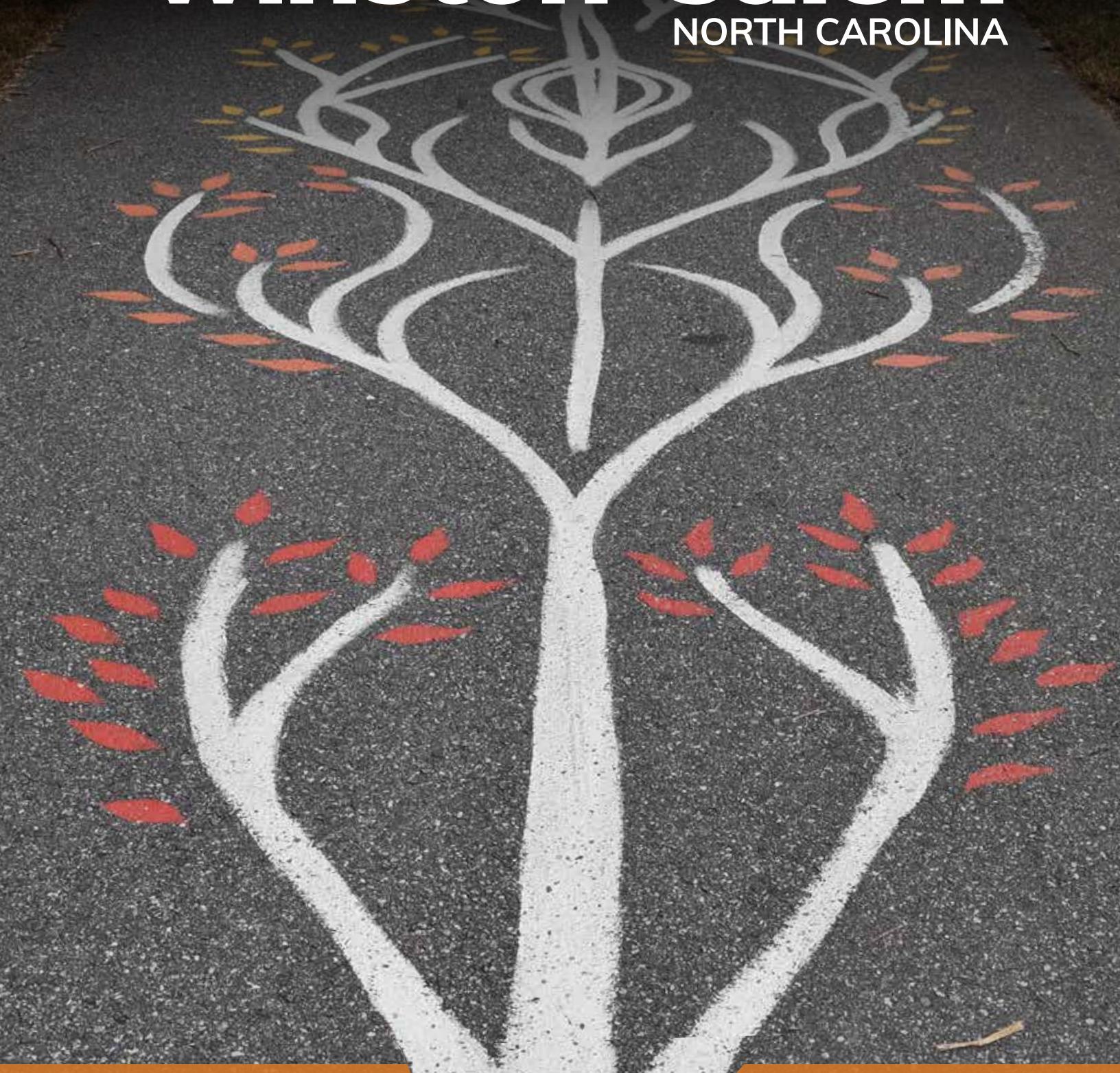
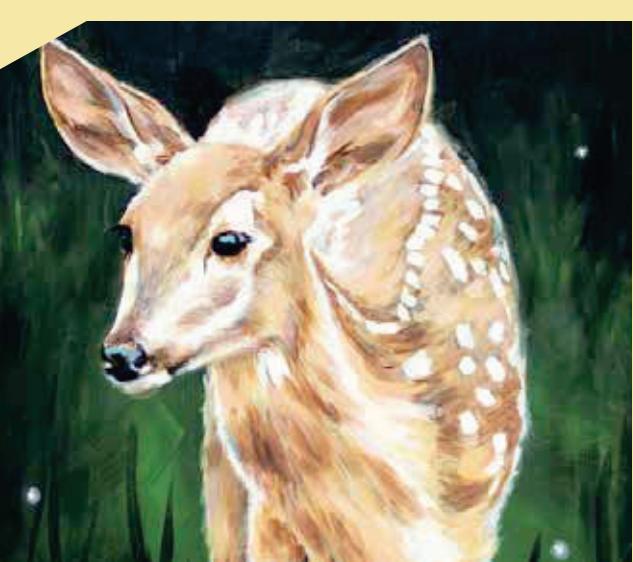


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NORTH CAROLINA



ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR
ENDED 6.30.25



2024.2025

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NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED 6.30.25

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT IS
PREPARED BY FINANCIAL MANAGEMENT SERVICES

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City of Winston-Salem, North Carolina
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025

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Certain pages in this report are intentionally blank.



Letter of Transmittal

December 22, 2025

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

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

Financial Report

It is our pleasure to submit the Annual Comprehensive Financial Report for the City of Winston-Salem, North Carolina for the fiscal year ended June 30, 2025. 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, 2025.

North Carolina General Statutes require each unit of local government to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. The City engaged Cherry Bekaert LLP, independent auditor, to perform an audit of the City's reported financial position and results of operations contained in the government-wide and fund financial statements and notes to the financial statements. Their audit consists of an objective outside review in order to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. Working with the City's professional financial and auditing staff, they reviewed and made appropriate tests of data included in the financial statements and evaluated the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the financial statements of the City of Winston-Salem for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The report of independent auditor is presented as the first component of the financial section of this report.

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

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

Assuring legal compliance requires an accounting system that contains a variety of distinctly different fiscal and accounting entities. Formal budgetary accounting is employed for all funds for management planning and control required by North Carolina General Statutes. Budgets are legally enacted by passage of Annual Budget and Project Budget Ordinances and formally amended as required. The City Manager is authorized to transfer budget amounts within functions, but changes between functions and total budgets of any fund require approval by the City Council.

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

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

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

Long-term Financial Planning

The Annual Comprehensive Financial Report reflects the sound fiscal policies our elected officials have established to achieve their annual priorities for programs, services, and capital improvements. These policies have resulted in the City's strong financial position, which is demonstrated by the highest credit rating attainable in national bond markets. Growth of the City's economic base, as well as realistic long-range planning, productive management of revenue and cash resources, expansion of self-supporting enterprises within government, and prudent use of debt, continue to produce favorable operating results. Unassigned general fund balance represents 23.54% of the budgeted expenditures for fiscal year 2026, which complies with the City's policy goal of 16%.

The City annually adopts a six-year Capital Plan for the scheduling and appropriation of funds for major projects that represent significant contributions to the City's overall inventory of physical assets. City Council approval of the Capital Plan commits the City to the first year of the capital projects with conditional approval for those projects listed in the five future planning years. The six-year Capital Plan, from fiscal year 2026 through fiscal year 2031, includes capital appropriations totaling \$550 million and includes projects that may be funded by general fund resources, general obligation bonds, utility revenue bonds, North Carolina clean water and drinking water state revolving loan funds, special obligation bonds, limited obligation bonds, state and federal grants, and capital reserves.

Awards and Acknowledgements

The City submitted an application to the Government Finance Officers Association of the United States and Canada (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. We are awaiting the results of our application, and we believe that our fiscal year 2024 report continues to meet the Certificate of Achievement Program's requirements. If awarded, this will be the 39th 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 fiscal year 2025 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

W. Patrick Pate
City Manager

Kelly Latham
Chief Financial Officer



local economy ▶

Winston-Salem's economy had a robust year in 2024-2025, thanks to good job growth, local innovation and outside interest in a workforce that is more educated, diverse and creative than ever.

Some of the most exciting economic news of the year involved a significant transformation to the area just north of downtown.

Developers **Carter** and **Front Street Capital**, in partnership with the city, began work on **The Grounds**, a 100-acre project between **Wake Forest University**'s football stadium complex on Deacon Boulevard and the **Lawrence Joel Veterans Memorial Coliseum**.

Enhancements to Deacon Boulevard have already been completed, including pedestrian safety and traffic-easing features between the two facilities.

The Grounds will be a pedestrian-friendly business district with shopping, entertainment, dining, a 130,000-square-foot Wake Forest office building and residential units, making it a true destination in the city. Developers and the city expect to ultimately spend as much as \$500 million on the project, the first phase of which is scheduled to be completed by 2027.

Adjacent to the area is **Whitaker Park**, a 220-acre mixed-use employment center located in repurposed manufacturing buildings formerly owned by **R.J. Reynolds Tobacco Company**. Whitaker Park provides ideal sites for businesses interested in laboratory space, information technology, and manufacturing. It gained its first residential units in 2025 with the opening of **The Lofts at Whitaker Park**, comprising 163 one-, two- and three-bedroom luxury apartments.

Completing its move and expansion into Whitaker Park in summer 2025 was **Purple Crow**, a Hispanic food distributor. The company's new location is in the prominent 850,000-square-foot building that once served as the front of the former Reynolds Tobacco plant. Purple Crow is investing an estimated \$61 million in the expansion and plans to add up to 274 jobs.

Also located at Whitaker Park is **Toyota Tsusho America**, which will recover and recycle raw material from spent electric vehicle batteries in a venture called **Green Metals Battery Innovations**. The recycled materials will be used at Toyota's massive new battery plant in nearby Randolph County.

Other new businesses that began operating in Winston-Salem during the past year are **Ziehl-Abegg**, a fan and ventilation company, which plans to create up to 600 jobs and produce 100,000 fans per year in the **Union Cross Industrial Center** in southeastern Winston-Salem. Also in Union Cross, **Nelipak Healthcare Packaging** began manufacturing packaging products for medical devices at its new 117,000-square-foot production facility.

Tourism continued to be a growing industry in Winston-Salem, generated in part by Wake Forest University sports, the biennial **International Black Theatre Festival**, the annual **Carolina Classic Fair, Old Salem Museums & Gardens, Reynolda House**, and a growing schedule of youth sports tournaments. Visitors to Forsyth County spent \$1.09 billion in 2024, according to Visit NC's annual report – an increase of 3.3% over 2023.



About the artist

In 2023, the Winston-Salem/Forsyth County Public Art Commission invited local artists to propose a public art project of their own design. **Amy Cruz**, a local artist and art educator, was selected to create and install this immersive art experience along Muddy Creek Greenway and the adjoining pathway to Jamison Park.

The installation consists of five signposts, each featuring a painting of a native species, accompanied by asphalt artwork that leads the participants through a physical activity. The native species featured in the artwork include an Eastern Bluebird, DeKay's Brown Snake, White-tail deer, turkey tail mushroom, and sassafras tree. Cruz hopes this project will inspire people to pay attention to their surroundings and marvel at the beauty of Winston-Salem's natural ecosystem.



►downtown growth

One of Winston-Salem's brightest assets is its attractive, dynamic downtown.

More than 27,000 people work in the area and more than 9,400 residents live within a one-mile radius of downtown, according to the **Downtown Winston-Salem Partnership**. The area bustles with activity day and night, with 85 restaurants and coffee shops, 36 bars and nightclubs, 84 art galleries and shops, and 1,322 hotel rooms. About 5,000 apartments have been or are being developed to house the growing number of residents who want to be part of a vibrant downtown district.

One historic landmark of downtown is the **Kimpton Cardinal Hotel**, once the headquarters of Reynolds Tobacco Co. The building 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.

Another downtown landmark is the **Pepper Building**, a long-vacant 49,000-square-foot art deco building brought back to its former glory with a modern twist. It now houses the **Hotel Indigo Winston-Salem**, with the **Sir Winston Wine Loft & Restaurant** on the first floor.

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 President and CEO Mark Owens, with membership that includes some of Winston-Salem's most influential companies and organizations. The city's **Small Business Loan Program** has been used to help finance some new restaurants. Along with the Downtown Winston-Salem Partnership, another key player includes **Greater Winston-Salem, Inc.** (formerly the **Winston-Salem Chamber** and **Winston-Salem Business, Inc.**).

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



►an innovation hub

Winston-Salem has been described by **Business North Carolina** magazine as a “potent innovation hub.”

Companies at **500 W 5th** – a building transformed from the vacant former headquarters of GMAC Insurance into Class A office space and an innovation hub – represent a microcosm of the creative economy. The top floors of the building serve as the headquarters of **Flow Automotive Companies**, while the fourth floor is home to **Winston Starts**, a business accelerator providing space, mentoring and, in some cases, financial assistance to 36 early-stage companies with the potential for scalable growth. Also in the building is **Flywheel**, a coworking space for about 250 businesses including the **Center for Creative Economy**.

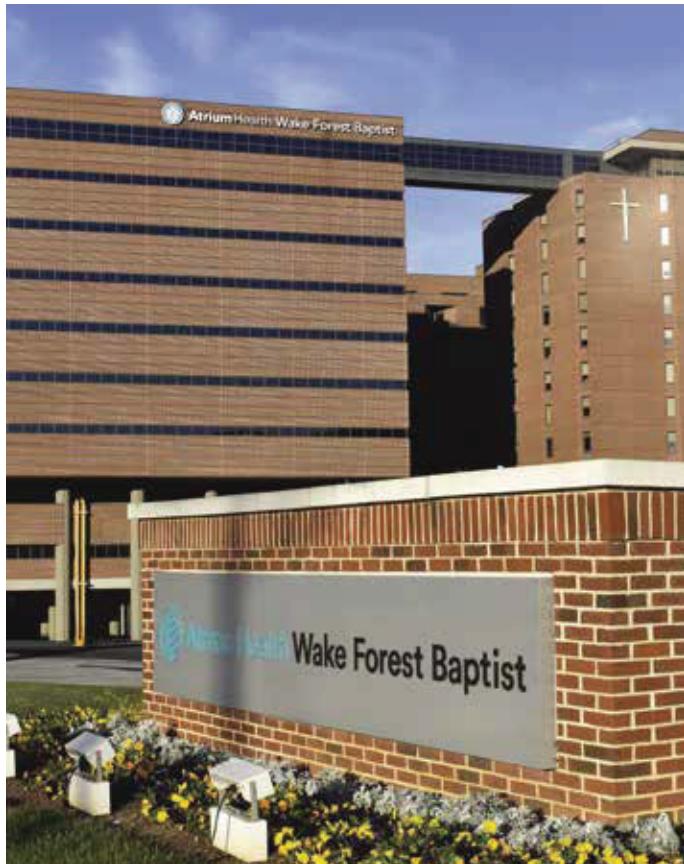
Covering 2.1 million square feet, **Innovation Quarter** in downtown Winston-Salem is home to 90 companies and institutions with 3,600 workers. Local universities are responsible for more than 1,800 degree-seeking students who attend classes in the quarter, including a downtown undergraduate campus of **Wake Forest University** and the **Wake Forest University School of Medicine**.

Companies with a presence at Innovation Quarter include **Axiom Space**, a private company that is building the world's first commercial space station. Axiom's partnership with Innovation Quarter tenant **Wake Forest Institute for Regenerative Medicine (WFIRM)** paves the way for testing of treatments for conditions that affect the human body when exposed to the harsh environment of space travel. WFIRM Director **Dr. Anthony Atala** leads the Institute, which was the first in the world to engineer laboratory-grown organs successfully implanted into humans. Today, an interdisciplinary team of about 550 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.

Innovation Quarter has become an economic driver with a major impact on the entire city. With more than 1,000 apartments and lofts, restaurants, bars, and the **Bailey Park** green space, Innovation Quarter is lively day and night.

Phase II of Innovation Quarter has been in planning for more than a decade, and much of the horizontal infrastructure needed for the expansion has been completed. It will include up to 10 new buildings with an additional 2.7 million square feet of medical and mixed-use development on 28 acres. Phase II will also include up to 450 more residential units and 30,000 square feet of retail and restaurant space.





► health care

Winston-Salem is a prominent center for healthcare with two major regional health systems based here: **Atrium Health Wake Forest Baptist**, now part of Advocate Health, and **Novant Health, Inc. (Novant)**. Together, these health systems employ over 32,000 people, making health care the leading employment sector in Winston-Salem.

Atrium Health is not only the largest employer in the region but also a key player in contributing to the economy through a series of investments that will total \$3.4 billion over the next few years, including construction of a new critical care tower at Atrium Health Wake Forest Baptist Medical Center in the heart of Winston-Salem. The tower, completed in 2025, houses a cutting-edge emergency department, operating rooms, and intensive care units, enhancing the healthcare services provided to the community.

Atrium Health Wake Forest Baptist Medical Center is one of the nation's most prestigious academic health centers. The renowned medical center boasts an 885-bed hospital and is home to several specialized units including **Atrium Health Levine Children's Brenner Children's Hospital** and the Comprehensive Cancer Center. The Atrium Health network includes four community

hospitals in the region: Davie Medical Center, High Point Medical Center, Lexington Medical Center, and Wilkes Medical Center.

The **Wake Forest School of Medicine** serves approximately 1,900 students. As one of the most selective programs in the nation, it is a leader in medical education, groundbreaking research and innovation. It consistently ranks among the best medical schools in the country in a number of categories by *U.S. News & World Report*. The school has opened a second location in Charlotte, which admitted its first class of 49 students in fall 2025.

Winston-Salem is also home to **Novant Health Inc. (Novant)**, an integrated health care system with over 850 locations throughout the southeast. Novant's system is comprised of 19 hospitals and over 2,000 physicians in communities across North and South Carolina, including three community hospitals in the greater Winston-Salem area: Novant Health Clemmons Medical Center, Novant Health Medical Park Hospital and Novant Health Kernersville Medical Center.

