.8 MILLION FOR DEBT SERVICE

The budget includes \$373.3 million for operations, \$110.1 million for capital, and \$48.8 million for debt service. Compared to FY 2020-21, the total budget increased by 13.1%.

The approved property tax rate of 61.24 cents per \$100 of assessed value is an actual decrease from the previous rate of 63.74 cents. However, the decrease is offset by an average 14.8% increase in property values, as determined by the 2021 property revaluation.

After a year in which pay increases were paused, the 2021-22 budget reinstated merit pay to an average of 2.5% and included a 2% public safety supplemental pay increase for sworn police officers and certified firefighters. The City's minimum wage is increasing to \$15 an hour, which is expected to benefit more than 200 full-time and 13 part-time/temporary employees.

In Spring 2021, the City created a new office committed to fostering diversity, equity, and inclusion throughout city-wide internal processes. The 2021-22 budget includes \$500,000 to support the operation of the DEI Office and the addition of four new positions.

The City-County Utilities Commission approved an increase of 3.5% in water and sewer rates for the 2021-22 year. All other user fees remain the same.

The City's sound financial management strategies – even in the face of the economic impacts of COVID – resulted in AAA ratings, the highest possible, from all three major credit rating agencies in 2021. The high ratings by Moody's Investors Service, Fitch Ratings Inc. and Standard & Poor's Financial Services reduce the amount of interest that the City pays on the bonds, saving taxpayers' money.



Major Employers

EMPLOYER / INDUSTRY	NUMBER OF EMPLOYEES
Atrium Health Wake Forest Baptist / Health Care	18,570
Novant Health / Health Care	11,010
Winston Salem/Forsyth County Schools / Public Education	5,500
BB&T/Truist / Financial Services	4,000
Wells Fargo / Financial Services	3,500
Reynolds American / Tobacco Manufacturing	2,500
Hanesbrands / Clothing	2,400
City of Winston Salem / Government	2,287
Wake Forest University / Higher Education	2,270
Forsyth County / Government	2,127
AT&T / Communications	2,000
Lowes Food Stores / Grocery Chain	1,500
Collins Aerospace Interiors / Aerospace Interiors	1,500
National General Insurance / Insurance	1,200
Forsyth Technical College / Education	1,200
Herbalife / Healthcare Supplements	1,100
YMCA of NWNC / Non-Profit	1,000
Winston-Salem State University / Higher Education	1,000
Inmar Inc. / Logistics & Data Analytics	950
Hayward Industries / Pumps & Pool Equipment	940
Flow Automotive Companies / Automotive Sales & Service	875
Deere-Hitachi / Excavators	850
The Budd Group / Landscaping	750
PepsiCo / Beverage Distribution	700
WestRock / Packaging	700
Cook Medical / Medical Device Manufacturing	640
Truiliant Federal Credit Union / Financial Services	620

EMPLOYER / INDUSTRY	NUMBER OF EMPLOYEES
Womble Bond Dickenson / Legal Services	530
Best Logistics Group / Logistics & Freight	505
IFB Solutions (Industries for the Blind) / Blind Services & Manufacturing	500
Johnson Controls Inc. / Controls Systems & Regulators	500
Krispy Kreme Doughnuts / Food Manufacturer	460
American Airlines / Airline Customer Service Center	450
North State / IT Services/Data Center	400
Veterans Administration / Public Administration	400
Salem Carriers / Transportation	400

Winston-Salem Statistics

POPULATION	
Population	246,325
Median Age	35.39
WORKFORCE & TALENT	
Total Labor Force	117,097
White Collar Jobs	68%
Blue Collar Jobs	31%
JOBS BY INDUSTRY	
Sales	13.6% / 17,057
Office & Administrative Support	11.67% / 14,637
Executive, Managers and Administrators	10.32% / 12,952
Food Preparation / Serving	6.3% / 7,900
Business & Financial Operations	6.09% / 7,642

Source: Greater Winston-Salem, Inc. May 2021



WINSTON-SALEM, A GREAT PLACE TO WORK AND LIVE

Community Profile

2020-2021



REYNOLDA GARDENS OF WAKE FOREST UNIVERSITY

A Great Place TO WORK AND LIVE

As the **City of Arts and Innovation**, **Winston-Salem's** many restaurants, arts organizations and other entertainment venues have adapted and made the best of the COVID-induced restrictions in 2020. Art exhibits, music and drama groups shifted to virtual events but returned to some live events as the pandemic eased in spring and summer 2021.

Restaurants adapted to meet the new demand for take-out meals. Downtown restaurants teamed up with the **Downtown Winston-Salem Partnership** to hold the **Streatory** — a Saturday night, socially distanced outdoor dining event on blocked-off sections of downtown streets. The City also allowed downtown restaurants to expand their outdoor seating,

Thanks to outstanding arts offerings, 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 has received accolades about its quality of life from a number of national surveys. **Livability.com** named Winston-Salem to its top **100 Best Places to Live in 2020**. In 2021, **Clever Real Estate** named Winston-Salem to its list of **20 Best Cities for Millennials to Buy a Home**, and **U.S. News** named the City to its **Best Places to Live, Best Places to Retire**, and **Safest Places to Live**.

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. **Radar Brewing** and **Batl Axe Throwing** are two of the newest additions to Industry Hill and to the craft beer scene. **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.

On the cultural front, the nationally respected **River Run International Film Festival** was held virtually this year. The **National Black Theater Festival**, which draws tens of thousands of visitors to the City every two years, was scheduled to take place in August 2021 but has been postponed to 2022 because of the pandemic. The **N.C. Black Repertory Company**, which puts on the Festival, has continued holding some live and virtual dramas and readings during the year.

The City is also rapidly gaining national recognition for sports and recreation. The **Winston-Salem Cycling Classic** continues to grow in prestige among cycling professionals nationwide. The **NCAA Division 1 Men's Tennis Championship** was held

here in 2018, and the annual **Winston-Salem Open** tennis tournament continues to grow in prestige and popularity.

Winston-Salem has also been named one of **America's Top 10 Digital Cities** by the **Center for Digital Government**. The City has provided mobile devices to employees of departments as diverse as engineering and zoning inspections, facilities maintenance, building inspections and housing code enforcement. The result is improved responsiveness and work flow.

Through **www.cityofws.org**, residents are able to request services, pay bills, register for recreation programs and conduct business with the Inspections Department. During the COVID pandemic, City Council meetings have been 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.

WINSTON-SALEM HAS ALSO BEEN
NAMED ONE OF AMERICA'S TOP 10
DIGITAL CITIES BY THE CENTER
FOR DIGITAL GOVERNMENT

CityLink, the City's call center, gives residents a single number (311) to call to request City services, report problems, pay bills, and make suggestions. Visitors to **cityofws.org** can also track 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. During the pandemic, a number of WinstonNet sites have served as virtual learning centers for students who are going to school online.

Keep Winston-Salem Beautiful, an affiliate of Keep America Beautiful, 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; the Big Sweep in the fall, which focuses on cleaning up local waterways; and the annual **Flower Bulb Distribution** of donated surplus flower bulbs to gardening clubs and other organizations that plant them in areas visible to the public.



Housing

Winston-Salem's many housing options give citizens 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** 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. Other newer construction options include **West End Village**, the **Link Apartments Brookstown**, **Link Apartments Innovation Quarter** and **West End Station**. Under construction in 2022 were **The Easley Apartments** adjacent to the Truist Stadium and a third **Links Apartments** complex on Fourth Street.

Given that many of the downtown apartments are aimed at the luxury market, the City has undertaken efforts to ensure that a sizable number of more affordable rental units will also be 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 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 265 apartments and 60 townhouse units.

To promote quality of life throughout the community, the City works to revive blighted neighborhoods. The **Housing Rehabilitation Program** 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 Redevelopment 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.

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 35-80% of the Area Median Income. Target neighborhoods have included **Boston-Thurmond**, a historic African-American neighborhood; the **Bowen Park** and **Dreamland Park** neighborhoods, both included in the **United Way of Forsyth County's Place Matters Initiative**.

Construction began in spring 2021 at **Stone Terrace**, an undeveloped subdivision in northern Winston-Salem left over from the 2008 housing crisis. Habitat expects to build 75 new houses there in next five to seven years.

500 W. 5TH STREET AND APARTMENTS





Recreation

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.

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, two lakes, a

skate park, two dog parks 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. In spring 2021, the Department dedicated **Malloy Park**, which 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 has been transformed into **Quarry 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.

Another bond project was the \$4 million construction of a new marina, training building, playgrounds 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 for special events by the public. The building also includes a wrap-around 1,200 square-foot deck that offers scenic views. Phase II of Salem Lake improvements, to include construction of a new boat ramp and repair of the shoreline bulkhead, will begin in fall 2021.

Also as a result of the bonds, the new **Winston Waterworks** water park opened in spring 2018. The park, which includes a pool, diving area, spray ground, restrooms, concession area and

shelter, is an enormously popular addition to **Winston Lake Park**, which also includes the **Winston Lake Golf Course**. Recreation and Parks also operates the **Reynolds Park Golf Course**.

The City's largest auditorium, the 15,000-seat **Lawrence Joel Veterans Memorial Coliseum**, is owned by **Wake Forest University**. Wake Forest's basketball team uses the facilities and has the opportunity to sell naming rights to help support its athletic programs. The City and Wake Forest have agreed to keep the name and the veterans' memorial designation on the coliseum façade and on its marquee. The coliseum continues to host concerts and family entertainment.

The City still owns the 4,500-seat Coliseum Annex, a free-standing facility with a basketball court that can be set up for a regulation-size hockey rink. In fall 2017, the Annex became the home base for a new hockey team, the **Carolina Thunderbirds**.

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 more than 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 thousands of entries.

Bowman Gray Stadium, a legendary site for NASCAR's longest-running weekly racing series, is also **William B. Hayes Field at Bowman Gray**, the home field of the **Winston-Salem State University** football team. The City has invested \$9 million in improvements, including a resurfacing of the race track and renovations to the field house, ticket booths and press boxes. During the time the field was not used by the Rams football team during the pandemic in 2020, the City was able to plant a new grass field and make renovations to the bathrooms, concession and seating areas.

The **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. In 2021, another team, the **Carolina Disco Turkeys**, part of a wood bat summer league baseball team that has captured attention nationally, also began playing at Truist Stadium.

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



Downtown ARTS

The arts are alive and well in Winston-Salem with a network of eclectic art galleries, vibrant murals, public art, a downtown art park, and studios and galleries showcasing artists of all types.

The City has been an innovator in the arts since 1949 when it formed **The Arts Council of Winston-Salem and Forsyth County**, the first local arts council in the nation. Since then, the Arts Council has been building on that early foundation to become a center of excellence in both visual and performing arts, embodying the City's slogan: the **City of Arts and Innovation**. With an annual economic impact of \$156.8 million and over 5,500 arts and culture-related jobs in the City, the arts are essential to the local economy.

Owned and operated by The Arts Council, the **Milton Rhodes Center** for the Arts is the anchor to Winston-Salem's modern, downtown arts campus. The building, a former textile mill over 100 years old, blends the City's past with its present. The arts campus consists of performing arts spaces, public art galleries, arts education, and corporate and special events space. 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**, **Mount Castle Forum/Theatre**, and **Coffee Park Downtown**. Located adjacent to the Milton Rhodes Center, the **Hanesbrands Theatre** is a state-of-the-art performance venue for theater, dance, film and music as well as a private meeting and special events venue. Just two blocks up the street, the **Arts Council Extension (ACE Building)** is home to the **North Carolina Black Repertory Company** and **The Little Theatre of Winston-Salem**, providing each with rehearsal and office space.

Winston-Salem's **Downtown Arts District** features an eclectic 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 vibrant district it is 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. It hosts **First Friday Gallery Hops** the first Friday of each month throughout the year when the streets in the district are filled with music, entertainment and food, as the galleries, studios and shops remain open late.

A first for Winston-Salem, **ARTivity on the Green** is an art-themed park located on Liberty Street that connects the arts district to Innovation Quarter. The park is a work of art itself, with 13 red misting water towers that are a tribute to the City's industrial past. It also features green space for sitting and

RED MISTING WATER TOWERS ARE A TRIBUTE TO THE CITY'S INDUSTRIAL PAST



picnicking, a mural wall, a bandstand, and designs in the sidewalks that can only be seen when wet. ARTivity park is often the site of live music events and other small festivals.

The park was envisioned by **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. The group cultivates many of the public art displays around the City, from eye-catching art towers, decorated mannequins, sculptures and murals.

The Downtown Summer Music Series brings people of all ages and cultures together, in the form of free concerts, to downtown Winston-Salem from June through August. The two-part series includes **Downtown Jazz**, held in Corpening Plaza on Friday nights, and **Summer on Liberty**, held at the intersection of 6th and Liberty Streets on Saturdays. These popular music series have been vital to the resurgence of downtown and returned in 2021 for their 23rd season after a year off because of the COVID-19 pandemic. The Summer Music Series is produced by The **Downtown Winston-Salem Partnership (DWSP)**, a non-profit organization revitalizing downtown into a flourishing commercial, cultural and residential district.



CAROLINA CLASSIC
FAIR

Festivals & ANNUAL EVENTS

Before the pandemic, the downtown area typically hosted upwards of 2,500 events each year, with many held in the **Benton Convention Center**.

As one of the state's largest meeting facilities, the Benton displays works of art created by local and regional artists, including a rendering of the late **Maya Angelou**, nationally renowned poet, author and activist who served on the faculty of Wake Forest University. The Convention Center is part of the **Twin City Quarter** hospitality complex, which also includes the **Embassy Suites Winston-Salem** and the **Winston-Salem Marriott**.

The annual **Piedmont Craftsmen's Fair** is held in the Benton Convention Center and showcases the works of artisans and craftsmen from across the Southeast. The Fair offers an opportunity for patrons to interact with artisans and view demonstrations of craft techniques. Held annually since 1963, the festival takes place in November and is also a fundraiser for **Piedmont Craftsmen, Inc.**, the non-profit group promoting the value of handcrafted art.

Founded in 1989, Winston-Salem is home to the **National Black Theatre Festival**, the nation's largest festival celebrating and showcasing Black theatre. The festival is produced by the **North Carolina Black Repertory Company**, founded in 1979 by the late Larry Leon Hamlin as the state's first Black theatre company. The six-day festival is held biennially and offers over 130 performances of professional theatre, film, poetry, workshops, seminars, and shopping. As the City's largest festival, it attracts over 65,000 people from around the country and *The New York Times* has called it "one of the most historic and culturally significant events in the history of Black theatre and American theatre in general." The festival returns to Winston-Salem in August 2022.

The largest book and author festival in the Carolinas, **Bookmarks Festival of Books & Authors** is held each September at venues throughout Winston-Salem. Begun in 2004, the festival features author panels, book signings, story times, family activities, food trucks and more. Run by the literary arts nonprofit, **Bookmarks**, the festival attracts over 20,000 and 50 authors each year. Bookmarks also conducts outreach programs throughout the year and operates the independent **Bookmarks Bookstore**, which is located downtown on Fourth Street.



Since 1998, the **RiverRun International Film Festival** has been held in downtown Winston-Salem. One of the area's most unique events, RiverRun is a competitive festival that attracts attendees from across the globe and offers a diverse program from film studios, independent distributors and first-time filmmakers. The festival returned in May 2021 as a "hybrid" event featuring outdoor, virtual and drive-in screenings after a year hiatus due to COVID-19. The 10-day festival features over 100 screenings of feature-length and short films from around the world, spanning all genres. The movies are typically shown at different venues throughout Winston-Salem, including a/perture cinema, a non-profit art-house cinema located downtown. The locally-owned theater screens a mix of independent, foreign, documentary, local and festival films year round.

Organized by the Hispanic League, **FIESTA** is an annual street festival and fundraiser and the largest one-day Hispanic festival in the region. Free to the public, it features live Latin music, cultural programs, a children's area, Latin cuisine, local arts and crafts. This 2021 event was a scaled back version of the traditional festival that included an outdoor, drive-in concert and authentic Latin food vendors at the Winston-Salem Fairgrounds.

The annual **Gears and Guitars Music Festival** held in **Bailey Park** at **Innovation Quarter**, is an outdoor concert series in conjunction with the **Winston-Salem Cycling Classic** in September.

Held each October at the Fairgrounds, the **Carolina Classic Fair** is the second largest agricultural fair in North Carolina, with a world-class carnival of rides and games, nationally known musical entertainment, delicious foods and beverage, and exhibits of livestock, poultry, fine arts and crafts.

PERFORMING ARTS ORGANIZATIONS & *Venues*

The **Stevens Center** is one of the City's main performance venues, located in the middle of "Restaurant Row" on Fourth Street. Originally a silent movie theatre, the magnificently restored, two-story 1,364-seat neoclassical theatre is 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** is one of the largest in North Carolina, bringing the highest quality regional, national and international singing actors and technicians to work with a full orchestra and a chorus of local singers. Now in its 42nd season, the Opera performs two full stage productions each year in addition to a wide variety of educational and outreach programs.

Now celebrating its 75th anniversary, the **Winston-Salem Symphony** has been providing an array of repertoires, including classical orchestral and choral concert music, opera, oratorio, ballet, and popular music. It's one of the Southeast's most highly

regarded orchestras that also offers education and community engagement performances, such as the **Youth Orchestra** and programs with the **Winston-Salem/Forsyth County Schools**.

THE WINSTON-SALEM SYMPHONY IS ONE OF THE SOUTHEAST'S MOST HIGHLY REGARDED ORCHESTRAS

As the oldest performing arts organization in the City, the **Little Theatre of Winston-Salem** is a traditional community theatre that returned in 2021 after a year of darkness due to the pandemic. It produces professional quality classic and contemporary plays and musicals. It also offers classes, summer camps, and school productions with the help of hundreds of talented and dedicated volunteers.

Many other performing arts and theatrical groups are found in Winston-Salem, including **Triad Stage**, 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.





ART Museums

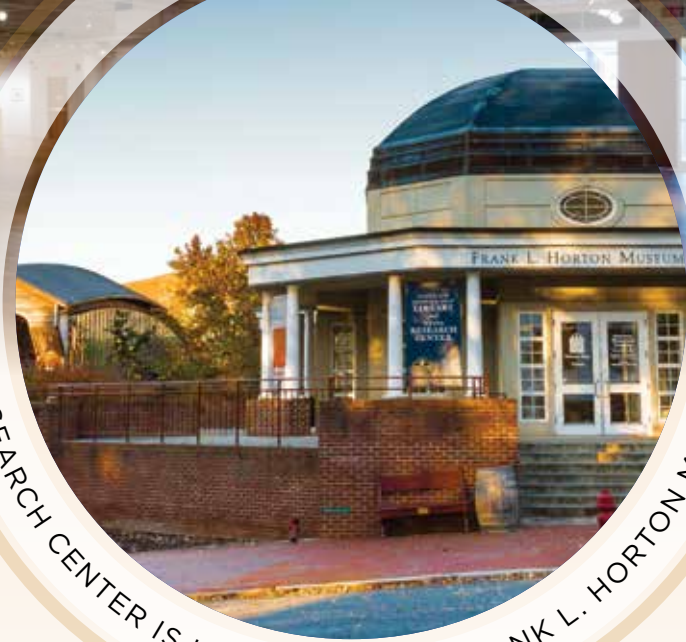
Winston-Salem's cultural attractions include a number of distinguished art museums and galleries that showcase the history and diverse people of the region.

The well-known **Reynolda House Museum of American Art** is the centerpiece of the "Reynolda" historic district. Housed in the restored 1917 country estate of Katharine and Richard J. Reynolds, the founder of **R.J. Reynolds Tobacco Company**, the museum is a rare gem among the country's art institutions. It showcases a premier collection of American art, including a 300-piece permanent collection housed in the historic mansion, which also includes restored interior rooms to reflect the periods in which the Reynolds family lived there. A modern addition, the **Babcock Gallery**, includes educational space, a gallery for temporary/seasonal exhibits, an auditorium, and fine art and archival space. The permanent collection spans 250 years with works by Frederic Church, Georgia O'Keeffe, Grant Wood, Stuart Davis and Andy Warhol. Affiliated with **Wake Forest University**, also located on the original 1,000-acre Reynolds estate, Reynolda House is a self-guided tour museum that also hosts concerts, lectures, classes, film screenings and other events such as **Cinema Under the Stars** each summer. The adjacent **Reynolda Gardens of Wake Forest University** and historic **Reynolda Village** include lush formal gardens and natural spaces, as well as restaurants, boutiques and wooded walking and running trails.

The **Southeastern Center for Contemporary Art (SECCA)**, also located in the Reynolda Historic District, is housed on the former 32-acre estate of industrialist James G. Hanes. This year it celebrates 65 years of offering ways to experience contemporary visual and performing arts in all mediums. Admission is free, and SECCA offers year-round educational programs and a number of community events. The estate also features flourishing grounds, gardens and a lake, as well as an auditorium. It is an affiliate of the North Carolina Museum of Art, a division of the North Carolina Department of Cultural Resources.

One of Winston-Salem's most unique museums, **The Museum of Early Southern Decorative Arts (MESDA)** is a preeminent center for researching, collecting and exhibiting the decorative arts and crafts of the early South. MESDA is part of **Old Salem Museums & Gardens** and it tells the story of the South, spanning seven states and four centuries. As one of the most comprehensive collections and research resources of southern decorative arts in the country, displays consist of fine art to folk art through furniture, paintings, textiles, ceramics, silver, and other metal wares. The internationally recognized museum

MESDA RESEARCH CENTER IS HOUSED IN THE FRANK L. HORTON MUSEUM CENTER



MESDA RESEARCH CENTER IS HOUSED IN THE FRANK L. HORTON MUSEUM CENTER

contains the most extensive collection of Moravian decorative arts and offers an exhibit dedicated solely to this area's early settlers. Housed in the Frank L. Horton Center, MESDA is available for self-guided and specialty tours and is also home to the nationally acclaimed **MESDA Research Center**, which contains vast object and craftsman databases.

The **Delta Fine Arts Center** is a multidisciplinary nonprofit arts organization committed to showcasing African-American art, culture and history. Founded by the women of the local Delta Sigma Theta sorority in 1972, the Center has enriched the City's art scene by showcasing visual and performing arts through performances, concerts, educational opportunities and gallery exhibitions, most of which are free and open to the public.

Since 1990, **Diggs Gallery** has served as the main cultural center of **Winston-Salem State University**. Diggs contains the largest exhibition spaces dedicated to the arts of Africa and the African Diaspora in North Carolina. In addition to exhibition spaces, it also includes a unique sculpture garden and murals by the acclaimed artist John T. Biggers. Diggs hosts an impressive collection of works on paper by well-known European and American artists such as Jean Francois Millet, Joan Miro and Robert Rauchenberg. Exhibitions and programs address a broad range of artistic expression, with special concentration on African-American and regional art.

The Enrichment Center is a non-profit organization that helps adults with intellectual and development disabilities realize their full potential through art classes, life skills training, community activities and job placement. It offers programs in visual and performing arts as well as opportunities for public exhibitions and performances. The Center's **Gateway Gallery** is an on-site exhibit and sales space featuring works created by its artists, the **Artists of Gateway Studios**, who earn commissions on sales. These artists are self-taught and outsider artists who create original paintings, digital photographs, ceramic and multi-media pieces, with styles from traditional to abstract. Exhibits change periodically and the gallery is open for viewing and sales with proceeds benefiting the Center's programs.

K-12 Education

Winston-Salem provides a variety of options for primary and secondary schooling, as well as a comprehensive selection of higher education institutions.

Winston-Salem Forsyth County Schools (WSFCS) is the fourth largest school system in North Carolina, providing a quality education for around 53,000 students in 80 schools. Programs exist to serve every type of student and parents have a say in where their child attends school. Much of the 2020-21 school year was conducted virtually until the spring, when limited re-opening began as the pandemic eased. As an alternative, parents could enroll their students in the **Virtual Academy**, which offered online learning the entire school year.

WSFCS IS THE FOURTH
LARGEST SCHOOL SYSTEM IN
NORTH CAROLINA

The Board of Education offers the "Schools of Choice" process, giving parents options on choosing schools. Elementary schools are divided into 11 zones, and middle schools are divided into

seven zones. Parents may choose from their neighborhood school, another school within their zone, or from 21 magnet programs.

High school students are provided comprehensive curriculum at the regular, honors and Advanced Placement levels. They have the opportunity to earn college credit through 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. The school system has an 86 percent graduation rate, with over 4,000 graduates in 2021.

In addition to public schools, parents have the option of sending their children to numerous private schools in the Winston-Salem area, both secular and church-affiliated. Options include private schools that offer programs from kindergarten through 12th grade, while others focus on lower grade levels. There are also a number of publicly-funded charter schools in the area that offer a lottery system for enrollment.





HIGHER Education

Winston-Salem offers a diverse array of both public and private higher education institutions.

Wake Forest University (WFU) is a private, liberal arts university with approximately 5,400 undergraduates and 3,300 graduate and professional students. As a Top 30 National University, it consists of three campuses in Winston-Salem. Wake'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 45 majors and has an 11-to-one student-to-faculty ratio. 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's athletic facilities include **Truist Field**, the **David F. Couch Ballpark**, **Kentner Stadium**, **Wake Forest Tennis Center**, **Arnold Palmer Golf Complex/Haddock House**, **Spry Soccer Stadium**, and **Lawrence Joel Veterans Memorial Coliseum**.

For 25 years, *U.S. News & World Report* has ranked Wake Forest among the Top 30 on its National Universities list. It has also been recognized as a "Best Value" for its strong commitment to undergraduate teaching and its undergraduate business program. WFU's schools of law, business and medicine consistently rank among the nation's best graduate schools in the country.

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 ACC. Wake has won eight NCAA championships as well as in numerous Atlantic Coast Conference 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 34 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 5,100 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 its graduates can transform themselves and the world.

The University consistently ranks as the top university for producing graduates in the nursing, health sciences and education fields. It's been named as the top historically Black Nursing School in the nation and the best RN to BSN program in the state. Overall, WSSU is recognized as one of the top Historically Black Colleges and Universities by *U.S. News*, and *Money* magazine ranks it as one of the best in the nation for value.

The WSSU "Rams" athletic teams hold numerous titles at both the conference (CIAA) and national levels in basketball, football, baseball, wrestling, softball, track and field, and golf. WSSU's football, basketball and baseball programs have been ranked in the top 25 of the NCAA's Division II, and the University offers four men's and six women's varsity sports.

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 University of North Carolina system, UNCSA has about 1,300 students at the high school, undergraduate and master's levels who come to study from throughout the U.S. and the world.

Students must audition or interview for admission and are trained for careers through 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. UNCSA students participate in public performances and screenings annually in Winston-Salem and throughout the country.

Graduates of UNCSA have performed on Broadway, in the American Ballet Theatre, the New York Philharmonic, and in numerous TV shows and major films. Its alumni have either won, or been nominated for, all major awards in the entertainment industry including Tony, Oscar, Emmy, and Grammy awards.



UNCSA



CAROLINA UNIVERSITY

UNCSA's Schools of Dance, Design and Production, Drama and Filmmaking rank among the best in the country.

Celebrating its 250th anniversary, **Salem College** is the oldest educational institution for women and girls in the country and the 13th oldest college in the U.S. Established by Moravian settlers who championed independence for women in thought and action, the College is located in the Old Salem Museums and Gardens historic district. Many Moravian traditions remain at the heart of the college today. With an enrollment of about 940 students from around the globe, Salem is proud to have the most racially and ethnically diverse student population of any local four-year institution. The all-female liberal arts college offers a full range of undergraduate and graduate degrees as well as certificate programs for traditional college-age and adult students through its **Fleer Center for Adult Education**. In 2021, Salem announced a new approach to its liberal arts education to focus on elevating and expanding the role of women in Health Leadership.

The Salem "Spirits" athletic teams compete in Division III of the NCAA and are also members of the USA South Athletic Conference. *Money* magazine consistently ranks Salem as one of the "Best Buys" of colleges in America, and graduates consistently have a 90% acceptance rate into graduate-level health sciences programs.

Carolina University, formerly Piedmont International University and Piedmont Bible College, was founded in 1945 and offers a number of associate's, bachelor's, master's and doctoral degrees in fields including the liberal arts, ministry, teacher education and business. In a national environment of rising student debt, Carolina University offers an affordable academic curriculum with a Christian emphasis. In its early years, the University focused mainly on training students for the ministry and mission work but has expanded its offerings to address the latest employment trends and workplace skills gaps.

One innovative program is a bachelor's degree in criminal justice created in partnership with the

Forsyth County Sheriff's Department. Some classes will be taught by sheriff's deputies and held at the Sheriff's Department. Carolina University offers students the opportunity to compete in nine different sports through the National Christian College Athletic Association.

Forsyth Technical Community College has an enrollment of about 11,400 credit students, making it one of the largest community colleges in North Carolina. The college offers 86 Associated Degrees, 34 Diplomas and 78 Certificates in such fields as health care, engineering technologies, criminal justice, automotive technology, logistics management, nanotechnology, and biotechnology. Forsyth Tech has 24 degrees and certificates that can be earned 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 offers the only community college nanotechnology program in the southeast and 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's degree at no cost.

To fully support student, employer, and community needs, Forsyth Tech also provides customized training for employers as well as 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 key educational resource for thousands of adults going back to school or retraining for new skills.

SALEM COLLEGE



FORSYTH TECHNICAL COMMUNITY COLLEGE



COMMUNITY PROFILE



RIVER OTTER MURAL ON THE SIDES ROAD WATER TANK

Infrastructure

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

The Winston-Salem/Forsyth County Utility Commission oversees the public utilities that provide high quality water, wastewater and solid waste services to more than 361,000 residential, business and industrial users. It 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 up to 91 million gallons a day, drawn from the Yadkin River and Salem Lake. In 2020, these plants treated and pumped a total of 12.9 billion gallons of water that met or surpassed all state and federal standards for drinking water quality. The water distribution system includes more than 2,300 miles of water distribution mains, 14 water tanks and seven pumping stations.

Two wastewater treatment plants have a combined treatment capacity of up to 51 million gallons per day. The collection

system includes nearly 1,800 miles of sewer lines, 49 lift stations and one chemical odor control station. The plants treated 14.2 billion gallons of wastewater in 2020. The utilities budget for 2021-22 includes a 3.5% increase in fees. For the last several years, the division has focused on rebuilding aging water and infrastructure, some of it more than 80 years old, in older City neighborhoods.

A workforce of 380 employees operates and maintains WSFC Utilities, which receives no tax revenue and is sustained by user fees charged for water, wastewater and solid waste services.

For the last several years, the department has been rebuilding aging water and sewer infrastructure, some that is 80 or more years old, in older City neighborhoods.

Living up to its City of Arts and Innovation title, Winston-Salem received some light-hearted national recognition in spring 2021, when its Sides Road water tank won the **2021 Knope National Championship** for the river otter mural painted on its exterior. The tank was one of 85 national nominees in an online March Madness-style competition for municipal water facilities hosted online by Engaging Local Government Leaders. Thanks to publicity and social media campaigns by the **Arts Council of Winston-Salem**, global otter protection groups and local media encouraging the public to vote, the tank won every weekly bracket. In the final round, the colorful critter beat a wastewater reclamation facility in Athens, Georgia with 3,036 votes to 2,615.

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 900 MHz radio system.

The **Winston-Salem Police Department** marked the appointment of its 15th Chief of Police in 2017. **Chief Catrina A. Thompson** previously served as the assistant chief in charge of the Investigative Services Bureau and also has worked in the Patrol Division, Recruiting Unit, Training Division and the Criminal Investigations Division. She leads a department with 573 sworn officers and 175 civilian positions, and an annual budget of \$77.6 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 one main station. Renovations are underway to the **Vivian H. Burke Public Safety Center**, which continues to serve as the main location for the WSPD's administrative offices.

THE VIVIAN H. BURKE PUBLIC SAFETY CENTER CONTINUES TO SERVE AS THE MAIN LOCATION FOR THE WSPD ADMINISTRATIVE OFFICES.

The 2014 bond also included funds to replace, renovate or expand three aging facilities of the **Winston-Salem Fire Department**. Led by **Chief William "Trey" Mayo**, the WSFD serves the community by providing a timely response to calls involving fire and situations necessitating rescue. The City of Winston-Salem has 19 fire stations strategically located throughout the city and 368 firefighters. The stations are located to provide maximum coverage with an average response time of under five 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 local **Office of Emergency Management** coordinates activities within Winston-Salem and Forsyth County that contribute to the mitigation, preparedness, response, and recovery of 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.



CITY OF
Winston-Salem
NORTH CAROLINA

The Arts, Culture, and Entertainment Memorial Walk of Fame honors, with bronze stars, people who have made significant contributions to the arts and entertainment industry of Winston-Salem.

THE MEMORIAL WALK OF FAME OUTSIDE BENTON CONVENTION CENTER





Government Finance Officers Association

Certificate of
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**City of Winston-Salem
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

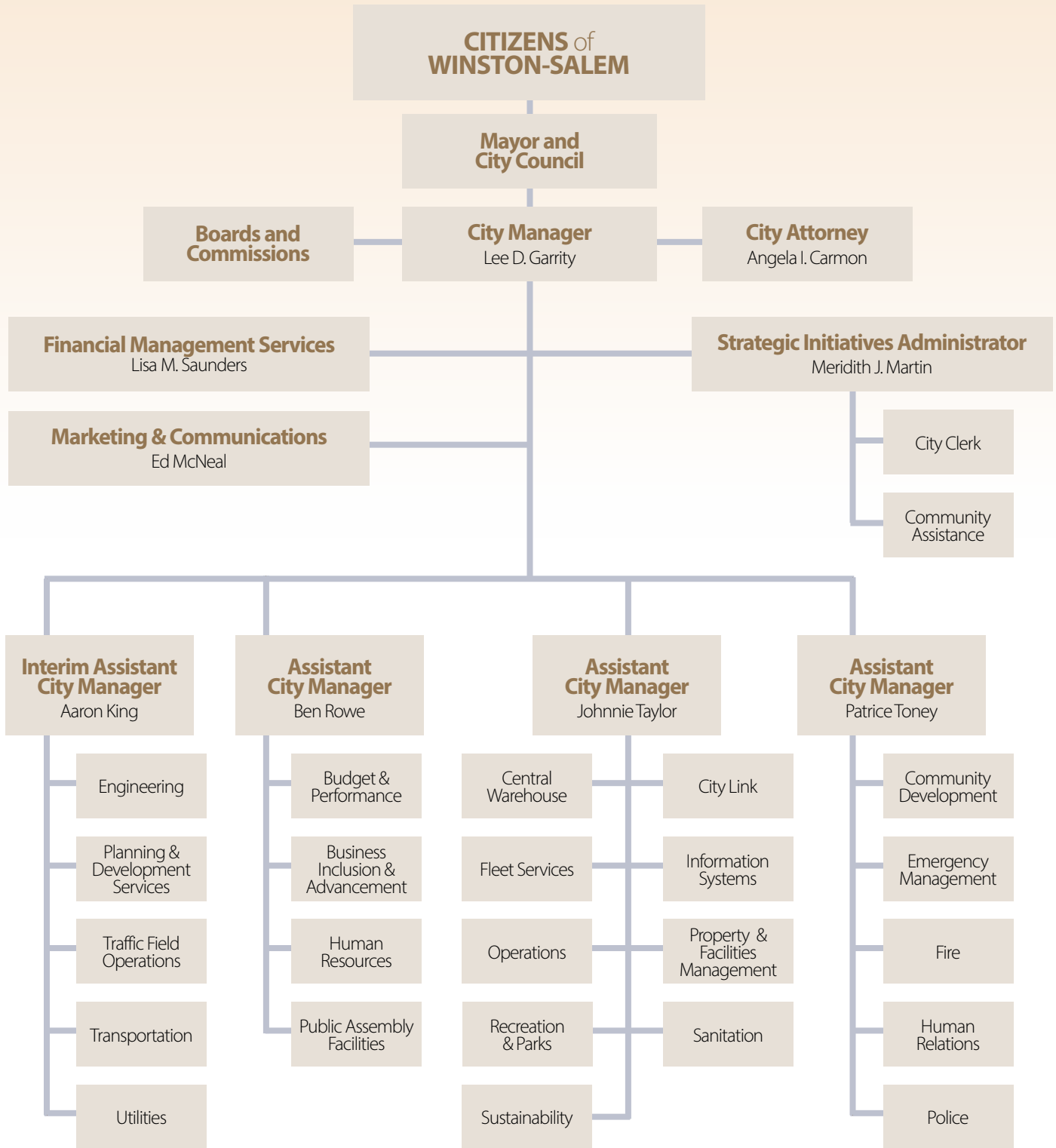
June 30, 2020

Christopher P. Morill

Executive Director/CEO

Winston-Salem

ORGANIZATIONAL CHART



Winston-Salem

MAYOR & CITY COUNCIL



Allen Joines
Mayor



Denise D. Adams
Mayor Pro Tempore
North Ward



Barbara H. Burke
Northeast Ward



Kevin Mundy
Southwest Ward



Robert C. Clark
West Ward



John C. Larson
South Ward



Jeff MacIntosh
Northwest Ward



Annette Scippio
East Ward



James Taylor, Jr.
Southeast Ward



Lee D. Garrity
City Manager

Aaron King, Interim Assistant City Manager

Ben Rowe, Assistant City Manager

Johnnie Taylor, Assistant City Manager

Patrice Toney, Assistant City Manager

Lisa M. Saunders, Chief Financial Officer

Ed McNeal, Marketing & Communications Director

Meridith J. Martin, Strategic Initiatives Administrator

General Counsel

Angela I. Carmon, City Attorney

Bond Counsel

Parker, Poe, Adams and Bernstein LLP

Charlotte & Raleigh, North Carolina

Financial Management Services

Kelly Latham, Deputy Financial Officer

Dewey M. Williard, Accounting Services Manager

Jerry J. Bates, Purchasing Director

Wayne Clemens, Payroll Manager

Maricelis Hernandez, Treasury Manager

Larissa Mathis, City Revenue Collector

Darin N. Webster, Risk Manager

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 Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City’s preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other 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 introductory section, combining and individual fund statements and schedules, statistical section, as well as the accompanying 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* ("Uniform Guidance"), and State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules, 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2021 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.

