

APPENDIX A

INFORMATION CONCERNING THE CITY

GENERAL DESCRIPTION

The merger of Salem, founded in 1766, and Winston, founded in 1849, formed the City in 1913. It is the fifth most populous city in the State of North Carolina. The City has an area of approximately 131.9 square miles and is located approximately 210 miles from the Atlantic shore, 250 miles southwest of Washington, D.C., and 290 miles northeast of Atlanta, Georgia. Local business activity includes health care, biotechnology, financial services, manufacturing, apparel, textiles, transportation, computer-related services, electrical/industrial equipment, tobacco products, education and tourism.

The City, the county seat of Forsyth County (the “County”), is part of a larger region known as the “Piedmont Triad” that includes Greensboro to the east and High Point to the south. The region’s growth is actively promoted through the Piedmont Triad Partnership, a nonprofit organization chartered specifically for regional business recruitment, leadership development, and regional strategic planning throughout the 12-county region. The City is a part of the Greensboro-Winston-Salem-High Point, North Carolina Combined Statistical Area (“CSA”), a region with approximately 1,760,496 residents as of July 2024 (latest data available). [To update with July 2025 data if available by posting; data scheduled for release in May 2026]

The City has received national recognition for its livability and is receiving increasing attention for its attractiveness as a retirement destination. In 2024, *Forbes* magazine ranked the City 20<sup>th</sup> among Best Cities for Young Professionals to live. Other national rankings have included *Livability.com*’s 100 Best Places to Live and WalletHub ranking the City second best for business costs.

DEMOGRAPHIC CHARACTERISTICS

The United States Department of Commerce, Bureau of the Census, has recorded the population of the City as follows:

1990	2000	2010	2020
143,485	185,776	235,705	247,945

The estimated population of the City is as follows:

2021	2022	2023	2024	2025
249,757	253,233	255,275	257,055	259,045

Personal per capita income for the City and the State as of June 30 is presented in the following table:

YEAR	CITY <sup>1</sup>	STATE <sup>2</sup>
2020	\$45,830	\$51,816
2021	48,649	57,233
2022	53,449	59,092
2023	54,744	62,233
2024	57,101	65,634

<sup>1</sup> Source: The City’s 2025 Annual Comprehensive Financial Report.

<sup>2</sup> Source: United States Department of Commerce, Bureau of Economic Analysis.

## COMMERCE AND INDUSTRY

**General.** The City has a diversified economic profile drawing from health care, biotechnology, financial services, manufacturing, apparel, textiles, transportation, computer-related services, electrical/industrial equipment, tobacco products, education and tourism. While in the past, manufacturing was the major economic sector, the service sector has surpassed it, currently accounting for approximately 40% of the work force. Major private employers in the City include Atrium Health Wake Forest Baptist, Novant Health, Inc., Truist Financial Corp., Wells Fargo Bank and Wake Forest University (Reynolda Campus).

**Health Care.** The dynamic growth of the health care industry has provided the area with significant economic gains in recent years, surpassing traditional tobacco, textile and furniture industries. The health care sector has become the City’s largest industry. Novant Health, Inc. (“*Novant Health*”), one of the State’s largest regional health systems, has its headquarters in the City. In October 2020, Wake Forest Baptist Health, another of the State’s largest regional health systems located in the City, merged with Charlotte-based regional health system Atrium Health, which then combined with Advocate Aurora Health to form Advocate Health. The combined system is the fifth-largest nonprofit integrated health system in the United States with 67 hospitals and more than 1,000 care sites.

Atrium Health Wake Forest Baptist (“*AHWFB*”), which comprises an array of hospitals, emergency departments, clinics and primary care facilities, is the largest employer in the City. Recognized as one of the nation’s Best Hospitals by *U.S. News & World Report* for over 30 consecutive years, AHWFB is an integrated clinical, research and academic enterprise headquartered in the City. It operates Atrium Health Wake Forest Baptist Medical Center (“*WFBMC*”), an internationally respected, fully integrated academic medical center and health system, with nationally recognized Cancer, Neurology, and Neuroscience specialists, that includes an 885-bed tertiary care teaching facility in the City, four acute care hospitals located outside the City and an ambulatory network with over 300 sites of patient care.

WFBMC includes the 144-bed Brenner’s Children’s Hospital, the region’s only pediatric hospital, and the Comprehensive Cancer Center, which is one of only 51 in the nation designated as comprehensive by the National Cancer Institute. Anchored by WFBMC, the Atrium system also includes Wake Forest School of Medicine, a leading center for medical education and research that serves approximately 1,900 students; Wake Forest Innovations, which promotes the commercialization of research discoveries and operates the Innovation Quarter, an urban research and technology park, and Wake Downtown, a satellite campus of Wake Forest University with three new undergraduate academic programs in Biochemistry & Molecular Biology, Medicinal Chemistry & Drug Discovery and Engineering.

The City is also home to Novant Health, a private, not-for-profit integrated system with more than 2,000 physicians in nearly 850 provider locations throughout the Southeast, including 19 hospitals. The largest hospital in the Novant Health system, Forsyth Medical Center, is a 859-bed tertiary care hospital located in the City. In January 2025, Novant completed a new five-story \$222 million critical care tower at Forsyth Medical Center that features 59 critical care rooms and 36 patient rooms. Novant’s Medical Park Hospital is also located in the City and specializes in short-stay surgeries, performing about 10,000 surgeries each year.

**Biotechnology.** The Piedmont Triad is a major biotechnology cluster. In 1994, Wake Forest University helped form what is now known as Innovation Quarter (the “*Innovation Quarter*”). It is an urban innovation district located downtown that provides office and laboratory facilities for research, business and education in biomedical science, information technology, digital media, clinical services and advanced materials. As one of the fastest-growing urban innovation districts in the United States, it is now home to 115 companies, five leading academic institutions and more than 3,880 full-time employees. The Innovation Quarter covers 2.1 million square feet of office, laboratory, classroom and mixed-use space on more than 330 acres. Over 1,000 residential units are in, or within walking distance of, the Innovation Quarter.

Biotech companies with a presence in Innovation Quarter include Asinex an international full-service chemistry provider, which has established its North American headquarters in Innovation Quarter. A number of start-up companies can be found in Innovation Quarter including Fluree, a data platform company, and OnceLogix, a software development company.

The RegenMed Hub represents another specialized ecosystem within the Innovation Quarter focused on regenerative medicine innovation. At its foundation is the Wake Forest Institute for Regenerative Medicine, a global leader in tissue engineering that has pioneered numerous breakthrough therapies, working alongside the RegenMed Development Organization, which focuses on solving critical manufacturing challenges in the field. The RegeneratOR Innovation Accelerator provides startups access to cutting-edge biomanufacturing equipment, specialized expertise and a collaborative environment where promising regenerative technologies can be developed and refined.

In June 2021, the Innovation Quarter announced a new master plan for the second major phase of development. With 10 proposed buildings and 2.7 million square feet of mixed-use development, the new phase of development will extend the same mixed-use, ground-level activation found in the existing district on a 28-acre site and is anticipated to allow for approximately 1 million square feet of additional clinical, lab, retail and office space. Upon completion, it is anticipated that the development will provide an additional 1 million square feet of clinical, lab, retail and office space. The master plan is anticipated to create 15 acres of new, programmable green space, an additional 450 residential units and 30,000 square feet of new ground-level activation space. As part of Phase II, the Innovation Quarter is working with community leaders to increase and strengthen physical links between the district and neighborhoods through improved streetscapes, and bridge enhancements.