The largest in the Novant system, **Forsyth Medical Center (FMC)** is an 859-bed, not-for-profit hospital in Winston-Salem offering a full array of emergency, medical, surgical, rehabilitation, and behavioral health services. Currently, the hospital is undergoing a major expansion project which includes the construction of a new five-story critical care building. The overall expansion project is part of a \$400 million initiative that also involves enhancing the women's and children's center, renovating the main kitchen and cafeteria, installing a new central energy plant, and modernizing existing patient rooms.



► manufacturing

Although manufacturing is no longer the largest employment sector in Winston-Salem and Forsyth County, it continues to be a major player. Along with newer manufacturers that have located in Whitaker Park and Innovation Quarter, several large companies important to Winston-Salem's history maintain a significant presence here.

Reynolds American, Inc. became an indirect, wholly owned subsidiary of **British American Tobacco** in 2017. RAI continues to manufacture some of the best-selling cigarette brands in the U.S. – Newport, Camel Natural American Spirit and Pall Mall – as well as VUSE, the leader in the digital vapor cigarette market. The company also distributes Camel Snus, the top-selling U.S. snus product.

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. HanesBrands made a major change in its profile in 2024, selling its iconic **Champion** brand to **Authentic Brands Group** for \$1 billion in net proceeds. Separately, Gildan Activewear acquired HanesBrands in December, 2025.

Other manufacturers with significant presences in the Winston-Salem area are **Collins Aerospace**, maker of aircraft seats; **Deere-Hitachi**, manufacturer of excavation equipment; **Herbalife**, which makes healthcare supplements; **Hayward Industries**, a manufacturer of pool equipment; **WestRock**, which makes packaging products; **Cook Medical**, a manufacturer of medical devices; and **Krispy Kreme Doughnuts Inc.**

► 2025-2026 City Budget

The Winston-Salem City Council approved a \$724.7 million budget for the 2025–26 fiscal year. The budget lowers the city's property tax rate by 15.8 cents – from 72.5 cents to 56.7 cents per \$100 of property value – following a county-wide real property revaluation.

City leaders stated that, on average, residential property values increased by more than 50%. Despite the rate cut, the approved tax rate remains slightly above the revenue-neutral rate. This will help maintain current services, support public transit, and strengthen the city's financial footing.

The budget includes \$525.7 million for operations, \$95.6 million for debt service, and \$103.5 million for capital improvements. Fee changes include a 4% increase in stormwater fees, beginning on Jan. 1, 2026. Water and sewer rates increased by 5% starting July 1, 2025. Recreation and Parks fees, some of which had not increased for several years, will increase effective January 1, 2026.

► financial services

Truist Financial Corp., headquartered in Charlotte, N.C., was formed in 2019 by the merger of BB&T of Winston-Salem and SunTrust Bank of Florida. Now the nation's sixth largest bank with total assets of \$544 billion in 2025, the community banking division has remained in Winston-Salem. The bank has continued its support of many local events and nonprofit organizations.

Wells Fargo & Co. bought Wachovia Corp., founded in 1879 in Winston-Salem, in 2008. While Wells Fargo's headquarters is located in San Francisco, it maintains a major operation of the bank's wealth, brokerage, and retirement division in Winston-Salem. With nearly \$2 trillion in assets in 2025, 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. The bank operates 11 retail locations in Forsyth, Wilkes and Watauga counties. Piedmont Federal recently expanded into the Research Triangle region through a \$36.75 million deal to purchase Wake Forest Bancshares, the parent company of Wake Forest Federal Savings and Loan Association. Piedmont Federal officials said the purchase adds Wake Forest's \$118 million in total assets to Piedmont's \$1.16 billion, bringing the combined bank to \$1.3 billion in assets in 2025.

Winston-Salem is also home to two of the state's largest credit unions.

Allegacy Federal Credit Union, founded in 1967 to serve employees of Reynolds Tobacco Co., now has more than 162,000 owner-members nationwide. With \$2.42 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.

Truliant Federal Credit Union, chartered in 1952 to serve employees of Western Electric, has assets of \$5.19 billion. With 280,000 member-owners, it has 30 locations in the Carolinas and Virginia.

community profile►



"Located in the foothills of North Carolina, Winston-Salem combines artistic flair with entrepreneurial innovation. The city's thriving arts scene, vibrant downtown and easy access to outdoor activities offer residents a dynamic place to call home."

— Livability, 100 Best Places to Live 2025



Thanks to the arts, three major universities and other smaller colleges, a supportive ecosystem for entrepreneurship and innovation, a moderate climate, two major medical centers, and proximity to the beach and mountains, Winston-Salem continues to receive accolades about its quality of life from a number of national surveys.

Livability, which ranks the top 5% of cities of various sizes for quality of life, cites the City of Arts and Innovation's "Southern charm," a cost of living below the national average, an array of "tasty places to wine and dine," and its 3,500 acres of parks and 25 miles of trails and greenways, as key factors making it an ideal place to live.

Winston-Salem's economy is thriving, with major employers in health care and life sciences, education, advanced manufacturing, technology and entrepreneurship, business services, aviation and aerospace. At the same time, the city remains an affordable place to live, with an average home price of \$255,463, according to *Zillow*. These factors have contributed to the city's recent high rankings in various surveys: #2 Best City for Business Costs by *WalletHub* in 2024; #20 Best City for Young Professionals by *Forbes* in 2024; #16 Best Affordable Places to Live by *U.S. News & World Report's* 2023-2024 rankings; and #10 Best Mid-Sized City by *The Zebra* in 2023.

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

Keep Winston-Salem Beautiful, an award-winning affiliate of **Keep America Beautiful**, works year-round to make the city an aesthetically appealing place to live. It holds annual events including Community Roots Day, during which trees and shrubs are planted in parks, greenways, and rights-of-way throughout the city; the Great American Clean-up in the spring; and the Big Sweep in the fall.

Winston-Salem's city government has worked diligently to be a digital-friendly city. The **WS Collects** app allows residents to stay up to date with their neighborhood yard waste, garbage, and recycling collection schedules. Through www.cityofws.org, residents are able to request services, pay bills, register for recreation programs, and conduct business with the **Planning and Development Services Department**. **City Council** meetings are available for viewing on *WS-TV* 13's digital media livestream and are broadcast live on Channel 13. They are also archived on the city website for later viewing.

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.





► 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**, **Plant 64**, and the **Winston Factory Lofts**. Newer downtown options include **West End Village**, **West End Station**, **4th and Green**, the **Link Apartments Brookstown** and the **Link Apartments on Fourth Street**, and **The Easley**, all within walking distance of the baseball stadium. 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 are also available. The city contributed \$1.25 million to the construction of the **757 North** apartment complex, of which 25 percent of the 115 units have been set aside for residents earning 80 percent of the area median income.

In March 2022, the Winston-Salem City Council and Mayor Allen Joines announced a goal to support the development of 750 units of affordable housing each year over the next 10 years. The N.C. General Assembly will provide \$10 million, while \$20 million will come from the City's ARPA-enabled general fund. A \$30 million **Choice Neighborhoods Initiative** grant from the **U.S. Department of Housing and Urban Development** is enabling the city and **ASPIRE** (formerly the Housing Authority of Winston-Salem) to transform the **Cleveland Avenue Homes** public housing community, with 244 aging apartments to be demolished and replaced with 406 new units in a new community to be known as **Legacy Heights**. The **Brown School Lofts**, the first 81 units of the new neighborhood, opened in 2024. The grant also includes funds for education, workforce development, and other programs.

The city works to revive blighted neighborhoods through the **Housing Rehabilitation Program**, which provides financial and technical assistance to qualified homeowners and investors wanting to repair substandard properties. Owner-occupants with low and moderate incomes are eligible for direct and deferred payment loans, and investor-owners are eligible for loans to repair single family houses for rental. Housing Rehabilitation also administers the **Section 3 Construction Training Program Initiative**, which trains unskilled and underemployed individuals in construction fields.

The **Neighborhood Revitalization and Improvement Program** works with residents to develop plans to revitalize their neighborhoods. These efforts can include a combination of renovations, demolition of blighted property, and construction of new homes. **T.U.R.N.**, a nonprofit community development corporation, works with at-risk youth in distressed communities to address issues such as deficits in education and food insecurity.

►recreation

Aside from becoming an attractive city for professional cycling, Winston-Salem residents seeking to bike, walk or run can take advantage of as 25 miles of greenways, incorporating paved and unpaved trails, boardwalks, and bridges. 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 with 51 picnic shelters, 47 playgrounds, 43 soccer fields, 47 softball fields, 109 tennis courts, 8 pools, 6 volleyball courts, 25 basketball courts and a football field. All parks are open from sunrise to sunset. Park amenities include playgrounds, picnic shelters, tennis courts, soccer and football fields, baseball and softball diamonds, multi-purpose fields, basketball and volleyball courts, pools and splash pads. **Malloy Park** features a totally accessible playground.

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

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

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

In 2013, **Wake Forest University** purchased the 15,000-seat **Lawrence Joel Veterans Memorial Coliseum** from the city. Wake Forest's basketball team uses the facility 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 **Winston-Salem Fairgrounds Annex**, a free-standing facility that includes a regulation-size hockey rink. The Annex is also the home ice rink for the **Twin City Thunderbirds** hockey team.

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

Bowman Gray Stadium is a legendary site for **NASCAR**'s longest-running weekly racing series. Top NASCAR Cup drivers made a return to the historic quarter-mile race track in early 2025 for the 200-lap **Cook Out Clash** and plan to return again in early 2026 for what is likely to become an annual event. The stadium also includes **William "Bill" Hayes Field**, the home field of the **Winston-Salem State University Rams** football team. The city has invested \$9 million in improvements, including resurfacing of the race track, regrading the football field, and renovations to the field house, ticket booths, and press boxes, along with new restrooms and concession stands.

Truist Stadium, home of the **Winston-Salem DASH** Class-A professional baseball team, is a beautiful, classically designed brick ballpark with luxury suites and a children's play area with a merry-go-round. The **Carolina Disco Turkeys**, part of a wood-bat summer league baseball team that has captured attention nationally, also plays 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 at the **Wake Forest Tennis Center**. The complex includes 13 courts, making it eligible to host **NCAA Division I** men's and women's tennis championships.





the arts

As the first and oldest arts council in the country, **The Arts Council of Winston-Salem and Forsyth County** celebrated its 75th anniversary in 2024 with community events and the launch of an ambitious capital campaign to secure the future of this industry, which generates around \$196 million annually in economic activity and provides more than 2,400 jobs.

The Arts Council campus is located in the heart of downtown, featuring two main buildings: the **Milton Rhodes Center for the Arts** and **Hanesbrands Theatre**. Blending the city's past with its present, the Milton Rhodes Center building is a former textile mill. Its facilities include the **Sawtooth School for Visual Art**, the **Reynolds Place Theatre**, and home exhibition space for the **Associated Artists of Winston-Salem**. The Hanesbrands Theatre is the home performance space for the **Little Theatre of Winston-Salem**, the **North Carolina Black Repertory Company**, and **Winston-Salem Festival Ballet**.

The **Downtown Arts District** comprises a vibrant mix of working studios, galleries, locally owned retail shops, restaurants, bars, residences, and businesses. Since 1995, the **Downtown Arts District Association (DADA)** nonprofit has been raising awareness for the arts through regular events and other programs. Its monthly **First Friday Gallery Hops** are hugely popular.

ARTivity on the Green, an outdoor art park with 13 red misting water towers lit at night, is a tribute to the city's industrial past. The park was a project of **Art For Art's Sake (AFAS)**, a nonprofit whose headquarters includes **Red Dog Gallery**, affordable studio space for rent, and the **Unleashed Art Center**.

The **Downtown Summer Music Series** occurs each year, produced by the **Downtown Winston-Salem Partnership (DWSP)**, the non-profit organization revitalizing the core of the city into a flourishing commercial, cultural, entertainment, and residential district. The series includes **Downtown Jazz** on Friday nights and **Summer on Fourth**, a showcase of the region's top rock/pop bands on Saturday evenings.

Downtown Winston-Salem will soon have another prominent outdoor concert venue. In summer 2025, Don Flow, Chairman and CEO of Flow Automotive Group, announced that he, along with partner Jim Brammer, will build a 5,000-seat outdoor amphitheater in downtown.

The crown jewel of Winston-Salem's performing arts scene is the **Stevens Center**, an historic neoclassical theater with 1,364 seats. It is currently closed through 2026 while undergoing an \$85 million renovation. The Stevens Center traditionally serves as the primary performance space for the **University of North Carolina School of the Arts (UNCSA)**, **Piedmont Opera**, **Winston-Salem Symphony**, and other state and local arts organizations.

Winston-Salem also boasts a variety of other performing arts and theatrical groups such as the **Winston-Salem Theater Alliance**, **Piedmont Chamber Singers**, **Piedmont Wind Symphony**, **Camel City Jazz Orchestra**, **Winston-Salem Festival Ballet**, **Winston-Salem Youth Chorus**, **Salem Band**, and more.



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festivals & annual events

Downtown Winston-Salem hosts over 2,500 events that celebrate arts and culture year-round.

Many events are held in the **Benton Convention Center**, one of the state's largest meeting facilities. The interior includes art features paying tribute to the late **Maya Angelou**, nationally revered poet and activist who served on the faculty of **Wake Forest University**. "The Benton" is conveniently situated in the **Twin City Quarter** hospitality complex, close to all downtown attractions including the **Embassy Suites Winston-Salem** and **Marriott Winston-Salem**.

The annual **Piedmont Craftsmen's Fair** takes place each November in the Benton Convention Center and features the creations of artisans and craftsmen from throughout the Southeast. Organized by the nonprofit **Piedmont Craftsmen, Inc.**, the event offers visitors the chance to buy unique art, jewelry, clothing, and other items, engage with artisans, and observe demonstrations of various craft techniques.

Winston-Salem is home to the **International Black Theatre Festival**, the largest festival in the nation that celebrates and showcases Black theatre. Organized by the **North Carolina Black Repertory Company**, the festival was established in 1979 by the late **Larry Leon Hamlin** as the state's first Black theatre company. Held every other summer, the six-day festival presents over 100 performances of professional theatre, film, poetry, workshops, seminars, and shopping with theatre practitioners from across the globe. Drawing over 65,000 attendees each time, the festival is estimated to have generated over \$200 million in economic impact since its inception.

The **Bookmarks Festival of Books & Authors** is the largest book festival in the Carolinas, held every September downtown and at various other locations throughout Winston-Salem. First organized by the literary arts nonprofit **Bookmarks** in 2004, the festival draws over 20,000 visitors and hosts around 50 authors every year. Bookmarks runs many outreach programs year-round and manages its independent **Bookmarks Bookstore** downtown.

The **RiverRun International Film Festival**, held in downtown Winston-Salem since 1998, showcases a diverse program of films from studios, independent distributors, and up-and-coming filmmakers. The 10-day festival offers over 150 public screenings of feature-length and short films from all over the world, covering a wide range of genres from animation to documentary, in various venues throughout the city.

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

Winston-Salem's **Juneteenth** celebration takes place at Bailey Park in downtown and showcases African American traditions and freedom through music, dance, food, panel discussions, and arts and crafts.

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

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

The **Easter Sunrise Service**, hosted by **Home Moravian Church and Old Salem Museums & Gardens**, is a uniquely Winston-Salem event that attracts tens of thousands of visitors annually. Participants assemble in Salem Square before sunrise to engage in prayer, hymn singing, and enjoy the music of the Moravian band. Following the service, attendees proceed quietly to **God's Acre**, the historic Moravian cemetery.

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



►art museums

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

The **Reynolda House Museum of American Art** is a must-visit destination in the **Reynolda Historic District**, comprised of **Reynolda House**, **Reynolda Gardens**, and **Reynolda Village**. The renowned museum is located in the lovingly restored 1917 country estate of **Katharine and Richard J. Reynolds**, the founder of **R.J. Reynolds Tobacco Company**. Today, Reynolda House is one of the nation's most esteemed art institutions, boasting a permanent collection spanning 250 years and featuring works by prominent American artists such as Frederic Church, Georgia O'Keeffe, Grant Wood, Stuart Davis, and Andy Warhol. The museum is situated on the original 1,000-acre Reynolds estate, with areas in Reynolda Gardens and Reynolda Village featuring beautifully landscaped formal gardens, natural spaces, dining options, boutiques, and walking and running trails.

The newly renamed **North Carolina Museum of Art, Winston-Salem (NCMA)**, formerly Southeastern Center for Contemporary Art (SECCA), sits on the former estate of industrialist **James G. Hanes**. With free admission, NCMA connects the City's industrial past with modern art and innovation through exhibitions, experiences, and education programs.

As one of the country's most unique museums, the **Museum of Early Southern Decorative Arts (MESDA)** is the leading institution for researching, collecting, and displaying antiques and decorative arts from the early South. Located within **Old Salem Museums & Gardens**, MESDA boasts the most extensive collection of early Southern furniture, pottery, silver, and other decorative items from eight states spanning four centuries. Open from February through December each year, Old Salem, a renowned historic district showcasing Moravian life in the 18th and 19th centuries, is a popular tourist destination.

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

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

The **Enrichment Center** is a non-profit organization that provides support to adults with intellectual and developmental disabilities through various programs such as art classes, life skills training, community activities, and job placement. The Center's **Gateway Gallery** serves as an exhibition and sales space for the works of these self-taught and outsider artists.



►k-12 education

Winston-Salem/Forsyth County Schools (WSFCS) is the fourth largest school system in North Carolina, catering to approximately 52,000 students across 81 schools. The district offers a variety of programs from Pre-K through grade 12 to meet the needs of all types of students.

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

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

In addition to public schools, families can choose from a range of private schools, both secular and religiously-affiliated. These private schools cater to different grade levels, with some offering programs from kindergarten through 12th grade, while others focus on lower grade levels. Additionally, there are publicly-funded charter schools in the area that use a lottery system for enrollment.

►higher education

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

Wake Forest University (WFU) offers a private liberal arts education to approximately 5,500 undergraduates and more than 3,800 graduate and professional students. WFU's "main" 345-acre Reynolda Campus is home to most of its undergraduate programs, the School of Business, the School of Law, and the School of Divinity. The midsize university offers over 50 majors.