Cheryl Behrnt LLP

Charlotte, North Carolina
October 31, 2021

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, 2021. The financial statements and notes included in this report present the financial position and operations of the governmental and business 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

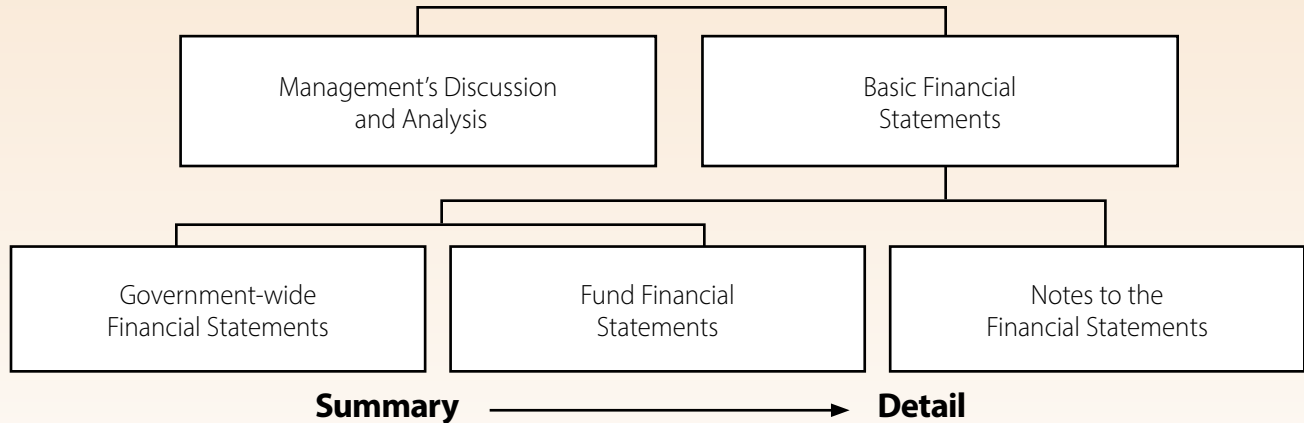
Highlights of the City's fiscal year ended June 30, 2021, include:

- City of Winston-Salem total net position increased approximately \$113 million from \$1.102 billion to \$1.215 billion.
- At June 30, 2021, total net position of \$1.215 billion included \$233 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.
- At June 30, 2021, the City's governmental funds reported combined fund balances of \$217.9 million. Approximately 15.18% of this amount is unassigned and is available for spending at the government's discretion.
- Unassigned fund balance of the general fund (approximately \$33.1 million) continues to meet working capital requirements. The City has adopted a financial policy to maintain a minimum unassigned fund balance of 14% of estimated expenditures in the general fund. The fiscal year 2022 budget includes a fund balance appropriation of \$1.35 million, a decrease of \$4.05 million compared to the fiscal year 2021 appropriation. The unassigned fund balance was 16.4% of 2022 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 \$25.4 million to \$967.3 million. Several key factors contributed to this decrease: the retirement of \$13.3 million in general obligation bonds, the issuance of \$90.6 million in general obligation bonds, including refunding of \$24.1 million general obligation bonds, the retirement of \$640 thousand in special obligation bonds, the retirement of \$18.8 million in revenue bonds, retirement of \$20.8 million limited obligation bonds, and retirement of \$11.25 million in installment financing contracts. The City received funding from Clean Water State Revolving Loan Fund for \$2.9 million and retired \$6.1 million. The City had a decrease in net pension and OPEB liabilities of \$35.8 million.
- Property taxes supported 58% of governmental services to citizens and the community, and 48.5% of mass transportation expenses in 2021. The City maintained the tax rate of \$.6374 for fiscal year 2021.
- City of Winston-Salem maintained its AAA bond rating from all three major rating agencies.

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 two component units, Risk Acceptance Management Corporation and North Carolina Municipal Leasing Corporation. Although legally separate, financial information for these nonprofit corporations is blended in the financial statements because under federal tax regulations they may provide 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 89% 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.

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. Risk Acceptance Management Corporation, a blended component unit, 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 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 at June 30, 2021 (as shown in Exhibit 1) with comparative data for June 30, 2020.

Net Position

Figure 2

(dollars in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 314,483	\$ 230,591	\$ 304,663	\$ 273,194	\$ 619,146	\$ 503,785
Capital assets	537,299	504,916	1,144,059	1,113,169	1,681,358	1,618,085
Net OPEB Asset	10,224	-	1,875	-	12,099	-
Total assets	862,006	735,507	1,450,597	1,386,363	2,312,603	2,121,870
Deferred outflows of resources	43,996	46,102	26,414	27,732	70,410	73,834
Long-term liabilities	415,414	410,697	550,227	575,333	965,641	986,030
Other liabilities	100,042	57,554	49,920	40,238	149,962	97,792
Total liabilities	515,456	468,251	600,147	615,571	1,115,603	1,083,822
Deferred inflows of resources	49,403	8,213	2,921	1,572	52,324	9,785
Net position:						
Net investment in capital assets	234,367	205,989	638,058	589,924	872,425	795,913
Restricted	107,419	77,921	1,875	-	109,294	77,921
Unrestricted	(643)	21,235	234,010	207,028	233,367	228,263
Total net position	\$ 341,143	\$ 305,145	\$ 873,943	\$ 796,952	\$ 1,215,086	\$ 1,102,097

As indicated above, assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$1.215 billion at June 30, 2021. Analysis of the business-type activities indicates that the capital assets increased \$30.9 million in fiscal year 2021 and net position increased \$77 million.

A large portion of the City's net position (71%) at June 30, 2021, are 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, 7.1% of the City's net position, represents resources that are subject to external restrictions, such as the perpetual care fund.

At June 30, 2021, the City is able to report positive balances in all three categories of net position; however, governmental activities reports a negative unrestricted net position of \$642 thousand, a decrease of \$21.9 million. The negative unrestricted net position is expected to return to a positive value in the future as the City pays down the outstanding long-term debt.

Governmental Activities

Net position of governmental activities increased by \$36 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 2.8%. The 2021 property tax rate was \$0.6374, which remained the same as compared to 2020. Current real and personal property tax collections during fiscal year 2021 were 99.4% of the current year levy.
- General revenues, other than property taxes, increased \$6.4 million, including a sales tax increase of \$7.3 million, which was 15.5% higher than 2020. Telecommunications sales tax decreased \$275 thousand, which was 17.3% less than 2020. Investment income increased \$27 thousand, which was 1% greater than 2020.
- Program revenues provided 23.2% of the support for governmental services.
- Total governmental expenses decreased \$11.1 million during fiscal year 2021. Expenditures in fiscal year 2020 were elevated due to above average expenditures for retirements for fire personnel and expenditures related to COVID-19, as compared to fiscal year 2021.
- Federal and state grants are an important source of supplementary funding for public facilities and programs. During fiscal year 2021, the City received 21.2 million in grant revenue for restricted programs.

Business-type Activities

Net position of business-type activities increased by \$77 million, primarily attributable to charges for services and investment income. 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 4.98 cents collected in property taxes to be used for mass transportation.

Business-type Activities

June 30, 2021

Figure 3

(dollars in thousands)

	Operating Revenues	Operating Expenses Before Depreciation	Depreciation Expense	Nonoperating Revenues (Expenses)	Capital Contributions	Transfers In (Out)	Increase (Decrease) Net Position
Water and sewer utility	\$ 118,157	\$ 47,958	\$ 31,020	\$ 1,717	\$ 7,698	\$ (270)	\$ 48,324
Solid waste disposal	12,267	8,977	3,018	7,253	-	469	7,994
Stormwater management	11,090	5,393	1,261	3,496	1,231	(2,073)	7,090
Parking	404	954	484	369	-	37	(628)
Transit Authority	984	19,683	2,632	17,529	9,039	(12)	5,225
Public assembly facilities management	1,486	4,083	1,993	(562)	-	2,371	(2,781)
Risk Acceptance Management Corp.	1,131	3,383	-	14,019	-	-	11,767
Total	\$ 145,519	\$ 90,431	\$ 40,408	\$ 43,821	\$ 17,968	\$ 522	\$ 76,991

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 \$60.5 million of which \$33.1 million was unassigned. At year-end unassigned fund balance was 14.85% of 2022 budgeted expenditures. The fund balance of the general fund increased \$11.45 million during the fiscal year.

Figure 4 presents the changes in net position of the City of Winston-Salem.

Changes in Net Position

Figure 4

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 34,455	\$ 34,571	\$ 145,519	\$ 146,973	\$ 179,974	\$ 181,544
Operating grants and contributions	20,452	16,740	8,401	11,130	28,853	27,870
Capital grants and contributions	806	1,399	17,969	15,287	18,775	16,686
General revenues:						
Property taxes	139,315	135,466	11,170	10,789	150,485	146,255
Sales taxes	54,679	47,331	-	-	54,679	47,331
Other local taxes	920	1,135	-	-	920	1,135
Telecommunications sales tax	1,312	1,588	-	-	1,312	1,588
Utilities sales tax	13,783	14,083	-	-	13,783	14,083
Piped natural gas sales tax	841	755	-	-	841	755
Video programming tax	1,891	1,948	-	-	1,891	1,948
Local tax reimbursements	1,022	1,047	-	-	1,022	1,047
Gain on disposal of capital assets	567	-	-	-	567	-
Investment income	2,865	2,837	40,342	6,394	43,207	9,231
Other	3,594	3,084	-	-	3,594	3,084
Total revenues	276,502	261,984	223,401	190,573	499,903	452,557
Expenses:						
General government	34,021	34,700	-	-	34,021	34,700
Public protection	111,171	121,977	-	-	111,171	121,977
Environmental health	19,939	19,498	-	-	19,939	19,498
Transportation	19,966	18,660	-	-	19,966	18,660
Culture and recreation	14,202	14,462	-	-	14,202	14,462
Community and economic development	30,128	30,385	-	-	30,128	30,385
Interest and fiscal charges	10,557	11,426	-	-	10,557	11,426
Water and sewer utility	-	-	93,232	96,705	93,232	96,705
Solid waste disposal	-	-	12,227	11,439	12,227	11,439
Stormwater management	-	-	6,960	7,459	6,960	7,459
Parking	-	-	1,447	1,434	1,447	1,434
Transit Authority	-	-	23,039	21,852	23,039	21,852
Public assembly facilities management	-	-	6,642	8,350	6,642	8,350
Risk Acceptance Management Corp.	-	-	3,383	1,533	3,383	1,533
Total expenses	239,984	251,108	146,930	148,772	386,914	399,880
Increase in net position before transfers	36,518	10,876	76,471	41,801	112,989	52,677
Transfers						
Government-wide	(520)	785	520	(785)	-	-
Increase (decrease) in net position	35,998	11,661	76,991	41,016	112,989	52,677
Net position - beginning	305,145	293,484	796,952	755,936	1,102,097	1,049,420
Net position - ending	\$ 341,143	\$ 305,145	\$ 873,943	\$ 796,952	\$ 1,215,086	\$ 1,102,097

The debt service fund has a fund balance of \$46.3 million at June 30, 2021, an increase of \$12.8 million, all of which is restricted for payment of debt service.

The fund balance of the capital projects fund increased \$22.6 million, to \$56.5 million at June 30, 2021, all of which is appropriated for capital projects.

General Fund Budgetary Highlights. Differences between the original budget and the final amended budget resulted in increased appropriations of \$6 million during fiscal year 2021. The general fund revenues recognized a favorable budget variance of \$11.5 million during 2020-2021. The City's general fund budget had a favorable expenditure variance of \$10 million.

Major budget amendments included an increase in appropriations of \$3.2 million for carry over encumbrances, a decrease in appropriations of fund balance as a result of receiving \$2.7 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act grant funds, an additional \$1 million to fund anti-poverty initiatives developed by the Citizens Investment Review Committee, an increase of \$1 million to cover increased costs for Sanitation, and an \$883 thousand increase to cover expenditures for the City's public facilities funds, due to the impacts of COVID-19.

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 were \$622.3 million, \$62.5 million and \$36.9 million at June 30, 2021, respectively. The net position of the water and sewer fund increased \$48.3 million primarily due to charges for services, capital contributions, and investment income. Investment income increased \$11.8 million as compared to fiscal year 2021. The water and sewer fund rates remained unchanged as compared to the fiscal year 2020 rates.

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, 2021, totals \$1.68 billion (net of accumulated depreciation). These assets include land, buildings, improvements other than buildings (infrastructure assets, such as streets, sidewalks, water and sewer lines), machinery and equipment, and construction in progress.

Capital Assets (net of depreciation)

June 30, 2021 with Comparative Data for June 30, 2020

Figure 5

(dollars in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 79,848	\$ 79,576	\$ 47,256	\$ 46,029	\$ 127,104	\$ 125,605
Buildings	152,812	148,844	172,220	179,445	325,032	328,289
Improvements other than buildings	204,839	194,880	681,412	655,367	886,251	850,247
Machinery and equipment	28,217	29,875	32,921	27,902	61,138	57,777
Construction in progress	71,583	51,741	210,250	204,426	281,833	256,167
Total	\$ 537,299	\$ 504,916	\$ 1,144,059	\$ 1,113,169	\$ 1,681,358	\$ 1,618,085

Major capital asset transactions during the year include the following:

- Construction in progress for governmental activities was \$71.6 million, which reflects construction of street widening and resurfacing projects, improvements to recreation centers and parks, improvements to fire stations, and other economic development projects.
- Business-type capital assets increased \$30.9 million which included major improvements to the extension of water and sewer lines, South Fork improvements, hydrant replacement, and the R. W. Neilson modernization project.

Additional information on the City's capital assets is included in Note 3D 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; leasing 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.

At June 30, 2021, the City had total bonded debt outstanding of \$577 million, of which, \$212 million is backed by the City's full faith and credit and taxing power of the City and \$365 million in bonds 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 and special obligation bonds are secured by the City's sales tax revenue.

Bonded Debt and Contractual Obligations Outstanding

Figure 6

June 30, 2021 with Comparative Data for June 30, 2020

(dollars in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds						
General obligation	\$ 206,505	\$ 153,330	\$ -	\$ -	\$ 206,505	\$ 153,330
Revenue	-	-	364,755	383,560	364,755	383,560
Special obligation	5,730	6,370	-	-	5,730	6,370
Contractual Obligation:						
NCMLC	95,559	102,670	27,766	30,785	123,325	133,455
State loan	-	-	82,795	85,927	82,795	85,927
Other	27,375	38,625	-	-	27,375	38,625
Total	\$ 335,169	\$ 300,995	\$ 475,316	\$ 500,272	\$ 810,485	\$ 801,267

The City has \$123.3 million in contractual lease obligations to the North Carolina Municipal Leasing Corporation ("NCMLC") for certificates of participation and limited obligation bonds issued by the corporation for property and equipment acquired by the City under lease agreements and issued to increase the funding level of the Winston-Salem Police Officers' Retirement System. Capital leases have funded equipment and certain real property acquired under the City's leasing program for many years. NCMLC, a non-profit organization, issues limited obligation bonds from time to time for acquisition of real property and equipment expected to be acquired over approximately 24 months. Issues for equipment requisitions have been between \$18 and \$25 million every other year since 1996. The City has \$27.4 million in outstanding installment purchase loans and \$82.8 million in loan obligations through the NC Clean Water State Revolving Loan Fund.

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. Just over 60% of outstanding general obligation bonds will be repaid within 10 years as shown in the following schedule.

General Obligation Bond Debt Service

Figure 7

(dollars in thousands)

Maturities	Principal	Percent of Total	Interest and Principal
2022-2026	\$ 66,925	32.40%	\$ 96,881
2027-2031	58,085	28.13	76,762
2032-2036	59,880	29.00	67,629
2037-2040	21,615	10.47	22,657
	\$ 206,505	100.00%	\$ 263,929

The City maintained AAA bond ratings from Moody's Investors Service, Standard & Poor's, and Fitch Ratings. The bond ratings are a clear indication of the sound financial condition of the City of Winston-Salem, which is one of a few cities in the country that maintains the highest financial rating from all three of the major rating agencies.

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 \$1,681,584,889.

Additional information regarding the City's long-term debt can be found in Note 3G.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities. The general fund accounts for municipal services that are covered primarily by property and sales taxes. The fiscal year 2021-2022 adopted budget is \$221.7 million, an increase of \$7.6 million or 3.5% compared to the fiscal year 2020-2021 adopted budget. The major drivers of the increase are related to costs associated with establishing a diversity, equity, and inclusion (DEI) office, investments in employees (reinstates merit pay at a 2.5% average, increases minimum wage to \$15 per hour, adds a 2% Public Safety supplemental pay adjustments), a new contract for upgraded police body cameras, and increased investments in capital projects and capital outlay.

During fiscal year 2020-21, in response to the economic recession, U.S Congress passed the CARES Act, that provided direct payments to individuals, businesses and local governments. As a result, the City has experienced significant growth in sales tax and the property tax base (based on the 2021 reappraisal of real property). Therefore, the FY 2021-22 budget is based on recovery, restoration, and maintaining a standard of excellence in delivering public services to our community.

The City received funding from the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund (CLFRF) in the amount of \$25.85 million during fiscal year 2021. The funds received in fiscal year 2021 have been reported as an unearned revenue and will be recognized as revenue when the funds are obligated. These funds have been budgeted in the fiscal year 2022 budget. In addition, the City expects to receive an additional \$25.85 million in fiscal year 2022 in ARPA funds.

The City has maintained a AAA credit rating, and through strict adherence to sound budget principles and fiscal policies, it will be imperative to maintain this status.

The proposed fiscal year 2021-2022 operations budget is balanced with a proposed tax rate of 61.24 cents per \$100, which is a 2.5 cent decrease from the current rate of 63.74 cents.

Business-type Activities. The City/County Utility Commission approved a resolution recommending to the Mayor and the City Council the adoption of the fiscal year 2021-2022 budget for the water and sewer system. The recommended budget includes a volumetric and readiness to serve rate increase of 3.5% for water and sewer services.

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

June 30, 2021

Exhibit 1

Page 1 of 2

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents/investments	\$ 259,038,053	\$ 210,154,145	\$ 469,192,198
Receivables			
Taxes, net	960,733	78,025	1,038,758
Accounts, net	3,705,692	19,354,663	23,060,355
Leases	1,830,000	-	1,830,000
Assessments, net	635,869	97,909	733,778
Loans, net	20,712,086	-	20,712,086
Total receivables	27,844,380	19,530,597	47,374,977
Due from other governments	23,685,911	11,869,351	35,555,262
Internal balances	1,143,359	(1,143,359)	-
Inventories	2,703,890	4,778,013	7,481,903
Prepaid items	67,100	8,343	75,443
Total current assets	314,482,693	245,197,090	559,679,783
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents/investments	-	58,966,155	58,966,155
Net OPEB asset	10,224,031	1,875,155	12,099,186
Capital assets			
Land	79,847,817	47,255,535	127,103,352
Construction in progress	71,582,864	210,250,020	281,832,884
Other capital assets, net of accumulated depreciation	385,868,457	886,553,921	1,272,422,378
Accounts receivables	-	500,000	500,000
Total noncurrent assets	547,523,169	1,205,400,786	1,752,923,955
Total assets	862,005,862	1,450,597,876	2,312,603,738
Deferred Outflows of Resources			
Pension deferrals	40,205,750	5,428,385	45,634,135
Charge on refunding	3,790,728	20,985,590	24,776,318
Total deferred outflows of resources	43,996,478	26,413,975	70,410,453

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

City of Winston-Salem, North Carolina

Statement of Net Position

June 30, 2021

Exhibit 1

Page 2 of 2

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 24,680,451	\$ 16,936,294	\$ 41,616,745
Accrued payroll	1,212,387	339,640	1,552,027
Accrued vacation	6,464,583	1,246,035	7,710,618
Employee taxes and amounts withheld	-	6,710	6,710
Accrued interest payable	1,115,954	1,513,677	2,629,631
Loan escrow	8,602	-	8,602
Unearned revenue	34,512,446	1,221,749	35,734,195
Advances from other governments	-	44,458	44,458
Landfill closure and postclosure costs	-	366,000	366,000
Pollution remediation	-	19,635	19,635
Current maturities			
Claims payable	5,269,464	-	5,269,464
Contracts payable	12,763,270	8,875,725	21,638,995
Bonds payable	14,015,000	19,350,000	33,365,000
Total current liabilities	100,042,157	49,919,923	149,962,080
Noncurrent Liabilities			
Contracts payable from restricted assets	-	14,906,170	14,906,170
Accrued vacation	8,523,980	1,079,316	9,603,296
Net pension liability	70,205,724	9,868,998	80,074,722
Landfill closure and postclosure costs	-	20,883,585	20,883,585
Pollution remediation	-	1,931,961	1,931,961
Claims payable	3,216,665	2,868,543	6,085,208
Contracts payable	115,251,759	102,140,682	217,392,441
Bonds payable	218,215,762	396,548,230	614,763,992
Total noncurrent liabilities	415,413,890	550,227,485	965,641,375
Total liabilities	515,456,047	600,147,408	1,115,603,455
Deferred Inflows of Resources			
Pension deferrals	34,136,359	30,490	34,166,849
OPEB deferrals	15,266,988	2,816,786	18,083,774
Charge on refunding	-	73,631	73,631
Total deferred inflows of resources	49,403,347	2,920,907	52,324,254
Net Position			
Net investment in capital assets	234,366,934	638,058,023	872,424,957
Restricted for:			
Stabilization by state statute	28,474,608	-	28,474,608
Debt service	43,401,693	-	43,401,693
General government	78,935	-	78,935
Public protection	3,559,550	-	3,559,550
Transportation	5,937,423	-	5,937,423
Culture and recreation	596,964	-	596,964
Community and economic development	9,883,203	-	9,883,203
OPEB	10,224,031	1,875,155	12,099,186
Perpetual care			
Nonexpendable	5,262,114	-	5,262,114
Unrestricted	(642,509)	234,010,358	233,367,849
Total net position	\$ 341,142,946	\$ 873,943,536	\$1,215,086,482

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

City of Winston-Salem, North Carolina

Statement of Activities

For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Activities:				
Governmental:				
General government	\$ 34,021,230	\$ 16,329,762	\$ 171,518	\$ -
Public protection	111,171,364	4,602,172	4,201,533	31,880
Environmental health	19,939,166	1,426,839	-	-
Transportation	19,966,122	4,100,649	7,865,995	774,383
Culture and recreation	14,201,946	641,093	-	-
Community and economic development	30,128,749	7,354,628	8,212,831	-
Interest and fiscal charges	10,557,262	-	-	-
Total governmental activities	239,985,839	34,455,143	20,451,877	806,263
Business-type:				
Water and sewer utility	93,232,560	118,156,556	192,988	7,698,626
Solid waste disposal	12,227,035	12,266,693	723,099	-
Stormwater management	6,959,722	11,089,995	38,352	1,231,121
Parking	1,447,463	404,346	375,200	-
Transit Authority	23,038,976	984,222	7,070,572	9,039,467
Public assembly facilities management	6,642,279	1,486,664	1,151	-
Risk Acceptance Management Corporation	3,382,981	1,130,735	-	-
Total business-type activities	146,931,016	145,519,211	8,401,362	17,969,214
Total Primary Government	\$ 386,916,855	\$ 179,974,354	\$ 28,853,239	\$ 18,775,477

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Activities:			
Governmental:			
General government	\$ (17,519,950)	\$ -	\$ (17,519,950)
Public protection	(102,335,779)	-	(102,335,779)
Environmental health	(18,512,327)	-	(18,512,327)
Transportation	(7,225,095)	-	(7,225,095)
Culture and recreation	(13,560,853)	-	(13,560,853)
Community and economic development	(14,561,290)	-	(14,561,290)
Interest and fiscal charges	(10,557,262)	-	(10,557,262)
Total governmental activities	(184,272,556)	-	(184,272,556)
Business-type:			
Water and sewer utility	-	32,815,610	32,815,610
Solid waste disposal	-	762,757	762,757
Stormwater management	-	5,399,746	5,399,746
Parking	-	(667,917)	(667,917)
Transit Authority	-	(5,944,715)	(5,944,715)
Public assembly facilities management	-	(5,154,464)	(5,154,464)
Risk Acceptance Management Corporation	-	(2,252,246)	(2,252,246)
Total business-type activities	-	24,958,771	24,958,771
Total Primary Government	(184,272,556)	24,958,771	(159,313,785)
General revenues:			
Taxes:			
Property taxes	139,314,797	11,169,671	150,484,468
Sales taxes	54,678,675	-	54,678,675
Gross receipts taxes	382,720	-	382,720
Occupancy taxes	537,520	-	537,520
Beer and wine excise tax-state	1,022,164	-	1,022,164
Telecommunications sales tax	1,312,485	-	1,312,485
Utilities sales tax	13,783,080	-	13,783,080
Piped natural gas sales tax	841,770	-	841,770
Video programming tax	1,890,996	-	1,890,996
Payments in lieu of taxes	232,406	-	232,406
ABC store allocations	3,361,961	-	3,361,961
Gain on disposal of capital assets	567,108	-	567,108
Investment income	2,865,176	40,342,572	43,207,748
Transfers			
Government-wide	(520,031)	520,031	-
Total general revenues and transfers	220,270,827	52,032,274	272,303,101
Change in net position	35,998,271	76,991,045	112,989,316
Total net position - beginning	305,144,675	796,952,491	1,102,097,166
Total net position - ending	\$ 341,142,946	\$ 873,943,536	\$1,215,086,482

City of Winston-Salem, North Carolina

Balance Sheet Governmental Funds

June 30, 2021

Exhibit 3

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents/investments	\$ 46,295,886	\$ 43,527,377	\$ 63,888,977	\$ 68,323,534	\$ 222,035,774
Receivables					
Taxes, net	784,939	172,787	-	3,007	960,733
Accounts, net	2,628,343	1,024,426	5,280	43,597	3,701,646
Leases	-	-	1,830,000	-	1,830,000
Assessments, net	635,487	-	382	-	635,869
Loans	-	-	-	20,712,086	20,712,086
Total receivables	4,048,769	1,197,213	1,835,662	20,758,690	27,840,334
Due from other governments	17,844,924	2,573,156	347,849	2,919,982	23,685,911
Due from other funds	1,252,348	-	-	-	1,252,348
Inventories	370,300	-	-	612,757	983,057
Prepaid items	67,100	-	-	-	67,100
Total assets	\$ 69,879,327	\$ 47,297,746	\$ 66,072,488	\$ 92,614,963	\$275,864,524
Liabilities					
Accounts payable	\$ 6,624,879	\$ 49,243	\$ 7,750,182	\$ 3,630,061	\$ 18,054,365
Accrued payroll	1,151,606	-	-	590	1,152,196
Loan escrow	2,592	-	-	6,010	8,602
Unearned revenue	169,725	4,834	-	34,363,517	34,538,076
Total liabilities	7,948,802	54,077	7,750,182	38,000,178	53,753,239
Deferred Inflows of Resources					
Taxes	784,939	172,787	-	3,007	960,733
Leases	-	-	1,830,000	-	1,830,000
Accounts and Assessments	635,487	800,000	382	-	1,435,869
Total deferred inflows of resources	1,420,426	972,787	1,830,382	3,007	4,226,602
Fund Balances					
Nonspendable					
Inventories	370,300	-	-	612,757	983,057
Prepays	67,100	-	-	-	67,100
Perpetual care	-	-	-	5,262,114	5,262,114
Restricted					
Stabilization by state statute	25,605,419	2,869,189	-	-	28,474,608
Debt service	-	43,401,693	-	-	43,401,693
Capital improvements	-	-	53,522,859	-	53,522,859
General government	-	-	-	78,935	78,935
Public protection	-	-	-	3,559,550	3,559,550
Transportation	-	-	-	5,937,423	5,937,423
Culture and recreation	-	-	-	596,964	596,964
Community and economic development	-	-	-	9,883,203	9,883,203
Committed					
Capital improvements	-	-	2,969,065	-	2,969,065
Community and economic development	-	-	-	28,727,937	28,727,937
Assigned					
Subsequent year's budget	1,350,000	-	-	-	1,350,000
Unassigned	33,117,280	-	-	(47,105)	33,070,175
Total fund balances	60,510,099	46,270,882	56,491,924	54,611,778	217,884,683
Total liabilities, deferred inflows of resources, and fund balances	\$ 69,879,327	\$ 47,297,746	\$ 66,072,488	\$ 92,614,963	\$275,864,524

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

City of Winston-Salem, North Carolina
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position

June 30, 2021

Exhibit 3.1

Total fund balances for governmental funds (Exhibit 3)	\$ 217,884,683
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	823,508,778
Accumulated depreciation	(286,209,640)
Net OPEB asset	10,224,031
Pension deferrals in the current fiscal year are deferred outflows of resources on the statement of net position.	40,205,750
Other assets not available to pay for current period expenditures and, therefore, are inflows of resources in fund statements.	8,042,960
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.	23,445,763
Net pension liability	(70,205,724)
Pension related deferrals	(34,136,359)
OPEB related deferrals	(15,266,988)
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:	
Accrued vacation	(14,988,563)
Accrued interest	(1,115,954)
Contracts payable	(128,015,029)
Bonds payable	(232,230,762)
Net position of governmental activities (Exhibit 1)	<u>\$ 341,142,946</u>

City of Winston-Salem, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Fiscal Year Ended June 30, 2021

Exhibit 4

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 160,367,106	\$ 33,745,506	\$ -	\$ 1,184,422	\$ 195,297,034
Licenses and permits	6,775,520	-	-	446,454	7,221,974
Intergovernmental	21,776,974	1,346,817	806,263	20,340,056	44,270,110
Investment income	-	359,079	338,144	1,425,064	2,122,287
Charges for services	18,634,588	-	-	-	18,634,588
Capital lease charges	-	8,003	459,293	-	467,296
Other	2,886,369	1,962,687	2,691,851	675,601	8,216,508
Total revenues	210,440,557	37,422,092	4,295,551	24,071,597	276,229,797
Expenditures					
Current					
General government	32,733,941	-	-	7,097	32,741,038
Public protection	111,803,680	-	-	4,105,948	115,909,628
Environmental health	20,078,464	-	-	-	20,078,464
Transportation	11,430,712	-	-	2,096,640	13,527,352
Culture and recreation	11,495,629	-	-	469,551	11,965,180
Community and economic development	13,682,853	-	-	14,194,756	27,877,609
Other	-	766,575	-	-	766,575
Capital outlay	-	-	46,452,542	-	46,452,542
Debt service					
Principal retirement					
Bond	-	11,230,000	-	-	11,230,000
Other	-	7,986,183	11,400,000	-	19,386,183
Interest and fiscal charges					
Bond	-	7,712,936	-	-	7,712,936
Other	-	3,972,460	818,225	-	4,790,685
Total expenditures	201,225,279	31,668,154	58,670,767	20,873,992	312,438,192
Excess of revenues over (under) expenditures	9,215,278	5,753,938	(54,375,216)	3,197,605	(36,208,395)
Other Financing Sources (Uses)					
Premium on general obligation bonds	-	8,463,940	883,173	-	9,347,113
Issuance of general obligation bonds	-	24,170,000	66,475,000	-	90,645,000
Capital leases	-	-	8,533,559	-	8,533,559
Payment to refunded bonds escrow agent	-	(27,476,440)	-	-	(27,476,440)
Transfers in	11,101,578	2,610,230	2,819,453	4,776,851	21,308,112
Transfers out	(8,864,911)	(700,000)	(1,767,650)	(10,370,952)	(21,703,513)
Total other financing sources (uses), net	2,236,667	7,067,730	76,943,535	(5,594,101)	80,653,831
Net change in fund balances	11,451,945	12,821,668	22,568,319	(2,396,496)	44,445,436
Fund balance – beginning	49,058,154	33,449,214	33,923,605	57,008,274	173,439,247
Fund balances – ending	\$ 60,510,099	\$ 46,270,882	\$ 56,491,924	\$ 54,611,778	\$ 217,884,683

The accompanying notes are an integral part of the financial 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, 2021

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)	\$ 44,445,436
<p>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.</p>	
Capital outlay expenditures which were capitalized	45,566,273
Depreciation expense for governmental assets	(18,941,290)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	378,354
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	10,208,593
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(468,546)
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.	2,611,685
<p>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.</p>	
Debt issued:	
Premium on general obligation bonds	(9,347,113)
Issuance of general obligation bonds	(90,645,000)
Payment to refunded GO bonds escrow agent	27,476,440
Capital leases	(8,533,559)
Decrease in contracts payable	6,060,420
Repayments:	
Bonds	11,230,000
Certificates of participation/limited obligation bonds	19,386,183
<p>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.</p>	
Pension expense	(11,066,055)
OPEB expense	6,340,352
Accrued vacation	(646,341)
Amortization of financing costs	1,878,809
Accrued interest on bonds	(66,581)
Accrued interest on limited obligation bonds	130,211
Change in net position of governmental activities (Exhibit 2)	\$ 35,998,271

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

City of Winston-Salem, North Carolina
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2021

Exhibit 5
Page 1 of 5

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Property taxes				
Current levy	\$ 110,634,120	\$ 110,634,120	\$ 112,227,066	\$ 1,592,946
Prior years levies	450,000	450,000	975,260	525,260
Penalty and interest on taxes	400,000	400,000	513,667	113,667
Total property taxes	111,484,120	111,484,120	113,715,993	2,231,873
Other local taxes				
Local option sales taxes	34,990,090	34,990,090	46,268,393	11,278,303
Gross receipts taxes	360,000	360,000	382,720	22,720
Total other local taxes	35,350,090	35,350,090	46,651,113	11,301,023
Total taxes	146,834,210	146,834,210	160,367,106	13,532,896
Licenses and permits				
Building permits	1,328,270	1,328,270	1,678,222	349,952
Electrical permits	1,008,000	1,008,000	1,237,802	229,802
Plumbing permits	423,000	423,000	485,452	62,452
Heating permits	652,500	652,500	775,489	122,989
Erosion control permits	-	-	1,400	1,400
Zoning board ordinances	16,000	16,000	17,660	1,660
Other construction related permits	100,350	100,350	123,560	23,210
Site inspection permits	7,000	7,000	13,710	6,710
Zoning permits	249,000	249,000	242,760	(6,240)
Refrigeration permits	5,850	5,850	6,701	851
Privilege licenses and penalties	11,000	11,000	6,635	(4,365)
Motor vehicle licenses	1,776,230	1,776,230	1,929,885	153,655
Other licenses and permits	244,060	274,060	256,244	(17,816)
Total licenses and permits	5,821,260	5,851,260	6,775,520	924,260
Intergovernmental revenues				
Beer and wine excise tax - state	1,040,140	1,040,140	1,022,164	(17,976)
Telecommunications sales tax	1,437,550	1,437,550	1,312,485	(125,065)
Utilities sales tax	14,556,190	14,556,190	13,783,080	(773,110)
Piped natural gas sales tax	789,140	789,140	841,770	52,630
Video programming tax	1,866,890	1,866,890	1,890,996	24,106
Payments in lieu of taxes	217,700	217,700	232,406	14,706
Emergency management	62,500	62,500	81,253	18,753
Other state grants	-	-	371,513	371,513
ABC store allocations	1,622,930	1,622,930	2,241,307	618,377
Total intergovernmental revenues	21,593,040	21,593,040	21,776,974	183,934

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

City of Winston-Salem, North Carolina
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2021

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	\$ 47,253	\$ (45,547)
Transportation	305,000	305,000	229,775	(75,225)
Public works services	1,172,540	1,172,540	1,584,063	411,523
Governmental services	844,760	844,760	585,903	(258,857)
Miscellaneous sales and services	225,500	225,500	237,205	11,705
Total governmental services and sales	2,640,600	2,640,600	2,684,199	43,599
Charges to State of North Carolina				
Highway maintenance/special projects	224,760	224,760	152,377	(72,383)
Traffic control devices	375,000	375,000	290,052	(84,948)
Computerized traffic system	100,000	100,000	149,231	49,231
Total charges to state	699,760	699,760	591,660	(108,100)
Charges to Other Governments				
Forsyth County				
Planning board support	1,456,860	1,456,860	1,268,826	(188,034)
Emergency management	430,780	430,780	417,583	(13,197)
Inspections	259,040	259,040	-	(259,040)
Purchasing	142,310	142,310	138,096	(4,214)
Police	435,170	435,170	460,992	25,822
Other	24,000	24,000	18,686	(5,314)
Total charges to county	2,748,160	2,748,160	2,304,183	(443,977)
Interfund charges for services				
Engineering	1,325,000	1,325,000	991,385	(333,615)
Financial management services	1,223,500	1,223,500	1,222,592	(908)
Streets	300,000	300,000	302,199	2,199
Planning	20,000	20,000	4,188	(15,812)
Property management	1,309,330	1,309,330	1,270,281	(39,049)
Sanitation	40,000	40,000	38,390	(1,610)
Police	441,500	3,131,704	2,899,738	(231,966)
Real estate	100,000	100,000	89,390	(10,610)
Street cuts	297,500	297,500	4,387	(293,113)
Indirect cost allocation	5,469,610	5,469,610	5,526,768	57,158
Traffic engineering	427,000	427,000	377,639	(49,361)
Vegetation management services	75,000	75,000	71,449	(3,551)
Human relations	-	-	5,000	5,000
Fire	429,470	429,470	138,733	(290,737)
Telecommunications	8,170	8,170	-	(8,170)
TURN program	166,660	166,660	112,027	(54,633)
Other	-	-	380	380
Total interfund charges for services	11,632,740	14,322,944	13,054,546	(1,268,398)
Total charges for sales and services	17,721,260	20,411,464	18,634,588	(1,776,876)

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

City of Winston-Salem, North Carolina
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2021

Exhibit 5
Page 3 of 5

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Other revenues				
Rentals	\$ 470,330	\$ 470,330	\$ 402,717	\$ (67,613)
Sales of property	310,000	310,000	478,539	168,539
Parking meters	110,000	110,000	51,148	(58,852)
Parking tickets	220,000	220,000	126,867	(93,133)
Fines and forfeitures	729,200	729,200	543,464	(185,736)
Miscellaneous revenue	2,425,756	2,427,484	1,283,634	(1,143,850)
Total other revenues	4,265,286	4,267,014	2,886,369	(1,380,645)
Total revenues	196,235,056	198,956,988	210,440,557	11,483,569
Expenditures (by function)				
General government				
Legislative	1,711,290	1,713,901	1,636,254	77,647
Executive	3,705,550	3,711,034	3,403,717	307,317
Staff services	8,127,350	7,615,169	7,258,633	356,536
Financial management	7,474,880	7,518,182	6,840,362	677,820
Intergovernmental services	12,850,050	12,810,650	11,220,650	1,590,000
Employee health	1,065,490	1,232,160	1,182,780	49,380
Human relations	532,970	533,251	508,036	25,215
Property tax collections	719,840	816,888	683,509	133,379
Total general government	36,187,420	35,951,235	32,733,941	3,217,294
Public protection				
Police	77,324,970	77,839,745	77,040,321	799,424
Fire	33,836,450	34,208,950	34,060,080	148,870
Emergency management	710,930	714,673	703,279	11,394
Total public protection	111,872,350	112,763,368	111,803,680	959,688
Environmental health				
Sanitation administration	834,800	928,422	926,857	1,565
Organic and solid waste collection	8,850,000	10,073,321	10,239,821	(166,500)
Sustainability	2,115,210	2,115,210	2,017,019	98,191
Yard waste collections	1,220,990	1,171,641	1,154,248	17,393
Curbside collection	5,825,770	5,766,308	5,740,519	25,789
Total environmental health	18,846,770	20,054,902	20,078,464	(23,562)