**Financial Services.** The City was headquarters to BB&T Corporation (“*BB&T*”), a Fortune 500 company and one of the largest financial services holding companies in the United States. On December 6, 2019, BB&T merged with SunTrust Banks Inc. The combined bank, known as Truist Financial Corp., is the nation’s eighth largest financial services holding company with over \$523 billion in assets as of December 31, 2024. Although Truist Financial Corp. has its headquarters in Charlotte, North Carolina, its community banking division remains in the City. After the merger, Truist Financial Corp. continued its charitable and community support in the City, including sponsorships of the Wake Forest University football team (Truist Field) and Truist Stadium (formerly BB&T Ball Park).

In addition, Wells Fargo Bank, National Association, which is part of Wells Fargo & Company, maintains a major operation of its wealth, brokerage and retirement division in the City with approximately 3,300 employees. Wells Fargo & Company is the fourth largest financial holding company in the United States.

There are more than three dozen other state and nationally chartered banks, savings and loans, and credit unions located in the County. Piedmont Federal Savings Bank, founded in the City in 1903, continues to be one of the nation's soundest banks. As a mutual savings bank, Piedmont Federal is FDIC-insured with its customers as its only stakeholders. It operates 11 branches in the region.

The City is also headquarters to two of the State's largest credit unions. Allegacy Federal Credit Union was founded in the City in 1967 to serve the employees of R.J. Reynolds Tobacco Co. It currently has more than 162,000 members nationwide. Truliant Federal Credit Union, chartered in 1952 to serve employees of Western Electric, now has more than 280,000 members.

***Manufacturing and Industry.*** Although manufacturing is no longer the largest employment sector in the City and the County, it continues to be a substantial contributor to the area's economy.

Hanesbrands, Inc. ("*Hanesbrands*") was, until recently, a Fortune 500 company headquartered in the City. Prior to its recent acquisition, the company was the world's largest marketer of basic apparel, selling bras, panties, shapewear, sheer hosiery, men's underwear, children's underwear, socks, t-shirts and other activewear. Hanesbrands maintained well-known brands such as Hanes, Playtex, Maidenform and Bali. In 2024, Hanesbrands completed the sale of its Champion brand. On December 1, 2025, Gildan Activewear Inc. ("*Gildan*") acquired Hanesbrands at an equity value of approximately \$2.2 billion for Hanesbrands and an enterprise value of approximately \$4.4 billion, based on the value of Gildan's common stock at the time the transaction was announced. Post closing, Gildan's headquarters continue to be located in Montreal, Quebec. Gildan has stated its intent to maintain Hanesbrandss' strong presence in the City.

Reynolds American, Inc. is a long-time corporate citizen of the City. In June 2015, Reynolds American purchased Lorillard, Inc. for \$29.25 billion, making it one of the largest acquisitions in the history of the tobacco industry and giving Reynolds American the number 2, 3, and 4 cigarette brands in the nation: Newport (from Lorillard), Camel and Pall Mall. Reynolds American kept Newport but sold the rest of Lorillard's operations to Imperial Tobacco Group PLC. In 2017, Reynolds American became an indirect, wholly owned subsidiary of British American Tobacco p.l.c. The company's stated goal is to migrate adult smokers from cigarettes to smokeless alternatives and become a predominantly smokeless business by 2035.

In 2011, Caterpillar Inc., the world's leading manufacturer of construction and mining equipment, opened a 850,000 square-foot facility in the City. In 2016, Progress Rail Services Co., a subsidiary of Caterpillar Inc., took over the facility and shifted it from the manufacturing of axles to the manufacturing of railroad equipment.

Krispy Kreme Doughnuts Inc. ("*Krispy Kreme*") was founded in the City in 1937. The company is a branded specialty retailer and wholesaler of sweet treats and complementary products. In May 2016, Krispy Kreme agreed to be taken private and be acquired for approximately \$1.35 billion by J.A.B. Holding Co., a European investment fund with brands including Caribou Coffee, Panera Bread and Keurig Green Mountain. In December 2017, Krispy Kreme moved its corporate operations to Charlotte while the world headquarters and Krispy Kreme Support Center remain in the City.

Ardagh Group, a global supplier of sustainable and recyclable metal and glass packaging, manufactures beverage cans at its facility in the City. In 2021, the company announced a \$195.5 million

investment to expand its two production lines at its facility in the City. Other manufacturers in the City include Collins Aerospace Interiors, a division of Raytheon Technologies; Herbalife, a manufacturer of healthcare supplements; Smurfit WestRock, a manufacturer of packaging materials; and Cook Medical, a manufacturer of medical devices.

In June 2025, JetZero announced plans to build a new factory for manufacturing aircraft in Greensboro at Piedmont Triad International Airport, which is in neighboring Guilford County. The company's blended-wing-body plane, known as Z4, aims to provide 50% better fuel efficiency over traditional commercial jets while delivering lower carbon emissions. JetZero expects to create approximately 14,500 jobs from 2027-2036.

**Business Parks.** The industrial site market in the City and County represents a substantial economic development resource for the area. The City works with local economic development organizations to ensure that there is an inventory of attractive space available in business parks for prospective companies looking to relocate or expand.

The Union Cross Business Park ("*Union Cross*"), a 403-acre public-private partnership established for light industrial uses, is nearly filled and is home to manufacturing, distribution and corporate facilities. Approximately 70 acres of Union Cross remains natural with sidewalks, ponds and woods. Union Cross is home to several companies, including Bekaert Textiles, a Belgian mattress ticking manufacturer; Atlantic Coast Toyotalift, a manufacturer of materials handling equipment; Liberty Hardware, a leader in decorative and effective home hardware products; Clearing House Payments Company, a New York-based financial services data center and operations facility; Polyvlies, a German fabric maker; and Pepsi Bottling Ventures.

Pepsi Bottling Ventures ("*PBV*") leases a 526,000 square-foot building in Union Cross that cost \$82 million to upfit. The facility streamlined its operations and vertical integration of production. PBV is the largest privately held bottler of Pepsi-Cola products in North America, operating 17 bottling and distribution facilities that serve consumers in North Carolina, South Carolina, Virginia, Maryland and Delaware.

Another 99.4-acre site known as Union Cross Industrial Center (the "*Industrial Center*") is adjacent to Progress Rail Services Co. and Herbalife. In 2024, Ziehl-Abegg, Inc., a German manufacturer of ventilation systems, generators and other equipment, began production at its new \$100 million, 522,000-square-foot plant in the Industrial Center. The plant serves as the base of the company's North American operations. The City provided approximately \$630,000 in incentives while the County provided an additional \$430,000. Nelipak Healthcare Packaging opened a 117,000-square-foot production facility at the Industrial Center in 2024, its first in the Americas. The City provided \$295,207 in incentives with the County contributing another \$196,209.