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. In fall 2025, Wake Forest welcomed its first class of 50 medical students at its new second location in the downtown Charlotte innovation district known as The Pearl.

The Wake Forest "Demon Deacons" compete in Division I athletics of the NCAA. Its athletes excel in the classroom, with a 95 percent student-athlete graduation rate.

Located just east of downtown, **Winston-Salem State University (WSSU)** is an historically Black university founded in 1892. It is a prominent public institution within the **University of North Carolina** system, offering 40 undergraduate degrees and nine graduate programs, including master's and doctorate degrees. With a student body of about 5,000 undergraduate and graduate students, WSSU is known for its healthcare, education, and STEM programs.

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

Winston-Salem is home to the nation's first public arts conservatory, The **University of North Carolina School of the Arts (UNCSA)**. Opened in 1965, UNCSA is a top-ranked creative and performing arts school with an international reputation for training talented students for professional careers in the arts. Part of the University of North Carolina System, UNCSA has about 1,400 students at the high school, undergraduate, and master's level who come to study from throughout the U.S. and the world.

Students are required to audition or interview for admissions, and degrees are offered via five conservatories: Dance, Design and Production, Drama, Filmmaking, and Music. The school offers master's degrees in music and fine arts in the design, production, and filmmaking programs. Students showcase their talents





through public performances and screenings in Winston-Salem and across the country. UNCSA alumni have achieved remarkable success, garnering top awards in the entertainment industry, including the Tony, Oscar, Emmy, and Grammy awards.

Salem Academy and College, founded by Moravian settlers in 1772, is known for championing independence for women in thought and action. Salem College is the oldest educational institution for women and girls in the country and the 13th oldest college in the U.S. The historic campus is located adjacent to Old Salem Museums and Gardens, and the College continues to embrace many Moravian traditions. Also located on the campus is Salem Academy, an all-girls high school for boarding and day students.

With an enrollment of about 600 students from around the globe, Salem College is proud to have the most racially and ethnically diverse student population of any local four-year institution. The all-female, private liberal arts college offers a full range of undergraduate and graduate degrees with a distinct focus on health leadership. The Salem "Spirits" athletic teams compete in Division III of the NCAA and are also members of the USA South Athletic Conference.

Forsyth Technical Community College is one of the largest community colleges in North Carolina, serving approximately 20,000 students each year. The college provides a wide range of academic options, offering more than 200 diploma, degree and certificate programs. With two campuses and seven affiliate locations, Forsyth Tech is a vital educational resource for adults returning to school or seeking new skills. It 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.

The Forsyth Tech "Trail Blazers" have recently joined the world of intercollegiate sports by introducing teams in men's basketball and women's volleyball and plans to expand its intercollegiate sports program by adding more teams in the future.

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



► public safety

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

The **Winston-Salem Police Department (WSPD)** includes more than 450 sworn officers and 186 civilian positions. Most of the WSPD's patrol officers are housed in three full-service district stations – constructed with funds from the 2014 bond referendum – instead of in the main station, the **Vivian H. Burke Public Safety Center**, where the department's administrative offices are located.

The 392 authorized personnel in **Winston-Salem Fire Department** serve the community by providing timely response to calls involving fire, medical, and rescue situations. Winston-Salem has 20 fire stations strategically located throughout the city. The stations are located to provide maximum coverage with an average response time of 6 minutes and 25 seconds. The Fire Department also oversees the city's mental health response team, the **Behavioral Evaluation & Response (B.E.A.R.)** team.

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

► infrastructure

The **Winston-Salem/Forsyth County Utility Commission** oversees the public utilities that provide high quality water, wastewater, and solid waste services to more than 388,000 residential, business, and industrial users. It operates one landfill for solid waste, another for construction and demolition debris, and two yard waste facilities.

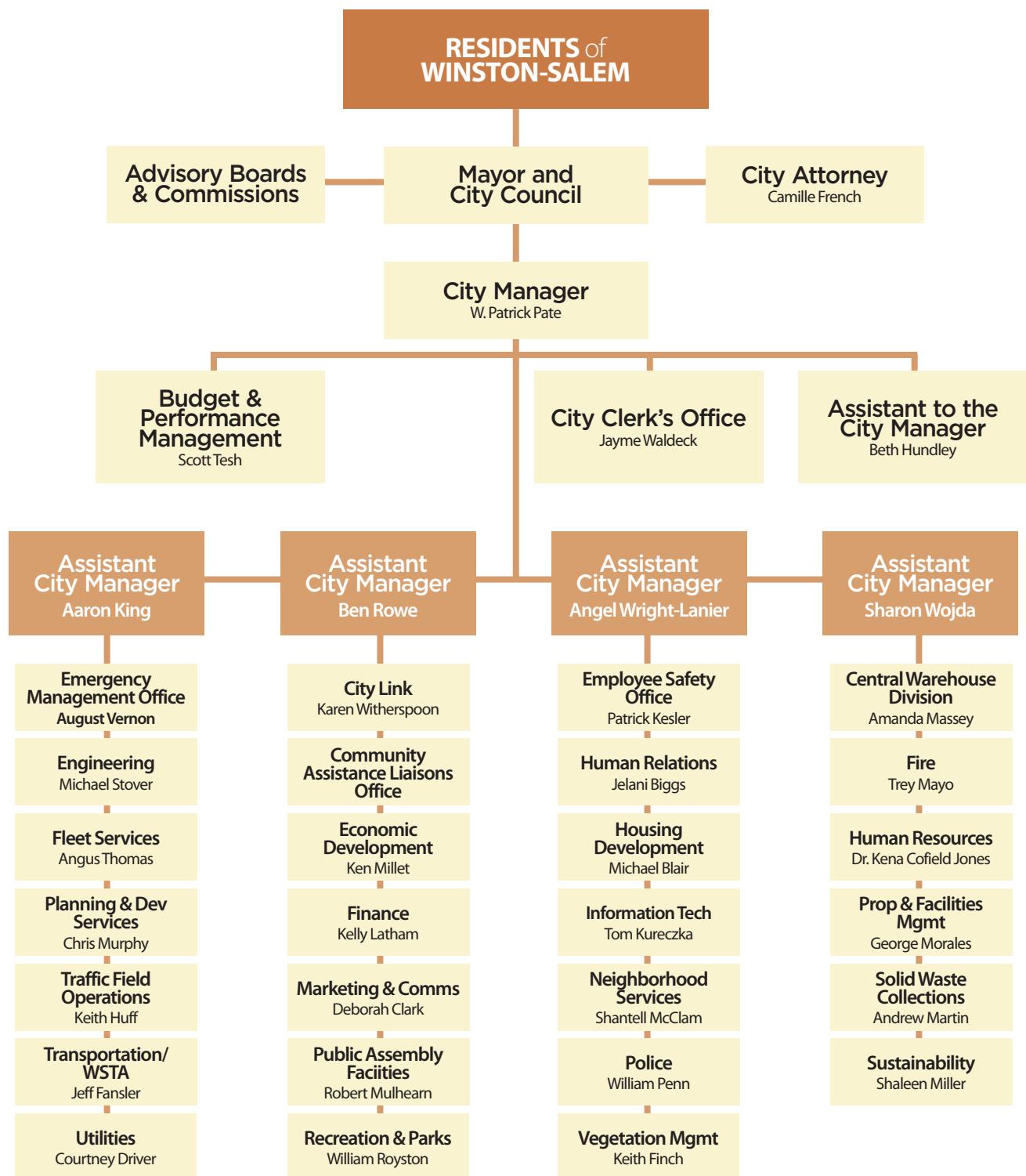
Each year, three water treatment plants treat and pump approximately 13.5 billion gallons of water that meet or surpass all state and federal standards for drinking water quality. The water distribution system includes 2,330 miles of water distribution mains, 14 water tanks, and seven pumping stations.

The department also operates two wastewater treatment plants with a combined treatment capacity of 51 million gallons per day. The collection system includes 1,825 miles of sewer lines and 45 lift stations. The plants treat as much as 14 billion gallons of wastewater annually. For the last several years, the department has focused on rebuilding aging water and wastewater infrastructure, some of it more than 80 years old, in older city neighborhoods.

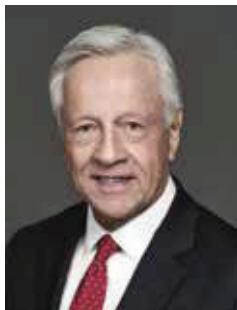
A workforce of 387 employees operates and maintains **WSFC Utilities**, which is not funded through taxes, but by water and wastewater user fees and landfill tipping fees. The city budget for FY 2025-26 includes a 4% increase in stormwater fees beginning on Jan. 1, 2026. Water and sewer rates increased by 5% starting July 1, 2025.



►organizational chart



►mayor & city council



Allen Joines
Mayor



Denise D. Adams
Mayor Pro Tempore
North Ward



Barbara H. Burke
Northeast Ward



Vivian V. Joiner
South Ward



Robert C. Clark
West Ward



Scott Andree-Bowen
Southwest Ward



Regina Ford Hall
Northwest Ward



Annette Scippio
East Ward



James Taylor, Jr.
Southeast Ward



W. Patrick Pate
City Manager

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

General Counsel
Camille French, City Attorney

Bond Counsel
Parker, Poe, Adams and Bernstein LLP
Charlotte & Raleigh, North Carolina

Financial Management Services

Kelly Latham, Chief Financial Officer
DP Singla, Deputy Chief Financial Officer
Nora Cowen, Assistant Financial Officer
Julie Carter, Risk Manager
Wayne Clemens, Payroll Manager
Rory Davis, Treasury Manager
Beverly Whitt, City Revenue Collector
Darren Redfield, City / County Purchasing 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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in further detail in Section 3 Note H to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement 101, *Compensated Absences*. As a result, net position has been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules and schedule of general obligation bonded debt are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of general obligation bonded debt are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Charlotte, North Carolina
December 22, 2025

Management's Discussion and Analysis

Our discussion of the City of Winston-Salem's financial performance is intended as an overview of the City's financial performance for the fiscal year ended June 30, 2025. The financial statements and notes included in this report present the financial position and operations of the governmental and business-type activities and fiduciary responsibilities of the City. During the fiscal year, the City continued its sound current and long-range policies for financial management. These policies are intended to:

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

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

Financial Highlights

Highlights of the City's fiscal year ended June 30, 2025, include:

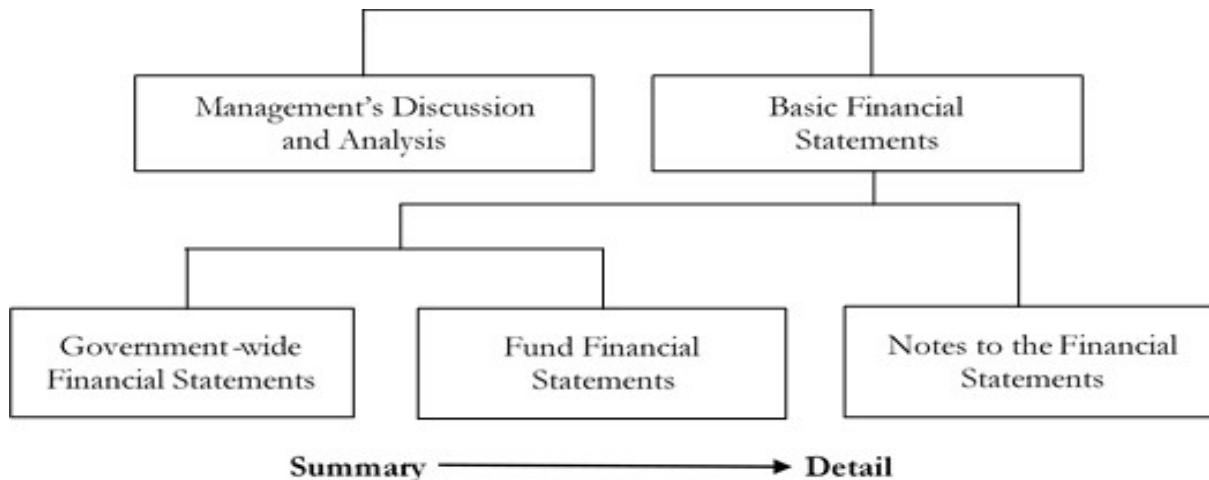
- City of Winston-Salem total net position increased approximately \$144 million from \$1.473 billion (as restated) to \$1.617 billion.
- As of June 30, 2025, total net position of \$1.617 billion included \$348 million (unrestricted net position), which in large part, have been reserved for specific purposes or needed for working capital to meet the City's ongoing obligations to citizens and creditors. The unrestricted net position should not be used to fund ongoing operations other than working capital because major financial stress would be likely as the assets are depleted.
- As of June 30, 2025, the City's governmental funds reported combined fund balances of \$319.4 million. Approximately 17.7% of this amount is unassigned and is available for spending at the government's discretion.
- Unassigned fund balance of the general fund (approximately \$71.6 million) continues to meet working capital requirements. The City adopted a financial policy to maintain a minimum unassigned fund balance of 16% of estimated expenditures in the general fund. The fiscal year 2026 original budget includes a fund balance appropriation of \$1.54 million, a decrease of \$4.0 million compared to the fiscal year 2025 appropriation. The unassigned fund balance was 23.54% of 2026 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 \$72.4 million to \$1.05 billion. Long-term liabilities include debt instruments such as bonds, contracts, leases and subscriptions, as well as pension and post retirement liabilities. Several key factors contributed to this decrease: the retirement of \$15.66 million in general obligation bonds, the retirement of \$22.1 million in revenue bonds, the issuance of \$.3 million in leases, the issuance of \$2.64 million in information technology subscriptions, retirement of \$11.4 million limited obligation bonds, and retirement of \$26.8 million in installment financing contracts. The City received funding from Clean Water and Drinking Water State Revolving Loan Funds in the amount of \$21.9 million and retired \$5.5 million.

- Property taxes supported 55.6% of governmental services to citizens and the community, and 58.8% of mass transportation expenses in 2025. The City increased the tax rate from \$.6610 to \$.7250 for fiscal year 2025.
- City of Winston-Salem maintained its AAA bond rating from Moody's and S&P.

Overview of Financial Statements

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

Government-wide Financial Statements

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

The statement of net position presents the City's assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving. The statement of activities presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement, which result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

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

Fund Financial Statements

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Government-wide Financial Analysis

The following is a summary of net position for the City of Winston-Salem as of June 30, 2025 (as shown in Exhibit 1) with comparative data for June 30, 2024.

Net Position

Figure 2

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	Restated 2025		Restated 2024		Restated	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 415,733	\$ 463,401	\$ 401,283	\$ 365,452	\$ 817,016	\$ 828,853
Capital assets	650,883	612,634	1,326,992	1,276,325	1,977,875	1,888,959
Net OPEB Asset	8,186	5,312	1,427	919	9,613	6,231
Total assets	1,074,802	1,081,347	1,729,702	1,642,696	2,804,504	2,724,043
Deferred outflows of resources	56,392	69,865	21,402	24,681	77,794	94,546
Long-term liabilities	514,085	572,595	631,666	640,958	1,145,751	1,213,553
Other liabilities	62,035	73,186	20,324	15,311	82,359	88,497
Total liabilities	576,120	645,781	651,990	656,269	1,228,110	1,302,050
Deferred inflows of resources	20,143	20,210	17,337	18,518	37,480	38,728
Net position:						
Net investment in capital assets	370,942	303,990	775,177	720,823	1,146,119	1,024,813
Restricted	92,945	158,304	29,620	40,827	122,565	199,131
Unrestricted	71,044	22,927	276,980	230,940	348,024	253,867
Total net position	\$ 534,931	\$ 485,221	\$ 1,081,777	\$ 992,590	\$ 1,616,708	\$ 1,477,811

As indicated above, assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$1.617 billion as of June 30, 2025.

Analysis of the business-type activities indicates that capital assets increased \$50.7 million and total net position increased \$89.6 million. The change in business-type activities is due to capital improvements in the Water and Sewer Fund, such as the expansion of the R.W. Neilson Water Treatment Plant, as well as automated meter infrastructure (AMI) improvements. Business-type activities also experienced an increase in cash due to favorable investment returns.

Analysis of the governmental activities indicates that net position increased \$54.3 million; this is primarily attributable to an increase in capital assets of \$38.2 million, as well as increases in receivables primarily related to grant revenues due from other agencies at June 30th, as well as an increase in the net OPEB asset due to strong investment returns.

A large portion of the City's net position (71%) as of June 30, 2025, is net investment in capital assets, which are used to provide services to citizens. Net investment in capital assets is reported net of the outstanding related debt; however, resources to repay that debt must be provided in future years from current revenues. Restricted net position, 7.6% of the City's net position, represents resources that are subject to external restrictions, such as the perpetual care fund and funds restricted for use under various grant programs. Restricted net position has decreased by 38% as compared to the prior fiscal year, primarily due to a change in restricted for debt service as this amount is properly shown as unrestricted.

As of June 30, 2025, the City reports positive balances in all three categories of net position.