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

City of Winston-Salem, North Carolina
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2021

Exhibit 5
Page 4 of 5

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (by function continued)				
Transportation				
Technical support	\$ 2,075,220	\$ 2,205,220	\$ 1,722,616	\$ 482,604
Signal system operations	476,410	613,254	387,749	225,505
Traffic system maintenance	6,120,610	6,344,091	5,126,329	1,217,762
Street parking	355,840	355,840	308,229	47,611
Streets and sidewalks	5,794,180	6,648,302	3,885,789	2,762,513
Total transportation	14,822,260	16,166,707	11,430,712	4,735,995
Culture and recreation				
Recreation administration	1,115,740	1,155,146	1,082,844	72,302
Participant recreation	11,752,220	12,120,193	10,412,785	1,707,408
Total culture and recreation	12,867,960	13,275,339	11,495,629	1,779,710
Community and economic development				
Zoning and construction control	4,885,730	5,013,034	4,399,449	613,585
Real estate management	417,040	417,040	401,135	15,905
Planning board	2,507,760	2,549,305	2,345,646	203,659
Housing services	4,566,990	4,581,453	3,607,679	973,774
Housing and neighborhood development	831,270	1,061,270	849,531	211,739
Housing finance repayment	196,510	196,510	196,510	-
Economic development	1,307,860	1,307,869	1,016,186	291,683
Community agencies	837,800	966,073	866,717	99,356
Total community and economic development	15,550,960	16,092,554	13,682,853	2,409,701
Other				
Appropriated expenditure reductions	(3,067,150)	(3,067,150)	-	(3,067,150)
Total other	(3,067,150)	(3,067,150)	-	(3,067,150)
Total expenditures	207,080,570	211,236,955	201,225,279	10,011,676
Excess of expenditures (over) under revenues	(10,845,514)	(12,279,967)	9,215,278	21,495,245

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

City of Winston-Salem, North Carolina
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2021

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	\$ 996,450	\$ 1,176,450	\$ 751,512	\$ (424,938)
Gasoline tax fund	5,146,100	5,146,100	4,103,651	(1,042,449)
Economic and housing development fund	4,000,000	4,000,000	4,000,000	-
Capital projects fund	37,730	37,730	37,730	-
Cemetery perpetual care fund	208,814	208,814	208,814	-
Water and sewer utility fund	85,670	85,670	78,785	(6,885)
Stormwater fund	1,866,830	1,866,830	1,796,456	(70,374)
Workers' compensation fund	124,630	124,630	124,630	-
Total transfers in	<u>12,466,224</u>	<u>12,646,224</u>	<u>11,101,578</u>	<u>(1,544,646)</u>
Transfers out				
Grants fund	(708,760)	(1,711,560)	(1,639,941)	71,619
Economic and housing development fund	(3,124,630)	(3,124,630)	(3,124,630)	-
Debt service fund	(1,910,230)	(1,910,230)	(1,910,230)	-
Capital projects fund	(327,120)	(327,120)	(327,120)	-
Public assembly facilities management fund	(979,970)	(1,862,990)	(1,862,990)	-
Total transfers out	<u>(7,050,710)</u>	<u>(8,936,530)</u>	<u>(8,864,911)</u>	<u>71,619</u>
Total other financing sources, net	<u>5,415,514</u>	<u>3,709,694</u>	<u>2,236,667</u>	<u>(1,473,027)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>(5,430,000)</u>	<u>(8,570,273)</u>	<u>11,451,945</u>	<u>20,022,218</u>
Fund balance July 1	49,058,154	49,058,154	49,058,154	-
Fund balance June 30	<u>\$ 43,628,154</u>	<u>\$ 40,487,881</u>	<u>\$ 60,510,099</u>	<u>\$ 20,022,218</u>

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

City of Winston-Salem, North Carolina

Statement of Net Position – Proprietary Funds

June 30, 2021

Exhibit 6

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
Assets						
Current Assets						
Cash and cash equivalents/investments	\$ 86,145,069	\$ 37,035,373	\$ 4,095,017	\$ 29,029,722	\$ 156,305,181	\$ 90,851,243
Receivables for uncollectibles						
Taxes, net	-	-	78,025	-	78,025	-
Accounts, net	16,596,363	326,312	112,594	2,319,394	19,354,663	4,046
Assessments, net	97,909	-	-	-	97,909	-
Total receivables	16,694,272	326,312	190,619	2,319,394	19,530,597	4,046
Due from other governments	631,200	55,871	10,147,228	1,035,052	11,869,351	-
Inventories	4,496,297	-	281,716	-	4,778,013	1,720,833
Prepaid expenses	-	-	-	8,343	8,343	-
Total current assets	107,966,838	37,417,556	14,714,580	32,392,511	192,491,485	92,576,122
Noncurrent Assets						
Restricted assets						
Cash and cash equivalents/investments	37,566,520	21,249,585	-	150,050	58,966,155	-
Net OPEB asset	1,442,402	159,800	-	272,953	1,875,155	517,299
Capital assets						
Land	19,165,310	12,747,199	2,239,883	13,103,143	47,255,535	801,682
Construction in progress	193,257,793	1,096,495	3,898,707	11,997,025	210,250,020	17,754
Other capital assets, net of accumulated depreciation	764,176,824	18,831,883	24,060,820	79,484,394	886,553,921	5,334,162
Accounts receivables	-	-	-	500,000	500,000	-
Total noncurrent assets	1,015,608,849	54,084,962	30,199,410	105,507,565	1,205,400,786	6,670,897
Total assets	1,123,575,687	91,502,518	44,913,990	137,900,076	1,397,892,271	99,247,019
Deferred Outflows of Resources						
Pension deferrals	4,175,608	462,606	-	790,171	5,428,385	1,497,525
Charge on refunding	20,976,490	-	-	9,100	20,985,590	-
Total deferred outflows of resources	25,152,098	462,606	-	799,271	26,413,975	1,497,525
Liabilities						
Current Liabilities						
Accounts payable	7,072,384	1,233,569	7,102,455	1,460,690	16,869,098	6,693,282
Accrued payroll	168,248	18,903	122,633	29,856	339,640	60,191
Accrued vacation	467,506	41,967	646,418	90,144	1,246,035	301,859
Employee taxes and amounts withheld	-	-	6,710	-	6,710	-
Accrued interest payable	1,432,156	13,279	-	68,242	1,513,677	-
Due to other funds	-	-	-	1,143,359	1,143,359	108,989
Unearned revenue	7,499	-	80,155	1,134,095	1,221,749	-
Advances from other governments	-	-	44,458	-	44,458	-
Landfill closure and postclosure costs	-	366,000	-	-	366,000	-
Pollution remediation	-	-	-	19,635	19,635	-
Current maturities						
Claims payable	-	-	-	-	-	5,269,464
Contracts payable	6,156,881	1,293,373	-	1,425,471	8,875,725	792,512
Bonds payable	18,765,000	-	-	585,000	19,350,000	-
Total current liabilities	34,069,674	2,967,091	8,002,829	5,956,492	50,996,086	13,226,297
Noncurrent Liabilities						
Contracts payable from restricted assets	14,906,170	-	-	-	14,906,170	-
Accrued vacation	832,035	76,004	-	171,277	1,079,316	170,772
Net pension liability	7,591,404	841,033	-	1,436,561	9,868,998	2,722,555
Landfill closure and postclosure costs	-	20,883,585	-	-	20,883,585	-
Pollution remediation	-	-	-	1,931,961	1,931,961	-
Claims payable	-	-	-	-	-	6,085,208
Contracts payable	78,541,055	4,497,711	-	19,101,916	102,140,682	982,646
Bonds payable	388,211,957	-	-	8,336,273	396,548,230	-
Total noncurrent liabilities	490,082,621	26,298,333	-	30,977,988	547,358,942	9,961,181
Total liabilities	524,152,295	29,265,424	8,002,829	36,934,480	598,355,028	23,187,478
Deferred Inflows of Resources						
Pension deferrals	23,453	2,598	-	4,439	30,490	8,411
OPEB deferrals	2,152,620	235,545	-	428,621	2,816,786	761,031
Charge on refunding	73,631	-	-	-	73,631	-
Total deferred inflows of resources	2,249,704	238,143	-	433,060	2,920,907	769,442
Net Position						
Net investment in capital assets	505,829,118	26,884,493	30,199,410	75,145,002	638,058,023	4,378,440
Restricted for OPEB	1,442,402	159,800	-	272,953	1,875,155	517,299
Unrestricted	115,054,266	35,417,264	6,711,751	25,913,852	183,097,133	71,891,885
Total net position	\$ 622,325,786	\$ 62,461,557	\$ 36,911,161	\$ 101,331,807	823,030,311	\$ 76,787,624
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					50,913,225	
Net position of business-type activities					\$ 873,943,536	

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

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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, 2021

Exhibit 7

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
Operating Revenues						
Sales	\$ 110,547,921	\$ -	\$ -	\$ -	\$ 110,547,921	\$ -
Charges for services	7,028,010	12,249,357	662,737	11,754,053	31,694,157	82,447,313
Other	580,625	17,336	321,485	1,226,952	2,146,398	2,825,642
Total operating revenues	118,156,556	12,266,693	984,222	12,981,005	144,388,476	85,272,955
Operating Expenses						
Personal services	21,380,170	2,532,508	13,362,119	4,207,463	41,482,260	7,616,778
Maintenance and operations	26,577,246	6,443,363	6,321,220	6,222,296	45,564,125	76,703,184
Total operating expenses before depreciation	47,957,416	8,975,871	19,683,339	10,429,759	87,046,385	84,319,962
Depreciation	31,020,380	3,018,332	2,632,381	3,738,436	40,409,529	1,083,895
Total operating expenses	78,977,796	11,994,203	22,315,720	14,168,195	127,455,914	85,403,857
Operating income (loss)	39,178,760	272,490	(21,331,498)	(1,187,190)	16,932,562	(130,902)
Nonoperating Revenues (Expenses)						
Intergovernmental revenue	2,364	723,099	7,058,372	391,522	8,175,357	-
Property taxes	-	-	11,169,671	-	11,169,671	-
Investment income (loss)	15,779,016	6,762,813	11,883	3,769,590	26,323,302	14,762,159
Gain (loss) on disposal of assets	190,624	-	(723,256)	23,181	(509,451)	(1,013)
Damage settlements	-	-	12,200	-	12,200	-
Interest and fiscal expense	(16,701,517)	(313,405)	-	(949,348)	(17,964,270)	(126,905)
Amortization of financing costs	2,446,753	80,573	-	68,079	2,595,405	-
Total nonoperating revenues (expenses), net	1,717,240	7,253,080	17,528,870	3,303,024	29,802,214	14,634,241
Income (loss) before capital contributions and transfers	40,896,000	7,525,570	(3,802,628)	2,115,834	46,734,776	14,503,339
Capital Contributions	7,698,626	-	9,039,467	1,231,121	17,969,214	-
Transfers In	120,720	468,573	-	2,480,192	3,069,485	-
Transfers Out	(391,167)	-	(12,280)	(2,146,007)	(2,549,454)	(124,630)
Total transfers	(270,447)	468,573	(12,280)	334,185	520,031	(124,630)
Change in net position	48,324,179	7,994,143	5,224,559	3,681,140	65,224,021	14,378,709
Total net position – beginning	574,001,607	54,467,414	31,686,602	97,650,667		62,408,915
Total net position – ending	\$ 622,325,786	\$ 62,461,557	\$ 36,911,161	\$ 101,331,807		\$ 76,787,624
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					11,767,024	
Change in net position of business-type activities					\$ 76,991,045	

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

City of Winston-Salem, North Carolina

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2021

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	\$ 116,085,749	\$ 12,114,217	\$ 944,598	\$ 11,594,710	\$ 140,739,274	\$ 85,271,610
Cash payments to suppliers for goods and services	(24,388,732)	(5,072,401)	(5,782,069)	(6,156,950)	(41,400,152)	(74,722,245)
Cash payments to employees for services	(21,173,571)	(2,336,502)	(13,316,990)	(3,957,465)	(40,784,528)	(7,478,289)
Net cash provided (used) by operating activities	70,523,446	4,705,314	(18,154,461)	1,480,295	58,554,594	3,071,076
Cash Flows from Noncapital Financing Activities						
Intergovernmental revenue	291,066	724,509	9,391,756	264,814	10,672,145	-
Property taxes	-	-	10,529,743	-	10,529,743	-
Repayments to other funds	-	-	-	-	-	(313,257)
Advances from other funds	-	-	-	1,143,359	1,143,359	-
Advances from other governments	-	-	44,458	-	44,458	-
Repayments of advanced funds	-	-	-	-	-	-
Transfers in	120,720	468,573	-	2,213,520	2,802,813	-
Transfers out	(391,167)	-	(12,280)	(2,146,007)	(2,549,454)	(124,630)
Net cash provided (used) by noncapital financing activities	20,619	1,193,082	19,953,677	1,475,686	22,643,064	(437,887)
Cash Flows from Capital and Related Financing Activities						
Proceeds from issuance of state loans	2,935,791	-	-	-	2,935,791	-
Intergovernmental revenue	-	-	2,680,227	572,561	3,252,788	-
Property taxes	-	-	674,921	-	674,921	-
Capital contributions	2,422,638	-	-	44,900	2,467,538	-
Transfers in	-	-	-	266,672	266,672	-
Acquisition of property and equipment	(52,630,620)	(426,203)	(2,224,172)	(2,977,893)	(58,258,888)	(21,646)
Retirement of bonds	(18,235,000)	-	-	(570,000)	(18,805,000)	-
Retirement of contracts payable	(7,126,223)	(1,543,975)	-	(2,309,866)	(10,980,064)	(1,000,568)
Interest and fiscal expense paid on bonds	(14,685,582)	-	-	(285,383)	(14,970,965)	-
Interest and fiscal expense paid on contracts payable	(2,028,063)	(316,051)	-	(669,075)	(3,013,189)	(126,905)
Debt issuance costs	(52,558)	-	-	-	(52,558)	-
Proceeds from sale of assets	191,224	-	29,305	23,181	243,710	68,847
Damage settlements	-	-	12,200	-	12,200	-
Net cash provided (used) by capital financing activities	(89,208,393)	(2,286,229)	1,172,481	(5,904,903)	(96,227,044)	(1,080,272)
Cash Flows from Investing Activities						
Investment income (loss)	15,779,016	6,762,813	11,883	3,769,590	26,323,302	14,762,159
Net increase (decrease) in cash	(2,885,312)	10,374,980	2,983,580	820,668	11,293,916	16,315,076
Cash and cash equivalents/investments July 1	126,596,901	47,909,978	1,111,437	28,359,104	203,977,420	74,536,167
Cash and cash equivalents/ investments June 30	\$ 123,711,589	\$ 58,284,958	\$ 4,095,017	\$ 29,179,772	\$ 215,271,336	\$ 90,851,243

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

City of Winston-Salem, North Carolina

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2021

Exhibit 8

Page 2 of 2

	Enterprise Funds					Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds	Total	
Reconciliation of Cash and Cash Equivalents/Investments						
Cash and investments – current	\$ 86,145,069	\$ 37,035,373	\$ 4,095,017	\$ 29,029,722	\$ 156,305,181	\$ 90,851,243
Cash and investments – restricted	37,566,520	21,249,585	-	150,050	58,966,155	-
Cash and cash equivalents/investments June 30	\$ 123,711,589	\$ 58,284,958	\$ 4,095,017	\$ 29,179,772	\$ 215,271,336	\$ 90,851,243
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 39,178,760	\$ 272,490	\$ (21,331,498)	\$ (1,187,190)	\$ 16,932,562	\$ (130,902)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation expense	31,020,380	3,018,332	2,632,381	3,738,436	40,409,529	1,083,895
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources						
(Increase) decrease in receivables	(2,070,307)	(152,476)	(6,118)	(1,313,177)	(3,542,078)	(1,345)
(Increase) decrease in inventories	(262,611)	-	30,159	-	(232,452)	(55,559)
(Increase) decrease in prepaid expenses	-	-	-	(8,343)	(8,343)	-
(Increase) decrease in net OPEB asset	(1,442,402)	(159,800)	-	(272,953)	(1,875,155)	(517,299)
(Increase) decrease in deferred outflows of resources - pensions	(944,152)	(54,209)	-	(90,599)	(1,088,960)	(288,473)
(Increase) decrease in deferred outflows of resources - OPEB	292,004	31,001	-	61,392	384,397	98,026
Increase (decrease) in net pension liability	2,181,778	351,697	-	541,662	3,075,137	797,233
Increase (decrease) in net OPEB liability	(919,582)	(102,702)	-	(195,519)	(1,217,803)	(352,551)
Increase (decrease) in deferred inflows of resources - pensions	(112,811)	2,598	-	(18,245)	(128,458)	(73,714)
Increase (decrease) in deferred inflows of resources - OPEB	1,141,068	126,416	-	215,930	1,483,414	409,228
Increase (decrease) in accounts payable	2,451,125	459,557	508,992	(21,024)	3,398,650	(1,112,010)
Increase (decrease) in accrued payroll	58,877	6,865	41,746	7,729	115,217	19,659
Increase (decrease) in employee taxes and deductions	-	-	6,710	-	6,710	-
Increase (decrease) in unearned revenue	(500)	-	(33,506)	(73,118)	(107,124)	-
Increase (decrease) in accrued vacation	(48,181)	(5,860)	(3,327)	601	(56,767)	46,380
Increase in landfill closure and postclosure costs	-	911,405	-	-	911,405	-
Increase (decrease) in claims payable	-	-	-	-	-	3,114,435
Increase (decrease) in contracts payable	-	-	-	94,713	94,713	34,073
Total adjustments	31,344,686	4,432,824	3,177,037	2,667,485	41,622,032	3,201,978
Net cash provided (used) by operating activities	\$ 70,523,446	\$ 4,705,314	\$ (18,154,461)	\$ 1,480,295	\$ 58,554,594	\$ 3,071,076

Noncash Investing, Capital, and Financing Activities

The City entered into leases for new property and equipment and incurred capital lease obligations of \$1,901,073 and \$3,508,100 during the years ended June 30, 2021, and 2020, respectively. The City received contributed land amounting to \$5,275,988 and \$9,460,633 during the years ended June 30, 2021, and 2020, respectively, from various developers. The City accrued intergovernmental revenues of \$4,536,213 and \$1,080,235 during the years ended June 30, 2021 and 2020, respectively.

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

City of Winston-Salem, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2021

Exhibit 9

	Benefits Trust Fund
Assets	
Cash and cash equivalents/investments	\$ 13,810,355
Investments, at fair value	
Domestic stock and ADRs	183,638,510
Corporate bonds	15,457,206
Municipal bonds	15,116,822
Mutual funds	83,374,170
Total assets	<u>311,397,063</u>
Deferred Outflows of Resources	
Pension deferrals	<u>25,655</u>
Liabilities	
Accounts payable	509,813
Accrued payroll	1,023
Accrued vacation	7,314
Unearned revenue	4,325
Net pension liability	44,085
Claims payable	972,351
Total liabilities	<u>1,538,911</u>
Deferred Inflows of Resources	
Pension deferrals	<u>1,347</u>
Net Position	
Restricted for pensions	226,196,903
Restricted for post-employment benefits other than pensions	83,685,557
Total net position	<u><u>\$ 309,882,460</u></u>

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

City of Winston-Salem, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended June 30, 2021

Exhibit 10

	Benefits Trust Fund
Additions	
Contributions	
Employer	\$ 10,917,993
Plan members	3,517,327
Total contributions	<u>14,435,320</u>
Investment income	
Net appreciation in fair value	80,057,577
Interest and dividends	4,571,682
Total investment income	<u>84,629,259</u>
Less investment expense	1,173,611
Net investment income	<u>83,455,648</u>
Total additions	<u>97,890,968</u>
Deductions	
Benefits	23,253,676
Refund of contributions	166,797
Administrative expense	254,172
Total deductions	<u>23,674,645</u>
Net decrease in net position	74,216,323
Net position - beginning	<u>235,666,137</u>
Net position - ending	<u><u>\$ 309,882,460</u></u>

Notes to the Financial Statements

June 30, 2021

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 two legally separate component units that have significant financial relationships because they provide 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 corporations are included in this report as blended component units.

Risk Acceptance Management Corporation administers auto liability, general liability, workers' compensation claims which exceed the sum of \$250,000, health care claims which exceed the sum of \$250,000, and certain tort claims made against the City. The financial statements of the corporation are included as an internal service fund in the City's financial statements.

North Carolina Municipal Leasing Corporation assists the City by financing certain real and personal property under contractual lease agreements. The assets and related long-term lease 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.

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 City reports the following major proprietary 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 Acceptance Management Corporation that is a component unit blended in the City fund financial statements.

Fiduciary Funds account for 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. Proceeds of general long-term debt and proceeds from capital leases are reported as other financial sources. General capital asset acquisitions are reported as expenditures.

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. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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, debt service, certain special revenue, and proprietary funds.

Project or program budgets spanning more than one fiscal year are adopted, and amended as required, for certain special revenue, capital projects, and proprietary capital improvements. Special revenue fund budgets adopted under project ordinances, including community development, grants, economic and housing development, and emergency telephone system fund, as well as the capital projects fund budgets, are reported by program authorizations. The City's internal service funds operate under a financial plan that was adopted by the governing board at the time the City's budget ordinance was approved.

Administrative control is exercised through the establishment of detailed line item budgets. Budget amendments to total expenditures of any fund or 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, except project or program budgets, 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 their 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" on the statement of net position.

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.

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 2017 tax levy. A revaluation will be effective with the 2021 tax levy for fiscal year 2022. The City's fiscal year 2021 tax rate was .6374 mils, allocated as follows: .4746 mils for general purposes, .1130 mils for general debt service, and .0498 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 postclosure 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. As of June 30, 2021 the City has a Net OPEB Asset related to the Other Post-Employment Benefits Trust Fund. These assets are shown as restricted per the Trust Agreement.

Restricted Cash June 30, 2021

Business-type activities	
Water and sewer utility	
Unexpended bond proceeds	\$ 1,225
Equipment and replacement reserves	34,565,295
Economic development	3,000,000
Solid waste disposal	
Landfill closure and postclosure costs	21,249,585
Public assembly facilities management	
Capital reserve	150,050
Total business-type activities	<u>58,966,155</u>
Total restricted cash	<u>\$ 58,966,155</u>

5. 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.

6. Capital Assets

Capital assets, which include property, plant, equipment, 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 received prior to July 1, 2015 are recorded at their estimated fair value at the date of the donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, 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 and component units 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

7. 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, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has several items that meet this criterion, pension deferrals, contributions made to the pension plan in the current fiscal year, and deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

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 position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet this criterion, deferrals of

pension expense, deferrals of OPEB expense, deferred charge on refunding, and advances from other governments in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The advances from other governments are grants received in advance of meeting the GASB 33 timing requirements in governmental funds. The governmental funds also report unavailable revenues from taxes, leases, and assessments.

8. 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.

9. 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.

10. Net Position/Fund Balances

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position are 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, 2021

Stabilization by state statute	\$ 28,474,608
Debt service	43,401,693
OPEB	12,099,186
Other purposes	
Nonmajor governmental	25,318,189
Total	\$ 109,293,676

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.

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.

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 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 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.

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 capital improvements – portion of fund balance committed by City Council for capital improvements.

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 2021-2022 Budget Ordinance and as approved by City Council on June 21, 2021 that is not already classified in restricted or committed.

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 of Winston-Salem 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 of Winston-Salem's financial policy is to maintain a minimum unassigned fund balance of 14% of the estimated general fund expenditures.

Fund Balance June 30, 2021

Nonspendable	
Inventories	\$ 983,057
Prepays	67,100
Perpetual care	5,262,114
Restricted	
Stabilization by state statute	28,474,608
Debt service	43,401,693
Capital improvements	53,522,859
General government	78,935
Public protection	3,559,550
Transportation	5,937,423
Culture and recreation	596,964
Community and economic development	9,883,203
Committed	
Capital improvements	2,969,065
Community and economic development	28,727,937
Assigned	
Subsequent year's budget	1,350,000
Unassigned	
	33,070,175
Total	\$ 217,884,683

11. 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 of Winston-Salem 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 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.

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.

2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, environmental health expenditures exceeded budget in the amount of \$23,562 in the general fund due to additional overtime costs incurred to ensure no delays in weekly refuse collection related to COVID-19; however, fund balance was available to cover the expenditures.

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, 2021, the City's deposits had a carrying value of \$223,361,964 and bank balance of \$225,010,978. Of the bank balance, \$1,547,439 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2021, the City maintained various petty cash funds totaling \$56,680.

2. Investments

The City's investment policy was adopted by the City Council in July 1999, (revised on April 15, 2013) and 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.

As of June 30, 2021, the City had the following investments and maturities:

Investment Type	Value	Less Than 6 Months	6 - 12 Months	Over 1 Year
Domestic stock and ADRs	\$ 278,006,414	\$ 278,006,414	\$ -	\$ -
USTreasuries	39,853,772	462,679	5,683,033	33,708,060
US government agencies	21,638,709	10,650,586	5,917,540	5,070,583
Corporate bonds	40,020,371	544,160	1,463,163	38,013,048
Municipal bonds	15,116,822	50,059	-	15,066,763
Mutual funds	140,299,750	140,299,750	-	-
Money market funds	16,322,060	16,322,060	-	-
NC Capital Management Trust Government Portfolio	64,878,874	64,878,874	-	-
Total	\$ 616,136,772	\$ 511,214,582	\$ 13,063,736	\$ 91,858,454

At June 30, 2021, the City's investment balances measured at fair value were as follows:

Investment Type	Fair Value	Fair Value Measurements Using	
		Level 1 Inputs	Level 2 Inputs
Domestic stock and ADRs	\$ 278,006,414	\$ 278,006,414	\$ -
US Treasuries	39,853,772	39,853,772	-
US government agencies	21,638,709	-	21,638,709
Corporate bonds	40,020,371	-	40,020,371
Municipal bonds	15,116,822	-	15,116,822
Mutual funds	140,299,750	135,704,601	4,595,149
Money market funds*	16,322,060	-	16,322,060
NC Capital Management Trust Government Portfolio	64,878,874	64,878,874	-
Total fair value investments	\$ 616,136,772	\$ 518,443,661	\$ 97,693,111

*Money market funds are measured at amortized cost.

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. Money market and open end mutual funds classified in Level 2 are valued using the NAV.

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 AAAm-mf by Moody's Investors Service as of June 30, 2021. The City's investments in US Agencies are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

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

Type of Bonds	S&P	Moody's	Fair Value
Municipal	AAA	AAA	\$ 336,317
	AAA	N/A	380,951
	AA+	AAA	677,360
	AA+	AA1	1,059,661
	AA+	N/R	100,000
	AA	AA1	840,165
	AA	AA2	343,348
	AA	AA3	177,991
	AA	A1	30,269
	AA	A2	1,089,849
	AA	BAA2	32,074
	AA	BAA3	198,421
	AA	N/A	1,779,218
	AA-	AA2	387,321
	AA-	AA3	600,947
	AA-	A1	330,351
	AA-	N/A	487,389
	A+	AA3	1,090,171
	A+	A1	500,745
	A+	N/A	28,079
	A	A1	520,516
	A	A2	501,827
	A	A3	409,996
	A-	A1	16,416
	A-	A2	94,964
	A-	N/A	151,872
	BBB+	A3	72,521
	BBB+	N/A	263,440
	BBB	BAA2	436,703
	BBB	N/A	98,004
	BBB-	N/A	50,260
	N/A	AA2	333,823
	N/A	A1	783,030
	N/A	A3	62,496
	N/A	BAA3	633,264
	N/A	N/A	118,267
	N/A	N/R	58,204
	N/A	N/R	40,592
Total Municipal			<u>15,116,822</u>

Type of Bonds (continued)

Corporate

S&P	Moody's	Fair Value
AAA	AAA	\$ 138,241
AAA	N/A	77,246
AA+	AA1	1,250,622
AA+	AA2	298,968
AA	AA2	207,556
AA	A1	446,354
AA	A2	406,395
AA	N/A	1,086,741
AA-	AA2	795,707
AA-	AA3	565,546
A+	AA2	363,341
A+	A1	1,841,573
A+	A2	363,939
A+	A3	100,836
A+	N/A	332,071
A+	WR	282,521
A	A1	850,322
A	A2	805,724
A	A3	38,047
A	BAA1	32,303
A	BAA2	55,961
A	BAA3	25,281
A	N/A	663,917
A-	A1	10,003
A-	A2	2,299,111
A-	A3	2,792,670
A-	BAA1	644,896
A-	BAA2	86,560
A-	WR	440,759
BBB+	A1	413,787
BBB+	A2	688,665
BBB+	A3	1,496,668
BBB+	BAA1	2,579,261
BBB+	BAA2	1,467,654
BBB+	BAA3	57,462
BBB+	BA1	190,645
BBB+	WR	237,401
BBB	A3	223,033
BBB	BAA1	1,531,563
BBB	BAA2	2,969,453
BBB	BAA3	1,025,366
BBB	N/A	1,943,552
BBB	WR	368,096
BBB-	BAA1	79,370
BBB-	BAA2	764,801
BBB-	BAA3	2,628,761
BBB-	BA1	245,096
BBB-	N/A	654,325
BB+	BAA3	45,328
BB-	BA2	14,280
BB-	WR	121,825
N/A	AAA	305,166
N/A	A1	310,287
N/A	A2	425,733
N/A	BAA3	452,887
N/A	N/A	969,117
N/A	N/R	421,082
N/R	BA1	21,348
N/R	WR	65,148
		<hr/>
		40,020,371
		<hr/>
		\$ 55,137,193

Total Corporate

Total

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, 2021

General fund	
Taxes receivable	\$ 1,220,795
Other receivables	3,550,308
Special revenue funds	
Nonmajor	
Taxes receivable	1,680
Other receivables	29,190,469
Debt service fund	
Taxes receivable	205,636
Enterprise funds	
Water and sewer utility	2,676,435
Solid waste disposal	1,843
Transit Authority	
Taxes receivable	109,437
Other receivables	5,745
Nonmajor	251,677
Total	\$ 37,214,025

C. Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables at June 30, 2021, is as follows:

	Interfund Payables	Interfund Receivables
General Fund	\$ -	\$ 1,252,348
Enterprise funds		
Public Assembly Facilities Management Fund	1,143,359	-
Internal service fund - Fleet Services Fund	108,989	-
Total	\$ 1,252,348	\$ 1,252,348

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.

Major transfers made in the year ended June 30, 2021, include: a transfer of \$1,796,456 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 \$751,512 to cover housing rehabilitation expenditures; a gasoline tax fund transfer to the general fund for \$4,103,651; a transfer from general fund to the grants fund for \$1,639,941 to cover the City's share of grant expenditures; a transfer from general fund to economic and housing development fund of \$3,124,630 to fund economic development projects; a general fund transfer to the public assembly facilities management fund for \$1,862,990 to cover operating expenses at The Benton, and Bowman Gray Stadium; a transfer from general fund to debt service fund of \$1,910,230 to cover debt service payments on economic development projects and the Bryce A. Stuart Building; a transfer from the economic and housing development fund to the general fund of \$4,000,000 which represented a loan payoff that occurred during 2020.

Transfers for Fiscal Year Ended June 30, 2021

	Transfers In	Transfers Out
General fund	\$ 11,101,578	\$ 8,864,911
Debt service fund	2,610,230	700,000
Capital projects fund	2,819,453	1,767,650
Special revenue funds		
Nonmajor	4,776,851	10,370,952
Enterprise funds		
Water and sewer utility	120,720	391,167
Solid waste disposal	468,573	-
Transit Authority	-	12,280
Nonmajor	2,480,192	2,146,007
Internal service funds	-	124,630
Total	\$ 24,377,597	\$ 24,377,597

D. Capital Assets

The following tables summarize the changes in the components of capital assets for the year ended June 30, 2021:

Governmental Activities

	Balance June 30, 2020	Increase	Transfers	Decrease	Balance June 30, 2021
Capital assets, not being depreciated:					
Land	\$ 79,575,643	\$ 4,100	\$ 521,111	\$ (253,037)	\$ 79,847,817
Construction in progress	51,741,640	39,503,695	(19,662,471)	-	71,582,864
Total capital assets, not being depreciated	131,317,283	39,507,795	(19,141,360)	(253,037)	151,430,681
Capital assets, being depreciated:					
Buildings	194,861,302	7,906,250	781,920	(44,800)	203,504,672
Improvements other than buildings	328,348,640	-	18,359,440	-	346,708,080
Machinery and equipment	122,215,507	5,526,243	-	(5,876,406)	121,865,344
Total capital assets, being depreciated	645,425,449	13,432,493	19,141,360	(5,921,206)	672,078,096
Less accumulated depreciation for:					
Buildings	46,017,024	4,719,925	-	(44,800)	50,692,149
Improvements other than buildings	133,468,619	8,400,505	-	-	141,869,124
Machinery and equipment	92,340,797	6,904,755	-	(5,597,186)	93,648,366
Total accumulated depreciation	271,826,440	\$ 20,025,185	\$ -	\$ (5,641,986)	286,209,639
Total capital assets, being depreciated, net	373,599,009				385,868,457
Governmental activities capital assets, net	\$ 504,916,292				\$ 537,299,138

Business-type Activities

	Balance June 30, 2020	Increase	Transfers	Decrease	Balance June 30, 2021
Capital assets, not being depreciated:					
Land	\$ 46,029,323	\$ -	\$ 1,226,812	\$ (600)	\$ 47,255,535
Construction in progress	204,426,208	55,491,808	(49,667,996)	-	210,250,020
Total capital assets, not being depreciated	250,455,531	55,491,808	(48,441,184)	(600)	257,505,555
Capital assets, being depreciated:					
Buildings	329,288,123	-	422,591	-	329,710,714
Improvements other than buildings	1,127,137,938	5,275,988	48,018,593	-	1,180,432,519
Machinery and equipment	84,600,061	11,285,507	-	(7,423,862)	88,461,706
Total capital assets, being depreciated	1,541,026,122	16,561,495	48,441,184	(7,423,862)	1,598,604,939
Less accumulated depreciation for:					
Buildings	149,843,019	7,647,730	-	-	157,490,749
Improvements other than buildings	471,771,128	27,249,129	-	-	499,020,257
Machinery and equipment	56,698,646	5,512,670	-	(6,671,304)	55,540,012
Total accumulated depreciation	678,312,793	\$ 40,409,529	\$ -	\$ (6,671,304)	712,051,018
Total capital assets, being depreciated, net	862,713,329				886,553,921
Business-type activities capital assets, net	\$ 1,113,168,860				\$ 1,144,059,476

The City has outstanding project authorizations for governmental activities capital projects in the amount of \$190,375,590 with \$47,581,303 in unexpended commitments and outstanding authorizations for capital projects in business-type activities amounting to \$302,999,049 with \$46,864,267 in unexpended commitments. Funding for these commitments has been identified in capital project ordinances and should not require future financing.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

	Depreciation Expense For Year Ended June 30, 2021
General government	\$ 2,763,067
Public protection	4,410,266
Environmental health	1,805,364
Transportation	6,881,578
Culture and recreation	2,586,518
Community and economic development	1,578,392
Total	\$ 20,025,185

Business-type Activities

	Depreciation Expense For Year Ended June 30, 2021
Water and sewer utility	\$ 31,020,380
Solid waste disposal	3,018,332
Transit Authority	2,632,381
Parking	484,127
Stormwater management	1,261,341
Public assembly facilities management	1,992,968
Total	\$ 40,409,529

E. Operating Leases

The City leases land, building space, and certain operating equipment under non-cancelable operating leases terminating during fiscal years 2022 through 2040. Renewal options of one to five years are available to the City under certain of these agreements. Total expense on operating leases was \$1,995,750 during fiscal year 2021.

Future Minimum Commitments for Operating Leases

2022	\$ 2,541,998
2023	2,250,733
2024	2,110,497
2025	1,804,572
2026	1,799,097
2027-2031	2,089,472
2032-2036	1,229,073
2037-2041	877,638
Total	\$ 14,703,080

F. 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, 2021, \$87,035,000 of these bonds were unissued.

In fiscal year 2021, the City issued \$6,005,000 in general obligation bonds at net interest cost of 1.82%. The proceeds will be used for streets and recreation projects. The City also issued \$44,140,000 in general obligation bonds and \$16,330,000 in taxable general obligation bonds at a net interest of 1.94% and .95%, respectively. The proceeds will be used for streets, public safety improvement, recreation, housing and economic development projects. General obligation refunding bonds were issued in the amount of \$18,300,000 at a net interest cost of .88%. The proceeds were used to refund \$2,905,000 of the general obligation bonds series 2008, \$2,870,000 of the general obligation bonds series 2010A, \$9,420,000 of the general obligation bonds series 2010B, and \$6,300,000 of the general obligation bonds series 2010D. The City also issued taxable general obligation refunding bonds in the amount of \$5,870,000 at a net interest cost of .98%. The proceeds were used to partially refund \$5,385,000 of the general obligation taxable bonds series 2012B. These refundings will save the City \$3,230,522 in future debt service over the remaining life of the bonds and results in an economic gain (net present value savings) of \$3,135,287.

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 \$1.68 billion.

General Obligation Bonds Debt Service Requirements to Maturity are:

Fiscal Year	Governmental Activities	
	Principal	Interest
2022	\$ 13,345,000	\$ 6,958,213
2023	13,860,000	6,461,658
2024	14,475,000	5,981,345
2025	12,465,000	5,486,545
2026	12,780,000	5,068,012
2027-2031	58,085,000	18,677,042
2032-2036	59,880,000	7,749,302
2037-2040	21,615,000	1,041,794
Total	\$ 206,505,000	\$ 57,423,911

Special Obligation Bonds

The City issued special obligation bonds in fiscal year 2013 with interest rates ranging from 3% to 5% to refund the special obligation bonds Series 2002, to partially refund the Special Obligation Bonds Series 2005, and to make infrastructure capital improvements to the Wake Forest Innovation Quarter. The bonds are payable exclusively from pledged revenues. 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.