Just north of downtown Winston-Salem, Whitaker Park consists of approximately 220 acres and 1.7 million square feet that was donated by RJ Reynolds to Whitaker Park Development Authority, a non-profit entity created by Winston-Salem Business Inc., the Winston-Salem Alliance and Wake Forest University. It is a key link between the Innovation Quarter, the Smith Reynolds Airport and Wake Forest University. In 2021, Nature's Value Inc., a global vitamin and dietary supplements manufacturer, consolidated its headquarters, manufacturing and distribution operations to a 426,000 square-foot site in Whitaker Park. In 2024, Purple Crow, a local producer of Hispanic foods, moved its headquarters from a smaller facility in the City and opened in Whitaker Park. In April 2025, the Lofts at Whitaker Park, a \$60 million luxury apartment community by Frye Properties, opened. The project converted two historic R.J. Reynolds Tobacco Company Buildings into 163 apartment units.

Brookwood Business Park (formerly Airport Business Park) consists of approximately 45 acres of City-owned property located near the Smith Reynolds Airport that was assembled to provide space for businesses interested in smaller parcels of land. Occupants include Precision for Medicine's Biospecimen Solutions, a clinical research organization, and Combs Wholesale Project Company, a fruit and vegetable distributor in North Carolina, South Carolina and Virginia with a 40,000 square-foot cold distribution facility located in Brookwood Business Park.

**Tourism.** Tourism is another growing industry in the City, generated in part by Wake Forest University sports, the biennial International Black Theatre Festival, the Carolina Classic Fair, Old Salem Museums & Gardens and Reynolda House. According to *VisitNC*, visitors in the County spent almost \$1.1 billion in 2024.

The M.C. Benton, Jr. Convention Center and Civic Center (“*The Benton*”), located in downtown Winston-Salem, offers 150,000 square feet of flexible meeting space and 319 guest rooms and suites. The Benton is connected to the Marriott Winston-Salem, which has an additional 12,600 square feet of meeting space. It is within walking distance of more than 100 restaurants, shops, breweries and bars.

Graylyn International Conference Center of Wake Forest University has hosted presidents of the United States, as well as Fortune 500 boards and government groups. The 55-acre estate was originally the home of Bowman Gray, a leading southern industrialist who was president and chairman of R.J. Reynolds Tobacco Company from 1924-1935. The family later gifted the estate to Wake Forest University for educational purposes.

Each year an estimated 500,000 people visit Old Salem Museum & Gardens (“*Old Salem*”), one of the most authentic historic restorations in the country, covering about 100 buildings over 90 acres. Costumed interpreters re-create daily life during the late 18<sup>th</sup> and early 19<sup>th</sup> centuries in the former German-speaking trading center and Moravian Church town known as Salem. The Museum of Early Southern Decorative Arts is also part of Old Salem. Old Salem also includes the Single Brothers’ Gardens, an award-winning restoration project.

See also “**ARTS AND CULTURE**” and “**SPORTS AND RECREATION**” below.

## **DOWNTOWN DEVELOPMENT**

An estimated 5,000 people reside in downtown Winston-Salem where additional residential development continues to occur. Downtown Winston-Salem’s living, shopping, food and entertainment options continue to grow in number and variety. 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 with membership that includes some of Winston-Salem’s most influential companies and organizations. The Winston-Salem Alliance merged with Greater Winston-Salem, Inc. (formerly the Winston-Salem Chamber and Winston-Salem Business, Inc.) in 2024. The Downtown Winston-Salem Partnership is another organization that supports downtown initiatives, projects and advocacy. Spearheaded by the Downtown Winston-Salem Partnership, the most recent downtown plan was adopted by City Council in 2023.

Eight unique districts comprise the downtown core, four of which offer residents and visitors a variety of options for dining, shopping and entertainment. Six outer districts surround the downtown core.



A notable example of downtown revitalization is the iconic Reynolds Building, a 314-foot Art Deco skyscraper constructed in 1929, which famously inspired the Empire State Building. A \$60 million renovation transformed the building, converting its upper floors into luxury apartments and introducing the Kimpton Cardinal Hotel on the lower floors, while maintaining historic elements in the lobby.

Another important project involved the revitalization of the historic Pepper Building, an Art Deco structure built in 1928 and repurposed as Hotel Indigo. Developers preserved original terrazzo floors and period-specific details while addressing structural repairs and restoring over 300 damaged windows. In 2019, the project was touted as being the most thoughtful repositioning of abandoned space in the nation.

Another example of revitalization is the 21-story former GMAC Building, now known as 500 W. 5<sup>th</sup>, which was acquired in 2017 by local business leader Don Flow and developed as an entrepreneurial center for young companies. Flow Automotive Group relocated all of its corporate services from locations throughout North Carolina and Virginia to 90,000 square feet of the 340,613 square-foot building. About 35,000 square feet of the building is occupied by Winston Starts, a new business accelerator organization. On the adjacent site, Grubb Properties developed a \$48 million residential and retail project along Fourth Street, which includes the 240-unit Link Apartments® Brookstown. The residential project involved removing an existing six-story building. The City assisted with the cost of removing the building by agreeing to return 75% of the annual new taxes paid on the residential project for a period of 10 years.

A new 250,000 square-foot courthouse opened downtown in October 2023. It includes six floors with 18 courtrooms. The first floor provides space for most of the services of the Clerk of Court. A secure bridge to the Government Center allows staff quick access.

Other projects downtown include Kaleideum, a Children’s Museum created from the July 2016 merger of the Children’s Museum of Winston-Salem and SciWorks, the Science Center and Environmental Park of Forsyth County. The museum previously operated in two locations in the City — Kaleideum

Downtown (formerly, The Children's Museum of Winston-Salem) and Kaleideum North (formerly, SciWorks). In February 2024, Kaleideum opened in a new five-story building in downtown with four floors of exhibits, a digital dome and a rooftop adventure playground.

Arts and entertainment continue to play an important part in the continued growth of downtown. Several venues such as The Milton Rhodes Center for the Arts and the Stevens Center are located downtown. See “**ARTS AND CULTURE**” below.

Several live music clubs can be found downtown, featuring jazz, rhythm and blues, and alternative music, along with coffeehouses featuring folk, bluegrass, and acoustic music. Free outdoor concerts continue on Thursday, Friday and Saturday nights from May through September.

As a result of a \$30 million Choice Neighborhood Initiative (“*CNI*”) 2020 grant from the U.S. Department of Housing and Urban Development, the City and the Housing Authority of Winston-Salem commenced a multi-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. The first phase is complete, with completion of all phases currently expected in the last quarter of 2027.

**RESIDENTIAL AND NON-RESIDENTIAL CONSTRUCTION**

The following table summarizes the number and value of new building permits issued in the City for the fiscal years indicated below:

<b>YEAR</b>	<b>NON-RESIDENTIAL NUMBER</b>	<b>NON-RESIDENTIAL VALUE</b>	<b>RESIDENTIAL NUMBER</b>	<b>RESIDENTIAL VALUE</b>	<b>REHABILITATION VALUE</b>	<b>TOTAL VALUE</b>
2021	331	\$215,943,161	778	\$150,102,004	\$255,074,257	\$621,199,422
2022	338	110,336,431	855	196,908,863	229,598,553	536,843,847
2023	307	329,358,694	646	146,580,588	346,322,117	822,261,399
2024	477	100,867,493	887	187,578,561	317,475,224	605,921,278
2025	301	129,555,227	860	160,898,721	393,764,542	684,218,490

Source: Winston-Salem/Forsyth County Building Inspection Division.