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

Changes in Net Position

Figure 3

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	Restated 2025	2024	Restated 2025	2024	Restated 2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 37,910	\$ 32,326	\$ 196,430	\$ 179,259	\$ 234,340	\$ 211,585
Operating grants and contributions	30,341	26,915	23,467	10,244	53,808	37,159
Capital grants and contributions	11,478	1,253	13,998	12,413	25,476	13,666
General revenues:						
Property taxes	185,279	172,224	19,821	12,963	205,100	185,187
Sales taxes	75,669	70,783	-	-	75,669	70,783
Other local taxes	1,815	1,719	-	-	1,815	1,719
Telecommunications sales tax	946	1,007	-	-	946	1,007
Utilities sales tax	18,288	16,368	-	-	18,288	16,368
Piped natural gas sales tax	1,158	1,051	-	-	1,158	1,051
Video programming tax	1,528	1,679	-	-	1,528	1,679
Local tax reimbursements	1,019	1,236	-	-	1,019	1,236
Gain on disposal of capital assets	-	-	104	2,701	104	2,701
Investment income	17,033	21,032	25,906	28,686	42,939	49,718
Other	4,127	4,274	-	-	4,127	4,274
Total revenues	<u>386,591</u>	<u>351,867</u>	<u>279,726</u>	<u>246,266</u>	<u>666,317</u>	<u>598,133</u>

Changes in Net Position

Figure 3 Continued

	(dollars in thousands)						
	Governmental		Business-type				
	Activities		Activities		Total		
	Restated 2025	2024	Restated 2025	2024	Restated 2025	2024	
Expenses:							
General government	\$ 52,174	\$ 52,330	\$ -	\$ -	\$ 52,174	\$ 52,330	
Public protection	155,450	157,572	-	-	155,450	157,572	
Environmental health	26,627	26,704	-	-	26,627	26,704	
Transportation	41,313	24,692	-	-	41,313	24,692	
Culture and recreation	22,147	20,731	-	-	22,147	20,731	
Community and economic development	25,425	37,507	-	-	25,425	37,507	
Interest and fiscal charges	10,100	11,287	-	-	10,100	11,287	
Water and sewer utility	-	-	110,551	115,637	110,551	115,637	
Solid waste disposal	-	-	12,694	12,472	12,694	12,472	
Transit Authority	-	-	33,740	23,963	33,740	23,963	
Parking	-	-	1,660	1,587	1,660	1,587	
Stormwater management	-	-	8,228	7,320	8,228	7,320	
Public assembly facilities management	-	-	19,326	16,672	19,326	16,672	
Risk management reserve	-	-	2,971	2,678	2,971	2,678	
Total expenses	333,236	330,823	189,170	180,329	522,406	511,152	
Increase in net position before transfers	53,355	21,044	90,556	65,937	143,911	86,981	
Transfers							
Government-wide	959	4,973	(959)	(4,973)	-	-	
Increase in net position	54,314	26,017	89,597	60,964	143,911	86,981	
Total net position, as previously reported	485,221	459,204	992,590	931,626	1,477,811	1,390,830	
Change in accounting principle (Note 3H)	(4,604)	-	(410)	-	(5,014)	-	
Total net position, as restated	480,617	-	992,180	931,626	1,472,797	931,626	
Net position - ending	\$ 534,931	\$ 485,221	\$ 1,081,777	\$ 992,590	\$ 1,616,708	\$ 1,477,811	

Governmental Activities

Net position of governmental activities increased by \$54.3 million. Key elements of this increase are as follows:

- Property tax revenues are recorded in governmental and business-type activities. During the fiscal year, property tax revenue increased by \$19.9 million which is a 10.8% increase. Governmental activities property tax revenue increased \$13.1 million or 7.6%. The increase in tax revenues is a result of an increase in the property tax rate as well as a 1.66% increase in assessed valuation. The 2025 property tax rate was \$0.725, which was an increase of \$.064 as compared to 2024. Current real and personal property tax collections during fiscal year 2025 were 99.3% of the current year levy.
- General revenues, other than property taxes and investment income, increased \$6.4 million, including a sales tax increase of \$4.89 million, which was 6.9% higher than 2024. Utilities sales tax increased \$1.9 million, which was 11.7% higher than 2024.
- Investment income decreased \$4 million as compared to 2024. Investment returns remained strong during 2025, but lower cash balances and lower rates compared to 2024 resulted in a reduction.
- Program revenues provided 23.9% of the support for governmental services.
- Total governmental expenses increased \$2.4 million during fiscal year 2025 reflecting increases in public safety, transportation, and environmental health. The increases were largely offset by a decrease in community and economic development spending as compared to 2024.
- Federal and state grants are an important source of supplementary funding for public facilities and programs. During fiscal year 2025, the City received \$41.8 million in grant revenue for restricted programs. The city received \$15.9 million from the State of North Carolina for a new grant for economic development (shown in the Midtown Economic Development Grant Fund).

Business-type Activities

Net position of business-type activities increased by \$89.6 million, primarily attributable to an increase in capital assets due to spending on large projects, particularly for water and sewer and solid waste. 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 7.36 cents collected in property taxes to be used for mass transportation.

Business-type Activities

June 30, 2025

Figure 4

	(dollars in thousands)							
	Operating				Nonoperating			
	Operating Revenues	Before Depreciation	Depreciation Expense	Revenues (Expenses)	Capital Contributions	Transfers In (Out)	Net Position	Increase (Decrease)
Water and sewer utility	\$ 151,968	\$ 66,254	\$ 43,286	\$ 20,976	\$ 13,811	\$ (313)	\$ 76,902	
Solid waste disposal	14,293	10,770	1,844	6,606	-	498	8,783	
Transit Authority	1,514	30,964	2,674	32,491	-	(27)	340	
Parking	589	1,199	461	56	-	709	(306)	
Stormwater management	12,008	6,364	1,690	2,370	-	(2,935)	3,389	
Public assembly facilities management	15,904	16,761	2,077	45	187	3,109	407	
Risk management reserve	23	2,971	-	5,030	-	(2,000)	82	
Total	<u>\$ 196,299</u>	<u>\$ 135,283</u>	<u>\$ 52,032</u>	<u>\$ 67,574</u>	<u>\$ 13,998</u>	<u>\$ (959)</u>	<u>\$ 89,597</u>	

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 \$115.1 million of which \$71.6 million was unassigned. At year-end unassigned fund balance increased \$10.9 million as compared to fiscal year 2024 and was 23.6% of 2026 budgeted expenditures. The total fund balance of the general fund increased \$7.1 million during the fiscal year. The FY 2025 budget appropriated fund balance for various one-time projects including pay adjustments and various capital needs and studies.

The debt service fund has a fund balance of \$102 million as of June 30, 2025, an increase of \$19.5 million, all of which is committed for payment of debt service or purchases of equipment that will reduce the city's future reliance on debt and project debt service expenditures.

The fund balance of the capital projects fund decreased \$66.5 million, to \$25.7 million as of June 30, 2025, all of which is restricted for capital projects. Spending on capital projects and equipment accelerated as planned during the fiscal year, resulting in reduction in fund balance

General Fund Budgetary Highlights. The general fund revenues recognized a favorable budget variance of \$5.2 million during 2025.

Major budget amendments included an increase in appropriations of \$13.7 million for carry over encumbrances and adjustments totaling \$1 million to adjust community agency grants.

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

Net position of the water and sewer utility, solid waste disposal and Transit Authority funds was \$819.4 million, \$74.1 million and \$28.5 million on June 30, 2025, respectively. The net position of the water and sewer fund increased \$76.9 million primarily due to strong investment returns, increases in charges for services, as well as and an increase in capital assets due to increased spending for major capital projects. The water and sewer fund rates increased by 7% on average as compared to the fiscal year 2024 rates. In addition, the landfill rates were increased by \$1 per ton as compared to fiscal year 2024.

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, 2025, totals \$2 billion (net of accumulated depreciation and amortization). These assets include land, buildings, improvements other than buildings (infrastructure assets, such as streets, sidewalks, water and sewer lines), machinery and equipment, construction in progress, and right to use leased assets and subscription assets.

Capital Assets (net of depreciation)
June 30, 2025 with Comparative Data for June 30, 2024

Figure 5

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 84,205	\$ 83,409	\$ 49,152	\$ 49,024	\$ 133,357	\$ 132,433
Buildings	184,448	176,586	146,162	152,981	330,610	329,567
Improvements other than buildings	275,158	273,019	972,152	872,792	1,247,310	1,145,811
Machinery and equipment	50,753	39,259	67,438	56,284	118,191	95,543
Construction in progress	45,565	28,650	90,337	144,568	135,902	173,218
Total	<u>\$ 640,129</u>	<u>\$ 600,923</u>	<u>\$ 1,325,241</u>	<u>\$ 1,275,649</u>	<u>\$ 1,965,370</u>	<u>\$ 1,876,572</u>
Right to use assets						
Leased equipment	\$ 237	\$ 299	\$ -	\$ -	\$ 237	\$ 299
Leased land	126	-	-	-	126	-
Leased buildings	8,618	9,131	399	422	9,017	9,553
Subscription assets	1,773	2,281	1,352	254	3,125	2,535
Total right to use assets	<u>\$ 10,754</u>	<u>\$ 11,711</u>	<u>\$ 1,751</u>	<u>\$ 676</u>	<u>\$ 12,505</u>	<u>\$ 12,387</u>
Grand total	<u>\$ 650,883</u>	<u>\$ 612,634</u>	<u>\$ 1,326,992</u>	<u>\$ 1,276,325</u>	<u>\$ 1,977,875</u>	<u>\$ 1,888,959</u>

Major capital asset transactions during the year include the following:

- Construction in progress for governmental activities was \$45.5 million, which reflects construction of street widening and resurfacing projects, improvements to recreation centers and parks, and other economic development projects.
- Business-type capital assets increased \$50.7 million which included major improvements to the extension of water and sewer lines, installation of automated meter infrastructure, stormwater system improvements, major improvements at the Hanes Mill Road Landfill, and the R. W. Neilson modernization project.

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

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

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

As of June 30, 2025, the City had total bonded debt outstanding of \$656 million and \$62.8 million of premium, of which, \$210 million and \$20.8 million of premium is backed by the City's full faith and credit and taxing power, \$101 million and \$2.8 million of premium is secured by city facilities, and \$346 million and \$39.3 million of premium is secured solely by specified revenue sources. Revenues of the water and sewer utility system and stormwater management system are pledged as security for revenue bonds.

Bonded Debt and Contractual Obligations Outstanding

June 30, 2025 with Comparative Data for June 30, 2024

Figure 6

	(dollars in thousands)						
	Governmental Activities		Business-type Activities		Total		2024
	2025	2024	2025	2024	2025	2024	
Bonds							
General obligation	\$ 209,865	\$ 225,525	\$ -	\$ -	\$ 209,865	\$ 225,525	
Discount/premium	20,765	22,554	-	-	20,765	22,554	
Revenue	-	-	345,775	367,910	345,775	367,910	
Discount/premium	-	-	39,295	43,550	39,295	43,550	
Limited obligation bonds (NCMLC)	78,086	90,740	22,656	21,378	100,742	112,118	
Discount/premium	2,659	2,978	91	180	2,750	3,158	
Other Contractual Obligations:							
State loans	-	-	155,824	139,462	155,824	139,462	
Installment contracts (NCMLC)	21,510	48,334	-	-	21,510	48,334	
Total	<u>\$ 332,885</u>	<u>\$ 390,131</u>	<u>\$ 563,641</u>	<u>\$ 572,480</u>	<u>\$ 896,526</u>	<u>\$ 962,611</u>	

The City has \$101 million and \$2.7 million of premium in contractual lease obligations to the North Carolina Municipal Leasing Corporation (“NCMLC”) for limited obligation bonds issued by the corporation for property and equipment acquired by the City under installment agreements and issued to increase the funding level of the Winston-Salem Police Officers’ Retirement System. The City has \$21.5 million in outstanding installment purchase loans and \$155.8 million in loan obligations through the NC Clean Water and NC Drinking Water State Revolving Loan Funds.

General obligation bonded debt service is funded substantially by dedicated sources such as a portion of local property and sales taxes, one-third of the City’s profits from alcoholic beverage sales, and interest on designated governmental fund investments. The City has capacity for additional future debt because of the allocation of specific resources and the relatively short schedule of maturing debt. Nearly 72% of outstanding general obligation bonds will be repaid within 10 years as shown in the following schedule (excludes premium on issuance).

General Obligation Bond Debt Service

Figure 7

Maturities	(dollars in thousands)		
	Principal	Percent of	Interest and
		Total	Principal
2026-2030	\$ 75,100	35.78%	\$ 33,055
2031-2035	75,090	35.78	17,872
2036-2040	50,105	23.88	6,028
2041-2043	9,570	4.56	766
	\$ 209,865	100.00%	\$ 57,721

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

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the City is \$2,414,336,910.

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

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities. The general fund accounts for municipal services that are covered primarily by property and sales taxes. The fiscal year 2025-2026 adopted budget is \$304 million, an increase of \$5.78 million or 1.9% compared to the fiscal year 2024-2025 adopted budget.

The FY 2025-26 budget major drivers include employee compensation, equipment replacement, and transit services. Employee compensation includes a combined cost of living and merit adjustment budgeted at 6% to keep up with public sector benchmarks and recruit and retain top-quality talent. The budget is focused on balancing service delivery needs and revenue enhancements to maintain a more sustainable operational and financial position, while considering the burden of additional taxes and fees.

The 2025-26 budget includes a general fund balance appropriation of \$1.54 million to be used exclusively for non-recurring purposes such as a facility needs assessment, and an arc flash study as required by OSHA.

The fiscal year 2025-2026 operations budget is balanced by a tax rate of 56.7 cents per \$100, which is a 15.8 cent decrease from the previous rate of 72.5 cents. The reduction in the tax rate is reflective of the updated assessment of taxable values effective in 2026, which is completed once every four years. The tax rate adjustment was not revenue neutral; the increase in tax revenues due to large increases in assessed values will cover the increased operating and personnel costs.

Business-type Activities. The City/County Utility Commission approved a resolution recommending the Mayor, Mayor Pro Tempore, and City Council adopt the fiscal year 2025-2026 budget for the water and sewer system and the solid waste fund. The recommended budget includes a volumetric and readiness to serve rate increase that represents a 7% increase for the average residential water and sewer customer, as well as a \$1 per ton increase at the Hanes Mill Road Landfill.

The City Council also approved a 4% stormwater fee increase effective January 1, 2026, to provide additional resources for operating and capital needs.

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

Requests for Information

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

Basic Financial Statements

City of Winston-Salem, North Carolina

Statement of Net Position

June 30, 2025

Exhibit 1
Page 1 of 2

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents/investments	\$ 272,491,126	\$ 264,968,103	\$ 537,459,229
Receivables			
Taxes, net	2,168,905	188,778	2,357,683
Accounts, net	2,518,313	24,383,282	26,901,595
Opioid	3,315,044	-	3,315,044
Other	-	12,506,510	12,506,510
Leases, net	448,295	612,854	1,061,149
Assessments, net	603,035	65,480	668,515
Loans, net	19,029,496	-	19,029,496
Total receivables	28,083,088	37,756,904	65,839,992
Due from other governments	36,803,669	3,332,037	40,135,706
Inventories	2,820,548	5,814,686	8,635,234
Prepaid items	395,153	354,207	749,360
Total current assets	340,593,584	312,225,937	652,819,521
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents/investments	73,555,435	72,671,234	146,226,669
Net OPEB asset	8,185,901	1,427,145	9,613,046
Lease receivable, noncurrent	1,583,787	16,385,798	17,969,585
Capital assets			
Land	84,205,235	49,151,525	133,356,760
Construction in progress	45,564,601	90,337,029	135,901,630
Other capital assets, net of accumulated depreciation	510,359,297	1,185,308,308	1,695,667,605
Right to use leased assets, net of amortization	8,980,966	398,892	9,379,858
Right to use subscription assets, net of amortization	1,773,359	1,796,324	3,569,683
Total capital assets	650,883,458	1,326,992,078	1,977,875,536
Total noncurrent assets	734,208,581	1,417,476,255	2,151,684,836
Total assets	1,074,802,165	1,729,702,192	2,804,504,357
Deferred Outflows of Resources			
Pension deferrals	54,701,796	8,207,297	62,909,093
Charge on refunding	1,690,104	13,194,841	14,884,945
Total deferred outflows of resources	56,391,900	21,402,138	77,794,038

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

City of Winston-Salem, North Carolina

Statement of Net Position

June 30, 2025

Exhibit 1
Page 2 of 2

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 26,149,556	\$ 16,839,515	\$ 42,989,071
Accrued payroll	3,314,880	541,591	3,856,471
Compensated absences	10,274,187	816,570	11,090,757
Accrued interest payable	976,352	1,471,451	2,447,803
Loan escrow	6,161	-	6,161
Unearned revenue	21,313,918	239,712	21,553,630
Landfill closure and postclosure costs	-	385,800	385,800
Pollution remediation	-	30,000	30,000
Current maturities			
Claims payable	9,976,449	1,468,937	11,445,386
Leases payable	667,113	9,169	676,282
Subscriptions payable	547,043	435,699	982,742
Contracts payable	12,357,589	18,203,767	30,561,356
Bonds payable	15,975,000	23,165,000	39,140,000
Total current liabilities	<u>101,558,248</u>	<u>63,607,211</u>	<u>165,165,459</u>
Noncurrent Liabilities			
Construction contracts payable from restricted assets	-	11,865,555	11,865,555
Compensated absences	19,972,707	2,145,573	22,118,280
Landfill closure and postclosure costs	-	32,032,170	32,032,170
Pollution remediation	-	1,921,596	1,921,596
Claims payable	10,226,765	1,529,601	11,756,366
Leases payable	8,646,157	428,464	9,074,621
Subscriptions payable	364,018	445,544	809,562
Contracts payable	89,896,903	160,367,873	250,264,776
Bonds payable	214,655,340	361,905,109	576,560,449
Arbitrage liability	2,139,255	-	2,139,255
Net pension liability	128,660,349	15,741,173	144,401,522
Total noncurrent liabilities	<u>474,561,494</u>	<u>588,382,658</u>	<u>1,062,944,152</u>
Total liabilities	<u>576,119,742</u>	<u>651,989,869</u>	<u>1,228,109,611</u>
Deferred Inflows of Resources			
Leases	2,183,710	16,414,860	18,598,570
Pension deferrals	14,695,901	304,824	15,000,725
OPEB deferrals	3,263,279	568,927	3,832,206
Charge on refunding	-	48,916	48,916
Total deferred inflows of resources	<u>20,142,890</u>	<u>17,337,527</u>	<u>37,480,417</u>
Net Position			
Net investment in capital assets	370,942,503	775,177,378	1,146,119,881
Restricted for:			
Stabilization by state statute	53,974,971	-	53,974,971
Capital improvements	-	27,030,224	27,030,224
Maintenance and repair	-	1,162,850	1,162,850
General government	-	-	-
Public protection	1,434,248	-	1,434,248
Environmental health	404,082	-	404,082
Opioid settlement funds	3,843,676	-	3,843,676
Transportation	7,886,469	-	7,886,469
Culture and recreation	1,186,106	-	1,186,106
Community and economic development	10,570,685	-	10,570,685
OPEB	8,185,901	1,427,145	9,613,046
Perpetual care	5,458,364	-	5,458,364
Unrestricted	71,044,428	276,979,337	348,023,765
Total net position	<u>\$ 534,931,433</u>	<u>\$ 1,081,776,934</u>	<u>\$ 1,616,708,367</u>