Special Obligation Bonds Debt Service Requirements to Maturity are:

Fiscal Year	Governmental Activities	
	Principal	Interest
2022	\$ 670,000	\$ 214,775
2023	700,000	184,225
2024	725,000	158,725
2025	755,000	129,725
2026	315,000	99,525
2027-2031	1,770,000	318,525
2032-2033	795,000	42,862
Total	\$ 5,730,000	\$ 1,148,362

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, 2021 were \$8,470,000 with interest rates ranging from 3.0% to 4.0%, which are payable over the next 13 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, 2021, and the ratio was 6. 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 \$10,262,919. The principal and interest paid in the fiscal year ended June 30, 2021 was \$855,394.

Stormwater Fee Revenue Bonds Debt Service Requirements to Maturity are:

Fiscal Year	Business-type Activities	
	Principal	Interest
2022	\$ 585,000	\$ 268,294
2023	610,000	244,893
2024	630,000	226,594
2025	655,000	201,394
2026	675,000	181,744
2027-2031	3,680,000	592,969
2032-2034	1,635,000	77,031
Total	\$ 8,470,000	\$ 1,792,919

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, and 2020. The amended and restated general trust agreement dated March 1, 2020, 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, 2021, and the ratio was 2.37. 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 \$491,016,906. The principal and interest paid in the fiscal year ended June 30, 2021 was \$33,145,967.

Water and sewer revenue bonds outstanding at June 30, 2021 were \$356,285,000 with interest rates between .83 % and 5.00%, which are payable over the next 27 years.

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

<u>Fiscal Year</u>	Business-type Activities	
	Principal	Interest
2022	\$ 18,765,000	\$ 14,379,245
2023	19,130,000	13,746,725
2024	19,265,000	12,809,012
2025	20,180,000	11,864,037
2026	21,125,000	10,873,272
2027-2031	106,745,000	40,199,903
2032-2036	80,295,000	21,259,582
2037-2041	54,155,000	7,221,024
2042-2046	13,580,000	2,257,306
2047	3,045,000	121,800
Total	\$ 356,285,000	\$ 134,731,906

State Revolving Loan

During fiscal year 2021, the City's Water and Sewer Utility fund received \$2,935,791 in proceeds from the direct borrowing Clean Water State Revolving Fund. These loans carry fixed interest rates of 0% to 2% and are payable over 20 years. The total approved loan amounts are approximately \$194 million, which includes \$80 million approved but unissued for the R.W. Neilson Water Treatment Plant modernization project. The City expects to take on the additional \$80 million in debt in the Water and Sewer Utility Fund over the next four fiscal years. 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 \$6,068,360 were made in fiscal year 2021. At June 30, 2021, the City had \$82,794,796 outstanding.

Long-term Liabilities at June 30, 2021

Bonds Payable

General obligation bonds, issues dated 2008 to 2020, with stated interest rates of 1.50% to 6.1%	
General government	\$ 206,505,000
Discounts/premiums	19,995,762
Revenue bonds, water and sewer system	
Series 2014A, principal due annually through 2025, with stated interest rate of 5.0%	7,820,000
Series 2016A, principal due annually through 2039, with stated interest rates of 3.0% to 5.0%	111,700,000
Series 2017, principal due annually through 2047, with stated interest rates of 3.0% to 5.0%	52,475,000
Series 2020A, principal due annually through 2040, with stated interest rates of 2.0% to 5.0%	153,000,000
Series 2020B, principal due annually through 2033, with stated interest rates of .83% to 1.87%	31,290,000
Discounts/premiums	50,691,957
Revenue bonds, stormwater management	
Series 2013, principal due annually through 2033, with stated interest rates of 3.0% to 4.0%	8,470,000
Discounts/premiums	451,273
Special obligation bonds, general governmental	
Series 2013, principal due annually through 2033, with stated interest rates of 3.0% to 5.0%	4,035,000
Series 2013, principal due annually through 2025, with stated interest rates of 3.0% to 5.0%	1,695,000

Contracts Payable

Limited obligation bonds issued by North Carolina Municipal Leasing Corporation	
Series 2010A, principal due annually through June 1, 2024, with stated interest rate of 3.0%	4,980,000
Series 2013B, principal due annually through June 1, 2029, with stated interest rates of 4.0% to 5.0%	4,610,000
Series 2014B, principal due annually through June 1, 2034, with stated interest rates of 2.59% to 4.4%	3,400,000
Series 2014C, principal due annually through June 1, 2034, with stated interest rates of 3.375% to 5.0%	32,480,000
Series 2018, principal due annually through June 1, 2031, with stated interest rate of 3.07%	12,090,000
Series 2020A, principal due annually through June 1, 2027, with stated interest rates of 2.0% to 5.0%	11,275,000
Series 2020B, principal due annually through June 1, 2039, with stated interest rates of 1.88% to 3.4%	54,490,000
Discounts/premiums	5,536,640
Leasing agreement issued by City of Winston-Salem	
Direct borrowing, Series 2017, principal due semi-annually from January 1, 2020 to July 1, 2022, with a stated interest rate of 2.24845%	9,375,000
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, Clean water state revolving loan fund, payable over 20 years, with stated interest rates of 0% to 2%	82,794,796

Other

Net pension liability - LGERS	63,719,903
Net pension liability - WSPORS	3,204,028
Net pension liability - separation allowance	13,194,876
Accrued vacation	17,321,228
Accrued interest payable	2,629,631
Landfill closure and postclosure costs	21,249,585
Pollution remediation	1,951,596
Claims payable - employment and post-retirement benefits	9,458,480
Claims payable - Risk Acceptance Management Corporation	2,868,543

Total long-term liabilities including current maturities

\$ 1,022,758,298

Changes in Long-term Liabilities during Fiscal Year 2021

	Principal Outstanding June 30, 2020	Additions	Retirement and Deferrals	Principal Outstanding June 30, 2021	Due Within Year
Governmental Activities					
General obligation bonds	\$ 153,330,000	\$ 90,645,000	\$ 37,470,000	\$ 206,505,000	\$ 13,345,000
Discount/premium	13,633,731	9,347,113	2,985,082	19,995,762	
Special obligation bonds	6,370,000	-	640,000	5,730,000	670,000
Contracts payable					
North Carolina Municipal					
Leasing Corporation	102,669,757	8,819,391	15,930,054	95,559,094	6,513,270
Discount/premium	5,647,534	-	566,599	5,080,935	-
Direct borrowing, Leasing agreements	38,625,000	-	11,250,000	27,375,000	6,250,000
Net pension liability - LGERS	41,603,551	12,203,269	-	53,806,820	-
Net pension liability - WSPORS	44,865,995	-	41,661,967	3,204,028	-
Net pension liability - separation allowance	14,787,518	-	1,592,642	13,194,876	-
Net OPEB liability	6,634,702	-	6,634,702	-	-
Accrued vacation	14,295,842	5,793,987	5,101,266	14,988,563	6,464,583
Accrued interest payable	1,179,584	-	63,630	1,115,954	1,115,954
Claims payable-employment benefits	6,649,017	27,121,781	25,284,669	8,486,129	5,269,464
Total governmental activities debt	450,292,231	153,930,541	149,180,611	455,042,161	39,628,271
Business-type Activities					
Revenue bonds	383,560,000	-	18,805,000	364,755,000	19,350,000
Discount/premium	55,639,687	-	4,496,457	51,143,230	-
Contracts payable					
North Carolina Municipal					
Leasing Corporation	30,785,243	1,901,073	4,920,410	27,765,906	3,327,730
Direct borrowing, North Carolina Municipal					
Discount/premium	571,652	-	115,947	455,705	-
Direct borrowing, Clean water state revolving loan fund	85,927,365	2,935,791	6,068,360	82,794,796	5,547,995
Net pension liability - LGERS	6,793,861	3,075,137	-	9,868,998	-
Net OPEB liability	1,217,803	-	1,217,803	-	-
Accrued vacation	2,382,117	1,344,525	1,401,291	2,325,351	1,246,035
Accrued interest payable	1,586,119	-	72,442	1,513,677	1,513,677
Landfill closure and postclosure costs	20,338,180	1,205,937	294,532	21,249,585	366,000
Pollution remediation	1,951,596	-	-	1,951,596	19,635
Claims payable - Risk Acceptance Management Corporation	1,591,219	4,659,150	3,381,826	2,868,543	-
Total business-type activities debt	592,344,842	15,121,613	40,774,068	566,692,387	31,371,072
Fiduciary Funds					
Net pension liability - LGERS	34,124	9,961	-	44,085	-
Accrued vacation	8,122	3,168	3,976	7,314	4,398
Claims payable – post-employment benefits	1,547,258	6,876,601	7,451,508	972,351	-
Total fiduciary fund debt	1,589,504	6,889,730	7,455,484	1,023,750	4,398
Total	\$1,044,226,577	\$ 175,941,884	\$ 197,410,163	\$1,022,758,298	\$ 71,003,741

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.

Contracts Payable

Contracts Payable Debt Service Requirements to Maturity are:

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	12,763,270	3,985,686	3,327,730	905,222
2023	10,242,980	3,632,299	2,991,020	757,812
2024	8,327,655	3,305,248	2,519,345	643,772
2025	25,130,889	2,801,865	2,155,111	551,195
2026	7,693,901	2,356,951	1,772,099	478,995
2027-2031	33,300,399	7,917,843	4,865,601	1,975,574
2032-2036	21,735,000	2,460,523	6,325,000	1,197,900
2037-2039	3,740,000	184,280	3,810,000	254,000
Total	\$ 122,934,094	\$ 26,644,695	\$ 27,765,906	\$ 6,764,470

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, 2021, the City had \$123,325,000 outstanding and due to NCMLC.

In fiscal year 2018, the City entered into a Lease Agreement in the amount of \$25 million with BB&T Community Holdings Co. to finance budgeted equipment for fiscal years 2018 and 2019. The terms of the lease includes a stated interest rate of 2.24845% for a 59 month term. At June 30, 2021, the City had \$9,375,000 outstanding.

In fiscal year 2020, the City entered into a Lease Agreement 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 includes a stated interest rate of 1.61% for a 59 month term. At June 30, 2021, the City had \$18,000,000 outstanding.

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 2013B	City Hall, Public Safety Center, Lowery Street, Ballpark
Series 2014B & C	Convention Center Facility, Bryce A. Stuart Building
Series 2018	City Hall, Public Safety Center, Lowery Street, Ballpark
Series 2020A & B	City Hall, Public Safety Center, Lowery Street, Ballpark

G. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2021

	Governmental Activities	Business-type Activities
Capital assets	\$ 537,299,138	\$ 1,144,059,476
less: long-term debt	(326,647,120)	(498,688,912)
less: short-term debt	(33,598,671)	(28,225,725)
add: unexpended debt proceeds	53,522,859	1,225
add: charge on refunding, net	3,790,728	20,911,959
Net investment in capital assets	\$ 234,366,934	\$ 638,058,023

H. 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, 2021.

Total fund balance - general fund	\$ 60,510,099
Less:	
Inventories	370,300
Prepays	67,100
Stabilization by state statute	25,605,419
Subsequent year's budget	1,350,000
Unassigned fund balance	<u>\$ 33,117,280</u>

The fiscal year 2022 budget includes a fund balance appropriation of \$1.35 million, a decrease of \$4.05 million compared to the fiscal year 2021 appropriation. The City's policy is to maintain a minimum fund balance reserve in the general fund that is equivalent to 14% of budgeted expenditures. With the use of fund balance for fiscal year 2022, the amount of unassigned fund balance was 14.85% of 2022 estimated expenditures. The City will continue to closely monitor expenditures and revenues in fiscal year 2022.

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

Encumbrances Outstanding at June 30, 2021

General fund	\$ 3,879,804
Debt service fund	71,607
Capital projects fund	47,349,115
Special revenue funds	
Nonmajor	8,870,134
Enterprise funds	
Water & sewer fund	44,251,371
Solid waste disposal fund	1,750,211
Transit Authority	953,111
Nonmajor	4,603,356
Internal service funds	1,067,532
Fiduciary funds	2,294
Total	<u><u>\$ 112,798,535</u></u>

4. 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 of Winston-Salem is a participating employer in the statewide Local Governmental Employees' Retirement System (LERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LERS 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 LERS 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 LERS. 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.

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 of Winston-Salem's contractually required contribution rate for the year ended June 30, 2021, was 10.90% of compensation for law enforcement officers and 10.15% 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 of Winston-Salem were \$12,660,516 for the year ended June 30, 2021.

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, 2021, the City reported a liability of \$63,719,903 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 (measurement date), the City's proportion was 1.78316%, which was an increase of .00971% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$22,053,980. At June 30, 2021, 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	\$ 8,046,706	\$ -
Changes of assumptions	4,742,011	-
Net difference between projected and actual earnings on pension plan investments	8,966,869	-
Changes in proportion and differences between City contributions and proportionate share of contributions	632,663	196,858
City contributions subsequent to the measurement date	12,660,516	-
Total	\$ 35,048,765	\$ 196,858

\$12,660,516 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, 2022.

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

Year Ended June 30

2022	\$ 6,370,729
2023	8,338,215
2024	4,828,712
2025	2,653,735
Total	\$ 22,191,391

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.00%
Salary increases	3.5% to 8.10%, including inflation and productivity factor
Investment rate of return	7.00%, 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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0	5.3
Real Estate	8.0	4.3
Alternatives	8.0	8.9
Credit	7.0	6.0
Inflation Protection	6.0	4.0
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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 3.05%. All rates of return and inflation are annualized.

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 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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 129,280,740	\$ 63,719,903	\$ 9,234,237

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.

Plan Membership. At June 30, 2021, the Winston-Salem Police Officers' Retirement System membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	434
Inactive plan members entitled to but not receiving benefits	60
Active plan members	299
Total	793

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 nine 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 35.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City as of June 30, 2021 are as follows:

Total pension liability	\$ 215,376,393
Plan fiduciary net position	(212,172,365)
Net pension liability	\$ 3,204,028
Plan fiduciary net position as a percentage of total pension liability	98.5%

At June 30, 2021, the City reported a net pension liability of \$3,204,028. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Salary increases	3.75% to 6.25%, based on years of service
Investment rate of return	7.25%, net of investment expense and including inflation
Interest on contributions	4.00% per year

Mortality rates were based on the RP 2000 Tables, with one year setback for males, and projected to 2027 using Scale BB (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 (17 years remaining as of January 1, 2021).

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, 2021, 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%	6.15%
Fixed Income Funds	30	1.5
Cash	1	.40
Total Weighted Average Real Return	100%	4.70%
Plus inflation		2.75
Total return w/o adjustment		7.45
Risk adjustment		(0.20)
Total Expected Return		7.25%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. 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, 2020	\$ 205,826,208	\$ 160,960,213	\$ 44,865,995
Changes for the year:			
Service cost	2,905,668	-	2,905,668
Interest	14,678,729	-	14,678,729
Differences between expected and actual experience	4,722,267	-	4,722,267
Changes of assumptions	-	-	-
Contributions - employer	-	5,862,603	(5,862,603)
Contributions - member	-	1,339,105	(1,339,105)
Net investment income	-	56,872,827	(56,872,827)
Benefit payments, including refunds of member contributions	(12,756,479)	(12,756,479)	-
Administrative expense	-	(105,904)	105,904
Net changes	9,550,185	51,212,152	(41,661,967)
Balances at June 30, 2021	\$ 215,376,393	\$ 212,172,365	\$ 3,204,028

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. 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 7.25%, 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	\$ 240,386,126	\$ 215,376,393	\$ 192,901,489
Plan net position	(212,172,365)	(212,172,365)	(212,172,365)
Net pension liability	\$ 28,213,761	\$ 3,204,028	\$ (19,270,876)
Ratio of plan net position to total pension liability	88.3%	98.5%	110.0%

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

For the year ended June 30, 2021, the City recognized pension expense of \$50,701. At June 30, 2021, 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	\$ 4,430,314	\$ -
Changes of assumptions	21,758	-
Net difference between projected and actual earnings on pension plan investments	-	31,526,251
Total	\$ 4,452,072	\$ 31,526,251

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

Year Ended June 30	
2022	\$ (5,360,291)
2023	(5,383,118)
2024	(7,252,808)
2025	(9,077,962)
Total	\$ (27,074,179)

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.

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 June 30, 2021, the Winston-Salem Police Officers' Separation Allowance membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	137
Inactive plan members entitled to but not receiving benefits	-
Active plan members	490
Total	627

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. 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 nine 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 34.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City as of June 30, 2021 are as follows:

Total pension liability	\$ 27,219,414
Plan fiduciary net position	(14,024,538)
Net pension liability	\$ 13,194,876
Plan fiduciary net position as a percentage of total pension liability	51.5%

At June 30, 2021, the City reported a net pension liability of \$13,194,876. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Salary increases	3.75% to 6.25%, based on years of service
Investment rate of return	7.25%, net of investment expense and including inflation
Interest on contributions	4.00% per year

Mortality rates were based on the RP 2000 Tables, with one year setback for males, and projected to 2027 using Scale BB (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 (17 years remaining as of January 1, 2021).

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, 2021, 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%	6.15%
Fixed Income Funds	30	1.5
Cash	1	0.40
Total Weighted Average Real Return	100%	4.7%
Plus inflation		2.75
Total return w/o adjustment		7.45
Risk adjustment		(0.20)
Total Expected Return		7.25%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. 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 the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 25,315,048	\$ 10,527,530	\$ 14,787,518
Changes for the year:			
Service cost	604,860	-	604,860
Interest	1,793,410	-	1,793,410
Differences between expected and actual experience	1,914,676	-	1,914,676
Changes of assumptions	-	-	-
Contributions - employer	-	2,280,145	(2,280,145)
Net investment income	-	3,638,697	(3,638,697)
Benefit payments, including refunds of member contributions	(2,408,580)	(2,408,580)	-
Administrative expense	-	(13,254)	13,254
Net changes	1,904,366	3,497,008	(1,592,642)
Balances at June 30, 2021	\$ 27,219,414	\$ 14,024,538	\$ 13,194,876

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 7.25%, 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	\$ 26,224,937	\$ 27,219,414	\$ 28,250,767
Plan net position	(14,024,538)	(14,024,538)	(14,024,538)
Net pension liability	\$ 12,200,399	\$ 13,194,876	\$ 14,226,229
Ratio of plan net position to total pension liability	53.5%	51.5%	49.6%

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

For the year ended June 30, 2021, the City recognized pension expense of \$2,155,485. At June 30, 2021, 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	\$ 5,711,740	\$ -
Changes of assumptions	447,213	466,718
Net difference between projected and actual earnings on pension plan investments	-	1,978,369
Total	\$ 6,158,953	\$ 2,445,087

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

Year Ended June 30	
2022	\$ 651,548
2023	692,903
2024	690,158
2025	441,476
2026	472,250
Thereafter	765,531
Total	\$ 3,713,866

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, 2020.

Statement of Fiduciary Net Position

June 30, 2021

	Winston-Salem Police Officers'	
	Retirement System	Separation Allowance
Assets		
Cash and cash equivalents/investments	\$7,251,113	\$645,811
Investments, at fair value		
Domestic stock and ADRs	125,359,888	8,036,749
Corporate bonds	11,588,096	878,616
Municipal bonds	11,332,914	859,268
Mutual funds	56,693,785	3,605,643
Total assets	212,225,796	14,026,087
Liabilities		
Accounts payable	53,431	1,549
Total liabilities	53,431	1,549
Net position		
Restricted for pensions	\$ 212,172,365	\$ 14,024,538

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2021

	Winston-Salem Police Officers'	
	Retirement System	Separation Allowance
Additions		
Contributions		
Employer	\$ 5,862,603	\$ 2,280,145
Plan members	1,339,105	-
Total contributions	7,201,708	2,280,145
Investment income		
Net appreciation in fair value	54,486,183	3,479,712
Interest and dividends	3,196,560	212,291
Total investment income	57,682,743	3,692,003
Less investment expense	809,916	53,306
Net investment income	56,872,827	3,638,697
Total additions	64,074,535	5,918,842
Deductions		
Benefits	12,589,682	2,408,580
Refund of contributions	166,797	-
Administrative expense	105,904	13,254
Total deductions	12,862,383	2,421,834
Net increase (decrease) in net position	51,212,152	3,497,008
Net position - beginning	160,960,213	10,527,530
Net position – ending	\$ 212,172,365	\$ 14,024,538

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	\$ 22,053,980	\$ 50,701	\$ 2,155,485	\$ 24,260,166
Pension liability	63,719,903	3,204,028	13,194,876	80,118,807
Proportionate share of the net pension liability	1.78316%	n/a	n/a	
Deferred Outflows of Resources				
Differences between expected and actual experience	8,046,706	4,430,314	5,711,740	18,188,760
Changes of assumptions	4,742,011	21,758	447,213	5,210,982
Net difference between projected and actual earnings on pension plan investments	8,966,869	-	-	8,966,869
Changes in proportion and differences between City contributions and proportionate share of contributions	632,663	-	-	632,663
City benefit payments and administrative costs paid subsequent to the measurement date	12,660,516	-	-	12,660,516
Deferred Inflows of Resources				
Differences between expected and actual experience	-	-	-	-
Changes of assumptions	-	-	466,718	466,718
Net difference between projected and actual earnings on pension plan investments	-	31,526,251	1,978,369	33,504,620
Changes in proportion and differences between City contributions and proportionate share of contributions	196,858	-	-	196,858

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, 2021 were \$708,550 which consisted of \$354,275 from the City and \$354,275 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, 2021 were \$1,573,347.

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, 2021 were \$1,811,820. A trust agreement has been adopted to hold the assets of the 401(a) plan for employer contributions.

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 June 30, 2021, the Other Post-employment Benefits Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	1,632
Active plan members	868
Total	2,500

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 1.25% of estimated annual covered payroll. For the current year, the City contributed \$2,775,245 or 2.25% of annual covered payroll. The City of Winston-Salem is self-insured. Contributions were made by plan members of \$2,178,222 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 nine 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 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, 2021, the annual money-weighted rate of return on OPEB plan investments, net of investment expense was 36.63%. 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, 2021 are as follows:

Total OPEB liability	\$ 71,586,371
Plan fiduciary net position	(83,685,557)
Net OPEB liability	\$ (12,099,186)
Plan fiduciary net position as a percentage of total OPEB liability	116.9%

At June 30, 2021, the City reported a net OPEB asset of 12,099,186. The net OPEB asset was measured as of June 30, 2021. The total OPEB liability as of this date is based on an actuarial valuation as of January 1, 2021, 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, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Investment rate of return	7.25%, net of investment expense and including inflation
Healthcare trend	6.00% initially, grading down to 4.50% ultimate
	4.00% for Medicare coverage (Post 65)

Mortality rates were based on the RP 2000 Tables, with one year setback for males, and projected to 2027 using Scale BB (50% of the tables apply for pre-retirement deaths).

The Entry Age 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 (25 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.

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, 2021, 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%	6.05%
International Funds	30	6.45
Fixed Income - U. S.	30	1.35
Total Weighted Average Real Return	100%	4.76%
Plus inflation		2.75
Total return w/o adjustment		7.51
Risk adjustment		(0.26)
Total Expected Return		7.25%

Discount Rate. The discount rate used to measure the total OPEB liability was 7.25%. 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 (a) - (b)
Balances at June 30, 2020	\$ 72,030,899	\$ 64,178,394	\$ 7,852,505
Changes for the year:			
Service cost	584,492	-	584,492
Interest	5,048,172	-	5,048,172
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	2,775,245	(2,775,245)
Contributions – member	-	2,178,222	(2,178,222)
Net investment income	-	22,944,124	(22,944,124)
Benefit payments, including refunds of member contributions	(6,077,192)	(8,255,414)	2,178,222
Administrative expense	-	(135,014)	135,014
Net changes	(444,528)	19,507,163	(19,951,691)
Balances at June 30, 2021	\$ 71,586,371	\$ 83,685,557	\$ (12,099,186)

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 7.25%, 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:

Discount Rate

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total OPEB liability	\$ 78,730,566	\$ 71,586,371	\$ 65,436,643
Plan net position	(83,685,557)	(83,685,557)	(83,685,557)
Net OPEB liability (asset)	\$ (4,954,991)	\$ (12,099,186)	\$ (18,248,914)
Ratio of plan net position to total OPEB liability	106.3%	116.9%	127.9%

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 6.50% to an ultimate rate of 4.50%, 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 3.50%	Current Ultimate Trend Rate 4.50%	1% Increase 5.50%
Total OPEB liability	\$ 65,065,722	\$ 71,586,371	\$ 79,196,925
Plan net position	(83,685,557)	(83,685,557)	(83,685,557)
Net OPEB liability (asset)	\$ (18,619,835)	\$ (12,099,186)	\$ (4,488,632)
Ratio of plan net position to total OPEB liability	128.6%	116.9%	105.7%

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

For the year ended June 30, 2021, the City recognized OPEB expense of (\$5,152,849). At June 30, 2021, 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	\$ -	\$ 4,759,013
Changes of assumptions	-	582,380
Net difference between projected and actual earnings on OPEB plan investments	-	12,742,381
Total	\$ -	\$ 18,083,774

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

<u>Year Ended June 30</u>	
2022	\$ (6,382,909)
2023	(5,091,035)
2024	(2,928,528)
2025	(3,681,302)
Total	\$ (18,083,774)

The following are financial statements for the Post-employment Benefits Trust Funds included as Fiduciary Funds in Exhibits 9 and 10 at June 30, 2021.

Statement of Fiduciary Net Position

June 30, 2021

	Post-employment Benefits Trust Funds
Assets	
Cash and cash equivalents/investments	\$ 5,913,431
Investments, at fair value	
Domestic stock and ADRs	50,241,873
Corporate bonds	2,990,494
Municipal bonds	2,924,640
Mutual funds	23,074,742
Total assets	<u>85,145,180</u>
Deferred Outflows of Resources	
Pension deferrals	<u>25,655</u>
Liabilities	
Accounts payable	454,833
Accrued payroll	1,023
Accrued vacation	7,314
Unearned revenue	4,325
Net pension liability	44,085
Claims payable	972,351
Total liabilities	<u>1,483,931</u>
Deferred Inflows of Resources	
Pension deferrals	<u>1,347</u>
Net position	
Restricted for post-employment benefits other than pensions	\$ 83,685,557

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2021

	Post-employment Benefits Trust Funds
Additions	
Contributions	
Employer	\$ 2,775,245
Plan members	2,178,222
Total contributions	4,953,467
Investment income	
Net appreciation in fair value	22,091,682
Interest and dividends	1,162,831
Total investment income	23,254,513
Less investment expense	310,389
Net investment income	22,944,124
Total additions	27,897,591
Deductions	
Benefits	8,255,414
Administrative expense	135,014
Total deductions	8,390,428
Net decrease in net position	19,507,163
Net position - beginning	64,178,394
Net position - ending	\$ 83,685,557

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 \$19,500 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 14 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 2021, the City received \$3,361,961 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.

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 73 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 \$51,395 to the council during the fiscal year ended June 30, 2021.

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 as 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 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 \$21,249,585 at June 30, 2021, 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 part of Phase two of the expansion area 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. The estimated total current cost for Hanes Mill Road Landfill, \$37,303,530 and Old Salisbury Road, \$9,605,107, of 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, 2021. However, the actual cost may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Old Salisbury Road Landfill is currently under construction/filling and recognition of reserves is based on the engineer's estimate of cost projected through closure of the landfill.

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.

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 19,000 gallons of contaminated water and 8,700 tons of petroleum-contaminated soil, and b) excavating and disposing of 15,000 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, 2021.

In addition, we estimate no future recoveries to potentially reduce the recorded pollution liabilities in fiscal year 2021.

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. Reserves are established for reported claims and claims incurred but not reported for each fiscal year.

In addition, the City contracts with a not-for-profit corporation, Risk Acceptance Management Corporation (RAMCO), for services related to settlement of general and automotive liability, workers' compensation claims which exceed the sum of \$250,000, health care claims which exceed the sum of \$250,000, and certain tort claims and reserve funding for claims. Under the contract, the City made an annual basic payment in 2021 of \$1,130,735 to RAMCO for normal claim payments.

RAMCO is responsible for the administration of all claims for damages against the City, which are not covered by commercial insurance, subject to a \$1 million limit per occurrence. In July 1994, the City transferred the balance of its self-funded excess liability fund to RAMCO for investment and together with any investment earnings thereon, to pay claims in excess of \$1 million but less than \$3 million. Should there be a claim or claims in excess of \$1 million for which payment has to be made, the payment will be made by RAMCO from these funds. 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, 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 RAMCO claims for damages.

Changes in Claims Payable

	2021	2020
Claims payable July 1	\$ 9,787,494	\$ 9,091,272
Claims paid	(36,118,102)	(36,262,912)
New claims and changes in claim estimates	38,657,631	36,959,134
Claims payable June 30	\$ 12,327,023	\$ 9,787,494
Employment benefits funds	\$ 8,486,129	\$ 6,649,017
Post-employment benefits trust fund	972,351	1,547,258
Risk Acceptance Management Corporation	2,868,543	1,591,219
	\$ 12,327,023	\$ 9,787,494
Due within year	\$ 5,269,464	\$ 4,228,689

Contingent Liabilities and Commitments

1. 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.

5. Subsequent Event

The City has evaluated subsequent events through October 31, 2021, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Required Supplementary Information

City of Winston-Salem, North Carolina
Schedule of Changes in Net Pension Liability and Related Ratios
Winston-Salem Police Officers' Retirement System

Last Eight Fiscal Years ⁽¹⁾

	Fiscal Year			
	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 2,905,668	\$ 2,931,903	\$ 2,822,356	\$ 2,800,881
Interest	14,678,729	14,274,058	13,900,788	13,818,009
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	4,722,267	702,442	3,723,670	4,119,005
Changes of assumptions	-	-	87,029	4,612,557
Benefit payments, including refunds of employee contributions	(12,756,479)	(11,860,183)	(11,514,176)	(10,937,034)
Net change in total pension liability	9,550,185	6,048,220	9,019,667	14,413,418
Total pension liability, beginning	205,826,208	199,777,988	190,758,321	176,344,903
Total pension liability, ending (a)	215,376,393	205,826,208	199,777,988	190,758,321
Plan fiduciary net position				
Contributions - employer	5,862,603	5,070,702	4,152,384	4,034,558
Contributions - member	1,339,105	1,437,121	1,470,001	1,571,265
Net investment income	56,872,827	2,571,341	10,731,236	15,285,822
Benefit payments, including refunds of employee contributions	(12,756,479)	(11,860,183)	(11,514,176)	(10,937,034)
Administrative expense	(105,904)	(98,836)	(100,775)	(104,951)
Other	-	-	-	-
Net change in plan fiduciary net position	51,212,152	(2,879,855)	4,738,670	9,849,660
Plan fiduciary net position, beginning	160,960,213	163,840,068	159,101,398	149,251,738
Plan fiduciary net position, ending (b)	212,172,365	160,960,213	163,840,068	159,101,398
Net pension liability, ending (a-b)	\$ 3,204,028	\$ 44,865,995	\$ 35,937,920	\$ 31,656,923
Plan fiduciary net position as a percentage of the total pension liability	98.5%	78.2%	82.0%	83.4%
Covered payroll	\$ 23,501,713	\$ 23,569,786	\$ 23,797,216	\$ 24,217,617
Net pension liability as a percentage of covered payroll	13.6%	190.4%	151.0%	130.7%

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

	Fiscal Year			
	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 2,786,122	\$ 2,839,943	\$ 2,972,457	\$ 2,915,276
Interest	12,280,395	11,744,716	11,314,615	12,240,404
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	2,916,465	1,289,927	2,594,276	-
Changes of assumptions	188,562	191,138	175,153	-
Benefit payments, including refunds of employee contributions	(10,502,703)	(9,968,384)	(9,429,751)	(8,933,487)
Net change in total pension liability	7,668,841	6,097,340	7,626,750	6,222,193
Total pension liability, beginning	168,676,062	162,578,722	154,951,972	148,729,781
Total pension liability, ending (a)	176,344,903	168,676,062	162,578,722	154,951,974
Plan fiduciary net position				
Contributions - employer	4,034,169	4,035,399	4,205,640	34,382,951
Contributions - member	1,493,643	1,484,341	1,543,565	1,556,227
Net investment income	20,820,215	742,534	5,330,797	20,241,752
Benefit payments, including refunds of employee contributions	(10,502,703)	(9,968,384)	(9,429,751)	(8,933,487)
Administrative expense	(95,168)	(95,299)	(111,694)	(94,677)
Other	-	-	-	-
Net change in plan fiduciary net position	15,750,156	(3,801,409)	1,538,557	47,152,766
Plan fiduciary net position, beginning	133,501,582	137,302,991	135,764,434	88,611,670
Plan fiduciary net position, ending (b)	149,251,738	133,501,582	137,302,991	135,764,436
Net pension liability, ending (a-b)	\$ 27,093,165	\$ 35,174,480	\$ 25,275,731	\$ 19,187,538
Plan fiduciary net position as a percentage of the total pension liability	84.6%	79.1%	84.5%	87.6%
Covered payroll	\$ 23,336,940	\$ 23,733,206	\$ 25,206,604	\$ 24,880,180
Net pension liability as a percentage of covered payroll	116.1%	148.2%	100.3%	77.1%

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

City of Winston-Salem, North Carolina
Schedule of Contributions
Winston-Salem Police Officers' Retirement System

Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 5,862,603	\$5,070,702	\$4,152,384	\$ 3,746,180	\$ 3,421,184
Contributions in relation to the actuarially determined contribution	5,862,603	5,070,702	4,152,384	4,034,558	4,034,169
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (288,378)	\$ (612,985)
Covered-employee payroll	\$ 23,501,713	\$ 23,569,786	\$ 23,797,216	\$ 24,217,617	\$ 23,336,940
Contributions as a percentage of covered payroll	24.9%	21.5%	17.4%	16.7%	17.3%

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	17
Asset valuation method	7-year smoothed market
Inflation	2.75%
Salary increases	3.75% to 6.25%, based on years of service
Investment rate of return	7.25%, net of pension plan investment expense and including inflation
Interest on contributions	4.00% per year
Mortality	Mortality rates were based on the RP 2000 Tables with one year setback for males, and projected to 2027 using Scale BB (50% of the tables apply for pre-retirement deaths).

	Fiscal Year				
	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 3,370,392	\$ 3,326,051	\$ 6,216,781	\$ 5,093,595	\$ 4,324,629
Contributions in relation to the actuarially determined contribution	4,035,399	4,205,640	34,382,951	5,093,595	4,324,629
Contribution deficiency (excess)	<u>\$ (665,007)</u>	<u>\$ (879,589)</u>	<u>\$ (28,166,170)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 23,733,206	\$ 25,206,604	\$ 24,880,178	\$ 25,113,890	\$ 25,654,625
Contributions as a percentage of covered payroll	17.0%	16.7%	138.2%	20.3%	16.9%

City of Winston-Salem, North Carolina
Schedule of Investment Returns
Winston-Salem Police Officers' Retirement System

Last Eight Fiscal Years ⁽¹⁾

	Fiscal Year			
	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	35.89%	1.59%	6.87%	10.94%

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

	Fiscal Year			
	2017	2018	2015	2014
Annual money-weighted rate of return, net of investment expense	15.86%	0.56%	3.97%	17.61%

City of Winston-Salem, North Carolina
Schedule of Changes in Net Pension Liability and Related Ratios
Winston-Salem Police Officer's Separation Allowance

Last Eight Fiscal Years ⁽¹⁾

	Fiscal Year			
	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 604,860	\$ 579,453	\$ 600,358	\$ 429,595
Interest	1,793,410	1,763,549	1,752,912	1,699,044
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	1,914,676	381,917	2,822,846	2,267,413
Changes of assumptions	-	-	(746,747)	885,664
Benefit payments, including refunds of member contributions	(2,408,580)	(2,270,725)	(2,103,520)	(1,854,762)
Net change in total pension liability	1,904,366	454,194	2,325,849	3,426,954
Total pension liability, beginning	25,315,048	24,860,854	22,535,005	19,108,051
Total pension liability, ending (a)	27,219,414	25,315,048	24,860,854	22,535,005
Plan fiduciary net position				
Contributions - employer	2,280,145	2,207,950	1,572,291	1,402,746
Contributions - member	-	-	-	-
Net investment income	3,638,697	165,320	714,974	905,322
Benefit payments, including refunds of member contributions	(2,408,580)	(2,270,725)	(2,103,520)	(1,854,762)
Administrative expense	(13,254)	(8,006)	(5,070)	(6,884)
Other	-	-	-	-
Net change in plan fiduciary net position	3,497,008	94,539	178,675	446,422
Plan fiduciary net position, beginning	10,527,530	10,432,991	10,254,316	9,807,894
Plan fiduciary net position, ending (b)	14,024,538	10,527,530	10,432,991	10,254,316
Net pension liability, ending (a-b)	\$ 13,194,876	\$ 14,787,518	\$ 14,427,863	\$ 12,280,689
Plan fiduciary net position as a percentage of the total pension liability	51.5%	41.6%	42.0%	45.5%
Covered payroll	\$ 34,511,461	\$ 33,547,308	\$ 29,916,749	\$ 27,562,707
Net pension liability as a percentage of covered payroll	38.2%	44.1%	48.2%	44.6%

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

	Fiscal Year			
	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 418,102	\$ 394,050	\$ 394,050	\$ 370,972
Interest	1,348,120	1,272,982	1,231,261	1,358,844
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	963,257	511,859	720,148	-
Changes of assumptions	4,156	4,028	3,995	-
Benefit payments, including refunds of member contributions	(1,648,310)	(1,596,792)	(1,535,057)	(1,451,797)
Net change in total pension liability	1,085,325	586,127	814,397	278,019
Total pension liability, beginning	18,022,726	17,436,599	16,622,202	16,344,183
Total pension liability, ending (a)	19,108,051	18,022,726	17,436,599	16,622,202
Plan fiduciary net position				
Contributions - employer	1,312,250	1,205,933	1,035,697	1,000,073
Contributions - member	-	-	-	-
Net investment income	1,340,751	39,642	375,053	1,491,827
Benefit payments, including refunds of member contributions	(1,648,310)	(1,596,792)	(1,535,057)	(1,451,797)
Administrative expense	(13,820)	(4,331)	(460)	(8,820)
Other	-	-	-	-
Net change in plan fiduciary net position	990,871	(355,548)	(124,767)	1,031,283
Plan fiduciary net position, beginning	8,817,023	9,172,571	9,297,338	8,266,055
Plan fiduciary net position, ending (b)	9,807,894	8,817,023	9,172,571	9,297,338
Net pension liability, ending (a-b)	\$ 9,300,157	\$ 9,205,703	\$ 8,264,028	\$ 7,324,864
Plan fiduciary net position as a percentage of the total pension liability	51.3%	48.9%	52.6%	55.9%
Covered payroll	\$ 26,667,735	\$ 26,209,341	\$ 26,095,009	\$ 24,880,178
Net pension liability as a percentage of covered payroll	34.9%	35.1%	31.7%	29.4%

City of Winston-Salem, North Carolina
Schedule of Contributions
Winston-Salem Police Officers' Separation Allowance

Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 2,245,859	\$ 1,977,462	\$ 1,503,773	\$ 1,356,667	\$ 1,235,894
Contributions in relation to the actuarially determined contribution	2,280,145	2,207,950	1,572,291	1,402,746	1,312,250
Contribution deficiency (excess)	<u>\$ (34,286)</u>	<u>\$ (230,488)</u>	<u>\$ (68,518)</u>	<u>\$ (46,079)</u>	<u>\$ (76,356)</u>
Covered payroll	\$ 34,511,461	\$ 33,547,308	\$ 29,916,749	\$ 27,562,707	\$ 26,667,735
Contributions as a percentage of covered payroll	6.6%	6.6%	5.3%	5.1%	4.9%

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	17
Asset valuation method	7-year smoothed market
Inflation	2.75%
Salary increases	3.75% to 6.25%, based on years of service
Investment rate of return	7.25%, net of pension plan investment expense and including inflation
Interest on contributions	4.00% per year
Mortality	Mortality rates were based on the RP 2000 Tables with one year setback for males, and projected to 2027 using Scale BB (50% of the tables apply for pre-retirement deaths).