## TAXABLE SALES

Taxable sales figures are not available for the City. The taxable sales for the County for the fiscal years ended June 30, 2021 through 2025 and a portion of the fiscal year ending June 30, 2026 are shown in the following table: [to include FY2026 stub period data closer to posting]

FISCAL YEAR ENDED JUNE 30	TOTAL TAXABLE SALES	PERCENTAGE INCREASE OVER PREVIOUS YEAR
2021 <sup>1</sup>	\$6,968,752,208	21.7%
2022 <sup>1</sup>	7,862,160,614	12.8
2023	8,328,159,602	5.9
2024	8,525,950,987	2.4
2025	8,639,140,958	1.3
2026 ([9] months) <sup>2</sup>		-

<sup>1</sup> For fiscal years 2021 and 2022, sales tax collections in North Carolina exceeded expectations with shifts in consumer spending and the direct stimulus support given to households during the COVID-19 pandemic. Inflation also led to higher sales tax collections.

<sup>2</sup> For the [9]-month period ended [March 31], 2026. Total taxable sales for the comparable [9]-month period ended [March 31], 2025 were \$[ ], representing an increase of approximately [ ]% for the current period.

Source: North Carolina Department of Revenue, Sales and Use Tax Division.

## EMPLOYMENT

### Ten Largest Employers in the City as of June 30, 2025

EMPLOYER	TYPE	APPROXIMATE NUMBER OF EMPLOYEES
Atrium Health Wake Forest Baptist	Health Care	18,570
Novant Health Inc.	Health Care	11,010
Winston-Salem/Forsyth County Schools (WS/FCS)	Education	5,500 <sup>1</sup>
Truist Bank	Financial Services	4,000
Wells Fargo Bank	Financial Services	3,306 <sup>2</sup>
City of Winston-Salem	Government	2,287
Wake Forest University	Education	2,270
Reynolds American Inc.	Manufacturing	2,150
Forsyth County	Government	2,116
Hanesbrands Inc. <sup>3</sup>	Apparel	<u>1,000</u>
<b>TOTAL EMPLOYEES</b>		<b>52,209</b>

Source: City of Winston-Salem, North Carolina 2025 Annual Comprehensive Financial Report

<sup>1</sup> In August and September 2025, WS/FCS eliminated over 340 positions.

<sup>2</sup> In June 2025, Wells Fargo Bank filed a document with the State noting the elimination of 194 jobs in the City effective August 23, 2025.

<sup>3</sup> On December 1, 2025, Hanesbrands was acquired by Gildan, which has stated its intent to maintain a strong presence in the City.

The Labor & Economic Analysis Division of the North Carolina Department of Commerce has estimated the percentage of unemployment (seasonally unadjusted) in the City to be as follows: [to update with 2026 data closer to posting]

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021	6.6%	6.5%	5.9%	5.8%	5.9%	6.2%	5.9%	5.6%	4.8%	4.8%	4.2%	3.6%
2022	4.1	4.0	3.9	3.8	4.0	4.5	4.3	4.4	3.8	4.3	4.1	3.5
2023	4.1	4.0	3.8	3.3	3.8	4.2	4.2	4.3	3.7	3.8	3.8	3.7
2024	4.0	4.1	4.0	3.5	3.9	4.4	4.7	4.4	3.6	3.6	3.9	3.6
2025	4.1	3.9	4.0	3.7	4.0	4.5	4.4	4.5	4.1	— <sup>1</sup>	4.6	3.9
2026												

Source: North Carolina Department of Commerce – Labor and Economic Analysis Division.

<sup>1</sup> Data not posted due to federal government shutdown.

## GOVERNMENT STRUCTURE

The City operates under a council-manager form of government. The City Council is composed of eight members who are elected by voters of eight districts. The Mayor is elected at-large, presides over all City Council meetings, and votes only in the event of a tie. The City Council enacts resolutions, ordinances, sets general policies, and appoints a professional city manager who directs daily operations of the City through appointed department heads. The City’s Chief Financial Officer has announced that she will be retiring effective May 8, 2026. An outside firm is in the process of conducting a search for her replacement. [To update language with status of search closer to posting]

Consolidated programs of the City and County, administered by the City, include purchasing, community planning and zoning, inspections, emergency management, water and sewer utilities, and solid-waste management. Consolidated programs of the City and County, administered by the County, include elections and tax collections.

## EDUCATION

Winston-Salem/Forsyth County Schools (“WS/FCS”), the fourth largest school system in the State, serves over 50,000 students enrolled in 81 schools. Elementary and middle school parents may choose the neighborhood school or other schools within their residential assignment zone. Each of the WS/FCS’s elementary and middle schools has a special theme and resources to enhance its educational program. The WS/FCS Career Center offers about 30 Advanced Placement (college-level) courses to high school students. All schools in the system have guidance counselors, curriculum coordinators, programs for academically gifted students, as well as art, music, foreign language and physical education teachers.

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.

The WS/FCS is operated and administered by an elected Board of Education, which appoints a school superintendent. State law provides a basic minimum educational program for each school administrative unit or district, which is supplemented by the County and federal governments. The minimum program provides funds for operational costs only, but the building of public school facilities has also been a joint state/county effort. The County provides local financial support for capital and additional operating expenses. The City has no responsibility to finance operating expenses or capital needs of the WS/FCS.

The following table shows WS/FCS average daily membership (“ADM”) for the last five school years:

<b>SCHOOL YEAR</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
ADM	51,822	52,022	51,936	51,304	50,713

Source: North Carolina Department of Public Instruction. ADM (determined by actual records at the schools) is computed by the North Carolina Department of Public Instruction on a uniform basis for all public school units in the State. ADM figures are used for both teacher allotments and per capita distribution of local funds if there is more than one school administrative unit within a county.

Forsyth Technical Community College or FTCC is one of the largest community colleges in North Carolina. It has an enrollment of over 11,450 credit students and over 10,450 continuing education students. FTCC offers 69 associate degree programs and six college transfer degree programs. Some of the credit programs offered at FTCC include nursing, web technologies, automotive systems technology, racecar technology, electronics engineering technology, business administration, early childhood education, architectural technology, interior design, biotechnology, nanotechnology, dental hygiene, basic law enforcement, e-commerce, cybersecurity and global logistics technology. It offers 66 certificates in such fields as health care, engineering technologies, criminal justice, automotive technology, logistics management, nanotechnology and biotechnology. Students in the college transfer degree programs can begin their first two years of a four-year college or university program at FTCC.

Through its Corporate & Continuing Education Division, FTCC provides customized training in a variety of areas for local businesses and industries. FTCC works with local industry to assess training needs in order to make appropriate training available. It also provides outplacement counseling for those who are laid off or are looking for a different career. In addition, through this division, FTCC provides courses for personal enrichment such as financial planning and creative arts.

The Early and Middle Colleges of Forsyth County are joint programs of FTCC and WS/FCS. The Early College provides 9th grade students with the opportunity to earn their high school diploma and get college credit at the same time, and with one more year after high school, to receive a two-year degree tuition-free. The Middle College allows juniors and seniors in high school an opportunity to continue their studies on the main campus of FTCC while also earning college credit. Dual enrollment classes allow students to earn college credits tuition free on their own high school campus.