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

City of Winston-Salem, North Carolina

Statement of Activities

For the Fiscal Year Ended June 30, 2025

Exhibit 2
Page 1 of 2

	Program Revenues				
	Expenses	Operating	Capital		
		Charges for Services	Grants and Contributions	Grants and Contributions	
Activities:					
Governmental:					
General government	\$ 52,173,689	\$ 19,267,727	\$ 1,452,110	\$ -	
Public protection	155,449,598	2,999,593	2,310,785	-	
Environmental health	26,627,258	2,315,719	400,000	-	
Transportation	41,313,208	3,144,767	11,376,219	11,203,997	
Culture and recreation	22,147,177	2,220,584	-	274,321	
Community and economic development	25,424,953	7,961,700	14,801,579	-	
Interest and fiscal charges	10,100,161	-	-	-	
Total governmental activities	333,236,044	37,910,090	30,340,693	11,478,318	
Business-type:					
Water and sewer utility	110,551,020	152,100,250	8,989,844	13,810,625	
Solid waste disposal	12,693,776	14,292,582	1,438,081	-	
Transit Authority	33,740,171	1,513,984	12,479,730	-	
Parking	1,659,452	588,775	-	-	
Stormwater management	8,228,082	12,007,629	52,901	-	
Public assembly facilities management	19,325,482	15,904,457	505,970	187,237	
Risk management reserve	2,970,577	22,409	-	-	
Total business-type activities	189,168,560	196,430,086	23,466,526	13,997,862	
Total Primary Government	\$ 522,404,604	\$ 234,340,176	\$ 53,807,219	\$ 25,476,180	

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

City of Winston-Salem, North Carolina

Statement of Activities

For the Fiscal Year Ended June 30, 2025

Exhibit 2
Page 2 of 2

Net (Expense) Revenue and Changes in Net Position			
	Governmental Activities	Business-type Activities	Total
Activities:			
Governmental:			
General government	\$ (31,453,852)	\$ -	\$ (31,453,852)
Public protection	(150,139,220)	-	(150,139,220)
Environmental health	(23,911,539)	-	(23,911,539)
Transportation	(15,588,225)	-	(15,588,225)
Culture and recreation	(19,652,272)	-	(19,652,272)
Community and economic development	(2,661,674)	-	(2,661,674)
Interest and fiscal charges	(10,100,161)	-	(10,100,161)
Total governmental activities	(253,506,943)	-	(253,506,943)
Business-type:			
Water and sewer utility	-	64,349,699	64,349,699
Solid waste disposal	-	3,036,887	3,036,887
Transit Authority	-	(19,746,457)	(19,746,457)
Parking	-	(1,070,677)	(1,070,677)
Stormwater management	-	3,832,448	3,832,448
Public assembly facilities management	-	(2,727,818)	(2,727,818)
Risk management reserve	-	(2,948,168)	(2,948,168)
Total business-type activities	-	44,725,914	44,725,914
Total Primary Government	(253,506,943)	44,725,914	(208,781,029)
General revenues:			
Taxes:			
Property taxes	185,278,613	19,820,955	205,099,568
Sales taxes	75,669,386	-	75,669,386
Gross receipts taxes	577,272	-	577,272
Occupancy taxes	1,237,531	-	1,237,531
Beer and wine excise tax-state	1,018,690	-	1,018,690
Telecommunications sales tax	945,578	-	945,578
Utilities sales tax	18,288,115	-	18,288,115
Piped natural gas sales tax	1,158,545	-	1,158,545
Video programming tax	1,527,799	-	1,527,799
Payments in lieu of taxes	244,445	-	244,445
ABC store allocations	3,882,852	-	3,882,852
Gain on disposal of capital assets	-	104,018	104,018
Investment income	17,032,832	25,905,527	42,938,359
Transfers			
Government-wide	958,915	(958,915)	-
Total general revenues and transfers	307,820,573	44,871,585	352,692,158
Change in net position	54,313,630	89,597,499	143,911,129
Total net position, as previously reported	485,221,674	992,589,917	1,477,811,591
Change in accounting principle (Note 3H)	(4,603,871)	(410,482)	(5,014,353)
Total net position, as restated	480,617,803	992,179,435	1,472,797,238
Total net position - ending	\$ 534,931,433	\$ 1,081,776,934	\$ 1,616,708,367

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

City of Winston-Salem, North Carolina

Balance Sheet

Governmental Funds

June 30, 2025

Exhibit 3

	Midtown						Total Governmental Funds	
	Debt		Capital		Economic			
	General Fund	Service Fund	Projects Fund	Development Grant Fund	Other Governmental Funds			
Assets								
Cash and cash equivalents/investments	\$ 96,650,694	\$ 89,858,518	\$ 14,522	\$ -	\$ 47,512,232	\$ 234,035,966		
Restricted cash and cash equivalents	-	-	40,593,104	23,942,633	9,019,698	73,555,435		
Receivables								
Taxes, net	1,855,295	310,395	-	-	3,215	2,168,905		
Accounts, net	1,597,434	440,000	310,633	-	39,591	2,387,658		
Restricted opioid	-	-	-	-	3,315,044	3,315,044		
Leases, net	701,592	-	1,200,000	-	130,490	2,032,082		
Assessments, net	602,755	-	280	-	-	603,035		
Loans	-	-	-	-	19,029,496	19,029,496		
Total receivables	4,757,076	750,395	1,510,913	-	22,517,836	29,536,220		
Due from other governments	25,349,088	3,583,097	2,182,320	-	5,689,164	36,803,669		
Due from other funds	2,117,804	8,750,000	-	-	-	10,867,804		
Inventories	499,188	-	-	-	264,336	763,524		
Prepaid items	20,557	-	-	-	-	20,557		
Total assets	\$ 129,394,407	\$ 102,942,010	\$ 44,300,859	\$ 23,942,633	\$ 85,003,266	\$ 385,583,175		
Liabilities								
Accounts payable	\$ 7,981,760	\$ 226,078	\$ 7,555,019	\$ 3,241,090	\$ 2,002,981	\$ 21,006,928		
Accrued payroll	3,145,110	-	-	-	1,432	3,146,542		
Due to other funds	-	-	8,750,000	-	915,670	9,665,670		
Loan escrow	2,592	-	-	-	3,569	6,161		
Unearned revenue	13,732	-	307,721	20,701,543	290,922	21,313,918		
Total liabilities	11,143,194	226,078	16,612,740	23,942,633	3,214,574	55,139,219		
Deferred Inflows of Resources								
Taxes	1,855,295	310,394	-	-	3,216	2,168,905		
Opioid settlement	-	-	-	-	2,891,924	2,891,924		
Grants	-	-	-	-	2,055,006	2,055,006		
Leases	687,563	-	1,376,571	-	119,576	2,183,710		
Accounts and assessments	640,227	440,000	624,089	-	-	1,704,316		
Total deferred inflows of resources	3,183,085	750,394	2,000,660	-	5,069,722	11,003,861		
Fund Balances								
Nonspendable								
Leases	14,029	-	-	-	10,914	24,943		
Inventories	499,188	-	-	-	264,336	763,524		
Prepays	20,557	-	-	-	-	20,557		
Perpetual care	-	-	-	-	5,458,364	5,458,364		
Restricted								
Stabilization by state statute	41,434,989	12,408,038	-	-	131,944	53,974,971		
Capital improvements	-	-	33,038,085	-	-	33,038,085		
Public protection	-	-	-	-	2,487,623	2,487,623		
Environmental health	-	-	-	-	404,082	404,082		
Transportation	-	-	-	-	7,886,469	7,886,469		
Culture and recreation	-	-	-	-	1,186,106	1,186,106		
Community and economic development	-	-	-	-	10,570,685	10,570,685		
Committed								
Community and economic development	-	-	-	-	48,770,090	48,770,090		
Debt service	-	89,557,500	-	-	-	89,557,500		
Assigned								
Subsequent year's budget: appropriation of fund balance	1,541,570	-	-	-	-	1,541,570		
Unassigned								
Total fund balances	71,557,795	-	(7,350,626)	-	(451,643)	63,755,526		
Total liabilities, deferred inflows of resources, and fund balances	\$ 129,394,407	\$ 102,942,010	\$ 44,300,859	\$ 23,942,633	\$ 85,003,266	\$ 385,583,175		

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

City of Winston-Salem, North Carolina

Reconciliation of the Governmental Funds

Balance Sheet to the Statement of Net Position

June 30, 2025

Exhibit 3.1

Total fund balances for governmental funds (Exhibit 3)	\$ 319,440,095
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	998,072,538
Accumulated depreciation	(357,943,405)
Right to use leased assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Right to use assets	11,247,867
Accumulated amortization	(2,266,901)
Right to use subscription assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Right to use assets	4,323,657
Accumulated amortization	(2,550,298)
Net OPEB asset	8,185,901
Pension deferrals in the current fiscal year are deferred outflows of resources on the statement of net position.	54,701,796
Other assets not available to pay for current period expenditures and, therefore, are inflows of resources in fund statements.	
Property taxes	2,168,905
Unavailable resources	1,704,316
Grants	2,055,006
Opioid settlement	2,891,924
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.	14,301,121
Net pension liability	(128,660,349)
Pension related deferrals	(14,695,901)
OPEB related deferrals	(3,263,279)
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:	
Accrued payroll	
Compensated absences	(30,246,894)
Accrued interest	(976,352)
Leases	(9,313,270)
Arbitrage liability	(2,139,255)
Subscriptions	(911,061)
Contracts payable	(102,254,492)
Bonds payable	(230,630,340)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	1,690,104
Net position of governmental activities (Exhibit 1)	\$ <u>534,931,433</u>

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

City of Winston-Salem, North Carolina

Statement of Revenues, Expenditures, and

Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2025

Exhibit 4

	General Fund	Debt Service Fund	Capital Projects Fund	Midtown Economic Development Grant Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 223,016,816	\$ 37,478,345	\$ -	\$ -	\$ 1,908,070	\$ 262,403,231
Licenses and permits	9,300,656	-	-	-	-	9,300,656
Intergovernmental	25,801,461	1,491,287	1,885,959	15,947,434	22,296,786	67,422,927
Investment income	-	11,549,936	566,006	-	2,694,149	14,810,091
Charges for services	19,045,213	-	180,595	-	8,107	19,233,915
NCMLC charges	-	-	1,155,615	-	-	1,155,615
Other	2,399,592	1,960,064	1,536,144	-	994,907	6,890,707
Total revenues	279,563,738	52,479,632	5,324,319	15,947,434	27,902,019	381,217,142
Expenditures						
Current						
General government	45,449,409	-	-	15,947,434	1,037,347	62,434,190
Public protection	145,110,706	-	-	-	2,459,861	147,570,567
Environmental health	26,959,864	-	-	-	-	26,959,864
Transportation	14,950,502	-	-	-	2,578,843	17,529,345
Culture and recreation	16,230,702	-	-	-	966,698	17,197,400
Community and economic development	22,119,460	-	-	-	9,071,321	31,190,781
Other	-	468,196	-	-	-	468,196
Capital outlay	-	-	55,756,779	-	-	55,756,779
Debt service						
Bond	-	15,660,000	-	-	-	15,660,000
Other	730,469	9,759,525	26,994,017	-	-	37,484,011
Interest and fiscal charges						
Bond	-	8,403,375	-	-	-	8,403,375
Other	251,661	2,621,667	890,584	-	-	3,763,912
Total expenditures	271,802,773	36,912,763	83,641,380	15,947,434	16,114,070	424,418,420
Excess of revenues over (under) expenditures	7,760,965	15,566,869	(78,317,061)	-	11,787,949	(43,201,278)
Other Financing Sources (Uses)						
Issuance of contracts payable	-	-	7,194,945	-	-	7,194,945
Transfers in	7,191,954	4,519,740	7,389,305	-	3,773,563	22,874,562
Transfers out	(8,447,402)	(582,510)	(2,785,620)	-	(11,856,585)	(23,672,117)
Lease liabilities issued	310,908	-	-	-	-	310,908
IT subscription agreements	230,100	-	-	-	-	230,100
Total other financing sources (uses), net	(714,440)	3,937,230	11,798,630	-	(8,083,022)	6,938,398
Net change in fund balances	7,046,525	19,504,099	(66,518,431)	-	3,704,927	(36,262,880)
Fund balance - beginning	108,021,603	82,461,439	92,205,890	-	73,014,043	355,702,975
Fund balances - ending	\$ 115,068,128	\$ 101,965,538	\$ 25,687,459	\$ -	\$ 76,718,970	\$ 319,440,095

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

City of Winston-Salem, North Carolina

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

For the Fiscal Year Ended June 30, 2025

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)	\$ (36,262,880)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlay expenditures which were capitalized	67,278,680
Depreciation expense for governmental assets	(26,399,862)
Amortization expense for right to use assets	(2,150,340)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(478,782)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	21,336,164
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	434,092
Unavailable	668,197
Grants	2,055,006
Opioid settlement	(911,846)
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.	321,840
The issuance of long-term debt is reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also governmental funds report the effect of issuance costs, premiums and discounts, and similar items as expenses when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Debt issued:	
Issuance of leases	(310,908)
Arbitrage liability	(844,461)
Equipment contracts payable	(19,434,296)
Issuance of subscription based IT agreements	(1,021,502)
Decrease in contracts payable	32,407,827
Repayments:	
Bonds	17,448,244
Leases	566,302
Limited obligation bonds and installment financing	26,824,017
Subscriptions	1,640,523
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
Pension expense	(26,110,399)
OPEB expense	1,050,166
Compensated absences	(3,746,709)
Accrued interest	225,095
Amortization of deferred amounts of refunding	(270,538)
Change in net position of governmental activities (Exhibit 2)	\$ 54,313,630

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

City of Winston-Salem, North Carolina

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

General Fund
For the Fiscal Year Ended June 30, 2025

Exhibit 5
(Page 1 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Property taxes				
Current levy	\$ 157,853,010	\$ 157,853,010	\$ 157,613,851	\$ (239,159)
Prior years levies	450,000	450,000	619,795	169,795
Penalty and interest on taxes	400,000	400,000	631,369	231,369
Total property taxes	158,703,010	158,703,010	158,865,015	162,005
Other local taxes				
Local option sales taxes	61,994,110	61,994,110	63,574,528	1,580,418
Gross receipts taxes	450,000	450,000	577,273	127,273
Total other local taxes	62,444,110	62,444,110	64,151,801	1,707,691
Total taxes	221,147,120	221,147,120	223,016,816	1,869,696
Licenses and permits				
Building permits	1,837,870	1,837,870	2,209,088	371,218
Electrical permits	1,295,680	1,295,680	1,634,492	338,812
Plumbing permits	573,580	573,580	538,007	(35,573)
Heating permits	648,540	648,540	603,399	(45,141)
Erosion control permits	-	-	1,750	1,750
Zoning board ordinances	13,000	13,000	11,650	(1,350)
Other construction related permits	144,700	144,700	126,966	(17,734)
Site inspection permits	22,000	22,000	3,000	(19,000)
Zoning permits	240,000	240,000	259,189	19,189
Refrigeration permits	2,850	2,850	3,874	1,024
Privilege licenses and penalties	8,000	8,000	6,800	(1,200)
Motor vehicle licenses	1,881,830	3,575,743	3,615,837	40,094
Other licenses and permits	612,110	612,110	286,604	(325,506)
Total licenses and permits	7,280,160	8,974,073	9,300,656	326,583
Intergovernmental revenues				
Beer and wine excise tax - state	1,010,740	1,010,740	1,018,690	7,950
Telecommunications sales tax	869,530	869,530	945,578	76,048
Utilities sales tax	15,723,560	15,723,560	18,288,115	2,564,555
Piped natural gas sales tax	1,189,840	1,189,840	1,158,545	(31,295)
Video programming tax	1,667,040	1,667,040	1,527,799	(139,241)
Payments in lieu of taxes	220,390	220,390	244,445	24,055
Emergency management	62,500	62,500	-	(62,500)
Other federal support	-	-	29,221	29,221
Other state grants	-	-	500	500
ABC store allocations	2,636,020	2,636,020	2,588,568	(47,452)
Total intergovernmental revenues	23,379,620	23,379,620	25,801,461	2,421,841

City of Winston-Salem, North Carolina

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

General Fund
For the Fiscal Year Ended June 30, 2025

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	\$ 63,809	\$ (28,991)
Transportation	230,000	230,000	255,167	25,167
Public works services	1,960,520	1,960,520	2,517,502	556,982
Governmental services	886,000	886,000	1,047,696	161,696
Miscellaneous sales and services	366,450	366,450	772,400	405,950
Total governmental services and sales	3,535,770	3,535,770	4,656,574	1,120,804
Charges to State of North Carolina				
Highway maintenance/special projects	224,760	224,760	245,281	20,521
Traffic control devices	375,000	375,000	376,027	1,027
Computerized traffic system	100,000	100,000	114,067	14,067
Total charges to state	699,760	699,760	735,375	35,615
Charges to Other Governments				
Forsyth County				
Planning board support	1,900,560	1,900,560	1,625,925	(274,635)
Emergency management	531,140	531,140	581,744	50,604
Inspections	211,250	211,250	(142,630)	(353,880)
Purchasing	128,140	128,140	125,773	(2,367)
Police	813,600	813,600	723,767	(89,833)
Other	11,000	11,000	12,410	1,410
Total charges to county	3,595,690	3,595,690	2,926,989	(668,701)
Interfund charges for services				
Engineering	1,325,000	1,325,000	1,145,399	(179,601)
Financial management services	1,293,640	1,293,640	1,293,645	5
Streets	85,000	85,000	134,395	49,395
Property management	1,399,660	1,399,660	1,149,029	(250,631)
Sanitation	40,000	40,000	38,390	(1,610)
Police	337,500	378,650	258,526	(120,124)
Real estate	100,000	100,000	131,445	31,445
Indirect cost allocation	5,877,490	5,877,490	5,877,490	-
Traffic engineering	427,000	427,000	559,800	132,800
Vegetation management services	50,000	50,000	64,187	14,187
Human relations	-	-	15,000	15,000
TURN program	60,010	60,010	58,559	(1,451)
Other	-	-	410	410
Total interfund charges for services	10,995,300	11,036,450	10,726,275	(310,175)
Total charges for sales and services	18,826,520	18,867,670	19,045,213	177,543