	Fiscal Year				
	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,203,418	\$ 1,086,587	\$ 975,918	\$ 976,576	\$ 904,263
Contributions in relation to the actuarially determined contribution	1,205,933	1,035,697	1,000,073	976,576	904,263
Contribution deficiency (excess)	<u>\$ (2,515)</u>	<u>\$ 50,890</u>	<u>\$ (24,155)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 26,209,341	\$ 26,095,009	\$ 24,880,178	\$ 25,113,890	\$ 25,654,625
Contributions as a percentage of covered payroll	4.6%	4.0%	4.0%	3.9%	3.5%

City of Winston-Salem, North Carolina
Schedule of Investment Returns
Winston-Salem Police Officers' Separation Allowance

Last Eight Fiscal Years ⁽¹⁾

	Fiscal Year			
	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	34.56%	1.58%	7.11%	9.40%

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

	Fiscal Year			
	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	15.54%	0.44%	4.15%	18.47%

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City of Winston-Salem, North Carolina
Schedule of Changes in Net OPEB Liability and Related Ratios
Post-employment Benefits

Last Five Fiscal Years ⁽¹⁾

Exhibit 17

	Fiscal Year				
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 584,492	\$ 845,494	\$ 820,868	\$ 798,898	\$ 957,457
Interest	5,048,172	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	(6,077,192)	(8,000,327)	(8,378,901)	(7,897,384)	(7,846,542)
Net change in total OPEB liability	(444,528)	(10,105,748)	(1,722,469)	(2,648,378)	(771,410)
Total OPEB liability, beginning	72,030,899	82,136,647	83,859,116	86,507,494	87,278,904
Total OPEB liability, ending (a)	71,586,371	72,030,899	82,136,647	83,859,116	86,507,494
Plan fiduciary net position					
Contributions - employer	2,775,245	2,856,574	3,949,401	4,192,751	7,027,147
Contributions - member	2,178,222	1,950,101	2,002,084	1,945,017	1,908,432
Net investment income	22,944,124	1,017,246	4,755,650	6,048,274	8,248,248
Benefit payments, including refunds	(8,255,414)	(9,950,428)	(10,380,985)	(7,897,384)	(7,846,542)
Administrative expense	(135,014)	(143,333)	(124,209)	(128,708)	(137,572)
Other	-	-	-	-	-
Net change in plan fiduciary net position	19,507,163	(4,269,840)	201,941	4,159,950	9,199,713
Plan fiduciary net position, beginning	64,178,394	68,448,234	68,246,293	64,086,343	54,886,630
Plan fiduciary net position, ending (b)	83,685,557	64,178,394	68,448,234	68,246,293	64,086,343
Net OPEB liability, ending (a-b)	\$ (12,099,186)	\$ 7,852,505	\$ 13,688,413	\$ 15,612,823	\$ 22,421,151
Plan fiduciary net position as a percentage of the total OPEB liability	116.9%	89.1%	83.3%	81.4%	74.1%
Covered payroll	\$ 56,809,190	\$ 61,842,481	\$ 68,916,592	\$ 75,814,665	\$ 107,640,260
Net OPEB liability as a percentage of covered payroll	- 21.3%	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

	Fiscal Year				
	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,304,212	\$ 2,448,424	\$ 2,448,424	\$ 3,497,231	\$ 3,497,231
Contributions in relation to the actuarially determined contribution	2,775,245	2,856,574	3,949,401	4,192,751	3,497,231
Contribution deficiency (excess)	<u>\$ (1,471,033)</u>	<u>\$ (408,150)</u>	<u>\$ (1,500,977)</u>	<u>\$ (695,520)</u>	<u>\$ -</u>
Covered payroll	\$ 56,809,190	\$ 61,842,481	\$ 68,916,592	\$ 75,814,665	\$ 107,640,260
Contributions as a percentage of covered payroll	4.9%	4.6%	5.7%	5.5%	3.2%

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
Amortization period	25
Asset valuation method	5-year smoothed market
Inflation	2.75%
Investment rate of return	7.25%, net of investment expense and including inflation
Healthcare trend	6.00% initially, grading down to 4.50% ultimate 4.00% for Medicare coverage (Post 65)
Mortality	Mortality rates were based on the RP 2000 Tables, with one year setback for males, and projected to 2027 using Scale BB (50% of the tables apply for pre-retirement deaths).

	Fiscal Year				
	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 6,483,194	\$ 6,483,194	\$ 7,480,680	\$ 6,749,465	\$ 5,623,476
Contributions in relation to the actuarially determined contribution	6,483,194	6,483,194	7,480,680	6,749,465	5,623,476
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 107,640,260	\$ 104,119,336	\$ 104,119,336	\$ 101,730,340	\$ 101,730,340
Contributions as a percentage of covered payroll	6.0%	6.2%	7.2%	6.6%	5.5%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Post-employment Benefits

Last Five Fiscal Years⁽¹⁾

Exhibit 19

	Fiscal Year				
	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	36.60%	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 Eight Fiscal Years ^{*(1)}

Exhibit 20

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Winston-Salem's proportion of the net pension liability (asset) (%)	1.78316%	1.77345%	1.81132%	1.7455%	1.73309%	1.80025%	1.80839%	1.8986%
Winston-Salem's proportion of the net pension liability (asset) (\$)	\$ 63,719,903	\$ 48,431,536	\$ 42,970,705	\$ 26,666,405	\$ 36,781,996	\$ 8,079,434	\$ (10,664,916)	\$ 22,885,421
Winston-Salem's covered payroll	\$ 124,907,991	\$ 119,568,576	\$ 117,262,357	\$ 111,203,433	\$ 104,723,508	\$ 101,433,133	\$ 99,590,382	\$ 100,511,092
Winston-Salem's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.0135%	40.5052%	36.6449%	23.9798%	35.1230%	7.9653%	(10.7088)%	22.7691%
Plan fiduciary net position as a percentage of the total pension liability ^{**}	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.47%	94.35%

*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.

⁽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 Contributions
Local Government Employees' Retirement System

Last Eight Fiscal Years ⁽¹⁾

Exhibit 21

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 12,660,516	\$ 11,103,950	\$ 9,566,443	\$ 9,039,532	\$ 8,322,237	\$ 7,196,687	\$ 7,282,532	\$ 7,094,714
Contributions in relation to the contractually required contribution	12,660,516	11,103,950	9,566,443	9,039,532	8,322,237	7,196,687	7,282,532	7,094,714
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Winston-Salem's covered payroll	\$ 122,086,793	\$ 124,907,991	\$ 119,568,576	\$ 117,262,357	\$ 111,203,433	\$ 104,723,508	\$ 101,433,133	\$ 99,590,382
Contributions as a percentage of covered payroll	10.37%	8.89%	8.00%	7.71%	7.48%	6.87%	7.18%	7.12%

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

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, 2021

Exhibit 22

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Property taxes	\$ 24,737,890	\$ 25,335,224	\$ 597,334
Local option sales taxes	6,356,720	8,410,282	2,053,562
Intergovernmental	1,001,480	1,346,817	345,337
Capital lease charges	600,000	8,003	(591,997)
Investment income	600,000	359,079	(240,921)
Other	1,962,690	1,962,687	(3)
Total revenues	<u>35,258,780</u>	<u>37,422,092</u>	<u>2,163,312</u>
Expenditures			
Other	692,900	766,575	(73,675)
Debt Service			
Principal retirement			
Bond	16,167,000	11,230,000	4,937,000
Other	8,202,150	7,986,183	215,967
Interest and fiscal charges	14,031,265	11,685,396	2,345,869
Total expenditures	<u>39,093,315</u>	<u>31,668,154</u>	<u>7,425,161</u>
Excess of expenditures over revenues	(3,834,535)	5,753,938	9,588,473
Other Financing Sources (Uses)			
Issuance of refunding general obligation bonds	-	24,170,000	24,170,000
Premium on general obligation bonds	-	8,463,940	8,463,940
Payment to refunded bonds escrow agent	-	(27,476,440)	(27,476,440)
Transfers in			
General fund	1,910,230	1,910,230	-
Capital projects fund	700,000	700,000	-
Transfers out			
Capital projects fund	(700,000)	(700,000)	-
Total other financing sources, net	<u>1,910,230</u>	<u>7,067,730</u>	<u>5,157,500</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,924,305)	12,821,668	14,745,973
Fund balance - beginning	<u>33,449,214</u>	<u>33,449,214</u>	<u>-</u>
Fund balance - ending	<u>\$ 31,524,909</u>	<u>\$ 46,270,882</u>	<u>\$ 14,745,973</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, 2021

Exhibit 23

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Project Authorizations</u>
Revenues				
Intergovernmental - federal	\$ 608,045	\$ -	\$ 608,045	\$ 8,312,250
Intergovernmental - state	166,338	4,236,276	4,402,614	30,743,632
Intergovernmental - local	31,880	2,000	33,880	-
Investment income	338,144	-	338,144	-
Capital lease charges	459,293	-	459,293	573,490
Other	2,691,851	7,648,190	10,340,041	12,811,377
Total revenues	4,295,551	11,886,466	16,182,017	52,440,749
Expenditures				
General government	5,835,261	789,829	6,625,090	9,299,678
Public protection	2,686,174	9,550,202	12,236,376	33,462,745
Transportation	17,110,764	17,221,569	34,332,333	132,893,835
Culture and recreation	15,008,233	15,667,556	30,675,789	62,790,666
Community and economic development	5,812,110	19,734,393	25,546,503	60,824,611
Debt service				
Principal retirement	11,400,000	-	11,400,000	11,400,000
Interest and fiscal charges	818,225	-	818,225	726,230
Total expenditures	58,670,767	62,963,549	121,634,316	311,397,765
Excess of expenditures over revenues	(54,375,216)	(51,077,083)	(105,452,299)	(258,957,016)
Other Financing Sources (Uses)				
Premium on general obligation bonds	883,173	6,195,501	7,078,674	5,569,560
Issuance of limited obligation bonds	-	3,605,189	3,605,189	21,855,189
Issuance of general obligation bonds	66,475,000	47,414,500	113,889,500	202,384,899
Issuance of installment financing contract	-	2,356	2,356	2,356
Capital leases	8,533,559	82,414	8,615,973	18,713,999
Transfers in	2,819,453	9,799,221	12,618,674	17,745,052
Transfers out	(1,767,650)	(3,663,443)	(5,431,093)	(8,233,886)
Total other financing sources, net	76,943,535	63,435,738	140,379,273	258,037,169
Excess of revenues and other financing sources over expenditures and other uses	22,568,319	12,358,655	34,926,974	\$ (919,847)
Fund balance - beginning	33,923,605			
Budgeted on an annual basis	-	21,564,950	21,564,950	
Fund balance - ending	<u>\$ 56,491,924</u>	<u>\$ 33,923,605</u>	<u>\$ 56,491,924</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, 2021

Exhibit 24

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Sales			
Water	\$ 53,977,720	\$ 56,192,874	\$ 2,215,154
Sewer	50,456,350	50,886,290	429,940
Industrial waste surcharge	3,295,600	3,468,757	173,157
Total sales	<u>107,729,670</u>	<u>110,547,921</u>	<u>2,818,251</u>
Charges for services			
New connections	450,000	148,122	(301,878)
Special area and privilege charges	-	4,405	4,405
Other charges for services	2,750,000	6,875,483	4,125,483
Total charges for services	<u>3,200,000</u>	<u>7,028,010</u>	<u>3,828,010</u>
Other	-	580,625	580,625
Total operating revenues	<u>110,929,670</u>	<u>118,156,556</u>	<u>7,226,886</u>
Operating Expenditures			
Personal services	23,270,540	21,184,267	2,086,273
Maintenance and operations	28,590,922	26,275,487	2,315,435
Capital outlay	5,820	5,795	25
Total operating expenditures	<u>51,867,282</u>	<u>47,465,549</u>	<u>4,401,733</u>
Operating income	59,062,388	70,691,007	11,628,619
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	-	2,364	2,364
Investment income	-	15,779,016	15,779,016
Proceeds from sale of assets	-	191,224	191,224
Interest and fiscal charges	(17,393,500)	(16,701,517)	691,983
Principal retirement	(24,366,940)	(25,361,223)	(994,283)
Total nonoperating expenditures, net	<u>(41,760,440)</u>	<u>(26,090,136)</u>	<u>15,670,304</u>
Income before capital contributions and transfers	17,301,948	44,600,871	27,298,923
Capital Contributions			
Conveyances	-	5,275,988	5,275,988
Other	-	2,422,638	2,422,638
Total capital contributions	<u>-</u>	<u>7,698,626</u>	<u>7,698,626</u>
Transfers In (Out)			
General fund	120,720	120,720	-
Capital projects fund	(85,670)	(78,785)	6,885
Solid waste disposal fund	(379,100)	(312,382)	66,718
Total transfers out	<u>(344,050)</u>	<u>(270,447)</u>	<u>73,603</u>
Change in net position - modified accrual basis	<u>\$ 16,957,898</u>	<u>\$ 52,029,050</u>	<u>\$ 35,071,152</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 52,029,050	
Depreciation		(31,020,380)	
Amortization of financing costs		2,446,753	
Capital outlay		5,795	
Principal retirement		25,361,223	
Book value of disposed assets		(302,359)	
Increase (decrease) in net OPEB asset		1,442,402	
Increase (decrease) in deferred outflows of resources - pensions		944,152	
Increase (decrease) in deferred outflows of resources - OPEB		(292,004)	
(Increase) decrease in net pension liability		(2,181,778)	
(Increase) decrease in deferred inflows of resources - pensions		112,811	
(Increase) decrease in net OPEB liability		919,582	
(Increase) decrease in deferred inflows of resources - OPEB		(1,141,068)	
Change in Net Position - Full Accrual Basis		<u>\$ 48,324,179</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, 2021

Exhibit 25

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 11,981,910	\$ 12,249,357	\$ 267,447
Other	-	17,336	17,336
Total operating revenues	11,981,910	12,266,693	284,783
Operating Expenditures			
Personal services	2,516,770	2,337,507	179,263
Maintenance and operations	8,331,383	6,432,045	1,899,338
Total operating expenditures	10,848,153	8,769,552	2,078,601
Operating income	1,133,757	3,497,141	2,363,384
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	1,068,990	723,099	(345,891)
Investment income	-	6,762,813	6,762,813
Interest and fiscal charges	(331,730)	(313,405)	18,325
Principal retirement	(1,616,090)	(1,543,975)	72,115
Total nonoperating expenditures, net	(878,830)	5,628,532	6,507,362
Income (loss) before transfers	254,927	9,125,673	8,870,746
Transfers In			
Water and sewer utility fund	379,100	312,382	(66,718)
Stormwater management fund	189,540	156,191	(33,349)
Total transfers in	568,640	468,573	(100,067)
Change in net position - modified accrual basis	\$ 823,567	\$ 9,594,246	\$ 8,770,679
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 9,594,246	
Depreciation		(3,018,332)	
Amortization of financing costs		80,573	
Principal retirement		1,543,975	
Book value of disposed assets		(11,318)	
Increase (decrease) in net OPEB asset		159,800	
Increase (decrease) in deferred outflows of resources - pensions		54,209	
(Increase) decrease in net pension liability		(351,697)	
(Increase) decrease in deferred inflows of resources - pensions		(2,598)	
Increase (decrease) in deferred outflows of resources - OPEB		(31,001)	
(Increase) decrease in net OPEB liability		102,702	
(Increase) decrease in deferred inflows of resources - OPEB		(126,416)	
Change in Net Position - Full Accrual Basis		\$ 7,994,143	

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, 2021

Exhibit 26

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 1,886,500	\$ 662,737	\$ (1,223,763)
Other	402,330	321,485	(80,845)
Total operating revenues	2,288,830	984,222	(1,304,608)
Operating Expenditures			
Personal services	14,239,530	13,362,119	877,411
Maintenance and operations	10,946,350	5,186,400	5,759,950
Capital Outlay	33,000	-	33,000
Total operating expenditures	25,218,880	18,548,519	6,670,361
Operating loss	(22,930,050)	(17,564,297)	5,365,753
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue			
FTA operating grant	1,100,000	967,000	(133,000)
FTA preventative maintenance grant	2,400,000	2,400,000	-
FTA CARES Act	4,789,980	2,983,219	(1,806,761)
Piedmont Triad COG	280,000	256,896	(23,104)
Forsyth County	434,420	438,351	3,931
State of North Carolina	1,268,560	12,906	(1,255,654)
Total intergovernmental revenues	10,272,960	7,058,372	(3,214,588)
Property taxes	10,531,610	11,169,671	638,061
Investment income	-	11,883	11,883
Proceeds from sale of assets	-	29,305	29,305
Damage settlements	10,000	12,200	2,200
Total nonoperating revenues, net	20,814,570	18,281,431	(2,533,139)
Income (loss) before capital contributions and transfers	(2,115,480)	717,134	2,832,614
Capital Contributions			
Federal and state grants	-	9,039,467	9,039,467
Total capital contributions	-	9,039,467	9,039,467
Transfers Out			
Grants fund	(17,500)	(12,280)	5,220
Total transfers out	(17,500)	(12,280)	5,220
Change in net position - modified accrual basis	\$ (2,132,980)	\$ 9,744,321	\$ 11,877,301
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 9,744,321	
Depreciation		(2,632,381)	
Book value of disposed assets		(1,887,381)	
Change in Net Position - Full Accrual Basis		\$ 5,224,559	

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 **American Rescue Plan** accounts for Federal grant funds received for responding to impacts of the COVID-19 pandemic.

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, 2021

	Special Revenue				
	Community Development	Grants	Economic and Housing Development	Gasoline Tax	Occupancy Tax
Assets					
Cash and cash equivalents/investments	\$ 533,176	\$ 3,519,828	\$ 26,145,966	\$ 4,764,497	\$ 46,091
Receivables for uncollectibles					
Taxes, net	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	8,340,728	-	12,371,358	-	-
Total receivables	8,340,728	-	12,371,358	-	-
Due from other governments	1,333,673	1,135,200	451,109	-	-
Inventories	-	-	612,757	-	-
Total assets	\$ 10,207,577	\$ 4,655,028	\$ 39,581,190	\$ 4,764,497	\$ 46,091
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 1,024,382	\$ 416,879	\$ 2,082,332	\$ -	\$ 91,278
Accrued payroll	590	-	-	-	-
Unearned revenue	-	345,330	8,152,154	-	-
Loan escrow	-	-	6,010	-	-
Total liabilities	1,024,972	762,209	10,240,496	-	91,278
Deferred Inflows of Resources					
Taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Nonspendable					
Inventories	-	-	612,757	-	-
Perpetual care	-	-	-	-	-
Restricted					
General government	-	76,984	-	-	-
Public protection	-	1,382,692	-	-	-
Transportation	-	1,172,926	-	4,764,497	-
Culture and recreation	-	596,964	-	-	-
Community and economic development	9,182,605	665,171	-	-	-
Committed					
Community and economic development	-	-	28,727,937	-	-
Unassigned	-	(1,918)	-	-	(45,187)
Total fund balances	9,182,605	3,892,819	29,340,694	4,764,497	(45,187)
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,207,577	\$ 4,655,028	\$ 39,581,190	\$ 4,764,497	\$ 46,091

	<u>Emergency Telephone System</u>	<u>Downtown W-S Business Improvement District</u>	<u>American Rescue Plan</u>	<u>Permanent Cemetery Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
Assets					
Cash and cash equivalents/investments	\$ 2,154,270	\$ 29,035	\$ 25,867,984	\$ 5,262,687	\$ 68,323,534
Receivables for uncollectibles					
Taxes, net	-	3,007	-	-	3,007
Accounts	37,205	6,392	-	-	43,597
Loans	-	-	-	-	20,712,086
Total receivables	37,205	9,399	-	-	20,758,690
Due from other governments	-	-	-	-	2,919,982
Inventories	-	-	-	-	612,757
Total assets	<u>\$ 2,191,475</u>	<u>\$ 38,434</u>	<u>\$ 25,867,984</u>	<u>\$ 5,262,687</u>	<u>\$ 92,614,963</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 14,617	\$ -	\$ -	\$ 573	\$ 3,630,061
Accrued payroll	-	-	-	-	590
Unearned revenue	-	-	25,866,033	-	34,363,517
Loan escrow	-	-	-	-	6,010
Total liabilities	14,617	-	25,866,033	573	38,000,178
Deferred Inflows of Resources					
Taxes	-	3,007	-	-	3,007
Total deferred inflows of resources	-	3,007	-	-	3,007
Fund Balances					
Nonspendable					
Inventories	-	-	-	-	612,757
Perpetual care	-	-	-	5,262,114	5,262,114
Restricted					
General government	-	-	1,951	-	78,935
Public protection	2,176,858	-	-	-	3,559,550
Transportation	-	-	-	-	5,937,423
Culture and recreation	-	-	-	-	596,964
Community and economic development	-	35,427	-	-	9,883,203
Committed					
Community and economic development	-	-	-	-	28,727,937
Unassigned	-	-	-	-	(47,105)
Total fund balances	2,176,858	35,427	1,951	5,262,114	54,611,778
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,191,475</u>	<u>\$ 38,434</u>	<u>\$ 25,867,984</u>	<u>\$ 5,262,687</u>	<u>\$ 92,614,963</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, 2021

	Special Revenue				
	Community Development	Grants	Economic and Housing Development	Gasoline Tax	Occupancy Tax
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 537,520
Licenses	-	-	-	-	-
Intergovernmental	5,956,574	5,946,638	2,361,369	6,075,475	-
Investment income (loss)	-	2,596	66,762	23,977	610
Other	39,193	125,159	511,249	-	-
Total revenues	<u>5,995,767</u>	<u>6,074,393</u>	<u>2,939,380</u>	<u>6,099,452</u>	<u>538,130</u>
Expenditures					
Current					
General government	-	7,097	-	-	-
Public protection	-	3,834,976	-	-	-
Transportation	-	2,096,640	-	-	-
Culture and recreation	-	16,162	-	-	453,389
Community and economic development	6,050,855	761,124	6,751,148	-	-
Total expenditures	<u>6,050,855</u>	<u>6,715,999</u>	<u>6,751,148</u>	<u>-</u>	<u>453,389</u>
Excess of revenues over (under) expenditures	(55,088)	(641,606)	(3,811,768)	6,099,452	84,741
Other Financing Sources (Uses)					
Transfers in	-	1,652,221	3,124,630	-	-
Transfers out	(949,410)	(40,000)	(4,200,000)	(4,658,086)	(277,890)
Total other financing sources (uses), net	<u>(949,410)</u>	<u>1,612,221</u>	<u>(1,075,370)</u>	<u>(4,658,086)</u>	<u>(277,890)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(1,004,498)	970,615	(4,887,138)	1,441,366	(193,149)
Fund balance July 1	<u>10,187,103</u>	<u>2,922,204</u>	<u>34,227,832</u>	<u>3,323,131</u>	<u>147,962</u>
Fund balances - ending	<u>\$ 9,182,605</u>	<u>\$ 3,892,819</u>	<u>\$ 29,340,694</u>	<u>\$ 4,764,497</u>	<u>\$ (45,187)</u>

	Emergency Telephone System	Downtown W-S Business Improvement District	American Rescue Plan	Permanent Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ -	\$ 646,902	\$ -	\$ -	\$ 1,184,422
Licenses	446,454	-	-	-	446,454
Intergovernmental	-	-	-	-	20,340,056
Investment income (loss)	5,812	208	1,951	1,323,148	1,425,064
Other	-	-	-	-	675,601
Total revenues	452,266	647,110	1,951	1,323,148	24,071,597
Expenditures					
Current					
General government	-	-	-	-	7,097
Public protection	270,972	-	-	-	4,105,948
Transportation	-	-	-	-	2,096,640
Culture and recreation	-	-	-	-	469,551
Community and economic development	-	631,629	-	-	14,194,756
Total expenditures	270,972	631,629	-	-	20,873,992
Excess of revenues over (under) expenditures	181,294	15,481	1,951	1,323,148	3,197,605
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	4,776,851
Transfers out	-	(36,752)	-	(208,814)	(10,370,952)
Total other financing sources (uses), net	-	(36,752)	-	(208,814)	(5,594,101)
Excess of revenues and other financing sources over (under) expenditures and other uses	181,294	(21,271)	1,951	1,114,334	(2,396,496)
Fund balance July 1	1,995,564	56,698	-	4,147,780	57,008,274
Fund balances - ending	\$ 2,176,858	\$ 35,427	\$ 1,951	\$ 5,262,114	\$ 54,611,778

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, 2021

Exhibit 29

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ 5,956,574	\$ 9,243,026	\$ 15,199,600	\$ 31,106,497
Other	1,001,908	4,280,581	5,282,489	4,865,612
Total revenues	6,958,482	13,523,607	20,482,089	35,972,109
Expenditures				
Community development	6,036,117	9,056,105	15,092,222	30,128,010
Debt service				
Principal retirement	-	999,000	999,000	999,000
Interest and fiscal charges	-	80,945	80,945	85,000
Total expenditures	6,036,117	10,136,050	16,172,167	31,212,010
Excess of revenues over expenditures	922,365	3,387,557	4,309,922	4,760,099
Other Financing Uses				
Transfers out				
General fund	(751,512)	(2,518,635)	(3,270,147)	(4,260,099)
Capital projects fund	(197,898)	-	(197,898)	(500,000)
Total other financing uses	(949,410)	(2,518,635)	(3,468,045)	(4,760,099)
Excess of revenues and other financing sources over (under) expenditures and other uses	(27,045)	\$ 868,922	\$ 841,877	\$ -
Fund balance - beginning	868,922			
Fund balance - ending	\$ 841,877			
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	10,187,103			
Loans issued and adjustments	129,439			
Payments received on loan balances	(962,716)			
Change in estimate of loan portfolio allowance	(144,176)			
Total reconciling items	9,209,650			
Fund Balance at End of Year (GAAP Basis)	\$ 9,182,605			

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, 2021

Exhibit 30

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ 5,946,638	\$ 13,773,443	\$ 19,720,081	\$ 33,857,288
Investment income	2,596	16,661	19,257	17,032
Other	125,159	1,067,483	1,192,642	1,525,742
Total revenues	<u>6,074,393</u>	<u>14,857,587</u>	<u>20,931,980</u>	<u>35,400,062</u>
Expenditures				
General government	7,097	323,592	330,689	594,610
Public protection	3,834,976	6,602,467	10,437,443	15,055,087
Environmental health	-	940,432	940,432	2,500,000
Transportation	2,096,640	4,077,706	6,174,346	16,693,057
Culture and recreation	16,162	100,136	116,298	1,064,178
Community and economic development	761,124	4,058,605	4,819,729	5,493,863
Total expenditures	<u>6,715,999</u>	<u>16,102,938</u>	<u>22,818,937</u>	<u>41,400,795</u>
Excess of expenditures over (under) revenues	(641,606)	(1,245,351)	(1,886,957)	(6,000,733)
Other Financing Sources (Uses)				
Transfers in				
General fund	1,639,941	3,442,803	5,082,744	5,312,317
Occupancy tax fund	-	437,085	437,085	437,085
Capital projects fund	-	250,220	250,220	250,220
Transit authority fund	12,280	13,800	26,080	31,300
Fleet services fund	-	48,510	48,510	48,510
Transfers out				
General fund	-	(24,863)	(24,863)	(24,870)
Grants fund	-	-	-	(13,829)
Capital projects fund	(40,000)	-	(40,000)	(40,000)
Total other financing sources, net	<u>1,612,221</u>	<u>4,167,555</u>	<u>5,779,776</u>	<u>6,000,733</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	970,615	<u>\$ 2,922,204</u>	<u>\$ 3,892,819</u>	<u>\$ -</u>
Fund balance - beginning	<u>2,922,204</u>			
Fund balance - ending	<u>\$ 3,892,819</u>			
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	2,922,204			
Payments received on loan balances	-			
Total reconciling items	<u>2,922,204</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 3,892,819</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, 2021

Exhibit 31

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Intergovernmental	\$ 2,361,369	\$ 5,274,262	\$ 7,635,631	\$ 19,549,077
Investment income (loss)	66,762	3,188,463	3,255,225	3,517,781
Capital lease charges	-	1,004,928	1,004,928	1,000,000
Other	2,311,983	22,311,814	24,623,797	8,891,759
Total revenues	<u>4,740,114</u>	<u>31,779,467</u>	<u>36,519,581</u>	<u>32,958,617</u>
Expenditures				
Neighborhood stabilization	-	837,837	837,837	1,700,110
UDAG loan	-	378,992	378,992	413,593
Emergency rental assistance	1,693,115	-	1,693,115	13,395,640
Housing financing assistance loan	2,256,483	2,979,686	5,236,169	8,648,053
Economic development loan	2,588,982	373,653	2,962,635	3,885,047
Economic development project	2,655,284	16,360,925	19,016,209	26,586,408
Rental rehabilitation	-	-	-	1,000,000
Foreclosed property	12,130	-	12,130	-
Section 108	-	3,515,306	3,515,306	3,540,000
Debt service				
Principal retirement	-	796,000	796,000	796,000
Interest and fiscal charges	-	24,694	24,694	-
Total expenditures	<u>9,205,994</u>	<u>25,267,093</u>	<u>34,473,087</u>	<u>59,964,851</u>
Excess of revenues over (under) expenditures	(4,465,880)	6,512,374	2,046,494	(27,006,234)
Other Financing Sources (Uses)				
Transfers in				
General fund	3,124,630	17,848,543	20,973,173	20,703,097
Economic and housing development fund	-	689,514	689,514	598,500
Capital projects fund	-	604,712	604,712	592,695
Transfers out				
General fund	(4,000,000)	(70,203)	(4,070,203)	(4,018,586)
Grants fund	-	(201,947)	(201,947)	(275,000)
Economic and housing development fund	-	(638,100)	(638,100)	(638,100)
Capital projects fund	-	(1,771,024)	(1,771,024)	(1,796,030)
Public assembly facilities management fund	(200,000)	(498,500)	(698,500)	(698,500)
Total other financing sources, net	<u>(1,075,370)</u>	<u>15,962,995</u>	<u>14,887,625</u>	<u>14,468,076</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(5,541,250)	<u>\$ 22,475,369</u>	<u>\$ 16,934,119</u>	<u>\$ (12,538,158)</u>
Fund balance - beginning	<u>22,475,369</u>			
Fund balance - ending	<u>\$ 16,934,119</u>			
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	34,227,832			
Loans issued and adjustments	2,595,911			
Payments received on loan balances	(1,800,734)			
Change in estimate of loan portfolio allowance	(141,065)			
Total reconciling items	<u>34,881,944</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 29,340,694</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, 2021

Exhibit 32

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 6,283,550	\$ 6,075,475	\$ (208,075)
Investment income	-	23,977	23,977
Total revenues	6,283,550	6,099,452	(184,098)
Other Financing Uses			
Transfers out			
General fund	(5,146,100)	(4,103,651)	1,042,449
Capital projects fund	(2,333,050)	(554,435)	1,778,615
Total other financing uses	(7,479,150)	(4,658,086)	2,821,064
Excess of revenues over (under) other uses	(1,195,600)	1,441,366	2,636,966
Fund balance - beginning	3,323,131	3,323,131	-
Fund balance - ending	\$ 2,127,531	\$ 4,764,497	\$ 2,636,966

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, 2021

Exhibit 33

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Taxes	\$ 663,000	\$ 537,520	\$ (125,480)
Investment income	-	610	610
Total revenues	<u>663,000</u>	<u>538,130</u>	<u>(124,870)</u>
Expenditures			
Culture and recreation	<u>522,065</u>	<u>453,389</u>	<u>68,676</u>
Excess of revenues over expenditures	140,935	84,741	(56,194)
Other Financing Uses			
Transfers out			
Public assembly facilities management fund	<u>(277,890)</u>	<u>(277,890)</u>	<u>-</u>
Total other financing uses	<u>(277,890)</u>	<u>(277,890)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other uses	(136,955)	(193,149)	(56,194)
Fund balance - beginning	<u>147,962</u>	<u>147,962</u>	<u>-</u>
Fund balance - ending	<u>\$ 11,007</u>	<u>\$ (45,187)</u>	<u>\$ (56,194)</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 Fiscal Year Ended June 30, 2021

Exhibit 34

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Licenses	\$ 446,454	\$ 3,045,156	\$ 3,491,610	\$ 3,856,214
Investment income (loss)	5,812	61,016	66,828	-
Total revenues	452,266	3,106,172	3,558,438	3,856,214
Expenditures				
Implemental functions	-	-	-	5,350,924
Telephone	169,290	474,523	643,813	-
Software maintenance	83,990	259,808	343,798	-
Hardware maintenance	11,130	347,998	359,128	-
Training	6,562	28,279	34,841	-
Total operating expenditures	270,972	1,110,608	1,381,580	5,350,924
Excess of revenues over (under) expenditures	181,294	1,995,564	2,176,858	<u>\$ (1,494,710)</u>
Fund balance - beginning	1,995,564	-	-	
Fund balance - ending	<u>\$ 2,176,858</u>	<u>\$ 1,995,564</u>	<u>\$ 2,176,858</u>	

City of Winston-Salem, North Carolina

Special Revenue Funds

Downtown W-S Business Improvement District Fund - Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021

Exhibit 35

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Taxes	\$ 657,940	\$ 646,902	\$ (11,038)
Investment income	-	208	208
Total revenues	<u>657,940</u>	<u>647,110</u>	<u>(10,830)</u>
Expenditures			
Community and economic development	<u>658,529</u>	<u>631,629</u>	<u>26,900</u>
Excess of revenues over expenditures	(589)	15,481	16,070
Other Financing Uses			
Transfers out			
Parking fund	<u>(50,000)</u>	<u>(36,752)</u>	<u>13,248</u>
Total other financing uses	<u>(50,000)</u>	<u>(36,752)</u>	<u>13,248</u>
Excess of revenues over (under) expenditures and other uses	(50,589)	(21,271)	29,318
Fund balance - beginning	<u>56,698</u>	<u>56,698</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,109</u>	<u>\$ 35,427</u>	<u>\$ 29,318</u>

City of Winston-Salem, North Carolina

Special Revenue Funds

American Rescue Plan - Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021

Exhibit 36

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Investment income	\$ 1,951	\$ -	\$ 1,951	\$ -
Total revenues	<u>1,951</u>	<u>-</u>	<u>1,951</u>	<u>-</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,951	-	1,951	-
Other Financing Sources (Uses)				
Total other financing sources, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	1,951	<u>\$ -</u>	<u>\$ 1,951</u>	<u>\$ -</u>
Fund balance - beginning	<u>-</u>			
Fund balance - ending	<u><u>\$ 1,951</u></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, 2021

Exhibit 37

Assets	Public Assembly			Total
	Parking	Stormwater Management	Facilities Management	
Current Assets				
Cash and cash equivalents/investments	\$ 294,768	\$ 28,734,954	\$ -	\$ 29,029,722
Accounts receivables, net	5,588	1,400,205	913,601	2,319,394
Due from other governments	375,200	659,206	646	1,035,052
Prepaid expenses	-	-	8,343	8,343
Total current assets	675,556	30,794,365	922,590	32,392,511
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents/investments	-	-	150,050	150,050
Net OPEB Asset	38,093	172,631	62,229	272,953
Capital assets				
Land	824,169	606,488	11,672,486	13,103,143
Construction in progress	324	11,825,556	171,145	11,997,025
Other capital assets, net of accumulated depreciation	8,120,469	30,295,860	41,068,065	79,484,394
Accounts receivables	-	-	500,000	500,000
Total noncurrent assets	8,983,055	42,900,535	53,623,975	105,507,565
Total assets	9,658,611	73,694,900	54,546,565	137,900,076
Deferred Outflows of Resources				
Pension deferrals	110,274	499,749	180,148	790,171
Charge on refunding	-	-	9,100	9,100
Total deferred outflows of resources	110,274	499,749	189,248	799,271
Liabilities				
Current Liabilities				
Accounts payable	9,521	724,772	726,397	1,460,690
Accrued payroll	4,617	17,662	7,577	29,856
Accrued vacation	5,200	47,870	37,074	90,144
Accrued interest payable	-	22,358	45,884	68,242
Due to other funds	-	-	1,143,359	1,143,359
Unearned revenue	1,113,571	20,524	-	1,134,095
Pollution remediation	-	19,635	-	19,635
Current maturities				
Contracts payable	44,270	413,343	967,858	1,425,471
Bonds payable	-	585,000	-	585,000
Total current liabilities	1,177,179	1,851,164	2,928,149	5,956,492
Noncurrent Liabilities				
Accrued vacation	27,623	94,393	49,261	171,277
Net pension liability	200,483	908,562	327,516	1,436,561
Pollution remediation	-	1,931,961	-	1,931,961
Contracts payable	7,395	322,900	18,771,621	19,101,916
Bonds payable	-	8,336,273	-	8,336,273
Total noncurrent liabilities	235,501	11,594,089	19,148,398	30,977,988
Total liabilities	1,412,680	13,445,253	22,076,547	36,934,480
Deferred Inflows of Resources				
Pension deferrals	619	2,807	1,013	4,439
OPEB deferrals	55,440	273,103	100,078	428,621
Total deferred inflows of resources	56,059	275,910	101,091	433,060
Net Position				
Net investment in capital assets	8,893,297	33,070,388	33,181,317	75,145,002
Restricted for OPEB	38,093	172,631	62,229	272,953
Unrestricted	(631,244)	27,230,467	(685,371)	25,913,852
Total net position	\$ 8,300,146	\$ 60,473,486	\$ 32,558,175	\$101,331,807