Founded in 1834, Wake Forest University is a private liberal arts university with a nationwide reputation for challenging academics, individualized teaching, small classes and state-of-the-art resources. It has an undergraduate enrollment of approximately 5,490 students and a graduate enrollment of approximately 3,830. All 50 states and 39 countries are represented. The university ranked 51st overall in the 2026 *U.S. News and World Report* rankings.

Winston-Salem State University (“WSSU”), one of the 17 constituent institutions of The University of North Carolina, is a leading regional institution providing learning opportunities for a diverse student population. WSSU offers degrees in areas of high job demand such as nursing, computer science, biotechnology, education and information management. Utilizing state-of-the-art facilities and technologies, including wireless access and networking, the university offers educational opportunities in numerous formats: evening-weekend, summer, distance learning, continuing education and online education. WSSU has an enrollment of over 4,775 students and offers over 39 undergraduate degree programs, 50 undergraduate minors, seven graduate degree programs, two professional doctoral programs and six post-baccalaureate certifications. WSSU was ranked the top nursing program in the nation at an

historically black college and university (HBCU) by NursingProcess.org and the best masters of healthcare administration online program in the nation by BestColleges.org.

The University of North Carolina School of the Arts (“UNCSA”) is also one of the 17 constituent institutions of The University of North Carolina. It is an arts conservatory of international renown, training talented students for professional careers in the arts. The first state-supported residential school of its kind in the nation, UNCSA opened in 1965 on 67 acres in the City and became part of the University of North Carolina System in 1972. High school and college students are enrolled annually in its five professional schools: Dance, Design & Production (including a Visual Arts Program), Drama, Filmmaking and Music. The school is accredited by the Southern Association of Colleges and Schools and awards the high school diploma, the College Arts Diploma, the Professional Artist Certificate, and bachelor and master’s degrees. The State of North Carolina pays the full cost of attending UNCSA (tuition, fees, and room and board) for all in-state students who are accepted into the high school program. Students must audition/interview for admission and study with master teachers who have had successful careers in the arts as well as with guest artists. UNCSA alumni have performed in or behind the scenes of Broadway shows, film television and regional theatre, and are members of the world’s finest symphony orchestras and opera and dance companies.

UNCSA’s School of Filmmaking trains talented students for professional careers in the film and television industries. Seniors’ films are screened in the City and Los Angeles each year. The joint efforts of the film school and the area’s Film Commission have made the City an attractive site for location shooting of feature films and television movies. UNCSA’s School of Filmmaking ranked eighth on The *Hollywood Reporter*’s 2024 list of the 25 best film schools in the United States.

Founded in 1772, Salem College is the nation’s 13<sup>th</sup> oldest institution of higher education and the oldest continuously operating women’s educational institution according to the American Council on Education. With approximately 470 students, Salem College is the nation’s only liberal arts college exclusively focused on health leadership. It has 26 undergraduate majors and 32 minors. Salem College shares a 57-acre campus with Salem Academy, a college preparatory boarding school for girls in grades 9 through 12. Salem Academy and College are located in the Old Salem historical district.

## **ARTS AND CULTURE**

The City has a rich diversity of arts and culture available for its residents’ enjoyment. The community is known for its support of the arts and for many years has had one of the highest per capita contributions to the arts of any city in the United States. The arts are a major driver of the local economy.

The Arts Council of Winston-Salem and Forsyth County, established in 1949, was the first Arts Council in the country. Today, the Arts Council supports a broad range of arts and cultural organizations through the process of grant funding through its Operational Support, Arts in Education, Project Assistance and Regional Artists grants. The grants support organizations such as the Sawtooth Center for Visual Arts, Associated Artists of Winston-Salem, Facilities for the Arts on Spruce, the Winston-Salem Symphony, the North Carolina Black Repertory Company, the Little Symphony, Winston-Salem Delta Fine Arts, Piedmont Craftsmen, Piedmont Opera Theater, Associated Artists, the Children’s Theatre, the Little Theatre of Winston-Salem and the Southeastern Center for Contemporary Art. The Arts Council Community Support Program assists with the planning and organizing of many community projects including festivals, concerts, workshops and educational programs.

The Downtown Arts District consists of working studios, galleries, locally-owned retail shops, restaurants, residences and businesses. The Arts District is located along Trade and Liberty Streets and features many restored historic buildings that characterize the City’s past. The Downtown Arts District

Association (DADA) celebrates its 40<sup>th</sup> anniversary in 2025 and is the neighborhood organization that transformed the district into the vibrant area it is today. The organization continues to promote art and the arts district through events such as First Friday Gallery Hops, held the first Friday of each month.

The Arts District includes a public park known as ARTivity on the Green that is located in the heart of the district on Liberty Street between Sixth and Seventh Streets. The half-acre urban park features towering faux smokestacks that release clouds of water vapor to pay tribute to the City's industrial past. It also features plenty of green space with areas for sitting and picnicking, a mural wall and a performance shelter.

The AFAS (Art for Art's Sake) group is a volunteer-based 501(c)(3) nonprofit volunteer organization whose mission is to build, educate and celebrate community through art. Through student scholarships and artist mentoring, the AFAS group encourages the development of new and emerging artists in the community. It operates the AFAS Center for the Arts, which houses the group's operations as well as galleries and arts space.

The Milton Rhodes Center for the Arts is comprised of two galleries, multi-purpose performing arts spaces, meeting and event spaces, a café and terrace, Associated Artists of Winston-Salem and the Sawtooth School for Visual Art. Located adjacent to the Milton Rhodes Center, the Hanesbrandss Theatre is a 300-seat black-box theatre, affording a variety of stage and seating configurations for dance, theatre, music and film productions.

The Stevens Center in downtown Winston-Salem is one of the City's principal performance venues. Originally a 1929 silent movie theatre, the two-story, 1,364-seat neoclassical theatre is the primary performance space for UNCSA, the Winston-Salem Symphony, the Piedmont Opera and other local, national and international performers. The Stevens Center is currently closed and undergoing a major \$81 million renovation that is estimated to be complete in 2026. UNCSA, which owns the Stevens Center, typically presents more than 400 public performances and screenings annually, including dance and symphony orchestra concerts, plays, musicals, operas, and film screenings.

The International Black Theatre Festival, held every other year, is the nation's largest and most celebrated exposition of Black theatre groups. Since its inception in 1989 by Producer and Artistic Director Larry Leon Hamlin, the festival has been hosted in the City by the North Carolina Black Repertory Company, which celebrated 45 Marvtastic Years in 2024. The six-day event in August 2024 was the 17th biennial event and attracted more than 65,000 patrons to performances by black theatre groups from across the country.

Reynolda House, open to the public since 1967 as a museum, is home to a widely praised art collection and is one of a small number of early-twentieth-century American country houses still standing in its original form. Reynolda House features outstanding paintings and prints dating from the colonial period to the present, while retaining the architectural features, home furnishings, and memorabilia of the family of R.J. Reynolds, founder of the Reynolds Tobacco Company. Originally the home of R.J. and Katharine Smith Reynolds, the home was completed in 1917 and has been named to the National Register of Historic Places. The museum is situated on the original 1,000-acre estate alongside Reynolda Gardens of Wake Forest University and the historic Reynolda Village.