City of Winston-Salem, North Carolina

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

General Fund

For the Fiscal Year Ended June 30, 2025

Exhibit 5
(Page 3 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Other revenues				
Rentals	\$ 408,970	\$ 408,970	\$ 216,392	\$ (192,578)
Sales of property	410,000	410,000	597,801	187,801
Parking meters	110,000	110,000	80,790	(29,210)
Parking tickets	150,000	150,000	254,309	104,309
Fines and forfeitures	486,200	486,200	56,864	(429,336)
Miscellaneous revenue	462,423	429,969	1,193,436	763,467
Total other revenues	2,027,593	1,995,139	2,399,592	404,453
Total revenues	272,661,013	274,363,622	279,563,738	5,200,116
Expenditures (by function)				
General government				
Legislative	2,181,280	2,223,898	2,216,385	7,513
Executive	5,678,500	5,964,441	5,808,389	156,052
Staff services	9,381,170	9,950,488	8,821,421	1,129,067
Financial management	8,412,950	8,819,274	8,336,610	482,664
Intergovernmental services	16,301,047	18,588,234	17,488,510	1,099,724
Employee health	877,430	936,556	846,453	90,103
Human relations	1,080,790	1,203,757	962,779	240,978
Property tax collections	1,425,360	1,504,128	968,862	535,266
Total general government	45,338,527	49,190,776	45,449,409	3,741,367
Public protection				
Police	91,609,349	96,025,829	94,825,627	1,200,202
Fire	53,479,537	56,832,363	48,968,422	7,863,941
Emergency management	828,484	860,990	918,014	(57,024)
Total public protection	145,917,370	153,719,182	144,712,063	9,007,119
Environmental health				
Sanitation administration	1,099,504	1,152,563	1,112,141	40,422
Organic and solid waste collection	11,299,770	11,742,953	11,485,376	257,577
Sustainability	5,758,870	7,016,652	5,181,316	1,835,336
Yard waste collections	1,445,770	1,481,244	1,502,666	(21,422)
Curbside collection	8,158,365	8,671,527	7,536,000	1,135,527
Total environmental health	27,762,279	30,064,939	26,817,499	3,247,440

City of Winston-Salem, North Carolina

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

General Fund
For the Fiscal Year Ended June 30, 2025

Exhibit 5
(Page 4 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (by function continued)				
Transportation				
Technical support	\$ 2,291,509	\$ 2,436,719	\$ 2,302,199	\$ 134,520
Signal system operations	519,290	709,390	469,277	240,113
Traffic system maintenance	8,011,340	8,587,655	7,687,293	900,362
Street parking	350,720	373,360	317,562	55,798
Streets and sidewalks	6,565,458	7,478,838	4,174,171	3,304,667
Total transportation	17,738,317	19,585,962	14,950,502	4,635,460
Culture and recreation				
Recreation administration	1,733,258	1,759,697	1,739,330	20,367
Participant recreation	14,607,828	16,111,823	14,491,372	1,620,451
Total culture and recreation	16,341,086	17,871,520	16,230,702	1,640,818
Community and economic development				
Zoning and construction control	5,237,920	5,890,336	5,663,155	227,181
Real estate management	471,770	486,450	401,712	84,738
Planning board	3,016,110	3,163,234	2,920,967	242,267
Housing services	5,430,600	5,830,037	4,763,980	1,066,057
Housing and neighborhood development	939,420	972,867	940,777	32,090
Economic development	2,180,510	2,325,691	1,651,101	674,590
Community agencies	1,053,950	8,662,392	5,777,768	2,884,624
Total community and economic development	18,330,280	27,331,007	22,119,460	5,211,547
Debt service				
Principal	730,468	730,468	730,469	(1)
Interest and other charges	251,660	251,660	251,661	(1)
Total debt service	982,128	982,128	982,130	(2)
Other				
Appropriated expenditure reductions and pay plan adjustments	7,555,190	(4,403,420)	-	(4,403,420)
Total other	7,555,190	(4,403,420)	-	(4,403,420)
Total expenditures	279,965,177	294,342,094	271,261,765	23,080,329
Excess of expenditures (over) under revenues	(7,304,164)	(19,978,472)	8,301,973	28,280,445

City of Winston-Salem, North Carolina

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

General Fund
For the Fiscal Year Ended June 30, 2025

Exhibit 5
(Page 5 of 5)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers in				
Community development fund	\$ 1,302,390	\$ 1,302,390	\$ 1,067,631	\$ (234,759)
Gasoline tax fund	5,146,100	3,452,187	1,902,475	(1,549,712)
Economic and housing development fund	65,000	65,000	65,000	-
National opioid settlement fund	884,920	884,920	834,236	(50,684)
Capital projects fund	93,470	93,470	93,470	-
Cemetery perpetual care fund	235,224	235,224	235,223	(1)
Water and sewer utility fund	101,450	101,450	101,974	524
Stormwater fund	2,794,070	2,794,070	2,648,415	(145,655)
Workers' compensation fund	257,360	257,360	243,530	(13,830)
Total transfers in	10,879,984	9,186,071	7,191,954	(1,994,117)
Transfers out				
Grants fund	(578,900)	(578,900)	(465,108)	113,792
Economic and housing development fund	(2,883,550)	(2,883,550)	(2,883,550)	-
Debt service fund	(1,827,590)	(1,827,590)	(1,827,590)	-
Capital projects fund	(295,640)	(295,640)	(295,640)	-
Parking fund	(709,120)	(709,120)	(709,120)	-
Public assembly facilities management fund	(2,835,340)	(2,835,340)	(2,266,394)	568,946
Total transfers out	(9,130,140)	(9,130,140)	(8,447,402)	682,738
Total other financing sources, net	1,749,844	55,931	(1,255,448)	(1,311,379)
Appropriated fund balance	5,554,320	19,922,541	-	19,922,541
Net change in fund balance	\$ -	\$ -	7,046,525	7,046,525
Fund balance July 1			108,021,603	
Fund balance June 30			\$ 115,068,128	
Other reconciling items:				
Lease liabilities issued			310,908	
IT subscription agreement			230,100	
Capital outlay - leases issued			(310,908)	
Capital outlay - subscription based information technology agreements			(230,100)	
Fund balance June 30			\$ 115,068,128	

City of Winston-Salem, North Carolina

Statement of Net Position

Proprietary Funds
June 30, 2025

Exhibit 6
Page 1 of 2

Assets	Enterprise Funds					Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds	Total	
Current Assets						
Cash and cash equivalents/investments	\$ 128,248,653	\$ 37,492,986	\$ 14,446,648	\$ 32,773,510	\$ 212,961,797	\$ 90,461,466
Receivables for uncollectibles						
Taxes, net	-	-	188,778	-	188,778	-
Accounts, net	21,056,704	579,930	-	2,746,648	24,383,282	130,655
Assessments, net	65,480	-	-	-	65,480	-
Other	12,506,510	-	-	-	12,506,510	-
Leases	106,800	-	-	506,054	612,854	-
Total receivables	<u>33,735,494</u>	<u>579,930</u>	<u>188,778</u>	<u>3,252,702</u>	<u>37,756,904</u>	<u>130,655</u>
Due from other governments	2,683,925	618,103	30,009	-	3,332,037	-
Inventories	5,754,221	-	60,465	-	5,814,686	2,057,024
Prepaid expenses	350,500	-	-	3,707	354,207	374,596
Total current assets	<u>170,772,793</u>	<u>38,691,019</u>	<u>14,725,900</u>	<u>36,029,919</u>	<u>260,219,631</u>	<u>93,023,741</u>
Noncurrent Assets						
Restricted assets						
Cash and cash equivalents/investments	38,895,779	32,417,970	-	1,357,485	72,671,234	-
Net OPEB asset	1,083,491	125,359	-	218,295	1,427,145	374,294
Capital assets						
Land	20,632,913	12,969,331	2,298,106	13,251,175	49,151,525	801,682
Construction in progress	75,070,009	10,883,263	596,981	3,786,776	90,337,029	97,477
Other capital assets, net of accumulated depreciation	1,065,560,630	18,045,073	16,525,240	85,177,365	1,185,308,308	6,863,214
Right to use assets, net of amortization	398,892	-	-	-	398,892	150,745
Right to use subscriptions, net of amortization	1,352,410	-	443,914	-	1,796,324	1,326,617
Lease receivable, noncurrent	423,758	-	-	15,962,040	16,385,798	-
Total noncurrent assets	<u>1,203,417,882</u>	<u>74,440,996</u>	<u>19,864,241</u>	<u>119,753,136</u>	<u>1,417,476,255</u>	<u>9,614,029</u>
Total assets	<u>1,374,190,675</u>	<u>113,132,015</u>	<u>34,590,141</u>	<u>155,783,055</u>	<u>1,677,695,886</u>	<u>102,637,770</u>
Deferred Outflows of Resources						
Pension deferrals	6,197,344	717,027	-	1,248,612	8,162,983	2,265,946
Charge on refunding	<u>13,191,808</u>	<u>-</u>	<u>-</u>	<u>3,033</u>	<u>13,194,841</u>	<u>-</u>
Total deferred outflows of resources	<u>19,389,152</u>	<u>717,027</u>	<u>-</u>	<u>1,251,645</u>	<u>21,357,824</u>	<u>2,265,946</u>

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

City of Winston-Salem, North Carolina

Statement of Net Position

Proprietary Funds
June 30, 2025

Exhibit 6
Page 2 of 2

Liabilities	Enterprise Funds					Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds	Total	
Current Liabilities						
Accounts payable	\$ 6,961,357	\$ 1,934,011	\$ 5,681,031	\$ 2,021,531	\$ 16,597,930	\$ 5,384,213
Accrued payroll	410,511	48,207	-	79,927	538,645	171,284
Compensated absences	591,291	58,936	-	159,336	809,563	338,574
Accrued interest payable	1,415,117	1,342	1,272	53,720	1,471,451	14,810
Due to other funds	-	-	-	-	-	1,202,134
Unearned revenue	1,930	-	188,778	49,004	239,712	-
Landfill closure and postclosure costs	-	385,800	-	-	385,800	-
Pollution remediation	-	-	-	30,000	30,000	-
Current maturities						
Claims payable	-	-	-	-	-	11,445,386
Leases payable	9,169	-	-	-	9,169	40,488
Subscriptions payable	344,837	-	90,862	-	435,699	472,397
Contracts payable	13,080,271	3,637,270	-	1,486,226	18,203,767	4,618,099
Bonds payable	22,490,000	-	-	675,000	23,165,000	-
Total current liabilities	<u>45,304,483</u>	<u>6,065,566</u>	<u>5,961,943</u>	<u>4,554,744</u>	<u>61,886,736</u>	<u>23,687,385</u>
Noncurrent Liabilities						
Construction contracts payable						
from restricted assets	11,865,555	-	-	-	11,865,555	-
Compensated absences	1,588,533	157,866	-	391,029	2,137,428	584,982
Landfill closure and postclosure costs	-	32,032,170	-	-	32,032,170	-
Pollution remediation	-	-	-	1,921,596	1,921,596	-
Claims payable	-	-	-	-	-	11,756,366
Leases payable	428,464	-	-	-	428,464	114,562
Subscriptions payable	350,550	-	94,994	-	445,544	287,333
Contracts payable	145,276,464	73,859	-	15,017,550	160,367,873	-
Bonds payable	356,291,379	-	-	5,613,730	361,905,109	-
Net pension liability	11,886,188	1,375,221	-	2,394,772	15,656,181	4,345,964
Total noncurrent liabilities	<u>527,687,133</u>	<u>33,639,116</u>	<u>94,994</u>	<u>25,338,677</u>	<u>586,759,920</u>	<u>17,089,207</u>
Total liabilities	<u>572,991,616</u>	<u>39,704,682</u>	<u>6,056,937</u>	<u>29,893,421</u>	<u>648,646,656</u>	<u>40,776,592</u>
Deferred Inflows of Resources						
Leases	506,966	-	-	15,907,894	16,414,860	-
Pension deferrals	230,172	26,631	-	46,375	303,178	84,157
OPEB deferrals	431,930	49,974	-	87,023	568,927	149,212
Charge on refunding	48,916	-	-	-	48,916	-
Total deferred inflows of resources	<u>1,217,984</u>	<u>76,605</u>	<u>-</u>	<u>16,041,292</u>	<u>17,335,881</u>	<u>233,369</u>
Net Position						
Net investment in capital assets	637,886,612	38,186,538	19,678,385	79,425,843	775,177,378	3,706,856
Restricted for capital improvements	27,030,224	-	-	-	27,030,224	-
Restricted for maintenance and repair	-	-	-	1,162,850	1,162,850	-
Restricted for OPEB	1,083,491	125,359	-	218,295	1,427,145	374,294
Unrestricted	<u>153,369,900</u>	<u>35,755,858</u>	<u>8,854,819</u>	<u>30,292,999</u>	<u>228,273,576</u>	<u>59,812,605</u>
Total net position	<u>\$ 819,370,227</u>	<u>\$ 74,067,755</u>	<u>\$ 28,533,204</u>	<u>\$ 111,099,987</u>	<u>1,033,071,173</u>	<u>\$ 63,893,755</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities

48,705,761
\$ 1,081,776,934

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

City of Winston-Salem, North Carolina

Statement of Revenues, Expenses, and

Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2025

Exhibit 7

	Enterprise Funds					Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds	Total	
Operating Revenues						
Sales	\$ 140,158,513	\$ -	\$ -	\$ -	\$ 140,158,513	\$ -
Charges for services	11,662,819	14,288,822	1,221,284	18,436,023	45,608,948	102,983,776
Other	147,090	3,760	292,700	10,064,838	10,508,388	2,518,251
Total operating revenues	151,968,422	14,292,582	1,513,984	28,500,861	196,275,849	105,502,027
Operating Expenses						
Personnel services	26,498,665	3,061,321	2,582,501	5,266,695	37,409,182	9,878,309
Maintenance and operations	39,755,245	7,708,582	28,381,517	19,057,404	94,902,748	100,531,068
Total operating expenses	66,253,910	10,769,903	30,964,018	24,324,099	132,311,930	110,409,377
before depreciation and amortization	43,285,337	1,844,289	2,674,014	4,228,007	52,031,647	2,230,722
Depreciation and amortization	109,539,247	12,614,192	33,638,032	28,552,106	184,343,577	112,640,099
Total operating expenses	42,429,175	1,678,390	(32,124,048)	(51,245)	11,932,272	(7,138,072)
Nonoperating Revenues (Expenses)						
Intergovernmental revenue	8,989,844	1,438,081	12,479,730	579,981	23,487,636	-
Property taxes	-	-	19,820,955	-	19,820,955	-
Lease revenue	131,828	-	-	-	131,828	-
Investment income	12,762,030	5,247,918	291,945	2,573,632	20,875,525	7,252,741
Gain on disposal of assets	104,018	-	(97,562)	(21,110)	(14,654)	10,826
Damage settlements	11,844,932	-	-	-	11,844,932	129,199
Interest and fiscal expense	(15,169,871)	(160,157)	(4,577)	(706,004)	(16,040,609)	(160,140)
Amortization of financing costs	2,313,166	80,573	-	45,094	2,438,833	-
Total nonoperating revenues (expenses), net	20,975,947	6,606,415	32,490,491	2,471,593	62,544,446	7,232,626
Income (loss) before capital contributions and transfers	63,405,122	8,284,805	366,443	2,420,348	74,476,718	94,554
Capital Contributions						
	13,810,625	-	-	187,237	13,997,862	-
Transfers In						
	120,720	498,143	-	3,838,476	4,457,339	5,250,000
Transfers Out						
	(434,069)	-	(26,550)	(2,955,635)	(3,416,254)	(5,493,530)
Total transfers	(313,349)	498,143	(26,550)	882,841	1,041,085	(243,530)
Change in net position	76,902,398	8,782,948	339,893	3,490,426	89,515,665	(148,976)
Total net position, as previously reported	742,753,714	65,311,360	28,193,311	107,706,853		64,171,906
Change in accounting principle (Note 3H)	(285,885)	(26,553)	-	(97,292)		(129,175)
Total net position, as restated	742,467,829	65,284,807	28,193,311	107,609,561		64,042,731
Total net position - ending	\$ 819,370,227	\$ 74,067,755	\$ 28,533,204	\$ 111,099,987		\$ 63,893,755
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					81,834	
Change in net position of business-type activities					\$ 89,597,499	