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, 2021

Exhibit 38

	Parking	Stormwater Management	Public Assembly Facilities Management	Total
Operating Revenues				
Charges for services	\$ 404,346	\$ 10,833,308	\$ 516,399	\$ 11,754,053
Other	-	256,687	970,265	1,226,952
Total operating revenues	404,346	11,089,995	1,486,664	12,981,005
Operating Expenses				
Personal services	553,956	2,719,444	934,063	4,207,463
Maintenance and operations	400,494	2,673,127	3,148,675	6,222,296
Total operating expenses before depreciation	954,450	5,392,571	4,082,738	10,429,759
Depreciation	484,127	1,261,341	1,992,968	3,738,436
Total operating expenses	1,438,577	6,653,912	6,075,706	14,168,195
Operating income (loss)	(1,034,231)	4,436,083	(4,589,042)	(1,187,190)
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	375,200	16,322	-	391,522
Investment income	2,959	3,763,563	3,068	3,769,590
Gain (loss) on disposal of assets	-	22,030	1,151	23,181
Interest and fiscal expense	(28,969)	(343,946)	(576,433)	(949,348)
Amortization of financing costs	20,083	38,136	9,860	68,079
Total nonoperating revenues (expenses), net	369,273	3,496,105	(562,354)	3,303,024
Income (loss) before capital contributions and transfers	(664,958)	7,932,188	(5,151,396)	2,115,834
Capital Contributions	-	1,231,121	-	1,231,121
Transfers In	36,752	-	2,443,440	2,480,192
Transfers Out	-	(2,073,367)	(72,640)	(2,146,007)
Total transfers	36,752	(2,073,367)	2,370,800	334,185
Change in net position	(628,206)	7,089,942	(2,780,596)	3,681,140
Total net position - beginning	8,928,352	53,383,544	35,338,771	97,650,667
Total net position - ending	\$ 8,300,146	\$ 60,473,486	\$ 32,558,175	\$ 101,331,807

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2021

Exhibit 39
Page 1 of 2

	Parking	Stormwater Management	Public Assembly Facilities Management	Total
Cash Flows from Operating Activities				
Cash received from sales	\$ 339,601	\$ 10,609,330	\$ 645,779	\$ 11,594,710
Cash payments to suppliers for goods and services	(402,872)	(2,640,454)	(3,113,624)	(6,156,950)
Cash payments to employees for services	(547,856)	(2,534,546)	(875,063)	(3,957,465)
Net cash provided (used) by operating activities	(611,127)	5,434,330	(3,342,908)	1,480,295
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenue	249,114	15,700	-	264,814
Advances from other funds	-	-	1,143,359	1,143,359
Transfers in	-	-	2,213,520	2,213,520
Transfers out	-	(2,073,367)	(72,640)	(2,146,007)
Net cash provided (used) by noncapital financing activities	249,114	(2,057,667)	3,284,239	1,475,686
Cash Flows from Capital and Related Financing Activities				
Intergovernmental revenue	-	572,561	-	572,561
Capital contributions	-	-	44,900	44,900
Transfers in	36,752	-	229,920	266,672
Acquisition of property and equipment	(27,809)	(2,586,771)	(363,313)	(2,977,893)
Retirement of bonds	-	(570,000)	-	(570,000)
Retirement of contracts payable	(607,766)	(654,380)	(1,047,720)	(2,309,866)
Interest and fiscal expense paid on bonds	-	(285,383)	-	(285,383)
Interest paid on contracts payable	(31,052)	(59,988)	(578,035)	(669,075)
Proceeds from sale of assets	-	22,030	1,151	23,181
Net cash provided (used) by capital and related financing activities	(629,875)	(3,561,931)	(1,713,097)	(5,904,903)
Cash Flows from Investing Activities				
Investment income (loss)	2,959	3,763,563	3,068	3,769,590
Net increase (decrease) in cash	(988,929)	3,578,295	(1,768,698)	820,668
Cash and cash equivalents/investments July 1	1,283,697	25,156,659	1,918,748	28,359,104
Cash and cash equivalents/investments June 30	\$ 294,768	\$ 28,734,954	\$ 150,050	\$ 29,179,772

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2021

Exhibit 39
Page 2 of 2

	Public Assembly Facilities			Total
	Parking	Stormwater	Management	
Reconciliation of Cash and Cash Equivalents/Investments				
Cash and investments - current	\$ 294,768	\$ 28,734,954	\$ -	\$ 29,029,722
Cash and investments - restricted	-	-	150,050	150,050
Cash and cash equivalents/investments June 30	\$ 294,768	\$ 28,734,954	\$ 150,050	\$ 29,179,772
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,034,231)	\$ 4,436,083	\$ (4,589,042)	\$ (1,187,190)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	484,127	1,261,341	1,992,968	3,738,436
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in receivables	4,493	(476,785)	(840,885)	(1,313,177)
(Increase) decrease in prepaid expenses	-	-	(8,343)	(8,343)
(Increase) decrease in net OPEB asset	(38,093)	(172,631)	(62,229)	(272,953)
(Increase) decrease in deferred outflows of resources - pensions	(30,452)	(15,210)	(44,937)	(90,599)
(Increase) decrease in deferred outflows of resources - OPEB	7,212	40,184	13,996	61,392
Increase (decrease) in net pension liability	72,196	321,809	147,657	541,662
Increase (decrease) in net OPEB liability	(23,425)	(119,515)	(52,579)	(195,519)
Increase (decrease) in deferred inflows of resources - pensions	(12,779)	2,807	(8,273)	(18,245)
Increase (decrease) in deferred inflows of resources - OPEB	30,135	136,566	49,229	215,930
Increase (decrease) in accounts payable	(2,378)	32,673	(51,319)	(21,024)
Increase (decrease) in accrued payroll	1,701	2,835	3,193	7,729
Increase (decrease) in unearned revenue	(69,238)	(3,880)	-	(73,118)
Increase (decrease) in accrued vacation	(395)	(11,947)	12,943	601
Increase in contracts payable	-	-	94,713	94,713
Total adjustments	423,104	998,247	1,246,134	2,667,485
Net cash provided (used) by operating activities	\$ (611,127)	\$ 5,434,330	\$ (3,342,908)	\$ 1,480,295

Noncash Investing, Capital, and Financing Activities

The City entered into leases for new property and equipment and incurred capital lease obligations of \$401,874 and \$153,581 during the years ended June 30, 2021, and 2020, respectively.

The City accrued intergovernmental revenues of \$127,332 and (\$201,069) during the years ended June 30, 2021 and 2020, respectively

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, 2021

Exhibit 40

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 700,000	\$ 404,346	\$ (295,654)
Operating Expenditures			
Personal services	633,090	549,162	83,928
Maintenance and operations	570,294	400,494	169,800
Total operating expenditures	1,203,384	949,656	253,728
Operating income (loss)	(503,384)	(545,310)	(41,926)
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	413,810	375,200	(38,610)
Investment income	-	2,959	2,959
Interest and fiscal charges	(49,270)	(28,969)	20,301
Principal retirement	(701,230)	(607,766)	93,464
Total nonoperating expenditures, net	(336,690)	(258,576)	78,114
Income (loss) before transfers	(840,074)	(803,886)	36,188
Transfers In			
Downtown W-S Business Improvement District Fund	-	36,752	36,752
Total transfers	-	36,752	36,752
Change in net position - modified accrual basis	\$ (840,074)	\$ (767,134)	\$ 72,940
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (767,134)	
Depreciation		(484,127)	
Amortization of financing costs		20,083	
Principal retirement		607,766	
Increase (decrease) in net OPEB asset		38,093	
Increase (decrease) in deferred outflows of resources - pensions		30,452	
(Increase) decrease in net pension liability		(72,196)	
(Increase) decrease in deferred inflows of resources - pensions		12,779	
Increase (decrease) in deferred outflows of resources - OPEB		(7,212)	
(Increase) decrease in net OPEB liability		23,425	
(Increase) decrease in deferred inflows of resources - OPEB		(30,135)	
Change in Net Position - Full Accrual Basis		\$ (628,206)	

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, 2021

Exhibit 41

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 10,243,810	\$ 10,833,308	\$ 589,498
Other	206,750	256,687	49,937
Total operating revenues	10,450,560	11,089,995	639,435
Operating Expenditures			
Personal services	3,516,630	2,525,434	991,196
Maintenance and operations	4,381,729	2,656,651	1,725,078
Total operating expenditures	7,898,359	5,182,085	2,716,274
Operating income	2,552,201	5,907,910	3,355,709
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	82,370	16,322	(66,048)
Investment income	-	3,763,563	3,763,563
Proceeds from sale of assets	-	22,030	22,030
Interest and fiscal charges	(345,010)	(343,946)	1,064
Principal retirement	(1,231,720)	(1,224,380)	7,340
Total nonoperating expenditures, net	(1,494,360)	2,233,589	3,727,949
Income before capital contributions and transfers	1,057,841	8,141,499	7,083,658
Capital Contributions			
Intergovernmental revenue	-	1,231,121	1,231,121
Total capital contributions	-	1,231,121	1,231,121
Transfers Out			
General fund	(1,866,830)	(1,796,456)	70,374
Solid waste fund	(189,540)	(156,191)	33,349
Water and sewer utility fund	(120,720)	(120,720)	-
Total transfers out	(2,177,090)	(2,073,367)	103,723
Change in net position - modified accrual basis	\$ (1,119,249)	\$ 7,299,253	\$ 8,418,502
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 7,299,253	
Depreciation		(1,261,341)	
Amortization of financing costs		38,136	
Principal retirement		1,224,380	
Book value of disposed assets		(16,476)	
Increase (decrease) in net OPEB asset		172,631	
Increase (decrease) in deferred outflows of resources - pensions		15,210	
Increase (decrease) in deferred outflows of resources - OPEB		(40,184)	
(Increase) decrease in net pension liability		(321,809)	
(Increase) decrease in deferred inflows of resources - pensions		(2,807)	
(Increase) decrease in net OPEB liability		119,515	
(Increase) decrease in deferred inflows of resources - OPEB		(136,566)	
Change in Net Position - Full Accrual Basis		\$ 7,089,942	

City of Winston-Salem, North Carolina

Enterprise Funds

Public Assembly Facilities Management Fund - Schedule of Revenues, Expenditures,
and Transfers – Budget (Non-GAAP Basis) and Actual

For the Fiscal Year Ended June 30, 2021

Exhibit 42

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 2,847,680	\$ 516,399	\$ (2,331,281)
Other	2,232,680	970,265	(1,262,415)
Total operating revenues	5,080,360	1,486,664	(3,593,696)
Operating Expenditures			
Personal services	916,290	828,970	87,320
Maintenance and operations	5,446,603	3,140,650	2,305,953
Total operating expenditures	6,362,893	3,969,620	2,393,273
Operating income (loss)	(1,282,533)	(2,482,956)	(1,200,423)
Nonoperating Revenues (Expenditures)			
Investment income (loss)	-	3,068	3,068
Proceeds from sale of assets	-	1,151	1,151
Interest and fiscal charges	(754,960)	(576,433)	178,527
Principal retirement	(1,013,110)	(1,047,720)	(34,610)
Total nonoperating expenditures, net	(1,768,070)	(1,619,934)	148,136
Income (loss) before transfers	(3,050,603)	(4,102,890)	(1,052,287)
Transfers In (Out)			
General fund	1,862,990	1,862,990	-
Economic and housing development fund	-	200,000	200,000
Occupancy tax fund	277,890	277,890	-
Capital projects fund	-	29,920	29,920
Winston-Salem Fairgrounds Fund	72,640	72,640	-
Bowman Gray Stadium Fund	(72,640)	(72,640)	-
Total transfers in (out)	2,140,880	2,370,800	229,920
Change in net position - modified accrual basis	\$ (909,723)	\$ (1,732,090)	\$ (822,367)
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (1,732,090)	
Depreciation		(1,992,968)	
Amortization of financing costs		9,860	
Principal retirement		1,047,720	
Book value of disposed assets		(8,025)	
Increase (decrease) in deferred outflows of resources - pensions		44,937	
(Increase) decrease in net pension liability		(147,657)	
(Increase) decrease in deferred inflows of resources - pensions		8,273	
Increase (decrease) in deferred outflows of resources - OPEB		(13,996)	
(Increase) decrease in net OPEB liability		52,579	
(Increase) decrease in deferred inflows of resources - OPEB		(49,229)	
Change in Net Position - Full Accrual Basis		\$ (2,780,596)	

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 Acceptance Management Corporation (RAMCO)**, a separate legal corporation, provides claims administration, and reserve funding for claims of the City of Winston-Salem.

City of Winston-Salem, North Carolina

Combining Statement of Net Position

Internal Service Funds

June 30, 2021

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Assets				
Current Assets				
Cash and cash equivalents/investments	\$ 148,471	\$ -	\$ 339,636	\$ 10,411,883
Accounts receivables, net	103	-	-	2,101
Inventories	851,350	869,483	-	-
Total current assets	999,924	869,483	339,636	10,413,984
Noncurrent Assets				
Restricted assets				
Net OPEB asset	23,100	123,277	343,470	14,568
Capital assets				
Land	801,682	-	-	-
Construction in progress	-	-	17,754	-
Other capital assets, net of accumulated depreciation	139,516	1,894,507	3,300,139	-
Total noncurrent assets	964,298	2,017,784	3,661,363	14,568
Total assets	1,964,222	2,887,267	4,000,999	10,428,552
Deferred Outflows of Resources				
Pension deferrals	66,871	356,875	994,310	42,172
Total deferred outflows of resources	66,871	356,875	994,310	42,172
Liabilities				
Current Liabilities				
Accounts payable	37,014	505,942	140,012	20,361
Accrued payroll	2,863	13,939	39,951	1,633
Accrued vacation	10,351	65,458	219,263	3,067
Due to other funds	-	108,989	-	-
Current maturities				
Claims payable	-	-	-	1,670,355
Contracts payable	-	295,583	496,929	-
Total current liabilities	50,228	989,911	896,155	1,695,416
Noncurrent Liabilities				
Accrued vacation	6,831	34,294	121,939	2,289
Net pension liability	121,573	648,812	1,807,691	76,671
Claims payable	-	-	-	3,216,665
Contracts payable	-	332,660	649,986	-
Total noncurrent liabilities	128,404	1,015,766	2,579,616	3,295,625
Total liabilities	178,632	2,005,677	3,475,771	4,991,041
Deferred Inflows of Resources				
Pension deferrals	376	2,004	5,585	237
OPEB deferrals	33,560	185,696	499,416	22,631
Total deferred inflows of resources	33,936	187,700	505,001	22,868
Net Position				
Net investment in capital assets	941,198	1,266,264	2,170,978	-
Restricted for OPEB	23,100	123,277	343,470	14,568
Unrestricted	854,227	(338,776)	(1,499,911)	5,442,247
Total net position	\$ 1,818,525	\$ 1,050,765	\$ 1,014,537	\$ 5,456,815

Assets	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Acceptance Management Corporation	Total
Current Assets					
Cash and cash equivalents/investments	\$ 13,503,046	\$ 3,190,820	\$ 9,408,423	\$53,848,964	\$90,851,243
Accounts receivables, net	-	-	1,842	-	4,046
Inventories	-	-	-	-	1,720,833
Total current assets	13,503,046	3,190,820	9,410,265	53,848,964	92,576,122
Noncurrent Assets					
Restricted assets					
Net OPEB asset	12,884	-	-	-	517,299
Capital assets					
Land	-	-	-	-	801,682
Construction in progress	-	-	-	-	17,754
Other capital assets, net of accumulated depreciation	-	-	-	-	5,334,162
Total noncurrent assets	12,884	-	-	-	6,670,897
Total assets	13,515,930	3,190,820	9,410,265	53,848,964	99,247,019
Deferred Outflows of Resources					
Pension deferrals	37,297	-	-	-	1,497,525
Total deferred outflows of resources	37,297	-	-	-	1,497,525
Liabilities					
Current Liabilities					
Accounts payable	583,805	46,715	5,292,237	67,196	6,693,282
Accrued payroll	1,805	-	-	-	60,191
Accrued vacation	3,720	-	-	-	301,859
Due to other funds	-	-	-	-	108,989
Current maturities					
Claims payable	3,447,306	151,803	-	-	5,269,464
Contracts payable	-	-	-	-	792,512
Total current liabilities	4,036,636	198,518	5,292,237	67,196	13,226,297
Noncurrent Liabilities					
Accrued vacation	5,419	-	-	-	170,772
Net pension liability	67,808	-	-	-	2,722,555
Claims payable	-	-	-	2,868,543	6,085,208
Contracts payable	-	-	-	-	982,646
Total noncurrent liabilities	73,227	-	-	2,868,543	9,961,181
Total liabilities	4,109,863	198,518	5,292,237	2,935,739	23,187,478
Deferred Inflows of Resources					
Pension deferrals	209	-	-	-	8,411
OPEB deferrals	19,728	-	-	-	761,031
Total deferred inflows of resources	19,937	-	-	-	769,442
Net Position					
Net investment in capital assets	-	-	-	-	4,378,440
Restricted for OPEB	12,884	-	-	-	517,299
Unrestricted	9,410,543	2,992,302	4,118,028	50,913,225	71,891,885
Total net position	\$ 9,423,427	\$ 2,992,302	\$ 4,118,028	\$50,913,225	\$76,787,624

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, 2021

	<u>Central Warehouse</u>	<u>Fleet Services</u>	<u>Information Services</u>	<u>Workers' Compensation</u>
Operating Revenues				
Charges for services	\$ 557,958	\$ 8,785,933	\$ 10,018,197	\$ 4,003,171
Other	20	68,475	-	738,830
Total operating revenues	557,978	8,854,408	10,018,197	4,742,001
Operating Expenses				
Personal services	373,220	1,809,701	5,015,669	225,091
Maintenance and operations	100,565	6,478,802	4,408,258	4,653,355
Total operating expenses before depreciation	473,785	8,288,503	9,423,927	4,878,446
Depreciation	13,790	473,468	596,637	-
Total operating expenses	487,575	8,761,971	10,020,564	4,878,446
Operating income (loss)	70,403	92,437	(2,367)	(136,445)
Nonoperating Revenues (Expenses)				
Investment income (loss)	-	-	-	113,229
Gain (loss) on disposal of assets	-	30,409	(31,422)	-
Interest and fiscal expense	-	(46,507)	(80,398)	-
Total nonoperating revenues (expenses), net	-	(16,098)	(111,820)	113,229
Income (loss) before transfers	70,403	76,339	(114,187)	(23,216)
Transfers Out	-	-	-	(124,630)
Total transfers	-	-	-	(124,630)
Change in net position	70,403	76,339	(114,187)	(147,846)
Total net position - beginning	1,748,122	974,426	1,128,724	5,604,661
Total net position - ending	\$ 1,818,525	\$ 1,050,765	\$ 1,014,537	\$ 5,456,815

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Acceptance Management Corporation	Total
Operating Revenues					
Charges for services	\$ 23,347,559	\$ 2,542,485	\$ 32,061,275	\$ 1,130,735	\$ 82,447,313
Other	1,400,214	115	617,988	-	2,825,642
Total operating revenues	24,747,773	2,542,600	32,679,263	1,130,735	85,272,955
Operating Expenses					
Personal services	193,097	-	-	-	7,616,778
Maintenance and operations	23,214,441	2,174,244	32,290,538	3,382,981	76,703,184
Total operating expenses before depreciation	23,407,538	2,174,244	32,290,538	3,382,981	84,319,962
Depreciation	-	-	-	-	1,083,895
Total operating expenses	23,407,538	2,174,244	32,290,538	3,382,981	85,403,857
Operating income (loss)	1,340,235	368,356	388,725	(2,252,246)	(130,902)
Nonoperating Revenues (Expenses)					
Investment income (loss)	137,448	8,662	483,550	14,019,270	14,762,159
Gain (loss) on disposal of assets	-	-	-	-	(1,013)
Interest and fiscal expense	-	-	-	-	(126,905)
Total nonoperating revenues (expenses), net	137,448	8,662	483,550	14,019,270	14,634,241
Income (loss) before transfers	1,477,683	377,018	872,275	11,767,024	14,503,339
Transfers Out					
Total transfers	-	-	-	-	(124,630)
Change in net position	1,477,683	377,018	872,275	11,767,024	14,378,709
Total net position - beginning	7,945,744	2,615,284	3,245,753	39,146,201	62,408,915
Total net position - ending	\$ 9,423,427	\$ 2,992,302	\$ 4,118,028	\$ 50,913,225	\$ 76,787,624

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2021

	<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	\$ 557,875	\$ 8,854,408	\$ 10,018,197	\$ 4,742,601
Cash payments for suppliers for goods and services	(46,664)	(6,382,149)	(4,420,874)	(3,382,097)
Cash payments to employees for services	(338,640)	(1,797,108)	(4,907,176)	(237,936)
Net cash provided (used) by operating activities	<u>172,571</u>	<u>675,151</u>	<u>690,147</u>	<u>1,122,568</u>
Cash Flows from Noncapital Financing Activities				
Repayments to other funds	(24,100)	(289,157)	-	-
Transfers out	-	-	-	(124,630)
Net cash provided (used) by noncapital financing activities	<u>(24,100)</u>	<u>(289,157)</u>	<u>-</u>	<u>(124,630)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of property and equipment	-	(7,004)	(14,642)	-
Retirement of contracts payable	-	(401,245)	(599,323)	-
Interest paid on contracts payable	-	(46,507)	(80,398)	-
Proceeds from sale of assets	-	68,762	85	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(385,994)</u>	<u>(694,278)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment income (loss)	-	-	-	113,229
Net increase (decrease) in cash	148,471	-	(4,131)	1,111,167
Cash and cash equivalents/investments July 1	-	-	343,767	9,300,716
Cash and cash equivalents/investments June 30	<u>\$ 148,471</u>	<u>\$ -</u>	<u>\$ 339,636</u>	<u>\$ 10,411,883</u>

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Acceptance Management Corporation	Total
Cash Flows from Operating Activities					
Cash received from sales	\$ 24,747,773	\$ 2,542,600	\$ 32,677,421	\$ 1,130,735	\$ 85,271,610
Cash payments for suppliers for goods and services	(22,548,524)	(2,168,925)	(33,711,381)	(2,061,631)	(74,722,245)
Cash payments to employees for services	(197,429)	-	-	-	(7,478,289)
Net cash provided (used) by operating activities	<u>2,001,820</u>	<u>373,675</u>	<u>(1,033,960)</u>	<u>(930,896)</u>	<u>3,071,076</u>
Cash Flows from Noncapital Financing Activities					
Repayments to other funds	-	-	-	-	(313,257)
Transfers out	-	-	-	-	(124,630)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(437,887)</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of property and equipment	-	-	-	-	(21,646)
Retirement of contracts payable	-	-	-	-	(1,000,568)
Interest paid on contracts payable	-	-	-	-	(126,905)
Proceeds from sale of assets	-	-	-	-	68,847
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,080,272)</u>
Cash Flows from Investing Activities					
Investment income (loss)	137,448	8,662	483,550	14,019,270	14,762,159
Net increase (decrease) in cash	2,139,268	382,337	(550,410)	13,088,374	16,315,076
Cash and cash equivalents/investments July 1	11,363,778	2,808,483	9,958,833	40,760,590	74,536,167
Cash and cash equivalents/investments June 30	<u>\$13,503,046</u>	<u>\$ 3,190,820</u>	<u>\$ 9,408,423</u>	<u>\$ 53,848,964</u>	<u>\$ 90,851,243</u>

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2021

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Reconciliation of Cash and Cash Equivalents/Investments				
Cash and investments - current	\$ 148,471	\$ -	\$ 339,636	\$ 10,411,883
Cash and cash equivalents/investments June 30	\$ 148,471	\$ -	\$ 339,636	\$ 10,411,883
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 70,403	\$ 92,437	\$ (2,367)	\$ (136,445)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	13,790	473,468	596,637	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in receivables	(103)	-	-	600
(Increase) decrease in inventories	25,169	(80,728)	-	-
(Increase) decrease in net OPEB asset	(23,100)	(123,277)	(343,470)	(14,568)
(Increase) decrease in deferred outflows of resources - pensions	(30,267)	(93,134)	(149,281)	2,916
(Increase) decrease in deferred outflows of resources - OPEB	4,997	25,754	62,140	2,006
Increase (decrease) in net pension liability	74,711	188,696	483,851	20,205
Increase (decrease) in net OPEB liability	(9,114)	(78,208)	(239,723)	(19,880)
Increase (decrease) in deferred inflows of resources - pensions	376	(4,506)	(47,525)	(18,668)
Increase (decrease) in deferred inflows of resources - OPEB	18,274	97,523	271,715	11,524
Increase (decrease) in accounts payable	28,732	177,381	(46,689)	(122,071)
Increase (decrease) in accrued payroll	1,120	4,103	13,213	638
Increase (decrease) in accrued vacation	(2,417)	(4,358)	57,573	2,982
Increase (decrease) in claims payable	-	-	-	1,393,329
Increase (decrease) in contracts payable	-	-	34,073	-
Total adjustments	102,168	582,714	692,514	1,259,013
Net cash provided (used) by operating activities	\$ 172,571	\$ 675,151	\$ 690,147	\$ 1,122,568

Noncash Investing, Capital, and Financing Activities

The City entered into leases for new property and equipment and incurred capital lease obligations of \$321,606 and \$1,644,357 during the years ended June 30, 2021, and 2020, respectively.

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Acceptance Management Corporation	Total
Reconciliation of Cash and Cash Equivalents/Investments					
Cash and investments - current	\$ 13,503,046	\$ 3,190,820	\$ 9,408,423	\$ 53,848,964	\$ 90,851,243
Cash and cash equivalents/investments June 30	<u>\$ 13,503,046</u>	<u>\$ 3,190,820</u>	<u>\$ 9,408,423</u>	<u>\$ 53,848,964</u>	<u>\$ 90,851,243</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 1,340,235	\$ 368,356	\$ 388,725	\$ (2,252,246)	\$ (130,902)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	1,083,895
Change in assets, deferred outflows of resources, and liabilities and deferred inflows of resources					
(Increase) decrease in receivables	-	-	(1,842)	-	(1,345)
(Increase) decrease in inventories	-	-	-	-	(55,559)
(Increase) decrease in net OPEB asset	(12,884)	-	-	-	(517,299)
(Increase) decrease in deferred outflows of resources - pensions	(18,707)	-	-	-	(288,473)
(Increase) decrease in deferred outflows of resources - OPEB	3,129	-	-	-	98,026
Increase (decrease) in net pension liability	29,770	-	-	-	797,233
Increase (decrease) in net OPEB liability	(5,626)	-	-	-	(352,551)
Increase (decrease) in deferred inflows of resources - pensions	(3,391)	-	-	-	(73,714)
Increase (decrease) in deferred inflows of resources - OPEB	10,192	-	-	-	409,228
Increase (decrease) in accounts payable	252,463	(25,009)	(1,420,843)	44,026	(1,112,010)
Increase (decrease) in accrued payroll	585	-	-	-	19,659
Increase (decrease) in accrued vacation	(7,400)	-	-	-	46,380
Increase (decrease) in claims payable	413,454	30,328	-	1,277,324	3,114,435
Increase (decrease) in contracts payable	-	-	-	-	34,073
Total adjustments	<u>661,585</u>	<u>5,319</u>	<u>(1,422,685)</u>	<u>1,321,350</u>	<u>3,201,978</u>
Net cash provided (used) by operating activities	<u>\$ 2,001,820</u>	<u>\$ 373,675</u>	<u>\$ (1,033,960)</u>	<u>\$ (930,896)</u>	<u>\$ 3,071,076</u>

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, 2021

Exhibit 46

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 428,130	\$ 557,958	\$ 129,828
Other	-	20	20
Total operating revenues	428,130	557,978	129,848
Operating Expenditures			
Personal services	299,020	337,343	(38,323)
Maintenance and operations	129,110	100,564	28,546
Total operating expenditures	428,130	437,907	(9,777)
Operating income (loss)	-	120,071	120,071
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 120,071</u>	<u>\$ 120,071</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 120,071	
Depreciation		(13,791)	
Increase (decrease) in net OPEB asset		23,100	
Increase (decrease) in deferred outflows of resources - pensions		30,267	
Increase (decrease) in deferred outflows of resources - OPEB		(4,997)	
(Increase) decrease in net pension liability		(74,711)	
(Increase) decrease in net OPEB liability		9,114	
(Increase) decrease in deferred inflows of resources - pensions		(376)	
(Increase) decrease in deferred inflows of resources - OPEB		(18,274)	
Change in Net Position - Full Accrual Basis		<u>\$ 70,403</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, 2021

Exhibit 47

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 10,038,760	\$ 8,785,933	\$ (1,252,827)
Other	-	68,475	68,475
Total operating revenues	10,038,760	8,854,408	(1,184,352)
Operating Expenditures			
Personal services	1,955,420	1,796,853	158,567
Maintenance and operations	8,280,248	6,478,802	1,801,446
Capital Outlay	7,000	7,004	(4)
Total operating expenditures	10,242,668	8,282,659	1,960,009
Operating income (loss)	(203,908)	571,749	775,657
Nonoperating Revenues (Expenditures)			
Proceeds from sale of assets	-	68,762	68,762
Interest and fiscal charges	(57,500)	(46,507)	10,993
Principal retirement	(447,250)	(401,245)	46,005
Total nonoperating expenditures, net	(504,750)	(378,990)	125,760
Change in net position - modified accrual basis	\$ (708,658)	\$ 192,759	\$ 901,417
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 192,759	
Depreciation		(473,468)	
Capital outlay		7,004	
Principal retirement		401,245	
Book value of disposed assets		(38,353)	
Increase (decrease) in OPEB asset		123,277	
Increase (decrease) in deferred outflows of resources - pensions		93,134	
Increase (decrease) in deferred outflows of resources - OPEB		(25,754)	
(Increase) decrease in net pension liability		(188,696)	
(Increase) decrease in deferred inflows of resources - OPEB		(97,523)	
(Increase) decrease in net OPEB liability		78,208	
(Increase) decrease in deferred inflows of resources - pensions		4,506	
Change in Net Position - Full Accrual Basis		\$ 76,339	

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, 2021

Exhibit 48

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 12,892,970	\$ 10,018,197	\$ (2,874,773)
Total operating revenues	12,892,970	10,018,197	(2,874,773)
Operating Expenditures			
Personal services	4,900,010	4,977,962	(77,952)
Maintenance and operations	7,821,372	4,374,185	3,447,187
Total operating expenditures	12,721,382	9,352,147	3,369,235
Operating income (loss)	171,588	666,050	494,462
Nonoperating Revenues (Expenditures)			
Proceeds from sales of assets	-	85	85
Interest and fiscal charges	(219,690)	(80,398)	139,292
Principal retirement	(1,243,250)	(599,323)	643,927
Total nonoperating expenditures, net	(1,462,940)	(679,636)	783,304
Change in net position - modified accrual basis	\$ (1,291,352)	\$ (13,586)	\$ 1,277,766
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (13,586)	
Depreciation		(596,637)	
Principal retirement		599,323	
Book value of disposed assets		(31,507)	
Increase in contracts payable		(34,073)	
Increase (decrease) in OPEB asset		343,470	
Increase (decrease) in deferred outflows of resources - pensions		149,281	
(Increase) decrease in net pension liability		(483,851)	
(Increase) decrease in deferred inflows of resources - pensions		47,525	
Increase (decrease) in deferred outflows of resources - OPEB		(62,140)	
(Increase) decrease in net OPEB liability		239,723	
(Increase) decrease in deferred inflows of resources - OPEB		(271,715)	
Change in Net Position - Full Accrual Basis		\$ (114,187)	

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, 2021

Exhibit 49

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 4,148,680	\$ 4,003,171	\$ (145,509)
Other	613,250	738,830	125,580
Total operating revenues	4,761,930	4,742,001	(19,929)
Operating Expenditures			
Personal services	369,270	241,556	127,714
Maintenance and operations	4,274,030	4,653,355	(379,325)
Total operating expenditures	4,643,300	4,894,911	(251,611)
Operating income (loss)	118,630	(152,910)	(271,540)
Nonoperating Revenues (Expenditures)			
Investment income	-	113,229	113,229
Total nonoperating revenues, net	-	113,229	113,229
Income (loss) before transfers	118,630	(39,681)	(158,311)
Transfers Out			
General fund	(124,630)	(124,630)	-
Total transfers out	(124,630)	(124,630)	-
Change in net position - modified accrual basis	\$ (6,000)	\$ (164,311)	\$ (158,311)
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (164,311)	
Increase (decrease) in deferred outflows of resources - pensions		(2,916)	
(Increase) decrease in net pension liability		(20,205)	
(Increase) decrease in deferred inflows of resources - pensions		18,668	
Increase (decrease) in deferred outflows of resources - OPEB		(2,006)	
Increase (decrease) in net OPEB asset		14,568	
(Increase) decrease in net OPEB liability		19,880	
(Increase) decrease in deferred inflows of resources - OPEB		(11,524)	
Change in Net Position - Full Accrual Basis		\$ (147,846)	

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, 2021

Exhibit 50

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 24,531,620	\$ 23,347,559	\$ (1,184,061)
Other	1,245,000	1,400,214	155,214
Total operating revenues	25,776,620	24,747,773	(1,028,847)
Operating Expenditures			
Personal services	226,060	190,614	35,446
Maintenance and operations	25,573,316	23,214,441	2,358,875
Total operating expenditures	25,799,376	23,405,055	2,394,321
Operating income (loss)	(22,756)	1,342,718	1,365,474
Nonoperating Revenues (Expenditures)			
Investment income	-	137,448	137,448
Total nonoperating revenues, net	-	137,448	137,448
Change in net position - modified accrual basis	\$ (22,756)	\$ 1,480,166	\$ 1,502,922
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 1,480,166	
Increase (decrease) in deferred outflows of resources - pensions		18,707	
(Increase) decrease in net pension liability		(29,770)	
(Increase) decrease in deferred inflows of resources - pensions		3,391	
Increase (decrease) in deferred outflows of resources - OPEB		(3,129)	
Increase (decrease) in net asset OPEB		12,884	
(Increase) decrease in net OPEB liability		5,626	
(Increase) decrease in deferred inflows of resources - OPEB		(10,192)	
Change in Net Position - Full Accrual Basis		\$ 1,477,683	

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, 2021

Exhibit 51

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 2,778,800	\$ 2,542,485	\$ (236,315)
Other	-	115	115
Total operating revenues	<u>2,778,800</u>	<u>2,542,600</u>	<u>(236,200)</u>
Operating Expenditures			
Maintenance and operations	2,286,080	2,174,244	111,836
Total operating expenditures	<u>2,286,080</u>	<u>2,174,244</u>	<u>111,836</u>
Operating income (loss)	492,720	368,356	(124,364)
Nonoperating Revenues (Expenditures)			
Investment income	-	8,662	8,662
Total nonoperating revenues, net	<u>-</u>	<u>8,662</u>	<u>8,662</u>
Change in net position - modified accrual basis	<u>\$ 492,720</u>	<u>\$ 377,018</u>	<u>\$ (115,702)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		<u>\$ 377,018</u>	
Change in Net Position - Full Accrual Basis		<u>\$ 377,018</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, 2021

Exhibit 52

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 33,904,850	\$ 32,061,275	\$ (1,843,575)
Other	-	617,988	617,988
Total operating revenues	33,904,850	32,679,263	(1,225,587)
Operating Expenditures			
Maintenance and operations	34,362,179	32,290,538	2,071,641
Total operating expenditures	34,362,179	32,290,538	2,071,641
Operating income (loss)	(457,329)	388,725	846,054
Nonoperating Revenues (Expenditures)			
Investment income	-	483,550	483,550
Total nonoperating revenues, net	-	483,550	483,550
Change in net position - modified accrual basis	<u>\$ (457,329)</u>	<u>\$ 872,275</u>	<u>\$ 1,329,604</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 872,275	
Change in Net Position - Full Accrual Basis		<u>\$ 872,275</u>	

Fiduciary Funds

City of Winston-Salem, North Carolina

Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2021

Exhibit 53

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
Assets				
Cash and cash equivalents/investments	\$ 212,225,796	\$ 14,026,087	\$ 85,145,180	\$ 311,397,063
Total assets	212,225,796	14,026,087	85,145,180	311,397,063
Deferred Outflows of Resources				
Pension deferrals	-	-	25,655	25,655
Total deferred outflows of resources	-	-	25,655	25,655
Liabilities				
Accounts payable	53,431	1,549	454,833	509,813
Accrued payroll	-	-	1,023	1,023
Accrued vacation	-	-	7,314	7,314
Unearned revenue	-	-	4,325	4,325
Net pension liability	-	-	44,085	44,085
Claims payable	-	-	972,351	972,351
Total liabilities	53,431	1,549	1,483,931	1,538,911
Deferred Inflows of Resources				
Pension deferrals	-	-	1,347	1,347
Total deferred inflows of resources	-	-	1,347	1,347
Net Position				
Restricted for pensions	212,172,365	14,024,538	-	226,196,903
Restricted for post-employment benefits other than pensions	-	-	83,685,557	83,685,557
Total net position	\$ 212,172,365	\$ 14,024,538	\$ 83,685,557	\$ 309,882,460