The Southeastern Center for Contemporary Art is a series of cascading galleries housed in the 1929 English-style home of the late industrialist James G. Hanes. The original structure has been enhanced with 20,000 square feet of exhibit space where exhibits change several times a year and represent the finest contemporary art, both regionally and nationally. Educational programming, which accompanies each

exhibition, includes gallery walks, artist lectures, family community days, hands on workshops, film series, and many more activities designed to engage and entertain restless minds with contemporary art.

The Diggs Gallery, a major cultural center at Winston-Salem State University, is one of the nation's best regional, contemporary African-American art galleries. The gallery also houses an impressive collection of works on paper by well-known European and American artists such as Jean Francois Millet, Joan Miro and Robert Rauschenberg. Exhibitions and programs address a broad range of artistic expression, with special concentration on African-American and regional art.

The Piedmont Opera opened for its first production in September 1978 and is the second largest opera company in the State. The Piedmont Opera produces high quality opera productions using international, national, regional and local professional singers and technicians. In addition to its regularly scheduled productions each year, the Piedmont Opera also conducts a wide variety of educational and outreach programs, as well as presentations at UNCSA, Wake Forest University and WSSU.

The Winston-Salem Symphony was founded in 1946 and currently performs 35-40 concerts per year. It employs 75 professional musicians on a per service basis and also boasts a 120-voice volunteer chorus. Its music education programs produce over 28,000 student encounters annually.

## **SPORTS AND RECREATION**

The Winston-Salem Recreation and Parks Department has 87 public parks, 17 recreation centers, which are tied into WinstonNet (a high-speed computer network that was created to ensure that all citizens have access to the opportunities that computers provide), 43 soccer fields, 29 softball/baseball fields, eight outdoor pools, nine spray grounds, 52 picnic shelters, 52 playgrounds, a football field, over 25 miles of greenway, 23 fitness trails, 83 tennis courts, five volleyball courts, 25 basketball courts, two public golf courses (Reynolds Park and Winston Lake), three dog parks and a hobby park for remote-controlled cars and planes, and soapbox derby cars.

The most attended professional sport in the City is stock car racing. Thousands of fans come to 17,000-seat Bowman Gray Stadium for NASCAR racing on spring and summer nights. Bowman Gray Stadium, which is owned by the City, is also used for WSSU football as well as high school athletic events and the annual Carolina Drum Classic Marching Band Competition. The stadium can hold up to 28,000 for concerts and special events. The City recently completed various improvements including a new LED lighting system.

The City is home to the Winston-Salem Dash, a Class A minor league professional baseball team affiliated with the Chicago White Sox. The Dash play over 70 home games each season. In 2010 the Dash started their first season in the 5,500-seat Truist Stadium (formerly BB&T Ballpark) in downtown Winston-Salem off Business 40 and Peters Creek Parkway. Truist Stadium is now owned fully by the City.

The Wake Forest University Demon Deacons participate in Division I of the NCAA, including intercollegiate teams in football, basketball, baseball, cross-country, tennis, soccer, volleyball, field hockey and golf. WSSU students participate in Division II of the NCAA and may participate in football, basketball, track and field, cross-country, tennis, softball and volleyball.

First held in 2011, the Winston-Salem Open Tennis Tournament takes place in the tennis stadium next to Truist Field on the campus of Wake Forest University. The 3,800-seat tennis stadium includes 13 courts, making it eligible to host future NCAA tournament events. An ATP World Tour 250 event, the Winston-Salem Open is the final men's tournament on the Emirates Airline US Open Series prior to the US Open, and it draws an international field of competition.

The Carolina Classic Fair (the “*Fair*”) is held annually for 10 days each October at the Fairgrounds. The City owns the 4,500-seat Fairgrounds Arena as well as the adjacent fairgrounds. With approximately 325,000 visitors each year, it is second in agriculture fair size to the North Carolina State Fair. The Fair brings national as well as state entertainers to the City.

## TRANSPORTATION

Ground, air, and water transportation routes are readily accessible to local commerce and industry. People and products move smoothly throughout the Piedmont Triad region, in part due to an efficient transportation network and the nation’s largest State-maintained highway system that conveniently links to major east coast interstates. US Highway 421 (Salem Parkway, formerly Interstate 40 (Business)) passes through the approximate center of the County and connects with Interstate 85 to the east and Interstate 77 to the west. Interstate 40 (Bypass) encircles the southern section of the City, connecting US Highway 421 east of Clemmons to the west and east of Kernersville in the western part of Guilford County. US Highway 52 runs north-south through the center of the County, intersecting Salem Parkway near downtown Winston-Salem.

The Winston-Salem Northern Beltway is a transformative 34.5-mile multi-lane freeway loop designed to significantly reduce traffic congestion around the City. The project, divided into Eastern (future I-74) and Western (future I-274) segments, has progressed in phases since construction commenced in December 2014, with the initial section opening in September 2020. Currently, the Eastern Loop is partially operational and is expected to be fully completed by the end of 2026. Meanwhile, development on the Western Loop is scheduled to begin in 2030 and continue for about ten years. Upon full completion, the beltway is expected to deliver numerous benefits, including a 20% reduction in traffic volume on US 52, enhanced safety and mobility across the Winston-Salem region, commuter travel time savings of 15-20 minutes in specific areas, and expanded economic development opportunities. With the completion of the beltway, the City will also become the seventh city in the State to feature a complete or partially completed Interstate loop.

Smith Reynolds Airport, owned by the County and located minutes from downtown Winston-Salem, serves as a strategic hub for corporate aircraft, air charter services, general aviation and air cargo operations. Major air carrier service is provided at Piedmont Triad International Airport (“*PTIA*”) located just off Interstate 40 approximately 20 miles east of downtown Winston-Salem. Scheduled passenger service is provided by five major airlines with over 65 non-stop flights daily to 16 destinations.

The Piedmont Authority for Regional Transportation (“*PART*”) provides shuttle service in a ten-county area, including the County. Its operations are primarily funded by a five-percent tax levied on the short-term rental of private vehicles in Forsyth and Guilford Counties. PART provides 30-minute service, five days a week, between the City, Greensboro and High Point during peak travel periods with hourly service at other times of the day. Shuttle services are also available to PTIA and to any other destination within a range of three to four miles of the Regional Terminal.

AMTRAK Connector Service, which provides three daily round trips between the City and the High Point Rail Station, has developed into a valued service for passengers traveling on the Piedmont and Carolinian passenger trains. Rail systems include Norfolk Southern Corporation, Yadkin Valley Railroad and the intrastate Winston-Salem Southbound Railway.

Winston-Salem Area Transportation Planning Organization (the “*TPO*”) is responsible for coordinating transportation planning within the Winston-Salem Urbanized Area according to the most recent U.S. census. The TPO provides a forum for local decision making regarding federal, state and local

transportation funds for urbanized areas. The TPO is responsible for maintaining and updating the Metropolitan Transportation Plan (the “MTP”) every five years.