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

City of Winston-Salem, North Carolina

Statement of Cash Flows

Proprietary Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 8
Page 1 of 2

	Enterprise Funds					Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds	Total	
Cash Flows from Operating Activities						
Cash received from sales	\$ 138,244,950	\$ 13,893,043	1,652,185	\$ 28,039,486	\$ 181,829,664	\$ 105,407,273
Cash payments to suppliers for goods and services	(42,342,048)	(6,273,212)	(23,988,697)	(19,015,444)	(91,619,401)	(102,301,587)
Cash payments to employees for services	(25,403,559)	(2,906,026)	(2,841,962)	(4,983,331)	(36,134,878)	(9,216,310)
Net cash provided (used) by operating activities	70,499,343	4,713,805	(25,178,474)	4,040,711	54,075,385	(6,110,624)
Cash Flows from Noncapital Financing Activities						
Intergovernmental revenue	6,890,767	819,978	11,364,267	74,011	19,149,023	-
Property taxes	-	-	19,392,244	-	19,392,244	-
Borrowings from other funds	-	-	-	-	-	574,459
Transfers in	120,720	498,143	-	3,838,476	4,457,339	5,250,000
Transfers out	(434,069)	-	(26,550)	(2,955,635)	(3,416,254)	(5,493,530)
Net cash provided (used) by noncapital financing activities	6,577,418	1,318,121	30,729,961	956,852	39,582,352	330,929
Cash Flows from Capital and Related Financing Activities						
Proceeds from issuance of state loans	21,909,882	-	-	-	21,909,882	-
Proceeds from issuance of SBITA liabilities	1,060,330	-	275,584	-	1,335,914	-
Intergovernmental revenue	32,674	-	2,337,153	530,020	2,899,847	-
Property taxes	-	-	371,202	-	371,202	-
Capital contributions	1,397,068	-	-	174,189	1,571,257	-
Acquisition of property and equipment	(70,209,995)	(9,952,765)	(563,793)	(3,072,881)	(83,799,434)	(1,937,217)
Retirement of bonds	(21,480,000)	-	-	(655,000)	(22,135,000)	-
Retirement of contracts payable	(6,461,727)	(1,870,694)	-	(1,206,024)	(9,538,445)	120,598
Retirement of subscriptions payable	(364,943)	-	(89,728)	-	(454,671)	(416,701)
Retirement of lease payable	(7,906)	-	-	-	(7,906)	(38,702)
Cash received from cell tower and license agreement	131,828	-	-	-	131,828	-
Interest and fiscal expense paid on debt	(15,099,520)	(163,365)	(4,577)	(709,510)	(15,976,972)	(160,140)
Proceeds from sale of assets	115,800	-	(97,562)	(21,110)	(2,872)	10,826
Damage settlements	10,447,864	-	-	-	10,447,864	-
Net cash provided (used) by capital financing activities	(78,528,645)	(11,986,824)	2,228,279	(4,960,316)	(93,247,506)	(2,421,336)
Cash Flows from Investing Activities						
Investment income (loss)	12,762,030	5,247,918	291,945	2,573,632	20,875,525	7,252,741
Net increase (decrease) in cash	11,310,146	(706,980)	8,071,711	2,610,879	21,285,756	(948,290)
Cash and cash equivalents/investments July 1	155,834,286	70,617,936	6,374,937	31,520,116	264,347,275	91,409,756
Cash and cash equivalents/investments June 30	\$ 167,144,432	\$ 69,910,956	\$ 14,446,648	\$ 34,130,995	\$ 285,633,031	\$ 90,461,466

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

City of Winston-Salem, North Carolina

Statement of Cash Flows

Proprietary Funds
For the Fiscal Year Ended June 30, 2025

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	\$ 128,248,653	\$ 37,492,986	\$ 14,446,648	\$ 32,773,510	\$ 212,961,797	\$ 90,461,466
Cash and investments - restricted	38,895,779	32,417,970	-	1,357,485	72,671,234	-
Cash and cash equivalents/investments June 30	\$ 167,144,432	\$ 69,910,956	\$ 14,446,648	\$ 34,130,995	\$ 285,633,031	\$ 90,461,466
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 42,429,175	\$ 1,678,390	\$ (32,124,048)	\$ (51,245)	\$ 11,932,272	\$ (7,138,072)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	43,285,337	1,844,289	2,674,014	4,228,007	52,031,647	2,230,722
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources						
(Increase) decrease in receivables	(13,558,420)	(399,539)	80,693	391,879	(13,485,387)	34,445
(Increase) decrease in inventories	(475,925)	-	371,968	-	(103,957)	(65,328)
(Increase) decrease in prepaid expenses	(120,500)	-	138,013	(1,087)	16,426	76,710
(Increase) decrease in net OPEB asset	(383,237)	(46,266)	-	(78,504)	(508,007)	(149,718)
(Increase) decrease in deferred outflows of resources - pensions	827,294	76,402	-	153,713	1,057,409	134,297
(Increase) decrease in deferred outflows of resources - OPEB	230,825	26,072	-	46,079	302,976	74,027
Increase (decrease) in net pension liability	349,478	72,156	-	91,705	513,339	403,994
Increase (decrease) in deferred inflows of resources - leases	(165,052)	-	-	(861,252)	(1,026,304)	-
Increase (decrease) in deferred inflows of resources - pensions	(126,033)	(13,602)	-	(24,733)	(164,368)	(37,554)
Increase (decrease) in deferred inflows of resources - OPEB	11,348	2,469	-	3,062	16,879	14,329
Increase (decrease) in accounts payable	(1,990,378)	(163,443)	3,882,839	43,047	1,772,065	(641,817)
Increase (decrease) in accrued payroll	91,076	13,104	-	18,294	122,474	60,121
Increase (decrease) in unearned revenue	-	-	57,508	7,998	65,506	-
Increase (decrease) in compensated absences	94,355	24,960	(259,461)	73,748	(66,398)	162,503
Increase in landfill closure and postclosure costs	-	1,598,813	-	-	1,598,813	-
Increase (decrease) in claims payable	-	-	-	-	-	(1,269,283)
Total adjustments	28,070,168	3,035,415	6,945,574	4,091,956	42,143,113	1,027,448
Net cash provided (used) by operating activities	\$ 70,499,343	\$ 4,713,805	\$ (25,178,474)	\$ 4,040,711	\$ 54,075,385	\$ (6,110,624)

Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$4,936,825 for the year ended June 30, 2025.

The City entered into subscriptions for software in the amounts of \$1,335,913 for the year ended June 30, 2025.

The City received contributed land amounting to \$13,810,625 during the year ended June 30, 2025, from various developers.

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

City of Winston-Salem, North Carolina

Statement of Fiduciary Net Position

Fiduciary Funds
June 30, 2025

Exhibit 9

	Benefits	Trust Fund
Assets		
Cash equivalents		
Money market	\$ 31,922,738	
Investments, at fair value		
Domestic stock and ADRs	144,465,888	
Mutual funds	106,508,963	
United States government agencies	1,377,220	
Corporate bonds	20,128,926	
Municipal bonds	22,690,757	
Prepaid expenses	99,576	
Total assets	<u>327,194,068</u>	
Deferred Outflows of Resources		
Pension deferrals	<u>35,836</u>	
Liabilities		
Accounts payable	4,340	
Accrued payroll	2,439	
Compensated absences	7,314	
Net pension liability	<u>68,731</u>	
Total liabilities	<u>82,824</u>	
Deferred Inflows of Resources		
Pension deferrals	<u>1,331</u>	
Net Position		
Restricted for pensions	244,579,802	
Restricted for post-employment benefits other than pensions	<u>82,565,947</u>	
Total net position	<u><u>\$ 327,145,749</u></u>	

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

City of Winston-Salem, North Carolina

Statement of Changes in Fiduciary Net Position

Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 10

	Benefits	
	Trust Fund	
Additions		
Contributions		
Employer	\$ 9,780,640	
Plan members	3,080,358	
Total contributions	<u>12,860,998</u>	
Investment income		
Net appreciation in fair value	28,064,451	
Interest and dividends	6,245,275	
Total investment income	<u>34,309,726</u>	
Less: investment expense		
	<u>1,133,624</u>	
Net investment income	<u>33,176,102</u>	
Total additions	<u>46,037,100</u>	
Deductions		
Benefits	25,231,686	
Refund of contributions	83,358	
Administrative expense	<u>246,314</u>	
Total deductions	<u>25,561,358</u>	
Net increase in net position	<u>20,475,742</u>	
Net position - beginning	306,670,007	
Net position - ending	<u>\$ 327,145,749</u>	

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies

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

A. The Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

C. Measurement Focus and Basis of Accounting

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

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

D. Budgetary Accounting

Budgetary accounting is used for management control of all funds of the City. Annual budget ordinances are adopted on the modified accrual basis at the fund level and amended as required for the operations of the general fund.

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

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

1. Deposits and Investments

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

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

2. Receivables and Payables

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

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

3. Ad Valorem Taxes Receivable

The City property tax is based on the assessed valuation of property located in the City as of the preceding January first. The value of personal property is established annually, and by state law, real property must be appraised at least once every eight years. The last revaluation of real property became effective with the 2021 tax levy for fiscal year 2022. The City’s fiscal year 2025 tax rate was .725 mils, allocated as follows: .5573 mils for general purposes, .0941 mils for general debt service, and .0736 mils for mass transit, and an additional tax rate of .09 mils on all property within the Downtown Business Improvement District for enhanced services in the downtown area. Taxes are due on September first and payable without penalty or interest until the fifth of January. On and after January sixth, taxes become delinquent, a lien attaches to the property, and a penalty of 2% is assessed. On February first, interest accrues at the rate of .75% per month until paid. Property tax receivables are recorded net of allowance for estimated uncollectible amounts and offset as deferred inflows of resources since the amount due is not considered to be currently available.

4. Restricted Assets

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Restricted Cash June 30, 2025

Governmental activities		
General capital projects (bond proceeds)	\$ 40,593,104	
Midtown economic development funds (grant proceeds)	23,942,633	
Nonmajor governmental funds		
Unexpended Powell Bill proceeds	7,262,111	
Unexpended State 911 proceeds	1,127,332	
Unexpended opioid settlement proceeds	630,255	
Total governmental activities	<u>73,555,435</u>	
Business-type activities		
Water and sewer utility		
Unexpended bond proceeds	26,576,982	
Equipment and replacement reserves	9,318,797	
Economic development	3,000,000	
Solid waste disposal		
Landfill closure and postclosure costs	32,417,970	
Stormwater private maintenance projects	1,162,850	
Public assembly facilities management		
Capital reserve	194,635	
Total business-type activities	<u>72,671,234</u>	
Total restricted cash	<u>\$ 146,226,669</u>	

5. Lease Receivable

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

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

6. Inventories

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

7. Capital Assets

Capital assets, which include property, plant, equipment, right to use assets, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide statements. Equipment purchases are considered capital assets when the individual cost is equal to or greater than \$10,000 and useful life is in excess of two years. Donated capital assets are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets, consist of road network and water and sewer system assets. These assets are reported at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

8. Deferred Outflows/Inflows of Resources

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

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

9. Accumulated Vacation and Sick Leave Benefits

The City recognizes a liability for compensated absences for leave time that has been earned for services previously rendered by employees, accumulates and is allowed to be carried over to subsequent years, and is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, a liability was recognized for vacation leave, holiday leave, and sick leave. The liability for compensated absences includes salary-related benefits where applicable.

Vacation Leave earned by employees accumulates to a maximum of 30 days at the end of each calendar year. Accumulated vacation leave 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 and proprietary fund financial statements.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Holiday Leave accumulates during the year and carries forward to the next year. Accumulated holiday leave 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 and proprietary fund financial statements.

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. Employees terminating service before retirement forfeit accumulated sick leave. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. In order to measure this liability, the City developed a “usage rate” to determine the amount of unused leave at the end of the year that is more likely than not to be used. To estimate this usage rate, the City utilized a four-year look-back period and calculated the average leave used per fiscal year. Data was aggregated by department. The City applied a Last-In, First-Out (LIFO) flows assumption. Under this approach, leave used or paid out is first deducted from the leave earned in the current period, before utilizing leave balances accumulated in prior years.

10. National Opioid Settlement Funds

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

In July 2025, Secondary Opioid Manufacturer Settlements were reached with Alvogen Inc., Amneal Pharmaceuticals LLC, Apotex Corp., Hikma Pharmaceuticals USA, Indivior Inc., Sun Pharmaceutical Industries Inc., and Zydus Pharmaceuticals Inc. A settlement was also reached with Purdue Pharma L.P.’s bankruptcy plan for \$7.4 billion. The Secondary Settlements are subject to the terms of the existing MOA with the State. The City has taken the required actions to be part of the additional settlement; however, the dollar value of the settlement to the City is unknown as required forms are still being processed.

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

11. Long-Term Obligations

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

12. Net Position/Fund Balances

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

Restricted Net Position June 30, 2025

Stabilization by state statute	\$ 53,974,971
OPEB	9,613,046
Capital improvements	27,030,224
Maintenance and repair	1,162,850
Public protection - opioid settlement fund	3,843,676
Other purposes	
Nonmajor governmental	<u>26,939,954</u>
Total	<u>\$ 122,564,721</u>

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Subsequent year's budget – portion of fund balance that is appropriated in the adopted 2025-2026 Budget Ordinance and as approved by City Council on June 16, 2025, that is not already classified in restricted or committed.

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

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Fund Balance June 30, 2025

Nonspendable		
Inventories	\$	763,524
Lease receivable, net		24,943
Prepays		20,557
Perpetual care		5,458,364
Restricted		
Stabilization by state statute		53,974,971
Capital improvements		33,038,085
Public protection		2,487,623
Environmental health		404,082
Transportation		7,886,469
Culture and recreation		1,186,106
Community and economic development		10,570,685
Committed		
Community and economic development		48,770,090
Debt service		89,557,500
Assigned		
Subsequent year's budget		1,541,570
Unassigned		<u>63,755,526</u>
Total	\$	<u>319,440,095</u>

13. Defined Benefit Pensions and OPEB

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

14. Recently Implemented Accounting Pronouncements

The City implemented GASB Statement No. 101, *Compensated Absences*. The requirement of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The implementation of this Statement had a material impact on the City's reporting in the current fiscal year. See note 3(H) for further information.

For the year ended June 30, 2025, GASB Statement No. 102, *Certain Risk Disclosures*, was implemented. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

15. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

The Capital Projects Fund maintained a deficit unassigned fund balance at June 30, 2025 of \$7,350,626, which is temporary and due to the transition from funding equipment purchases with debt to funding these purchases with cash. The timing of the funding for these purchases will occur as a transfer from the debt service fund to the capital projects fund in fiscal year 2026

The Grants Fund maintained a deficit unassigned fund balance at June 30, 2025 of \$451,643, which is temporary due to the timing of reimbursement from grant agencies which in some cases exceeds the 90-day availability period used to record revenues in governmental funds

2. 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, 2025, the City's deposits had a carrying value of \$87,747,728 and bank balance of \$92,128,054. Of the bank balance, \$63,630,095 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2025, the City maintained various petty cash funds totaling \$67,115.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

2. Investments

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

As of June 30, 2025, 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	\$ 223,523,649	\$ 223,523,649	\$ -	\$ -
US Treasuries	69,654,043	639,065	1,977,969	67,037,009
US government agencies	120,727,747	9,997,200	-	110,730,547
Corporate bonds	58,098,927	1,522,754	3,473,695	53,102,478
Municipal bonds	22,690,757	2,843,914	1,465,535	18,381,308
Mutual funds	179,704,142	179,704,142	-	-
Money market funds	31,892,396	31,892,396	-	-
Government Portfolio	216,673,886	216,673,886	-	-
Total	\$ 922,965,547	\$ 666,797,006	\$ 6,917,199	\$ 249,251,342

The table above includes \$327,094,492 of fiduciary fund cash and investments.

At June 30, 2025, the City's investment balances measured at fair value were as follows:

Investment Type	Fair Value Measurements Using				
	Fair Value	Level 1 Inputs	Level 2 Inputs	Net Asset Value	Amortized Cost
Domestic stock and ADRs	\$ 223,523,649	\$ 223,523,649	\$ -	\$ -	\$ -
US Treasuries	69,654,043	69,654,043	-	-	-
US government agencies	120,727,747	-	120,727,747	-	-
Corporate bonds	58,098,927	-	58,098,927	-	-
Municipal bonds	22,690,757	-	22,690,757	-	-
Open-end mutual funds	179,704,142	177,902,557	-	1,801,585	-
Money market funds	31,892,396	-	-	-	31,892,396
Government Portfolio	216,673,886	216,673,886	-	-	-
Total fair value investments	\$ 922,965,547	\$ 687,754,135	\$ 201,517,431	\$ 1,801,585	\$ 31,892,396

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

Level of fair value hierarchy:

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

Credit Risk. The City's investment policy requires that all investments subject to N.C.G.S. 159-30 in bonds or notes, including commercial paper, bear the highest ratings of at least one nationally recognized rating service and do not bear a rating below the highest by any nationally recognized rating service which rates the particular obligation. The City's investment policy requires that investments in corporate bonds under its statutorily expanded investment authority for investments not subject to N.C.G.S. 159-30 must be investment grade or higher. The City's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2025. The City's investments in US Agencies are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. All commercial paper of the City is rated A1 by Standard & Poor's and P1 by Moody's.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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	AAA	\$ 5,685,092
AAA	N/A		335,232
AA+	AAA		216,097
AA+	AA1		2,850,886
AA+	AA2		1,283,497
AA+	N/A		1,469,990
AA	AA1		20,110
AA	AA2		1,554,840
AA	AA3		114,606
AA	A1		1,159,771
AA	A3		15,467
AA	N/A		319,388
AA-	AA2		665,789
AA-	AA3		1,261,209
AA-	A1		149,094
A+	AA2		138,045
A+	AA3		330,896
A+	A1		116,928
A+	N/A		152,106
A	A1		856,739
A	A2		119,214
A	N/A		171,143
A-	A1		30,351
A-	A3		760,356
A-	N/A		60,473
BBB+	N/A		20,429
N/A	AAA		971,356
N/A	AA2		423,897
N/A	A1		720,003
N/A	A3		39,276
N/A	BAA2		621,128
N/A	N/A		29,956
N/A	N/R		27,393
Total Municipal			22,690,757

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Type of Bonds	S&P	Moody's	Fair Value
Corporate	AAA	AAA	\$ 411,541
	AAA	N/A	128,634
	AA+	AAA	501,703
	AA+	AA1	1,712,786
	AA+	AA2	105,422
	AA	AA2	301,369
	AA	A1	1,458,771
	AA	A2	208,158
	AA	BAA3	512,520
	AA	N/A	2,726,915
	AA-	AA2	614,520
	AA-	AA3	118,834
	AA-	A1	471,203
	AA-	A2	318,674
	AA-	N/A	495,567
	A+	AA3	447,728
	A+	A1	1,617,683
	A+	A2	368,682
	A+	A3	202,182
	A+	N/A	1,111,223
	A	AA3	1,078,563
	A	A1	1,330,189
	A	A2	2,813,065
	A	A3	599,364
	A	BAA2	55,275
	A	N/A	418,479
	A-	A1	1,655,907
	A-	A2	1,362,051
	A-	A3	6,211,140
	A-	BAA1	392,395
	A-	BAA2	91,066
	A-	N/A	232,152
	BBB+	A1	429,269
	BBB+	A2	212,056
	BBB+	A3	1,202,351
	BBB+	BAA1	3,219,003
	BBB+	BAA2	952,581
	BBB+	N/A	2,675,583
	BBB	A3	115,023
	BBB	BAA1	603,204
	BBB	BAA2	5,742,281
	BBB	BAA3	347,887
	BBB	N/A	1,676,915
	BBB-	BAA1	286,448
	BBB-	BAA2	116,165
	BBB-	BAA3	1,642,932
	BBB-	BA1	745,127
	BBB-	N/A	1,483,472
	BB+	BA1	14,003
	BB+	N/A	111,650
	BB	N/A	168,938
	N/A	A1	1,404,535
	N/A	A2	251,585
	N/A	A3	15,058
	N/A	BAA2	1,396,587
	N/A	BAA3	910,130
	N/A	N/A	1,644,012
	N/A	N/R	658,371
Total Corporate			\$ 58,098,927
Total		74	\$ 80,789,684