City of Winston-Salem, North Carolina

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2021

Exhibit 54

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
Additions				
Contributions				
Employer	\$ 5,862,603	\$ 2,280,145	\$ 2,775,245	\$ 10,917,993
Plan members	1,339,105	-	2,178,222	3,517,327
Total contributions	7,201,708	2,280,145	4,953,467	14,435,320
Investment income (loss)				
Net appreciation in fair value	54,486,183	3,479,712	22,091,682	80,057,577
Interest and dividends	3,196,560	212,291	1,162,831	4,571,682
Total investment income (loss)	57,682,743	3,692,003	23,254,513	84,629,259
Less investment expense	809,916	53,306	310,389	1,173,611
Net investment income (loss)	56,872,827	3,638,697	22,944,124	83,455,648
Total additions	64,074,535	5,918,842	27,897,591	97,890,968
Deductions				
Benefits	12,589,682	2,408,580	8,255,414	23,253,676
Refund of contributions	166,797	-	-	166,797
Administrative expense	105,904	13,254	135,014	254,172
Total deductions	12,862,383	2,421,834	8,390,428	23,674,645
Net increase (decrease) in net position	51,212,152	3,497,008	19,507,163	74,216,323
Net position - beginning	160,960,213	10,527,530	64,178,394	235,666,137
Net position - ending	\$212,172,365	\$14,024,538	\$ 83,685,557	\$ 309,882,460

Schedule of General Obligation Bonded Debt

City of Winston-Salem, North Carolina

Schedule of General Obligation Bonded Debt

June 30, 2021

Purpose of Bond Issue	Date of Issue	Final Maturity Date	Interest Rate	Original Issue	Retired To Date
General Obligation Bonded Debt					
Recreation, safety & streets	06/26/08	07/14/20	3.50 - 5.00%	\$ 5,105,000	\$ 5,105,000
Refunding	05/28/09	06/01/21	3.50 - 4.50%	8,435,000	8,435,000
Recreation, safety & streets	02/02/10	07/14/20	3.10 - 6.10%	4,785,000	4,785,000
Refunding	02/03/10	07/14/20	2.25 - 5.00%	24,750,000	24,750,000
Development & streets	06/29/10	07/14/20	3.16 - 5.65%	8,700,000	8,700,000
Recreation, safety & streets	06/20/12	06/01/32	2.00 - 3.00%	2,955,000	1,350,000
Refunding	06/21/12	06/01/22	2.00 - 5.00%	14,255,000	13,025,000
Recreation, safety & streets	06/26/14	06/01/31	2.00 - 4.00%	3,945,000	1,400,000
Public improvement, recreation & streets	04/05/16	06/01/36	2.00 - 3.00%	3,810,000	705,000
Development, recreation, safety & streets	04/06/16	06/01/36	3.00 - 5.00%	47,820,000	2,925,000
Refunding	04/06/16	06/01/28	3.00 - 5.00%	12,655,000	4,120,000
Public improvement, recreation & streets	07/11/17	06/01/37	2.00 - 5.00%	4,775,000	535,000
Public improvement, recreation, streets & housing	07/12/17	06/01/37	3.00 - 5.00%	54,690,000	2,165,000
Streets and recreation	07/13/20	06/01/40	2.00 - 5.00%	6,005,000	-
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	-
Refunding	07/14/20	06/01/26	1.00 - 5.00%	18,300,000	2,710,000
Refunding	07/14/20	06/01/32	0.49 - 1.15%	5,870,000	110,000
Total General Obligation Bonded Debt				\$ 287,325,000	\$ 80,820,000

Principal Balance June 30, 2020	Fiscal Year 2020-21		Principal Balance June 30, 2021	Debt Service Requirement Fiscal Year 2021-22			Principal Balance June 30, 2022
	Retirements	Additions		Principal	Interest	Total	
\$ 2,905,000	\$ 2,905,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
535,000	535,000	-	-	-	-	-	-
2,870,000	2,870,000	-	-	-	-	-	-
9,420,000	9,420,000	-	-	-	-	-	-
6,300,000	6,300,000	-	-	-	-	-	-
1,755,000	150,000	-	1,605,000	150,000	43,881	193,881	1,455,000
7,805,000	6,575,000	-	1,230,000	1,230,000	49,200	1,279,200	-
2,745,000	200,000	-	2,545,000	200,000	88,781	288,781	2,345,000
3,255,000	150,000	-	3,105,000	160,000	88,650	248,650	2,945,000
46,995,000	2,100,000	-	44,895,000	2,200,000	1,695,250	3,895,250	42,695,000
9,635,000	1,100,000	-	8,535,000	1,145,000	308,550	1,453,550	7,390,000
4,420,000	180,000	-	4,240,000	185,000	169,050	354,050	4,055,000
54,690,000	2,165,000	-	52,525,000	2,335,000	2,033,950	4,368,950	50,190,000
-	-	6,005,000	6,005,000	205,000	212,050	417,050	5,800,000
-	-	44,140,000	44,140,000	-	1,333,312	1,333,312	44,140,000
-	-	16,330,000	16,330,000	2,610,000	128,366	2,738,366	13,720,000
-	2,710,000	18,300,000	15,590,000	2,795,000	759,500	3,554,500	12,795,000
-	110,000	5,870,000	5,760,000	130,000	47,673	177,673	5,630,000
\$ 153,330,000	\$ 37,470,000	\$90,645,000	\$ 206,505,000	\$ 13,345,000	\$ 6,958,213	\$ 20,303,213	\$ 193,160,000

Statistical Section

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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.	191
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.	199
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.	201

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Winston-Salem, North Carolina

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental activities					
Net investment in capital assets	\$ 234,366,934	\$ 205,988,821	\$ 198,478,120	\$ 166,252,662	\$ 164,415,590
Restricted	107,418,521	77,921,104	65,043,267	69,502,473	65,111,085
Unrestricted	(642,509)	21,234,750	29,962,893	41,526,432	51,074,905
Total governmental activities net position	341,142,946	305,144,675	293,484,280	277,281,567	280,601,580
Business-type activities					
Net investment in capital assets	638,058,023	589,924,366	553,853,458	507,218,169	483,821,989
Restricted	1,875,155	-	-	-	-
Unrestricted	234,010,358	207,028,125	202,082,964	204,209,597	182,382,886
Total business-type activities net position	873,943,536	796,952,491	755,936,422	711,427,766	666,204,875
Primary government					
Net investment in capital assets	872,424,957	795,913,187	752,331,578	673,470,831	648,237,579
Restricted	109,293,676	77,921,104	65,043,267	69,502,473	65,111,085
Unrestricted	233,367,849	228,262,875	232,045,857	245,736,029	233,457,791
Total primary government net position	\$ 1,215,086,482	\$ 1,102,097,166	\$ 1,049,420,702	\$ 988,709,333	\$ 946,806,455

Table 1

	Fiscal Year				
	2016	2015	2014	2013	2012
Governmental activities					
Net investment in capital assets	\$ 153,711,370	\$ 131,696,233	\$ 146,689,379	\$ 141,199,241	\$ 119,794,900
Restricted	120,600,038	76,643,528	51,508,979	54,487,652	67,129,762
Unrestricted	31,498,836	85,333,859	118,607,260	105,678,364	114,210,724
Total governmental activities net position	305,810,244	293,673,620	316,805,618	301,365,257	301,135,386
Business-type activities					
Net investment in capital assets	473,054,885	419,642,228	425,441,820	424,958,508	426,345,420
Restricted	-	-	-	-	-
Unrestricted	163,448,423	185,351,836	158,045,211	139,592,846	118,457,910
Total business-type activities net position	636,503,308	604,994,064	583,487,031	564,551,354	544,803,330
Primary government					
Net investment in capital assets	626,766,255	551,338,461	572,131,199	566,157,749	546,140,320
Restricted	120,600,038	76,643,528	51,508,979	54,487,652	67,129,762
Unrestricted	194,947,259	270,685,695	276,652,471	245,271,210	232,668,634
Total primary government net position	\$ 942,313,552	\$ 898,667,684	\$ 900,292,649	\$ 865,916,611	\$ 845,938,716

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2021	2020	2019	2018	2017
Expenses					
Governmental activities:					
General government ⁽²⁾	\$ 34,021,230	\$ 34,700,220	\$ 34,337,104	\$ 32,345,702	\$ 32,646,249
Public protection	111,171,364	121,976,612	115,069,382	108,272,672	106,739,938
Environmental health	19,939,166	19,498,148	18,193,517	19,666,634	17,720,245
Transportation ⁽³⁾	19,966,122	18,660,360	18,778,394	19,935,391	20,544,652
Culture and recreation	14,201,946	14,462,457	13,883,844	13,191,936	12,069,446
Community and economic development	30,128,749	30,384,963	26,454,980	23,993,835	36,064,551
Human resources	-	-	-	-	-
Interest and fiscal charges	10,557,262	11,425,747	11,825,173	12,828,440	10,191,248
Total governmental activities	<u>239,985,839</u>	<u>251,108,507</u>	<u>238,542,394</u>	<u>230,234,610</u>	<u>235,976,329</u>
Business-type activities:					
Water and sewer utility	93,232,560	96,705,230	93,659,022	88,763,212	87,583,208
Solid waste disposal	12,227,035	11,439,490	12,813,989	12,159,440	13,579,703
Cemeteries ⁽²⁾	-	-	-	-	-
Stormwater management	6,959,722	7,458,955	6,883,864	7,112,538	11,675,062
Parking	1,447,463	1,433,620	1,401,592	1,537,324	1,647,350
Transit Authority ⁽³⁾	23,038,976	21,852,043	21,903,029	19,691,541	18,890,589
Public assembly facilities management ⁽¹⁾	6,642,279	8,349,857	8,099,018	8,939,682	7,761,968
Fairgrounds ⁽¹⁾	-	-	-	-	-
Risk Acceptance Management Corporation	3,382,981	1,532,932	2,854,467	3,351,881	2,628,391
Total business-type activities	<u>146,931,016</u>	<u>148,772,127</u>	<u>147,614,981</u>	<u>141,555,618</u>	<u>143,766,271</u>
Total primary government expenses	<u>\$ 386,916,855</u>	<u>\$ 399,880,634</u>	<u>\$ 386,157,375</u>	<u>\$ 371,790,228</u>	<u>\$ 379,742,600</u>

Note:

- ⁽¹⁾ The City began reporting the Fairgrounds fund under Public Assembly Facilities fund in fiscal year 2014.
- ⁽²⁾ 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.
- ⁽³⁾ 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.

Table 2
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	Fiscal Year				
	2016	2015	2014	2013	2012
Expenses					
Governmental activities:					
General government ⁽²⁾	\$ 30,553,493	\$ 28,112,510	\$ 30,214,307	\$ 29,878,464	\$ 30,826,362
Public protection	100,928,955	91,609,111	91,570,853	89,546,660	92,893,826
Environmental health	17,002,328	16,270,988	17,082,112	16,392,374	21,879,464
Transportation ⁽³⁾	20,025,048	21,006,107	19,891,162	19,590,102	19,921,948
Culture and recreation	11,751,922	10,835,392	18,849,037	11,032,000	11,352,616
Community and economic development	21,981,252	19,105,095	20,425,689	26,710,224	26,234,472
Human resources	-	-	-	1,272,381	982,212
Interest and fiscal charges	7,937,451	9,807,798	9,357,090	8,859,221	10,310,723
Total governmental activities	<u>210,180,449</u>	<u>196,747,001</u>	<u>207,390,250</u>	<u>203,281,426</u>	<u>214,401,623</u>
Business-type activities:					
Water and sewer utility	82,994,364	81,924,268	81,004,734	82,284,238	79,831,158
Solid waste disposal	10,717,746	10,288,446	10,460,084	9,838,309	10,967,977
Cemeteries ⁽²⁾	-	-	531,689	541,624	493,457
Stormwater management	6,081,683	5,541,532	5,235,017	5,111,976	5,082,522
Parking	3,568,917	1,863,836	1,989,466	2,966,592	2,884,554
Transit Authority ⁽³⁾	17,142,451	16,222,267	15,708,892	15,111,260	15,102,017
Public assembly facilities management ⁽¹⁾	7,261,379	7,405,950	13,426,524	8,651,527	8,523,769
Fairgrounds ⁽¹⁾	-	-	-	2,153,200	2,125,913
Risk Acceptance Management Corporation	2,326,714	4,350,212	2,899,891	2,918,970	2,951,448
Total business-type activities	<u>130,093,254</u>	<u>127,596,511</u>	<u>131,256,297</u>	<u>129,577,696</u>	<u>127,962,815</u>
Total primary government expenses	<u>\$ 340,273,703</u>	<u>\$ 324,343,512</u>	<u>\$ 338,646,547</u>	<u>\$ 332,859,122</u>	<u>\$ 342,364,438</u>

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2021	2020	2019	2018	2017
Program Revenues					
Governmental activities:					
Charges for services					
General government ⁽²⁾	\$ 16,329,762	\$ 16,777,155	\$ 16,211,409	\$ 17,411,013	\$ 20,112,693
Public protection	4,602,172	4,729,240	5,000,628	5,248,085	4,236,530
Environmental health	1,426,839	1,205,459	1,440,765	2,296,645	2,306,884
Transportation ⁽³⁾	4,100,649	2,808,598	4,562,299	5,152,192	3,632,920
Culture and recreation	641,093	1,033,779	1,051,133	1,281,661	953,931
Community and economic development	7,354,628	8,017,217	8,643,868	6,985,681	6,869,820
Human resources	-	-	-	-	-
Operating Grants and Contributions	20,451,877	16,740,028	15,166,964	17,446,122	18,328,564
Capital Grants and Contributions	806,263	1,398,672	4,399,817	2,753,420	3,408,596
Total governmental activities	55,713,283	52,710,148	56,476,883	58,574,819	59,849,938
Business-type activities:					
Charges for Services					
Water and sewer utility	118,156,556	115,210,981	114,816,710	109,226,819	104,398,204
Solid waste disposal	12,266,693	12,327,986	11,863,707	11,472,389	10,510,422
Cemeteries ⁽²⁾	-	-	-	-	-
Stormwater management	11,089,995	10,465,247	10,714,457	10,939,477	10,822,681
Parking	404,346	713,074	783,427	826,606	745,034
Transit Authority ⁽³⁾	984,222	1,721,077	2,133,136	2,068,708	2,078,733
Public assembly facilities management ⁽¹⁾	1,486,664	5,425,875	6,543,535	6,145,508	5,826,359
Fairgrounds ⁽¹⁾	-	-	-	-	-
Risk Acceptance Management Corporation	1,130,735	1,108,560	1,086,820	1,065,510	1,044,620
Operating Grants and Contributions	8,401,362	11,130,441	12,198,440	11,683,732	8,795,420
Capital Grants and Contributions	17,969,214	15,286,839	10,572,472	10,209,381	5,899,105
Total business-type activities	171,889,787	173,390,080	170,712,704	163,638,130	150,120,578
Total primary government program revenues	227,603,070	226,100,228	227,189,587	222,212,949	209,970,516
Net (Expense) Revenue					
Governmental activities	(184,272,556)	(198,398,359)	(182,065,511)	(171,659,791)	(176,126,391)
Business activities	24,958,771	24,617,953	23,097,723	22,082,512	6,354,307
Total primary government net expense	\$ (159,313,785)	\$ (173,780,406)	\$ (158,967,788)	\$ (149,577,279)	\$ (169,772,084)

Note:

- ⁽¹⁾ The City began reporting the Fairgrounds fund under Public Assembly Facilities fund in fiscal year 2014.
- ⁽²⁾ 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.
- ⁽³⁾ 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.

Table 2
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	Fiscal Year				
	2016	2015	2014	2013	2012
Program Revenues					
Governmental activities:					
Charges for services					
General government ⁽²⁾	\$ 17,938,963	\$ 20,515,345	\$ 20,756,381	\$ 20,639,880	\$ 20,594,448
Public protection	3,861,336	3,808,576	3,834,986	4,839,089	4,815,442
Environmental health	2,285,788	2,425,703	2,287,169	2,401,552	2,469,228
Transportation ⁽³⁾	2,591,367	3,325,676	5,342,862	2,960,865	2,943,837
Culture and recreation	1,010,177	1,458,330	19,390	1,344,718	1,386,311
Community and economic development	6,464,175	6,293,171	8,144,703	6,310,304	8,864,027
Human resources	-	-	-	28,860	20,660
Operating Grants and Contributions	15,560,775	15,607,683	13,436,029	15,823,980	18,822,717
Capital Grants and Contributions	2,527,339	3,265,941	6,858,599	6,494,625	3,375,834
Total governmental activities	52,239,920	56,700,425	60,680,119	60,843,873	63,292,504
Business-type activities:					
Charges for Services					
Water and sewer utility	100,834,307	93,221,504	86,858,828	82,419,164	76,744,707
Solid waste disposal	10,575,534	9,382,726	10,372,085	9,401,535	9,283,681
Cemeteries ⁽²⁾	-	-	469,031	475,801	433,227
Stormwater management	10,715,512	10,539,003	10,523,395	10,380,993	10,322,694
Parking	1,196,763	1,178,191	1,113,134	1,236,834	2,115,133
Transit Authority ⁽³⁾	2,543,903	2,670,064	2,665,718	2,961,578	3,104,580
Public assembly facilities management ⁽¹⁾	5,500,973	9,765,453	6,330,938	5,984,124	5,777,414
Fairgrounds ⁽¹⁾	-	-	-	2,532,255	2,850,289
Risk Acceptance Management Corporation	1,166,490	115,235	3,162,985	3,176,160	3,125,164
Operating Grants and Contributions	8,481,848	8,261,599	8,227,850	7,781,963	7,851,935
Capital Grants and Contributions	11,496,645	3,177,283	5,449,000	11,097,255	5,486,083
Total business-type activities	152,511,975	138,311,058	135,172,964	137,447,662	127,094,907
Total primary government program revenues	204,751,895	195,011,483	195,853,083	198,291,535	190,387,411
Net (Expense) Revenue					
Governmental activities	(157,940,529)	(140,046,576)	(146,710,131)	(142,437,553)	(151,109,119)
Business activities	22,418,721	10,714,547	3,916,667	7,869,966	(867,908)
Total primary government net expense	\$(135,521,808)	\$(129,332,029)	\$(142,793,464)	\$(134,567,587)	\$(151,977,027)

City of Winston-Salem, North Carolina

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2021	2020	2019	2018	2017
Net (Expense)/Revenue					
Governmental activities	\$ (184,272,556)	\$ (198,398,359)	\$ (182,065,511)	\$ (171,659,791)	\$ (176,126,391)
Business-type activities	24,958,771	24,617,953	23,097,723	22,082,512	6,354,307
Total primary government expense	<u>\$ (159,313,785)</u>	<u>\$ (173,780,406)</u>	<u>\$ (158,967,788)</u>	<u>\$ (149,577,279)</u>	<u>\$ (169,772,084)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 139,314,797	\$ 135,466,442	\$ 124,204,213	\$ 121,372,562	\$ 114,867,555
Sales taxes	54,678,675	47,330,527	45,015,159	42,370,619	39,983,759
Gross receipt taxes	382,720	379,659	366,295	340,841	367,339
Occupancy taxes	537,520	754,826	904,606	842,962	783,673
Beer and wine excise-state	1,022,164	1,047,080	1,050,073	1,042,116	1,081,299
Telecommunications sales tax ⁽³⁾	1,312,485	1,587,905	1,785,133	1,915,819	2,112,407
Utilities sales tax ⁽³⁾	13,783,080	14,082,850	14,112,486	13,329,176	13,131,269
Piped natural gas sales tax ⁽³⁾	841,770	755,015	874,571	862,091	673,437
Video programming tax ⁽³⁾	1,890,996	1,947,918	2,089,991	2,170,118	2,224,104
Franchise taxes ⁽³⁾	-	-	-	-	-
Payments in lieu of taxes	232,406	233,921	223,000	273,215	272,227
ABC store allocations	3,361,961	2,850,564	2,610,489	1,566,167	1,524,244
Federal bond interest subsidy	-	-	-	-	-
Hold harmless	-	-	-	-	-
Gain on Disposal of Assets	567,108	-	-	-	-
Investment income (loss)	2,865,176	2,837,353	4,386,880	2,901,158	1,369,676
Transfers					
Government-wide	(520,031)	784,694	645,328	(1,708,484)	770,910
Fiduciary funds	-	-	-	-	-
Total governmental activities expenses	<u>220,270,827</u>	<u>210,058,754</u>	<u>198,268,224</u>	<u>187,278,360</u>	<u>179,161,899</u>
Business-type activities:					
Property taxes	11,169,671	10,789,311	10,662,035	10,434,990	7,176,905
Investment income (loss)	40,342,572	6,393,499	11,394,226	14,479,474	16,941,265
Transfers					
Government-wide	520,031	(784,694)	(645,328)	1,708,484	(770,910)
Total business-type activities expenses	<u>52,032,274</u>	<u>16,398,116</u>	<u>21,410,933</u>	<u>26,622,948</u>	<u>23,347,260</u>
Total primary government	<u>272,303,101</u>	<u>226,456,870</u>	<u>219,679,157</u>	<u>213,901,308</u>	<u>202,509,159</u>
Change in Net Position					
Governmental activities	35,998,271	11,660,395	16,202,713	15,618,569	3,035,508
Business-type activities	76,991,045	41,016,069	44,508,656	48,705,460	29,701,567
Total change in net position	<u>\$ 112,989,316</u>	<u>\$ 52,676,464</u>	<u>\$ 60,711,369</u>	<u>\$ 64,324,029</u>	<u>\$ 32,737,075</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.

Table 3

	Fiscal Year				
	2016	2015	2014	2013	2012
Net (Expense)/Revenue					
Governmental activities	\$ (157,940,529)	\$ (140,046,576)	\$ (146,710,131)	\$ (142,437,553)	\$ (151,109,119)
Business-type activities	22,418,721	10,714,547	3,916,667	7,869,966	(867,908)
Total primary government expense	<u>\$ (135,521,808)</u>	<u>\$ (129,332,029)</u>	<u>\$ (142,793,464)</u>	<u>\$ (134,567,587)</u>	<u>\$ (151,977,027)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 109,495,096	\$ 101,672,305	\$ 108,353,348	\$ 106,788,582	\$ 100,684,658
Sales taxes	37,612,657	35,396,961	30,667,850	29,756,682	29,472,383
Gross receipt taxes	310,924	336,466	234,853	239,909	229,864
Occupancy taxes	738,282	676,361	606,076	559,261	533,214
Beer and wine excise-state	1,046,536	1,123,316	1,020,227	937,270	998,021
Telecommunications sales tax ⁽³⁾	2,129,618	2,434,801	-	-	-
Utilities sales tax ⁽³⁾	13,642,565	11,628,161	-	-	-
Piped natural gas sales tax ⁽³⁾	618,280	874,111	-	-	-
Video programming tax ⁽³⁾	2,211,617	2,299,732	-	-	-
Franchise taxes ⁽³⁾	-	-	14,630,204	14,677,580	14,161,273
Payments in lieu of taxes	252,827	215,901	213,596	195,035	201,035
ABC store allocations	1,290,517	1,071,106	1,278,470	1,152,220	1,082,666
Federal bond interest subsidy	-	-	269,859	280,368	293,118
Hold harmless	-	-	1,032,842	1,985,802	2,336,010
Gain on Disposal of Assets	-	-	-	-	-
Investment income (loss)	989,065	713,752	1,651,593	1,738,118	928,392
Transfers					
Government-wide	(260,831)	280,537	2,191,574	(5,185,574)	(3,645,197)
Fiduciary funds	-	-	-	(8,500,000)	-
Total governmental activities expenses	<u>170,077,153</u>	<u>158,723,510</u>	<u>162,150,492</u>	<u>144,625,253</u>	<u>147,275,437</u>
Business-type activities:					
Property taxes	7,090,014	6,889,480	-	-	-
Investment income (loss)	1,739,678	4,681,987	17,210,584	11,381,805	17,666
Transfers					
Government-wide	260,831	(280,537)	(2,191,574)	5,185,574	3,645,197
Total business-type activities expenses	<u>9,090,523</u>	<u>11,290,930</u>	<u>15,019,010</u>	<u>16,567,379</u>	<u>3,662,863</u>
Total primary government	<u>179,167,676</u>	<u>170,014,440</u>	<u>177,169,502</u>	<u>161,192,632</u>	<u>150,938,300</u>
Change in Net Position					
Governmental activities	12,136,624	18,676,934	15,440,361	2,187,700	(3,833,682)
Business-type activities	31,509,244	22,005,477	18,935,677	24,437,345	2,794,955
Total change in net position	<u>\$ 43,645,868</u>	<u>\$ 40,682,411</u>	<u>\$ 34,376,038</u>	<u>\$ 26,625,045</u>	<u>\$ (1,038,727)</u>

City of Winston-Salem, North Carolina

Program Revenues by Function/Program

Last Ten Fiscal Years
(accrual basis of accounting)

Function/Program	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental activities:					
General government ⁽²⁾	\$ 16,501,280	\$ 17,259,000	\$ 17,158,616	\$ 18,666,497	\$ 21,363,164
Public protection	8,835,585	7,642,355	6,886,607	6,671,673	5,101,718
Environmental health	1,426,839	1,611,835	1,440,765	2,296,645	2,378,167
Transportation ⁽³⁾	12,741,027	10,336,353	16,324,869	15,758,835	13,696,353
Culture and recreation	641,093	1,033,779	1,051,133	1,281,661	1,673,931
Community and economic development	15,567,459	14,826,826	13,614,893	13,899,508	15,636,605
Human resources	-	-	-	-	-
Total governmental activities	55,713,283	52,710,148	56,476,883	58,574,819	59,849,938
Business-type activities:					
Water and sewer utility	126,048,170	130,071,671	124,208,094	123,077,090	109,977,029
Solid waste disposal	12,989,792	13,708,747	12,906,593	13,082,714	11,434,616
Cemeteries ⁽²⁾	-	-	-	-	-
Stormwater management	12,359,468	10,601,918	11,002,437	11,108,011	10,975,967
Parking	779,546	959,361	1,213,840	1,218,399	1,180,382
Transit Authority ⁽³⁾	17,094,261	11,472,402	13,751,385	7,940,898	9,683,642
Public assembly facilities management ⁽¹⁾	1,487,815	5,467,421	6,543,535	6,145,508	5,834,322
Fairgrounds ⁽¹⁾	-	-	-	-	-
Risk Acceptance Management Corporation	1,130,735	1,108,560	1,086,820	1,065,510	1,044,620
Subtotal business-type activities	171,889,787	173,390,080	170,712,704	163,638,130	150,130,578
Total primary government	\$ 227,603,070	\$ 226,100,228	\$ 227,189,587	\$ 222,212,949	\$ 209,980,516

Note:

- ⁽¹⁾ The City began reporting the Fairgrounds fund under Public Assembly Facilities fund in fiscal year 2014.
- ⁽²⁾ 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.
- ⁽³⁾ 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.

Table 4

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
Governmental activities:					
General government ⁽²⁾	\$ 19,085,167	\$ 21,556,561	\$ 20,756,381	\$ 20,825,294	\$ 20,881,590
Public protection	5,178,752	4,780,230	5,835,183	8,270,359	9,395,896
Environmental health	2,546,196	2,896,308	2,416,229	2,985,361	3,514,306
Transportation ⁽³⁾	13,006,388	14,772,541	17,882,578	13,205,658	11,237,275
Culture and recreation	1,010,177	1,458,330	19,390	1,978,707	1,947,342
Community and economic development	11,413,240	11,236,455	13,770,358	13,549,634	16,295,435
Human resources	-	-	-	28,860	20,660
Total governmental activities	52,239,920	56,700,425	60,680,119	60,843,873	63,292,504
Business-type activities:					
Water and sewer utility	105,365,491	97,416,530	89,174,025	91,296,929	83,361,799
Solid waste disposal	11,540,453	10,284,939	11,287,403	10,179,220	10,146,254
Cemeteries ⁽²⁾	-	-	469,031	475,801	434,652
Stormwater management	11,001,768	10,616,379	10,570,348	13,616,589	10,494,267
Parking	1,632,111	1,604,832	1,543,574	1,841,864	2,561,886
Transit Authority ⁽³⁾	16,251,424	8,440,319	11,278,044	8,307,220	8,341,182
Public assembly facilities management ⁽¹⁾	5,554,238	9,832,824	7,687,554	6,021,624	5,779,414
Fairgrounds ⁽¹⁾	-	-	-	2,532,255	2,850,289
Risk Acceptance Management Corporation	1,166,490	115,235	3,162,985	3,176,160	3,125,164
Subtotal business-type activities	152,511,975	138,311,058	135,172,964	137,447,662	127,094,907
Total primary government	\$ 204,751,895	\$ 195,011,483	\$ 195,853,083	\$ 198,291,535	\$ 190,387,411

City of Winston-Salem, North Carolina

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2021	2020	2019	2018	2017
General Fund					
Nonspendable	\$ 437,400	\$ 469,850	\$ 1,348,546	\$ 1,314,636	\$ 1,272,235
Restricted	25,605,419	21,613,488	20,168,229	22,168,518	20,973,482
Assigned	1,350,000	5,430,000	2,000,000	2,000,000	2,035,000
Unassigned	33,117,280	21,544,816	27,952,999	24,697,951	25,273,474
Total general fund	<u>\$ 60,510,099</u>	<u>\$ 49,058,154</u>	<u>\$ 51,469,774</u>	<u>\$ 50,181,105</u>	<u>\$ 49,554,191</u>
All Other Governmental Funds					
Nonspendable	\$ 5,874,871	\$ 4,760,637	\$ 4,988,097	\$ 4,737,641	\$ 4,415,950
Restricted	119,849,816	68,641,227	79,939,396	98,016,939	45,903,851
Committed	31,697,002	51,057,189	53,035,576	66,031,761	56,047,230
Unassigned	(47,105)	(77,960)	(1,927)	(367,477)	-
Total all other governmental funds	<u>\$ 157,374,584</u>	<u>\$ 124,381,093</u>	<u>\$ 137,961,142</u>	<u>\$ 168,418,864</u>	<u>\$ 106,367,031</u>

Table 5

	Fiscal Year				
	2016	2015	2014	2013	2012
General Fund					
Nonspendable	\$ 1,109,012	\$ 1,181,005	\$ 237,306	\$ 275,409	\$ 320,454
Restricted	22,559,689	17,368,209	14,497,467	12,937,795	13,959,171
Assigned	4,365,350	2,879,210	4,325,000	2,208,440	3,000,000
Unassigned	23,403,739	29,673,717	26,906,450	31,777,615	27,273,799
Total general fund	<u>\$ 51,437,790</u>	<u>\$ 51,102,141</u>	<u>\$ 45,966,223</u>	<u>\$ 47,199,259</u>	<u>\$ 44,553,424</u>
All Other Governmental Funds					
Nonspendable	\$ 33,763,623	\$ 32,952,496	\$ 3,947,208	\$ 3,417,887	\$ 3,103,747
Restricted	140,896,415	57,947,312	37,248,597	41,903,197	60,247,815
Committed	13,378,770	53,126,687	51,748,213	35,922,200	45,198,777
Unassigned	(9,144,109)	(3,316,322)	(2,606,931)	(5,233,280)	(6,389,556)
Total all other governmental funds	<u>\$ 178,894,699</u>	<u>\$ 140,710,173</u>	<u>\$ 90,337,087</u>	<u>\$ 76,010,004</u>	<u>\$ 102,160,783</u>

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2021	2020	2019	2018	2017
Revenues					
Taxes	\$ 195,297,034	\$ 183,480,271	\$ 170,551,871	\$ 164,925,559	\$ 156,135,468
Licenses and permits	7,221,974	6,631,106	7,217,854	6,658,529	6,609,148
Intergovernmental	44,270,110	40,663,560	41,890,520	41,359,369	42,757,909
Investment income (loss)	2,122,287	2,247,457	3,834,012	2,750,652	1,293,820
Charges for services	18,634,588	17,083,396	17,290,331	19,104,518	19,472,969
Capital lease charges	467,296	753,039	1,123,279	1,147,013	1,181,191
Other	8,216,508	10,061,437	11,160,397	11,740,795	9,158,744
Total revenues	276,229,797	260,920,266	253,068,264	247,686,435	236,609,249
Expenditures					
General government	32,741,038	33,045,017	33,270,116	32,218,813	30,894,515
Public protection	115,909,628	117,037,124	110,161,557	107,232,510	101,455,435
Environmental health	20,078,464	19,552,249	18,972,376	20,551,537	18,489,265
Transportation	13,527,352	13,089,877	14,127,749	16,496,237	14,014,244
Culture and recreation	11,965,180	12,131,168	11,999,323	11,601,727	10,510,943
Community and economic development	27,877,609	21,890,755	22,364,481	22,954,451	29,230,068
Human resources	-	-	-	-	-
Other	766,575	425,808	304,885	369,425	361,645
Capital outlay	46,452,542	38,205,238	36,050,128	37,004,673	85,621,977
Debt service					
Capital lease charges ⁽¹⁾	-	-	-	-	-
Principal retirement					
Bond	11,230,000	11,565,000	10,850,000	8,145,000	8,495,000
Other	19,386,183	24,457,596	20,345,412	17,082,571	22,619,730
Interest & fiscal charges					
Bond	7,712,936	7,278,145	7,076,345	7,192,077	5,381,551
Other	4,790,685	5,431,644	5,796,103	6,805,652	6,802,599
Total expenditures	312,438,192	304,109,621	291,318,475	287,654,673	333,876,972
Excess of revenues over (under) expenditures	(36,208,395)	(43,189,355)	(38,250,211)	(39,968,238)	(97,267,723)

Table 6
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	Fiscal Year				
	2016	2015	2014	2013	2012
Revenues					
Taxes	\$ 148,399,035	\$ 138,451,639	\$140,258,130	\$ 137,419,822	\$ 131,207,451
Licenses and permits	6,296,921	8,630,553	8,634,524	8,018,631	8,368,613
Intergovernmental	39,280,074	38,521,025	38,739,826	41,547,074	41,270,674
Investment income (loss)	774,261	612,256	1,396,715	1,669,628	627,580
Charges for services	18,282,372	18,792,591	18,416,380	18,798,671	20,293,132
Capital lease charges	992,154	1,983,941	2,730,708	3,057,782	12,817,983
Other	8,785,375	8,510,071	11,776,135	8,311,191	10,268,813
Total revenues	222,810,192	215,502,076	221,952,418	218,822,799	224,854,246
Expenditures					
General government	29,729,507	28,142,891	28,324,210	27,742,441	27,648,578
Public protection	95,912,406	88,569,252	86,713,583	84,763,949	87,439,389
Environmental health	17,853,455	15,940,897	16,217,135	15,796,373	17,722,083
Transportation	14,260,344	14,075,040	14,135,490	13,245,424	13,816,006
Culture and recreation	10,305,086	9,547,647	9,144,183	8,850,208	9,265,785
Community and economic development	20,920,823	18,648,907	18,827,597	18,498,741	23,698,370
Human resources	-	-	-	1,272,381	982,212
Other	370,143	-	-	496,520	568,944
Capital outlay	48,831,526	37,326,971	23,528,507	30,992,642	27,589,441
Debt service					
Capital lease charges ⁽¹⁾	-	8,443,946	10,928,248	6,599,769	7,825,174
Principal retirement					
Bond	6,486,900	6,370,000	6,322,950	6,216,215	5,089,597
Other	9,114,563	18,176,842	5,808,970	21,181,843	21,345,822
Interest & fiscal charges					
Bond	3,794,371	3,707,737	4,430,618	4,276,699	4,685,697
Other	5,648,111	7,060,496	6,752,079	6,396,927	5,610,278
Total expenditures	263,227,235	256,010,626	231,133,570	246,330,132	253,287,376
Excess of revenues over (under) expenditures	(40,417,043)	(40,508,550)	(9,181,152)	(27,507,333)	(28,433,130)

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2021	2020	2019	2018	2017
Other Financing Sources (Uses)					
Issuances of special obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on special obligation bonds	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-
Issuance of refunding LOBS	-	54,685,090	-	13,045,000	-
Payment to refunded LOBS escrow agent	(27,476,440)	(45,331,823)	-	(12,960,000)	-
Premium on general obligation bonds	9,347,113	-	-	6,810,320	-
Issuance of general obligation bonds	90,645,000	-	-	63,805,000	-
Issuance of refunding general obligation bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Capital leases	8,533,559	25,926,345	8,316,590	31,510,479	22,541,776
Refunding IFC proceeds	-	(10,093,567)	-	-	-
Payment to refunded IFC escrow agent	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-
Premium on installment financing contract	-	1,105,927	-	-	-
Premium on limited obligation bonds	-	-	-	-	-
Issuance of limited obligation bonds	-	-	-	2,015,000	-
Transfers in	21,308,112	17,170,818	23,011,783	13,268,469	16,515,229
Transfers out	(21,703,513)	(16,265,104)	(22,247,215)	(14,847,283)	(16,200,549)
Total other financing sources (uses), net	80,653,831	27,197,686	9,081,158	102,646,985	22,856,456
Net change in fund balances	\$ 44,445,436	\$ (15,991,669)	\$ (29,169,053)	\$ 62,678,747	\$ (74,411,267)
Debt service as a percentage of noncapital expenditures	16.2%	18.0%	17.1%	15.7%	17.1%

Note:

⁽¹⁾ The City began reporting capital lease charges in the expenditure service areas in fiscal year 2016. Capital lease charges 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.