In 2019, the Winston-Salem Department of Transportation unveiled its Bicycle Master Plan. The Winston-Salem Bicycle Master Plan identifies 17 priority corridors totaling hundreds of miles of bike routes needing physical improvements, as well as programs and policies that can help make cycling a viable transportation option for citizens and visitors. Throughout the planning process, the City held 16 public input meetings to gather citizen input and gauge reaction to the recommendations within the plan. The plan is expected to help guide the development of bicycle infrastructure, policies, and programs for the 10-15 years following its adoption and help the City become a bicycle-friendly destination.

International ports are approximately 250 miles to the east, in Wilmington and Morehead City, North Carolina.

**CYBERSECURITY**

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks in computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private or sensitive information, the City may be the target of cybersecurity incidents that could result in adverse consequences to the City and its Systems Technology.

On December 26, 2024, certain systems on the City’s network were impacted by an unauthorized actor. For cautionary reasons, City computer systems were taken offline. This incident did not impact operations in the City’s police department, fire department or utilities system. Many of the City’s tier 1 systems such as human resources, payroll and financial services were available within a short amount of time. As of February 10, 2025, the majority of the City’s operations were online and operating as normal. From December 26, 2024 until all City systems were back online, the City continued operations manually. The City's proactive response and existing security measures helped contain the incident quickly. Recovery efforts were managed cost-effectively through existing resources and established protocols. To date, the City has not been made aware of any personal information being compromised and the cost to the City has been minimal. However, the investigation is ongoing. [\[any updates on this investigation?\]](#).

Although the City’s cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could cause disruption to the City’s finances or operations. The costs of remedying any such damage or protecting against future attacks could be significant.

**DEBT INFORMATION**

**Legal Debt Limit.** In accordance with the provisions of the State Constitution and The Local Government Bond Act, as amended, the City had the statutory capacity to incur additional net debt in the amount of \$2,414,336,910 as of June 30, 2025.

**Outstanding General Obligation Debt**

<b>PRINCIPAL OUTSTANDING AS OF</b>	<b>JUNE 30, 2022</b>	<b>JUNE 30, 2023</b>	<b>JUNE 30,2024</b>	<b>JUNE 30,2025</b>
<b>TOTAL BONDS</b>	\$193,160,000	\$243,195,000	\$225,525,000	\$209,865,000

**General Obligation Debt Ratios**

AS OF JUNE 30	TOTAL GO DEBT	ASSESSED VALUATION <sup>1</sup>	TOTAL GO DEBT TO ASSESSED VALUATION	POPULATION <sup>2</sup>	TOTAL GO DEBT PER CAPITA
2022	\$211,130,320	\$26,290,412,040	0.80	255,275	\$ 827.07
2023	267,745,827	27,032,607,127	0.99	257,055	1,041.59
2024	248,078,584	27,749,365,631	0.89	259,045	957.67
2025	230,630,340	28,211,239,000	0.82	259,045 <sup>3</sup>	890.31
<b>AFTER 2026 BONDS NOW OFFERED ARE ISSUED<sup>4</sup></b>	\$[ ]	\$39,448,495,424 <sup>5</sup>	[ ]	259,045 <sup>3</sup>	[ ]

<sup>1</sup> Property in the County is appraised at least once every eight years as required by State law. The most recent appraisal was effective as of January 1, 2025, and is reflected in the Fiscal Year ending June 30, 2026. Property is assessed at 100% of appraised value. Tax rates are per \$100 of assessed value.

<sup>2</sup> Estimate of the North Carolina Office of State Budget and Management.

<sup>3</sup> 2024 population (latest data available).

<sup>4</sup> Numbers in this row are preliminary and subject to change.

<sup>5</sup> The increase in assessed valuation for Fiscal Year 2026, as compared to Fiscal Year 2025, is attributable, at least in part, to the County's reappraisal effective January 1, 2025.

**Future General Obligation Debt Service Requirements as of June 30, 2025**

2026	\$ 23,779,562
2027	22,261,659
2028	21,947,003
2029	20,183,644
2030	19,982,844
2031-2035	92,962,344
2036-2040	56,132,744
2041-2045	10,335,600
2046-2050	-
	<u>\$267,585,400</u>

**General Obligation Bonds Authorized and Unissued**

PURPOSE	DATE APPROVED	AUTHORIZED AND UNISSUED	2026 BONDS NOW OFFERED <sup>1</sup>	REMAINING BALANCE <sup>1</sup>
Streets & Sidewalks	04/06/2026	\$ 6,612,190	\$ 6,612,190	-
Parks & Recreation	04/06/2026	449,345	449,345	-
Public Safety	04/06/2026	247,865	247,865	-
Public Facilities	04/06/2026	1,130,600	1,130,600	-
Housing	04/06/2026	2,000,000	2,000,000	-
Refunding	04/06/2026	37,800,000	[37,800,000]	[ ]
<b>TOTAL</b>		<b>\$48,240,000</b>	<b>\$[48,240,000]</b>	<b>[ ]</b>

<sup>1</sup> Preliminary, subject to change.

**General Obligation Debt Information for Overlapping Unit as of June 30, 2025**

UNIT	2024 POPULATION <sup>1</sup>	ASSESSED VALUATION	TAX RATE PER \$100	DEBT AUTHORIZED AND UNISSUED		TOTAL GO DEBT		TOTAL GO DEBT PER CAPITA
				UTILITY	OTHER	UTILITY	OTHER	
Forsyth County	399,059	\$46,628,874,088	\$.6778	\$ —	\$ —	\$ —	\$572,495,000	\$1,435

<sup>1</sup> Estimate of North Carolina Office of State Budget and Management. Latest data available.

**Other Long-Term Commitments.** Debt information of the City is also disclosed in the Note 2E to the Financial Statements.

**Installment Financing.** Future requirements representing principal and interest of contracts payable as of [June 30, 2025], as follows:

JUNE 30	PRINCIPAL	INTEREST	TOTAL
2026	\$ 20,013,360	\$ 3,293,596	\$ 23,306,956
2027	16,549,129	2,852,726	19,401,855
2028	13,976,250	2,443,197	16,419,447
2029	8,704,000	2,099,674	10,803,674
2030-2034	41,969,000	6,859,289	48,828,289
2035-2039	18,620,000	1,970,304	20,590,304
2040-2043	2,420,000	145,200	2,565,200
Total	\$122,251,739	\$19,663,986	\$141,915,725

[to include language disclosing 2025 LOBs or we can make the above table as of January 1, 2026] [to discuss]

**Revenue Bonds.** North Carolina law authorizes the City to issue revenue bonds to finance improvements to certain revenue producing enterprises. As of June 30, 2025, the City had \$345,775,000 in indebtedness secured solely by specified revenue sources, including revenues of the water and sewer utility system and stormwater management fees.

In April 2026, the City issued publicly offered water and sewer system revenue refunding bonds totaling \$[ ] million to defease and refund certain of its outstanding water and sewer system revenue bonds.

**State Revolving Loans.** During fiscal year 2025, the City’s Water and Sewer Utility fund received \$21,909,882 in proceeds from the direct borrowing Drinking Water State Revolving Fund. The City also has outstanding NC Clean Water Revolving funds. These loans carry fixed interest rates of 0% to 2% and are payable over 20 years. The total approved loan amounts are approximately \$211 million, which includes \$9.5 million approved and unissued for the R. W. Neilson Water Treatment Plant modernization project. Final amounts for each loan will be determined when the project is completed, and repayments will begin six months after the estimated project completion dates. [any updates on these?] In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal payments of \$5,547,995 were made in fiscal year 2025. At June 30, 2025, the City had \$155,824,461 outstanding.