Table 6
Page 2 of 2

	Fiscal Year				
	2016	2015	2014	2013	2012
Other Financing Sources (Uses)					
Issuances of special obligation bonds	\$ -	\$ -	\$ -	\$ 5,865,000	\$ -
Premium on special obligation bonds	-	-	-	444,338	-
Proceeds of refunding bonds	-	6,018,464	-	3,786,900	14,255,000
Issuance on refunding LOBS	-	-	-	532,216	2,417,347
Payment to refunded LOBS escrow agent	-	(6,259,644)	-	(4,250,404)	(16,504,489)
Premium on general obligation bonds	7,261,851	-	286,024	-	-
Issuance of general obligation bonds	58,475,000	-	3,945,000	-	2,955,000
Issuance of refunding general obligation bonds	12,655,000	-	-	-	-
Payment to refunded bond escrow agent	(14,258,284)	-	-	-	-
Capital leases	15,403,662	18,937,813	8,902,633	5,666,283	12,026,381
Refunding IFC proceeds	-	-	-	-	21,265,956
Payment to refunded IFC escrow agent	-	-	-	-	(21,443,570)
Issuance of certificates of participation	-	-	-	-	-
Premium on installment financing contract	-	-	-	-	206,000
Premium on limited obligation bonds	-	5,613,000	114,829	-	4,999,365
Issuance of limited obligation bonds	-	45,170,000	14,000,000	-	-
Transfers in	17,884,444	19,922,361	34,108,691	30,700,406	27,302,927
Transfers out	(18,484,455)	(20,255,654)	(36,135,741)	(38,742,350)	(30,827,224)
Total other financing sources (uses), net	78,937,218	69,146,340	25,221,436	4,002,389	16,652,693
Net change in fund balances	\$ 38,520,175	\$ 28,637,790	\$ 16,040,284	\$ (23,504,944)	\$ (11,780,437)
Debt service as a percentage of noncapital expenditures	16.1%	11.2%	17.1%	17.1%	16.3%

City of Winston-Salem, North Carolina

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified basis of accounting)

Table 7

Fiscal Year	Property	Sales Tax	Gross Receipts Tax	Occupancy Tax	Total
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
2014	108,749,351	30,667,850	234,853	606,076	140,258,130
2013	106,863,970	29,756,682	239,909	559,261	137,419,822
2012	100,971,990	29,472,383	229,864	533,214	131,207,451

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
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
2014	2013	15,874,483	3,605,449	331,307	19,811,239	0.5300	100
2013	2012	17,673,641	3,691,096	348,733	21,713,470	0.4910	100
2012	2011	17,474,701	3,451,579	339,454	21,265,734	0.4750	100

Note:

Taxable property was revalued on January 1, 2020.

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			
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
2014	0.4429	0.0362	0.0509	0.5300	0.7168	1.2468
2013	0.4128	0.0308	0.0474	0.4910	0.6740	1.1650
2012	0.4118	0.0158	0.0474	0.4750	0.6740	1.1490

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 and June 30, 2018 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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Reynolds American, Inc.	\$ 409,877,394	1	1.76%	\$ 491,947,100	1	2.31%
Wells Fargo	306,199,881	2	1.32	287,507,790	2	1.35
Duke Energy Corp	298,193,528	3	1.28	155,074,030	5	0.73
Caterpillar Inc.,	196,180,449	4	0.84	-	-	-
Wexford Winston Salem	179,211,399	5	0.77	-	-	-
JG Winston-Salem LLC	174,247,101	6	0.75	203,206,810	4	0.96
Truist Bank	106,221,155	7	0.46	-	-	-
Wake Forest Baptist Health	103,545,206	8	0.45	-	-	-
Novant Health Inc.	101,760,006	9	0.44	-	-	-
Lowes Data Center	98,692,198	10	0.42	-	-	-
Lowes Home Centers, Inc.	-	-	-	234,472,940	3	1.10
Wake Forest University	-	-	-	147,087,900	6	0.69
Time Warner Entertainment	-	-	-	115,210,330	7	0.54
Highwoods/Forsyth Ltd. Partners	-	-	-	114,981,910	8	0.54
Dell Products LP	-	-	-	108,645,370	9	0.51
Wal-Mart Stores, Inc.	-	-	-	105,246,810	10	0.49
Total	<u>\$1,974,128,317</u>		<u>8.49%</u>	<u>\$1,963,380,990</u>		<u>9.22%</u>

Note:

Above taxable assessed valuations are as of January 1, 2021 and 2012 respectively, and the associated tax levies of \$.6374 and \$.475 were due in fiscal years ended June 30, 2021 and 2012 respectively.

Source:

Forsyth County Tax Department and 2012 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 Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Property Amount	Percentage of Levy
2021	\$149,974,068	\$149,037,995	99.4%	\$ -	\$149,037,995	99.4%
2020	146,501,542	144,908,342	98.9	1,099,008	146,007,350	99.7
2019	134,990,411	134,043,909	99.3	541,266	134,585,175	99.7
2018	131,824,477	130,807,225	99.2	596,650	131,403,875	99.7
2017	122,245,565	121,216,436	99.2	548,834	121,765,270	99.6
2016	116,512,698	115,428,747	99.1	663,634	116,092,381	99.6
2015	108,648,243	107,491,815	98.9	726,224	108,218,039	99.6
2014	108,109,991	106,428,236	98.4	924,859	107,353,095	99.3
2013	106,639,827	104,424,332	97.9	1,814,597	106,238,929	99.6
2012	101,116,024	98,885,754	97.8	1,914,809	100,800,563	99.7

Note:

Tax collections do not include penalties and interest of \$517,167 and refunds of (\$23,006) in fiscal year 2021.

Outstanding delinquent taxes includes amounts considered uncollectible. The allowance for uncollectible accounts at June 30, 2021 was \$1,537,548.

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, 2021

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	\$ 23,272,684,612	\$ 0.6374	\$ 147,460,458	\$133,742,780	\$ 13,717,678
Downtown Business District ⁽¹⁾	-	0.090	653,003	636,152	16,851
Discoveries - current years	118,595,090	-	1,860,607	1,860,607	-
Total property valuation	<u>\$ 23,391,279,702</u>				
Net levy			149,974,068	136,239,539	13,734,529
Uncollected taxes at June 30, 2021			936,073	936,073	-
Current year's taxes collected			<u>\$ 149,037,995</u>	<u>\$135,303,466</u>	<u>\$ 13,734,529</u>
Current levy collection percentage			<u>99.38%</u>	<u>99.31%</u>	<u>100.00%</u>

Note:

Tax collections do not include penalties and interest of \$517,167 and refunds of (\$23,006) in fiscal year 2021.

⁽¹⁾ 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 \$0.6374.

City of Winston-Salem, North Carolina
Schedule of Ad Valorem Taxes Receivable

June 30, 2021

Table 13

Fiscal Year Ended June 30	Uncollected Balance June 30, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2021	\$ -	\$ 149,974,068	\$ 149,037,995	\$ 936,073
2020	1,593,200	-	1,129,751	463,449
2019	369,104	-	114,608	254,496
2018	215,842	-	42,127	173,715
2017	210,196	-	27,528	182,668
2016	135,924	-	18,106	117,818
2015	122,962	-	11,431	111,531
2014	109,877	-	9,541	100,336
2013	114,725	-	8,828	105,897
2012	95,777	-	6,809	88,968
	<u>\$ 2,967,607</u>	<u>\$ 149,974,068</u>	<u>\$ 150,406,724</u>	<u>2,534,951</u>
				Less: allowance for uncollectible accounts: <u>(1,537,548)</u>
				Ad valorem taxes receivable - net <u>\$ 997,403</u>
				<u>Reconciliation to revenues:</u>
				Collections and credits \$ 150,406,724
				Prior years Adj. and Releases (79,107)
				Taxes written off -
				Ad valorem taxes <u>150,327,617</u>
				Reconciling items:
				Refunds 23,006
				Interest 517,167
				Unearned tax revenue <u>(383,322)</u>
				Subtotal 156,851
				Total property tax revenues <u>\$ 150,484,468</u>

City of Winston-Salem, North Carolina

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Contracts Payable	Special Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Contracts Payable ⁽²⁾
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
2014	85,736,974	103,551,365	9,771,900	26,214,255	481,967,285	26,547,833
2013	87,779,140	100,394,519	10,276,900	27,952,024	501,861,197	28,366,406
2012	88,189,165	116,475,434	4,885,000	29,582,291	496,755,000	30,040,535

Notes:

⁽¹⁾ See Table 19 for personal income and population data.

⁽²⁾ State Revolving Loan is included in contracts payable for business-type activities.

Table 14

Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
\$ 887,160,428	7.07%	3,555
876,759,969	7.40	3,536
890,575,222	7.89	3,615
946,683,892	8.81	3,895
840,351,745	8.68	3,493
814,599,924	8.87	3,410
747,368,622	8.28	3,141
733,789,612	8.28	3,115
756,630,186	8.91	3,244
765,927,425	9.29	3,299

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
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
2014	85,736,974	73,164,393	19,811,239	0.43	364.02	310.64
2013	87,779,140	76,883,451	21,713,470	0.40	376.36	329.64
2012	88,189,165	76,431,537	21,265,734	0.41	379.89	329.24

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>Debit 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>
2021	\$ 1,861,814,769	\$ 180,229,881	\$ 1,681,584,889	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
2014	1,584,899,136	73,164,393	1,511,734,743	4.62
2013	1,737,077,607	76,883,451	1,660,194,156	4.43
2012	1,701,258,681	76,431,537	1,624,827,144	4.49

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 23,272,684,612
Debt Limit (8% of assessed value)	1,861,814,769
Debt applicable to limit:	
General obligation bonds	226,500,762
Less statutory deduction:	
Debt service fund	<u>(46,270,882)</u>
Total net debt applicable to limit	<u>180,229,880</u>
Legal debt margin	<u>\$ 1,681,584,889</u>

City of Winston-Salem, North Carolina
Direct and Overlapping Governmental Activities Debt

As of June 30, 2021
(dollars in thousands)

Table 17

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City direct debt	\$ 360,246	100.00%	\$ 360,246
Debt repaid with property taxes			
Forsyth County	813,419	61.04 ⁽¹⁾	496,511
Total direct and overlapping debt			<u>\$ 856,757</u>

Notes:

⁽¹⁾ Percentage of Direct and Overlapping Debt is based on the 6/30/21 assessed valuation of the City of Winston-Salem as compared to the 6/30/21 assessed valuation of Forsyth County.

City of Winston-Salem, North Carolina

Pledged – Revenue Coverage

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Revenue Bonds						Coverage
	Water & Sewer Bonds						
	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service			
				Principal	Interest		
2021	\$ 126,161	\$ 47,857	\$ 78,304	\$ 18,235	\$ 14,865	2.4x	
2020	128,974	46,417	82,557	16,875	17,363	2.5x	
2019	122,586	44,849	77,737	24,425	18,698	1.8x	
2018	118,967	43,883	75,084	22,790	18,388	1.8x	
2017	108,362	43,208	65,154	21,280	17,167	1.7x	
2016	103,754	39,465	64,289	20,500	18,804	1.6x	
2015	95,789	39,044	56,745	19,800	19,637	1.4x	
2014	89,181	38,273	50,908	18,955	20,822	1.3x	
2013	91,295	37,904	53,391	15,910	21,467	1.4x	
2012	83,360	38,525	44,835	15,575	18,771	1.3x	

Fiscal Year	Special Obligation Bonds				
	Sales Tax	Debt Service		Coverage	
		Principal	Interest		
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	
2014	25,743	2,531	821	7.7x	
2013	25,288	2,739	789	7.2x	
2012	25,068	1,870	857	9.2x	

Table 18

Revenue Bonds						
Stormwater Bonds						
Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2021	\$ 12,359	\$ 7,255	\$ 5,104	\$ 570	\$ 284	6.0x
2020	10,602	7,624	2,978	545	307	3.5x
2019	11,002	7,353	3,649	520	333	4.3x
2018	11,108	7,767	3,341	505	347	3.9x
2017	10,976	9,146	1,830	490	362	2.1x
2016	10,995	7,365	3,630	475	376	4.3x
2015	10,616	6,860	3,756	465	390	4.4x
2014	10,566	6,685	3,881	430	420	4.6x
2013	13,617	5,996	7,621	-	38	202.8x
2012	-	-	-	-	-	-

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
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
2014	235,527	8,861,703,375	37,625	37.3	54,064	6.1
2013	233,232	8,493,376,512	36,416	37.0	53,964	8.7
2012	232,143	8,247,112,218	35,526	37.0	53,139	9.4
2010	235,075	8,188,132,400	34,832	36.7	52,285	9.7
2007	221,014	7,882,685,324	35,666	36.7	50,708	4.8
2006	199,061	6,829,981,971	34,311	36.6	49,599	4.5
2005	195,536	6,390,116,480	32,680	36.5	48,256	5.1

Sources:

Forsyth County Statistics - Internet
 Bureau of Economic Analysis
 Winston-Salem/Forsyth County School System
 NC Employment Security Commission - Internet

City of Winston-Salem, North Carolina

Principal Employers

Current Year and Ten Years Ago

Table 20

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾
Atrium Health Wake Forest Baptist	18,570	1	7.44%	12,837	1	5.53%
Novant Health, Inc.	11,010	2	4.41	8,145	2	3.51
Winston-Salem /Forsyth County School System	5,500	3	2.20	6,692	3	2.88
BB&T/Truist	4,000	4	1.60	2,200	8	0.95
Wells Fargo	3,500	5	1.40	2,800	6	1.21
Reynolds American Inc.	2,500	6	1.00	3,000	4	1.29
Hanesbrands Inc.	2,400	7	0.96	2,800	5	1.21
City of Winston-Salem	2,287	8	0.92	2,660	7	1.15
Wake Forest University	2,270	9	0.91	1,680	10	0.72
Forsyth County	2,127	10	0.85	2,029	9	0.87
Total	54,164		21.69%	44,843		19.32%

Source:

Winston-Salem Chamber

⁽¹⁾ Population data can be found in Table 19.

City of Winston-Salem, North Carolina
Full-time-Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	Full-time-Equivalent Employees as of June 30				
	2021	2020	2019	2018	2017
General government ^{(1) (5)}	469.9	462.9	467.4	462.1	450.9
Public protection	1,080.0	1,091.0	1,110.0	1,120.0	1,106.0
Environmental health	162.9	162.9	169.9	188.9	193.9
Transportation	117.0	117.0	122.0	122.0	126.3
Culture and recreation ⁽¹⁾	174.1	173.1	176.6	148.0	159.9
Community and economic development ⁽²⁾	148.7	149.0	150.0	150.0	155.0
Human resources ⁽³⁾	-	-	-	-	-
Water & sewer utility	346.0	344.0	339.0	339.0	338.0
Solid waste disposal	45.2	44.2	44.2	44.2	44.2
Cemeteries ⁽⁵⁾	-	-	-	-	-
Stormwater management	56.0	56.0	56.0	56.0	54.0
Transit Authority	1.0	1.0	1.0	1.0	1.0
Public assembly facilities management ⁽⁴⁾	31.8	31.8	31.8	31.8	31.8
	<u>2,632.6</u>	<u>2,632.9</u>	<u>2,667.9</u>	<u>2,663.0</u>	<u>2,661.0</u>

Source:

City of Winston-Salem Budget Department

⁽¹⁾ Vegetation management employees were moved back to General Government in fiscal year 2012.

⁽²⁾ The Section 3 Construction Training Program ended in fiscal year 2014.

⁽³⁾ Human resources moved to General Government in fiscal year 2014.

⁽⁴⁾ Lawrence Joel Veterans Memorial Coliseum was sold in fiscal year 2014.

⁽⁵⁾ Cemeteries moved to General Government in fiscal year 2015.

Table 21

<u>Function/Program</u>	Full-time-Equivalent Employees as of June 30				
	2016	2015	2014	2013	2012
General government ⁽¹⁾⁽⁵⁾	446.9	441.8	429.1	426.6	431.7
Public protection	1,093.5	1,079.0	1,074.5	1,088.5	1,081.5
Environmental health	188.9	191.0	199.0	200.0	204.4
Transportation	125.3	125.3	127.3	129.3	129.3
Culture and recreation ⁽¹⁾	160.9	160.8	160.8	160.8	175.5
Community and economic development ⁽²⁾	153.0	125.0	122.0	139.4	144.4
Human resources ⁽³⁾	-	-	-	5.0	4.0
Water & sewer utility	331.0	331.0	331.0	332.0	332.2
Solid waste disposal	43.1	44.2	44.2	44.2	45.5
Cemeteries ⁽⁵⁾	-	-	8.7	8.7	9.7
Stormwater management	49.0	49.0	49.0	49.0	44.0
Transit Authority	1.0	1.0	1.0	1.0	1.0
Public assembly facilities management ⁽⁴⁾	30.8	25.2	21.8	76.5	78.4
	<u>2,623.4</u>	<u>2,573.3</u>	<u>2,568.4</u>	<u>2,661.0</u>	<u>2,681.6</u>

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Public protection					
Police					
Physical arrests	24,131	28,152	30,322	29,685	34,442
Traffic violations	31,279	45,048	46,018	41,723	53,065
Fire					
Fires extinguished	731	780	681	811	836
Emergency medical responses	6,650	13,828	17,518	16,069	17,469
Hazardous materials responses	391	26	317	429	429
Environmental health					
Sanitation services					
Residential refuse collected (tons)	69,373	65,319	61,398	58,893	57,707
Residential refuse collection points	81,589	81,589	81,589	81,589	77,907
Percentage of collections made at curbside	96	96	96	96	96
Tons of leaves collected	14,958	16,251	21,631	22,006	11,025
Tons of brush collected	18,868	15,849	21,963	16,351	14,146
Tons of goods recycled	11,440	10,842	13,045	14,169	14,609
Percentage of households participating in yard cart program	18	18	18	18	18
Transportation services					
City street mileage maintained (lane miles)	2,807	2,801	2,792	2,228	2,225
Street cuts repaired	366	477	262	337	749
Percentage of streets rated 85 or better	46	51	50	49	55
Traffic intersections studied	754	700	1,209	965	1,175
Traffic signal repairs	1,274	1,174	853	1,264	910
Traffic signs upgraded/repared	1,117	1,659	1,043	1,621	1,643
Traffic signs new installations	463	577	1,241	623	580
Pavement markings renewed (feet)	727,222	217,271	1,647,165	63,360	1,784,000
Culture and recreation					
Parks and recreation					
Swimming pool attendees	36,894	74,951	79,951	68,738	55,317
Golf rounds	44,230	33,540	29,152	7,005	10,817
Participants in special populations	8,675	14,939	30,793	31,843	31,352
Community development					
Housing code violations corrected	625	533	903	1,154	1,573
Building permits issued	4,342	4,147	4,328	4,565	4,591
Building inspections conducted	16,378	16,832	17,675	17,234	16,944
Zoning complaints responded to	292	355	370	654	450

Source:

City of Winston-Salem Departments

Table 22
Page 1 of 2

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
Public protection					
Police					
Physical arrests	33,961	36,044	37,894	36,080	35,850
Traffic violations	61,166	78,196	70,947	63,315	69,695
Fire					
Fires extinguished	829	819	869	812	823
Emergency medical responses	16,962	12,477	12,674	19,575	18,834
Hazardous materials responses	440	353	221	121	133
Environmental health					
Sanitation services					
Residential refuse collected (tons)	57,064	53,220	52,008	50,413	52,035
Residential refuse collection points	77,907	77,907	76,064	76,064	76,064
Percentage of collections made at curbside	96	96	96	96	97
Tons of leaves collected	12,089	17,205	22,553	15,183	15,965
Tons of brush collected	14,097	11,778	17,747	16,165	16,475
Tons of goods recycled	14,473	12,695	12,879	13,186	10,665
Percentage of households participating in yard cart program	18	18	18	18	19
Transportation services					
City street mileage maintained (lane miles)	2,219	2,200	2,188	2,183	2,179
Street cuts repaired	296	545	525	515	635
Percentage of streets rated 85 or better	53	53	51	55	56
Traffic intersections studied	1,066	1,022	940	969	999
Traffic signal repairs	1,142	1,689	1,734	1,700	1,848
Traffic signs upgraded/repared	1,031	1,099	1,725	2,653	2,231
Traffic signs new installations	367	369	926	538	479
Pavement markings renewed (feet)	811,017	1,214,880	40,335	131,991	748,850
Culture and recreation					
Parks and recreation					
Swimming pool attendees	61,308	56,568	48,002	43,666	58,562
Golf rounds	10,289	9,779	7,016	10,135	15,899
Participants in special populations	32,334	36,221	30,274	20,327	22,574
Community development					
Housing code violations corrected	1,674	1,785	3,063	3,645	4,004
Building permits issued	3,721	3,797	3,450	3,025	3,352
Building inspections conducted	16,841	17,876	15,560	15,295	15,162
Zoning complaints responded to	486	568	513	596	648

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Economic development					
Small business loans approved	-	2	3	4	4
Water & sewer utility					
New connections	1,125	1,036	2,287	1,269	1,388
Water main breaks	200	191	425	560	476
Average daily consumption (MGD)	36	36	36	36	36
Peak daily consumption (MGD)	47	48	48	48	48
Storage Capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	38	37	38	32	32
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	281,228	268,726	269,801	259,420	258,867
Number of trips	137,742	126,110	113,507	107,817	105,893
Old Salisbury Road Landfill					
Tons of waste landfilled	43,177	49,122	47,691	38,646	42,426
Number of trips	22,470	22,124	23,772	22,207	24,219
Household hazardous waste (3RC)					
Tons of HHW collected	540	514	677	737	720
Number of trips	12,619	10,692	11,907	12,063	12,387
Transit Authority					
Total route miles	1,977,736	2,181,553	2,354,835	1,887,834	1,688,812
Passengers	1,715,494	2,230,143	2,474,906	2,350,859	2,578,472
Public assembly facilities management ⁽¹⁾					
Complex/Annex bookings	38	110	189	205	197
Complex/Annex usage days	566	503	490	510	504
Total spectators	197,932	462,268	563,239	548,107	428,914
Convention events	34	207	271	253	141
Fair attendees	9,839	292,354	325,856	300,105	280,067

NOTE:

⁽¹⁾ Lawrence Joel Veterans Memorial Coliseum was sold in fiscal year 2014.

	Fiscal Year				
	2016	2015	2014	2013	2012
Economic development					
Small business loans approved	3	1	4	3	2
Water & sewer utility					
New connections	1,320	1,289	1,244	1,747	2,070
Water main breaks	441	430	444	467	169
Average daily consumption (MGD)	37	36	36	36	36
Peak daily consumption (MGD)	47	53	49	49	50
Storage Capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	33	29	31	31	31
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	252,744	233,786	243,644	224,894	214,806
Number of trips	97,360	88,461	85,631	83,969	85,573
Old Salisbury Road Landfill					
Tons of waste landfilled	37,987	30,902	42,613	28,749	29,089
Number of trips	21,041	19,169	20,904	20,315	22,534
Household hazardous Waste (3RC)					
Tons of HHW collected	712	522	386	318	277
Number of trips	11,555	9,208	8,057	7,876	7,736
Transit Authority					
Total route miles	1,589,633	1,582,989	1,574,886	1,525,935	1,526,264
Passengers	3,006,358	3,248,003	3,268,385	3,330,901	3,457,371
Public assembly facilities management ⁽¹⁾					
Complex/Annex bookings	159	139	120	129	140
Complex/Annex usage days	390	335	460	684	658
Total spectators	392,699	451,755	495,010	888,151	1,003,061
Convention events	149	246	235	209	254
Fair attendees	253,700	300,362	320,846	284,601	357,416

City of Winston-Salem, North Carolina

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2021	2020	2019	2018	2017
Police					
Stations	4	4	4	4	2
Fire					
Stations	19	19	19	19	19
Environmental health					
Collection trucks	62	55	65	42	42
Transportation					
Streets (miles)	1,047	1,044	1,037	1,037	1,035
Streetlights	33,404	33,379	33,853	33,847	33,963
Traffic signals	389	387	384	385	376
Culture and recreation					
Acreage	3,972	3,972	3,900	3,856	3,847
Number of parks	82	87	80	79	79
Golf Courses	2	2	2	2	2
Fishing and boating lakes	2	2	2	2	2
Swimming pools	8	8	9	10	9
Tennis courts	106	109	106	106	106
Baseball/softball diamonds	47	46	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)	2,349	2,341	2,359	2,324	2,314
Sanitary sewer (miles)	1,786	1,778	1,761	1,770	1,760

Source:

City of Winston-Salem Departments

Table 23

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
Police					
Stations	1	1	1	1	1
Fire					
Stations	19	19	19	19	18
Environmental health					
Collection trucks	38	38	38	38	43
Transportation					
Streets (miles)	1,034	1,024	1,023	1,021	1,020
Streetlights	34,172	34,195	33,805	32,647	32,580
Traffic signals	376	372	371	370	375
Culture and recreation					
Acreage	3,682	3,682	3,442	3,442	3,442
Number of parks	76	76	74	74	74
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	109	112	112	112	110
Baseball/softball diamonds	47	47	47	47	45
Soccer/football fields	50	50	50	50	60
Recreation centers	17	17	17	17	17
Water and Sewer Utility					
Water mains (miles)	2,276	2,273	2,266	2,245	2,227
Sanitary sewer (miles)	1,750	1,750	1,748	1,724	1,708

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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated October 31, 2021.

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 an opinion 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 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free of 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 statement. 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*.

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 result 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.

Chery Behant LLP

Charlotte, North Carolina
October 31, 2021



**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

We have audited the City of Winston-Salem, North Carolina (the "City"), compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act. Those standards, the Uniform Guidance and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cheryl Behant LLP

Charlotte, North Carolina
October 31, 2021

**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

We have audited the City of Winston-Salem, North Carolina (the “City”), compliance with the types of compliance requirements described 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, 2021. 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.

Management’s Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major State programs based on our audit of the types of compliance requirements referred to above. 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; applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination on the City’s compliance.

Opinion on Each Major State Program

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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major State program is not modified with respect

to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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.

Cheryl Behrnt LLP

Charlotte, North Carolina
October 31, 2021

**CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2021

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 X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X no

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal 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 federal awards? _____ yes X 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 X no

Identification of major federal programs:

Federal Assistance Listing Number

20.205
20.500-CL
21.019
97.036

Names of Federal Program or Cluster

Highway Planning and Construction Cluster
Federal Transit Cluster
Coronavirus Relief Fund
Disaster Relief Grants

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 1,198,708

Auditee qualified as low-risk auditee? X yes _____ no

**CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2021

State Awards

Internal control over major state 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 state awards? yes 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 no

Identification of major state programs:

Names of State Program or Cluster

Powell Bill Funds
Highway Planning and Construction Cluster – State Pass-Through Funds

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

North Carolina Department of Transportation

**Program Name: Highway Planning and Construction Cluster Assistance Listing Number 20.205-CL
Non-Material Non-Compliance – Reporting Finding 2021-001**

Criteria: Subrecipients of the State are required to submit a Federal Funding Accountability and Transparency Act (FFATA) report when working on federally funded projects in excess of \$25,000.

Condition: The City did not submit the required FFATA report to the North Carolina Department of Transportation during the current fiscal year.

Effect: The City is not in compliance with the reporting requirements related to the grant agreement.

Cause: The City was unaware of the requirement to file the FFATA report with the North Carolina Department of Transportation.

Recommendation: We recommend the City review all grant agreements to ensure all applicable reporting requirements are being followed on a timely basis.

***CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

FOR THE YEAR ENDED JUNE 30, 2021

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.



CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021

Financial Management Services

City of Winston-Salem
P.O. Box 2511
Winston-Salem, NC 27102
CityLink 311 (336.727.8000)
Fax 336.727-2566
www.cityofws.org

Finding 2021-001 - Non-Material Non-Compliance – Reporting

Responsible Person: Toneq' McCullough, Director of Transportation

Corrective Action Plan: The City will submit the required Federal Funding Accountability and Transparency Act (FFATA) subrecipient information form to the North Carolina Department of Transportation annually and at other times as may be required by the State. The City will carefully review grant agreements to ensure all applicable reporting requirements are being followed.

Anticipated Completion Date: November 2021

Respectfully,

Lisa M. Saunders, Chief Financial Officer

***CITY OF WINSTON-SALEM, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS***

FOR THE YEAR ENDED JUNE 30, 2021

Section V – Schedule of Prior Year Audit Findings

None reported.

City of Winston-Salem, North Carolina

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2021

Page 1 of 4

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
FEDERAL GRANTS						
US Department of Housing and Urban Development						
Direct Programs						
CDBG Entitlement Grants Cluster						
CDBG Entitlement Grants	14.218	B-17-MC-37-0011	80,467	-	-	-
CDBG Entitlement Grants	14.218	B-18-MC-37-0011	141,185	-	-	14,250
CDBG Entitlement Grants	14.218	B-19-MC-37-0011	260,294	-	-	60,829
CDBG Entitlement Grants	14.218	B-20-MC-37-0011	896,517	-	-	282,764
CDBG Entitlement Grants	14.218	B-20-MW-37-0011	648,809	-	-	643,708
Total CDBG Entitlement Grants Cluster			2,027,272	-	-	1,001,551
Continuum of Care Program	14.267	NC0269L4F001806	55,222	-	-	-
Continuum of Care Program	14.267	NC0274L4F001806	292,879	-	-	270,172
Continuum of Care Program	14.267	NC0350L4F001802	48,169	-	-	45,419
Continuum of Care Program	14.267	NC0352L4F001802	56,893	-	-	54,289
Continuum of Care Program	14.267	NC0401L4F001800	27,600	-	-	-
Continuum of Care Program	14.267	NC0402L4F001800	58,617	-	-	38,825
Continuum of Care Program	14.267	NC0403L4F001800	14,845	-	-	13,354
Continuum of Care Program	14.267	NC0404D4F001800	91,534	-	-	86,675
Continuum of Care Program	14.267	NC0269L4F001907	42,902	-	-	-
Continuum of Care Program	14.267	NC0274L4F001907	210,385	-	-	203,202
Continuum of Care Program	14.267	NC0313L4F001906	70,652	-	-	67,697
Continuum of Care Program	14.267	NC0350L4F001903	91,304	-	-	91,304
Continuum of Care Program	14.267	NC0381L4F001901	26,179	-	-	26,179
Continuum of Care Program	14.267	NC0402L4F001901	520,923	-	-	520,923
Continuum of Care Program	14.267	NC0403L4F001901	25,884	-	-	25,884
Continuum of Care Program	14.267	NC0404D4F001901	143,792	-	-	143,792
Continuum of Care Program	14.267	NC0427L4F001900	17,023	-	-	-
Continuum of Care Program	14.267	NC0428L4F001900	3,965	-	-	3,965
Total Continuum of Care Program			1,798,768	-	-	1,591,680
Home Investment Partnerships Program	14.239	M-17-DC-37-0204	366,346	-	-	-
Home Investment Partnerships Program	14.239	M-18-DC-37-0204	72,120	-	-	-
Home Investment Partnerships Program	14.239	M-19-DC-37-0204	139,503	-	-	-
Home Investment Partnerships Program	14.239	M-20-DC-37-0204	188,351	-	-	173,426
Total Home Investment Partnerships Program			766,320	-	-	173,426
Fair Housing Initiatives Program	14.408	FF204K194014	9,295	-	-	-
Total Fair Housing Initiatives Program			9,295	-	-	-
Emergency Solutions Grant Program	14.231	E-19-MC-37-0011	6,204	-	-	6,204
Emergency Solutions Grant Program	14.231	E-20-MC-37-0011	164,702	-	-	164,702
Emergency Solutions Grant Program	14.231	E-20-MW-37-0011	584,186	-	-	584,186
Passed through NC Department of DHHS -						
Division of Aging						
Emergency Solutions Grant Program	14.231	Contract 00039837	96,933	-	-	96,933
Emergency Solutions Grant Program	14.231	Contract 00041796	80,345	-	-	80,345
Emergency Solutions Grant Program	14.231	Contract 00041411	205,006	-	-	147,094
Total Emergency Solutions Grant Program			1,137,376	-	-	1,079,464
Total US Department of Housing and Urban Development			\$ 5,739,031	\$ -	\$ -	\$ 3,846,121

City of Winston-Salem, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

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 Transportation Federal Transit Administration						
Direct Programs						
Federal Transit Cluster						
Federal Transit Capital Investment Grants	20.500	NC-2019-046-00	\$ 129,377	\$ -	\$ 32,345	\$ -
Federal Transit Formula Grants	20.507	NC-90-461-00	2,240	-	560	-
Federal Transit Formula Grants	20.507	NC-90-543-00	26,064	-	6,516	-
Federal Transit Formula Grants	20.507	NC-90-565-00	32,736	-	8,184	-
Federal Transit Formula Grants	20.507	NC-95-086-00	57,849	-	14,462	-
Federal Transit Formula Grants	20.507	NC-2016-025-00	295,890	-	73,972	-
Federal Transit Formula Grants	20.507	NC-2017-026-00	40,519	-	10,130	-
Federal Transit Formula Grants	20.507	NC-2018-027-00	293,784	-	63,631	39,262
Federal Transit Formula Grants	20.507	NC-2018-031-00	589,134	-	147,284	-
Federal Transit Formula Grants	20.507	NC-2018-071-00	270,782	-	66,468	4,907
Federal Transit Formula Grants	20.507	NC-2019-042-00	667,267	-	166,817	-
Federal Transit Formula Grants	20.507	NC-2020-050-00	12,436,963	-	-	408,921
Federal Transit Formula Grants	20.507	NC-2021-003-00	3,367,000	-	-	-
Bus and Bus Facilities Formula Program	20.526	NC-2016-017-00	18,744	-	3,307	-
Bus and Bus Facilities Formula Program	20.526	NC-2019-043-00	454,358	-	113,589	-
Total Federal Transit Cluster			18,682,707	-	707,265	453,090
Transit Services Programs Cluster						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2018-022-00	34,449	-	-	34,449
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2019-052-00	173,456	-	-	173,456
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2020-005-00	158,302	-	-	158,302
Job Access and Reverse Commute Program - 2019	20.516	NC-2019-053-00	5,359	-	-	5,359
Total Transit Services Program Cluster			371,566	-	-	371,566
Passed Through NC Department of Transportation						
Highway Planning and Construction Cluster						
West First Street Bridge/Southern Railway	20.205	41111.1.1	161,072	-	-	-
Piedmont Regional Greenway	20.205	39745.1.28	8,266	-	-	-
Barbara Jane Avenue	20.205	44662	5,112	-	1,278	-
Fairlawn Drive	20.205	48428	58,868	-	14,717	-
Griffith Rd	20.205	48430	78,651	-	19,662	-
Robinhood Rd	20.205	48431	25,552	-	6,388	-
Silas Creek Parkway	20.205	50418	174,045	-	43,511	-
Metropolitan Planning Grant	20.205	40435.1.19	329,076	-	82,354	-
Metropolitan Planning Grant	20.205	44860.1.17	1,438	-	359	-
Metropolitan Planning Grant	20.205	50247.1.1	446,983	-	111,746	-
Clean Fuel Advance Technology Grant	20.205	Subaward 2017-1789-17	140,448	-	-	-
Total Highway Planning and Construction Cluster			1,429,511	-	280,015	-
Highway Safety Cluster						
National Priority Safety Programs - Year 10	20.616	AL-20-02-03	31,522	-	94,563	50,821
National Priority Safety Programs - Year 11	20.616	AL-21-02-07	49,681	-	149,043	64,454
Total Highway Safety Cluster			81,203	-	243,606	115,275
Other Passed Through NC Department of Transportation						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.29.20.6	70,749	8,841	8,848	-
Total Other Passed Through NC Department of Transportation			70,749	8,841	8,848	-
Total Passed Through NC Department of Transportation			1,581,463	8,841	532,469	115,275
Total US Department of Transportation Federal Transit Administration			\$ 20,635,736	\$ 8,841	\$ 1,239,734	\$ 939,931

City of Winston-Salem, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

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						
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00215	110,467	-	28,266	-
Preparing for Emerging Threats and Hazards	97.133	EMW-2016-GR-00175	128,642	-	-	-
Passed through NC Department of Emergency Management						
Disaster Grants						
Public Assistance - Tropical Storm Michael	97.036	FEMA-4412-DR-NC	977,907	527,027	-	-
Public Assistance - Hurricane Florence	97.036	FEMA-4393-DR-NC	142,336	47,445	-	-
Public Assistance - Hurricane Dorian	97.036	FEMA-4465-DR-NC	28,164	9,394	-	-
Public Assistance - COVID-19 Pandemic Non-Congregate Shelter	97.036	FEMA-4487-DR-NC	668,254	-	-	-
Passed through NC Department of Public Safety						
Emergency Management Performance Grants	97.042		85,631	-	-	-
Total US Department of Homeland Security			<u>2,141,401</u>	<u>583,866</u>	<u>28,266</u>	<u>-</u>
US Department of Justice						
Direct Programs						
Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0986	146,187	-	-	-
Drug Court Discretionary Grant Program	16.585	2020-VC-BX-0129	26,298	-	-	26,298
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0076	7,306	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-WY-BX-0007	1,183	-	-	-
Equitable Sharing Program	16.922		33,410	-	-	-
Passed through Forsyth County						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0503	2,800	-	-	-
Total US Department of Justice			<u>217,184</u>	<u>-</u>	<u>-</u>	<u>26,298</u>
US Environmental Protection Agency						
Passed Through NC Department of Environmental Quality						
Clean Water State Revolving Fund Cluster						
Capitalization Grants for State Revolving Funds	66.458	CS370399-08	4,147,388	-	-	-
Capitalization Grants for State Revolving Funds	66.458	CS370399-11	564,733	-	-	-
Capitalization Grants for State Revolving Funds	66.458	CS370399-12	583,929	-	-	-
Capitalization Grants for State Revolving Funds	66.458	CS370399-13.3	2,261,439	-	-	-
Total Clean Water State Revolving Fund Cluster			<u>7,557,489</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		191,916	64,980	-	-
Total Aging Cluster			<u>191,916</u>	<u>64,980</u>	<u>-</u>	<u>-</u>
US Department of the Treasury						
Direct Program						
Equitable Sharing	21.016		295,709	-	-	-
Emergency Rental Assistance Program	21.023		475,367	-	-	-
Passed through Forsyth County						
Coronavirus Relief Fund	21.019		2,690,204	-	-	-
Passed through NC Department of Transportation						
Coronavirus Relief Fund	21.019		12,906	-	-	-
Total US Department of the Treasury			<u>3,474,186</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Programs			<u>\$ 39,956,943</u>	<u>\$ 657,687</u>	<u>\$ 1,268,000</u>	<u>\$ 4,812,350</u>

City of Winston-Salem, North Carolina
Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2021

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<u>Cash Programs Grantor/Pass-Through Grantor/Program/Project Title</u>	<u>State Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>	<u>Pass- through to Subrecipients</u>
STATE GRANTS						
NC Department of Transportation						
Direct Programs						
Powell Bill Funds	DOT-4	32570	\$ -	\$ 4,658,087	\$ -	\$ -
Total NC Department of Transportation			-	4,658,087	-	-
NC Department of Commerce						
Direct Programs						
One North Carolina Fund			-	112,500	-	112,500
Total NC Department of Commerce			-	112,500	-	112,500
Total State Programs			-	4,770,587	-	112,500
Total Assistance			<u>\$39,956,943</u>	<u>\$ 5,428,274</u>	<u>\$ 1,268,000</u>	<u>\$ 4,924,850</u>

Notes to Schedule of Expenditures of Federal and State Awards

*City of Winston-Salem, North Carolina
For the Fiscal Year Ended June 30, 2021*

(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 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, 2020. 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	66.458	\$82,794,796

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



Winston-Salem

Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021

CITY OF
Winston-Salem
NORTH CAROLINA