**Leases.** The City has entered into agreements to lease certain property and equipment. The City had \$9,313,270 in principal amount outstanding as of June 30, 2025.

**DEBT OUTLOOK**

[to describe any other upcoming financings] The City may borrow up to \$[42] million for additional projects over the next three to five years. The City is also currently evaluating the need for a General Obligation Bond Referendum in 2028.

**TAX INFORMATION [TO UPDATE]**

	2022	2023	2024	2025 <sup>3</sup>	2026 <sup>3</sup>
Assessed Valuation:					
Assessment Ratio <sup>1</sup>	100%	100%	100%	100%	100%
Real Property	\$21,035,151	\$21,391,396	\$21,726,802	\$21,945,704	
Personal Property	4,788,209	5,112,423	5,487,262	5,720,893	
Public Service Companies <sup>2</sup>	467,052	528,789	535,301	544,642	
Total Assessed Valuation	\$26,290,412	\$27,032,608	\$27,749,365	\$28,211,239	\$39,448,495
Rate per \$100	0.6124	0.6360	0.6610	0.7250	0.567
Levy	\$ 162,080	\$ 173,172	\$ 184,755	\$ 204,825	\$

<sup>1</sup> Percentage of appraised value has been established by statute.

<sup>2</sup> Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

<sup>3</sup> Estimated.

NOTE - Assessed valuations and tax levies above in thousands.

**Tax Collections**

FISCAL YEAR	PRIOR YEARS' LEVIES COLLECTED	CURRENT YEARS' LEVY COLLECTED	PERCENTAGE OF CURRENT YEARS' LEVY COLLECTED
2021	\$559,829	\$149,037,995	99.7%
2022	592,474	161,086,013	99.8
2023	625,028	172,047,199	99.7
2024	821,906	183,532,222	99.8
2025	-	203,335,531	99.7

Notes:

<sup>1</sup> Tax collections do not include penalties and interest of \$477,181 and refunds of (\$259,366) in fiscal year 2025.

<sup>2</sup> Outstanding delinquent taxes includes amounts considered uncollectible. The allowance for uncollectible accounts at June 30, 2025 was \$1,054,686.

**Ten Largest Taxpayers for the Fiscal Year Ended June 30, 2025**

<b>COMPANY</b>	<b>TYPES OF ENTERPRISE</b>	<b>ASSESSED VALUATION</b>	<b>PERCENTAGE OF TOTAL ASSESSED VALUATION</b>
Reynolds American Inc.	Manufacturing	\$ 416,252,131	1.48%
Duke Energy Corp/ Piedmont Natural Gas	Public Utility	411,662,248	1.46
Wells Fargo Bank NA	Financial Services	355,480,338	1.26
Caterpillar Inc.	Manufacturing	227,971,979	0.81
Ventas Inc.	Real Estate Management	221,848,171	0.79
Parr Investments	Real Estate Management	171,829,105	0.61
Ardagh Metal Packaging	Manufacturing	158,189,094	0.56
Lowe’s Data Center	Home Improvement Retail	157,056,549	0.56
Atrium Wake Forest Baptist Health	Healthcare	143,917,683	0.51
JG Winston-Salem LLC	Manufacturer	125,009,201	0.44
<b>TOTALS</b>		<b>\$2,389,216,499</b>	<b>8.48%</b>

Source: Forsyth County Tax Department.

**2025-2026 BUDGET OUTLOOK**

[City to update/revise model language below as necessary] As of [ ], 2026, General Fund revenues are performing in line with the City’s expectations for the fiscal year ending June 30, 2026. While revenues collected to date represent approximately [%] of the annual budget, such results are consistent with historical collection patterns, particularly with respect to the timing of property and sales tax receipts. Based on current trends and the City’s conservative budgeting practices, revenues are expected to meet or modestly exceed budgeted amounts by fiscal year end.

General Fund expenditures through this period total approximately [%] of the annual budget and are generally consistent with prior year spending patterns. The City is not aware of any material variances in revenues or expenditures, or any unplanned or unbudgeted cash outlays, that would be expected to adversely affect its financial position for the fiscal year ending June 30, 2026.

The City adopted a General Fund budget for the fiscal year ending June 30, 2026 of \$[ ] million, representing an increase of \$[ ] million from the prior fiscal year. The City’s property tax rate for the fiscal year is \$0.567 per \$100 of assessed value. The budget includes a planned appropriation of fund balance of approximately \$[ ] million; however, based on current projections and the City’s historical practice of conservative fund balance budgeting, the City does not currently anticipate a material draw on fund balance at fiscal year-end.

Overall, the City expects General Fund operations for the fiscal year ending June 30, 2026 to remain stable and consistent with budgeted expectations.

**2026-2027 BUDGET COMMENTARY**

[to discuss potential inclusion of proposed budget presented by City Manager in May]

## **PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS**

**General.** For a discussion of the defined benefit pension plans in which the City participates, see Note 3A in the City's audited financial statements attached as **Appendix C** hereto.

**North Carolina Local Government Employees' Retirement System.** The City is a participating employer of the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State. Contribution provisions are established by statute and may be amended only by the North Carolina General Assembly. The City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2025 was 15.1% of compensation for law enforcement officers and 13.6% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$21,336,164 for the fiscal year ended June 30, 2025. At June 30, 2025, the City reported a liability of \$105,766,332 for its proportionate share of the net pension liability. The total pension liability was measured as of June 30, 2024. A discount rate of 6.50% was used for this calculation. A sensitivity analysis and other actuarial assumptions used in determining the City's pension liability are set forth in the City's audited financial statements.

For additional information, see Note 3A in the City's audited financial statements included as **Appendix C** hereto.

**Winston-Salem Police Officers' Defined Contribution Plan.** 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. As of December 31, 2013, the plan is closed for new entrants. Members are required to contribute 6% of their salary, and contributions by the City are based upon annual actuarial studies. At June 30, 2025, the City reported a liability of \$22,999,127 for its proportionate share of the net pension liability. The total pension liability was determined by actuarial valuation as of January 1, 2025. An investment rate of return of 7.00% was used for this calculation. A sensitivity analysis and other actuarial assumptions used in determining the City's pension liability are set forth in the City's audited financial statements.

For additional information, see Note 3A in the City's audited financial statements included as **Appendix C** hereto.

**Other Post-employment Benefits (OPEB).** Under a City Council resolution dated September 9, 1991, the City 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. Employees hired after June 30, 2010 are not eligible for the retiree healthcare benefit. At January 1, 2024, the plan had 1,932 participants, consisting of 659 active members and 1,273 inactive plan members or beneficiaries.

For the fiscal year ended June 30, 2025, the City contributed \$498,031 or 1.1% of annual covered payroll to the plan. The City is self-insured. The City's obligation to provide healthcare and death benefits may be amended by City Council. At June 30, 2025, the City reported a net OPEB asset of \$9,613,046.

For additional information, see Note 3B in the City's audited financial statements included as **Appendix C** hereto.

## **LITIGATION**

The City is not a party to any litigation, the outcome of which, in the opinion of the City Attorney, would materially adversely affect the City's ability to meet its financial obligations.