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

B. Receivables-Allowance for Uncollectible Accounts

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

Allowances for Uncollectible Accounts at June 30, 2025

General fund		
Taxes receivable		\$ 867,289
Other receivables		2,607,177
Special revenue funds		
Nonmajor		
Taxes receivable		1,562
Other receivables		27,038,564
Debt service fund		
Taxes receivable		150,747
Enterprise funds		
Water and sewer utility		3,961,290
Solid waste disposal		383
Transit Authority		
Taxes receivable		91,682
Nonmajor		478,990
Internal service funds		
Nonmajor		19,877
Total		\$ 35,217,561

C. Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables at June 30, 2025, is as follows:

	Interfund Payables	Interfund Receivables
General Fund	\$ -	\$ 2,117,804
Debt Service Fund	-	8,750,000
Special revenue funds		
Nonmajor	915,670	-
Capital projects fund	8,750,000	-
Enterprise funds		
Public Assembly Facilities Management Fund	-	-
Internal service fund - Warehouse Fund	231,929	-
Internal service fund - Fleet Services Fund	970,205	-
Total	\$ 10,867,804	\$ 10,867,804

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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, 2025, include: a transfer of \$2,648,415 from the stormwater management fund to the general fund for the seasonal leaf collection and rodent control; a community development fund transfer to the general fund for \$1,067,631 to cover housing rehabilitation expenditures; a gasoline tax fund transfer to the general fund for \$1,902,476 and to capital projects fund for \$6,565,687; a transfer from general fund to the grants fund for \$465,108 to cover the City's share of grant expenditures; a transfer from general fund to economic and housing development fund of \$2,883,550 to fund economic development projects; a general fund transfer to the public assembly facilities management fund for \$2,266,394 for operations; a transfer from general fund to debt service fund of \$1,827,590 to cover debt service payments on economic development projects and the Bryce A. Stuart Building, a transfer of \$2,692,150 in bond premium proceeds from the capital projects fund to the debt service fund for interest related to the 2023 general obligation bond issue, and a transfer to the parking fund of \$709,120 for operations.

Transfers for Fiscal Year Ended June 30, 2025

	Transfers In	Transfers Out
General fund	\$ 7,191,954	\$ 8,447,402
Debt service fund	4,519,740	582,510
Capital projects fund	7,389,305	2,785,620
Special revenue funds		
Nonmajor	3,773,563	11,856,585
Enterprise funds		
Water and sewer utility	120,720	434,069
Solid waste disposal	498,143	-
Transit authority	-	26,550
Nonmajor	3,838,476	2,955,635
Internal service funds	5,250,000	5,493,530
Total	<u>\$ 32,581,901</u>	<u>\$ 32,581,901</u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

D. Capital Assets

The following tables summarize the changes in the components of capital assets for the year ended June 30, 2025:

Governmental Activities

	Balance June 30, 2024	Increase	Transfers	Decrease	Balance June 30, 2025
Capital assets, not being depreciated:					
Land	\$ 83,408,702	\$ 762,399	\$ 34,134	\$ -	\$ 84,205,235
Construction in progress	28,649,634	36,465,397	(19,279,480)	(270,950)	45,564,601
Total capital assets, not being depreciated	<u>112,058,336</u>	<u>37,227,796</u>	<u>(19,245,346)</u>	<u>(270,950)</u>	<u>129,769,836</u>
Capital assets, being depreciated:					
Buildings	242,821,068	4,400,340	9,525,305	-	256,746,713
Improvements other than buildings	443,890,759	3,650,649	9,720,041	-	457,261,449
Machinery and equipment	136,635,016	20,656,649	11,000	(3,008,125)	154,294,540
Total capital assets, being depreciated	<u>823,346,843</u>	<u>28,707,638</u>	<u>19,256,346</u>	<u>(3,008,125)</u>	<u>868,302,702</u>
Less accumulated depreciation for:					
Buildings	66,234,520	6,063,860	910	-	72,299,290
Improvements other than buildings	170,871,925	11,232,299	(910)	-	182,103,314
Machinery and equipment	97,376,084	9,103,703	-	(2,938,986)	103,540,801
Total accumulated depreciation	<u>334,482,529</u>	<u>26,399,862</u>	<u>-</u>	<u>(2,938,986)</u>	<u>357,943,405</u>
Capital assets being amortized:					
Right to use assets:					
IT subscriptions	4,268,728	1,021,503	-	(966,574)	4,323,657
Leased equipment	312,481	-	-	-	312,481
Leased land	-	142,365	-	-	142,365
Leased buildings	10,624,463	168,558	-	-	10,793,021
Total right to use assets	<u>15,205,672</u>	<u>1,332,426</u>	<u>-</u>	<u>(966,574)</u>	<u>15,571,524</u>
Less accumulated amortization for:					
IT subscriptions	1,987,865	1,390,314	-	(827,881)	2,550,298
Leased equipment	13,194	62,495	-	-	75,689
Leased land	-	15,818	-	-	15,818
Leased buildings	1,493,681	681,713	-	-	2,175,394
Total accumulated amortization	<u>3,494,740</u>	<u>\$ 2,150,340</u>	<u>\$ -</u>	<u>\$ (827,881)</u>	<u>4,817,199</u>
Total capital assets, being depreciated, net	<u>488,864,314</u>				<u>510,359,297</u>
Right to use assets, net	<u>11,710,932</u>				<u>10,754,325</u>
Governmental activities capital assets, net	<u>\$ 612,633,582</u>				<u>\$ 650,883,458</u>

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

Governmental Activities

	Depreciation Expense For Year Ended June 30, 2025	Amortization Expense For Year Ended June 30, 2025	Total For Year Ended June 30, 2025
General government	\$ 4,163,574	\$ 1,471,569	\$ 5,635,143
Public protection	5,678,120	600,458	6,278,578
Environmental health	2,556,247	15,818	2,572,065
Transportation	8,216,062	-	8,216,062
Culture and recreation	4,077,202	62,495	4,139,697
Community and economic development	<u>1,708,657</u>	<u>-</u>	<u>1,708,657</u>
Total	<u>\$ 26,399,862</u>	<u>\$ 2,150,340</u>	<u>\$ 28,550,202</u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Business-type Activities

	Balance			Balance
	June 30, 2024	Increase	Transfers	June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 49,023,800	\$ -	\$ 127,725	\$ 49,151,525
Construction in progress	144,568,276	64,665,027	(118,491,367)	90,337,029
Total capital assets, not being depreciated	<u>193,592,076</u>	<u>64,665,027</u>	<u>(118,363,642)</u>	<u>(404,907)</u>
Capital assets, being depreciated:				
Buildings	333,469,358	53,116	821,582	334,344,056
Improvements other than buildings	1,464,666,088	16,405,624	117,542,061	1,598,613,773
Machinery and equipment	120,653,602	20,500,569	(11,000)	140,138,292
Total capital assets, being depreciated	<u>1,918,789,048</u>	<u>36,959,309</u>	<u>118,352,643</u>	<u>(1,004,879)</u>
Less accumulated depreciation for:				
Buildings	180,488,456	7,693,864	-	188,182,320
Improvements other than buildings	591,873,822	34,588,016	-	626,461,838
Machinery and equipment	64,369,450	9,204,716	-	72,699,741
Total accumulated depreciation	<u>836,731,728</u>	<u>51,486,596</u>	<u>-</u>	<u>(874,425)</u>
Capital assets being amortized:				
Right to use assets:				
IT subscriptions	1,083,382	1,621,065	-	(1,083,380)
Leased buildings	456,457	-	-	456,457
Total right to use assets	<u>1,539,839</u>	<u>1,621,065</u>	<u>-</u>	<u>(1,083,380)</u>
Less accumulated amortization for:				
IT subscriptions	829,809	522,230	-	(1,083,382)
Leased buildings	34,742	22,823	-	-
Total accumulated amortization	<u>864,551</u>	<u>\$ 545,053</u>	<u>\$ -</u>	<u>\$ (1,083,382)</u>
Total capital assets, being depreciated, net	1,082,057,320			1,185,752,222
Right to use assets, net	675,288			1,751,302
Business-type activities capital assets, net	<u>\$ 1,276,324,684</u>			<u>\$ 1,326,992,078</u>

The City has outstanding project authorizations for governmental activities capital projects in the amount of \$153,433,883 and \$126,672,994 in unexpended commitments; for capital projects in business-type activities outstanding project authorizations total to \$222,900,140 and \$135,427,581 in unexpended commitments. Funding for these commitments has been identified in capital project ordinances and should not require future financing.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

E. Long-term Liabilities

General Obligation Bonds

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

In November 2018, City residents approved a \$122,000,000 bond referendum that authorized bonds to be issued for road improvements, economic development, housing development, parks and recreation improvements, and public safety center renovations. As of June 30, 2025, \$32,035,000 of these bonds were unissued.

Provisions of the state constitution and the Local Government Bond Act, as amended, permit the City statutory capacity for additional general obligation bonds in the amount of \$2.14 billion.

General Obligation Bonds Debt Service Requirements to Maturity are:

Fiscal Year	Governmental Activities	
	Principal	Interest
2026	15,975,000	7,804,562
2027	15,055,000	7,206,659
2028	15,325,000	6,622,002
2029	14,175,000	6,008,644
2030	14,570,000	5,412,843
2031-2035	75,090,000	17,872,347
2036-2040	50,105,000	6,027,743
2041-2043	9,570,000	765,600
Total	\$ 209,865,000	\$ 57,720,400

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, 2025 were \$6,645,000 with interest rates ranging from 3.0% to 4.0%, which are payable over the next 10 years. A trust agreement dated April 1, 2013, between the City and US Bank, as trustee, authorizes and secures all outstanding stormwater fee revenue bonds. Certain financial covenants are contained in the trust agreement including a requirement that the City maintain a long-term debt service coverage ratio on all stormwater fee revenue debt of not less than 1.2. Management believes the City was in compliance with all covenants for the fiscal year ended June 30, 2025, and the ratio was 3.4. 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 \$6,841,744. The principal and interest paid in the fiscal year ended June 30, 2025 was \$854,079.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Stormwater Fee Revenue Bonds Debt Service Requirements to Maturity are:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	675,000	181,744
2027	695,000	161,494
2028	715,000	140,644
2029	735,000	119,193
2030	755,000	97,144
2031-2033	2,415,000	151,525
Total	\$ 5,990,000	\$ 851,744

Water and Sewer Revenue Bonds

The City issues revenue bonds to fund capital improvement projects for the Winston-Salem/Forsyth County Water and Sewer System. The revenues, net of operating expenses, of the water and sewer system are pledged as security for the revenue bonds which were issued in 2010, 2014, 2016, 2017, 2020, and 2022. The amended and restated general trust agreement dated January 1, 2022, between the City and the Bank of New York, as trustee, authorizes and secures all outstanding revenue bonds. Certain financial covenants are contained in the trust agreement including a requirement that the City maintain a long-term debt service coverage ratio on all utility revenue debt of not less than 1.1. Management believes the City was in compliance with all covenants for the fiscal year ended June 30, 2025, and the ratio was 2.45. 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 \$449,237,815. The principal and interest paid in the fiscal year ended June 30, 2025 was \$35,230,494.

Water and sewer revenue bonds outstanding at June 30, 2025 were \$339,785,000 with interest rates between .96 % and 5.00%, which are payable over the next 30 years.

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

<u>Fiscal Year</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 22,490,000	\$ 12,782,710
2027	23,455,000	11,757,286
2028	24,240,000	10,766,826
2029	24,040,000	9,789,222
2030	25,070,000	8,712,529
2031-2035	89,555,000	31,261,261
2036-2040	78,915,000	14,970,581
2041-2045	25,475,000	6,720,138
2046-2050	20,260,000	2,431,838
2051-2052	6,285,000	260,425
Total	\$ 339,785,000	\$ 109,452,815

City of Winston-Salem, North Carolina

Notes to the Financial Statements

State Revolving Loan

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. 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 lease agreements have been recorded at the present value of the expected lease payments as of the date of their inception.

The net present value of expected lease payments as of June 30, 2025 are as follows:

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 667,113	\$ 321,504	\$ 9,169	\$ 17,846
2027	700,949	297,809	10,517	17,444
2028	702,985	271,947	11,955	16,984
2029	585,382	246,446	13,488	16,463
2030	536,273	228,487	15,122	15,878
2031-2035	2,193,103	927,811	104,034	68,021
2036-2040	2,766,790	502,379	163,442	40,905
2041-2043	1,160,675	63,592	109,906	6,022
Total	\$ 9,313,270	\$ 2,859,975	\$ 437,633	\$ 199,563

Subscriptions

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

The net present value of expected payments as of June 30, 2025, were as follows:

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 547,043	\$ 26,403	\$ 435,699	\$ 24,276
2027	364,018	10,509	445,544	12,174
Total	\$ 911,061	\$ 36,912	\$ 881,243	\$ 36,450

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Contracts Payable

Contracts Payable Debt Service Requirements to Maturity are:

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 12,357,589	\$ 2,814,601	\$ 7,655,771	\$ 478,995
2027	15,648,528	2,411,140	900,601	441,586
2028	13,096,250	2,024,539	880,000	418,658
2029	7,804,000	1,703,808	900,000	395,866
2030-2034	35,989,000	5,310,524	5,980,000	1,548,765
2035-2039	12,280,000	1,347,705	6,340,000	622,599
2040-2043	2,420,000	145,200	-	-
Total	\$ 99,595,367	\$ 15,757,517	\$ 22,656,372	\$ 3,906,469

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, 2025, the City had \$122,251,739 outstanding and due to NCMLC.

In November 2021, the City entered into a \$20 million installment financing contract with TD Equipment Finance, Inc. The terms of the lease include a stated interest rate of 0.799% for a 59-month term. At June 30, 2025, the City had \$6,072,113 outstanding.

In June 2023, the City entered into a \$25 million installment financing contract with Bank of America Public Capital Corp. The terms of the lease include a stated interest rate of 3.3207% for a 59-month term. At June 30, 2025, the City had \$15,437,626 outstanding.

The City has various limited obligation bond issues outstanding at June 30, 2025 in the amount of \$100,742,000.

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

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Long-term Liabilities at June 30, 2025

Bonds Payable

General obligation bonds, issues dated 2012 to 2023, with stated interest rates of .50% to 5.00%	
General government	\$ 209,865,000
Discounts/premiums	20,765,340
Revenue bonds, water and sewer system	
Series 2016A, principal due annually through 2039, with stated interest rates of 3.0% to 5.0%	87,660,000
Series 2017, principal due annually through 2047, with stated interest rates of 3.0% to 5.0%	47,430,000
Series 2020A, principal due annually through 2040, with stated interest rates of 2.0% to 5.0%	121,240,000
Series 2020B, principal due annually through 2033, with stated interest rates of .96% to 1.87%	22,615,000
Series 2022, principal due annually through 2052, with stated interest rates of 2.38% to 5.0%	60,840,000
Discounts/premiums	38,996,379

Revenue bonds, stormwater management	
Series 2013, principal due annually through 2033, with stated interest rates of 3.0% to 4.0%	5,990,000
Discounts/premiums	298,730

Lease Liabilities

Subscriptions Liabilities	
Contracts Payable	1,792,304

Limited obligation bonds issued by North Carolina Municipal Leasing Corporation	
Series 2018, principal due annually through June 1, 2031, with stated interest rate of 3.07%	7,687,000
Series 2020A, principal due annually through June 1, 2027, with stated interest rates of 2.0% to 5.0%	3,175,000
Series 2020B, principal due annually through June 1, 2039, with stated interest rates of 1.88% to 3.4%	45,030,000
Series 2022A, principal due annually through June 1, 2042, with stated interest rates of 3.0% to 5.0%	13,730,000
Series 2022B, principal due annually through June 1, 2034, with stated interest rates of 1.10% to 2.7%	31,120,000
Discounts/premiums	2,749,933

Installment financing agreements

Direct borrowing, Series 2022, principal due from March 1, 2022 to September 1, 2026, with a stated interest rate of .799%	6,072,113
Direct borrowing, Series 2023, principal due from November 15, 2023 to May 15, 2028, with a stated interest rate of 3.3207%	15,437,626
Direct borrowing, Clean water state revolving loan fund, payable through May 1, 2040 with stated interest rates of 0% to 2%	155,824,461

Other

Net pension liability - LGERS	105,766,332
Net pension liability - WSPORS	22,999,127
Net pension liability - separation allowance	15,704,794
Compensated absences	33,216,351
Accrued interest payable	2,447,803
Landfill closure and postclosure costs	32,417,970
Pollution remediation	1,951,596
Claims payable - employment and post-retirement benefits	20,203,214
Claims payable - risk management	2,998,538
Arbitrage rebate liability	2,139,255
Total long-term liabilities including current maturities	<u>\$ 1,147,914,770</u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Changes in Long-term Liabilities during Fiscal Year 2025

	Principal Outstanding June 30, 2024 (Restated*)	Additions	Retirement and Deferrals	Principal Outstanding June 30, 2025	Due Within Year
Governmental Activities					
General obligation bonds	\$ 225,525,000	\$ -	\$ 15,660,000	\$ 209,865,000	\$ 15,975,000
Discount/premium	22,553,584	-	1,788,244	20,765,340	-
Lease liabilities	9,568,664	310,908	566,302	9,313,270	667,113
Subscription liabilities	1,530,082	1,021,502	1,640,523	911,061	547,043
Contracts payable					
North Carolina Municipal Leasing Corporation	68,520,401	19,434,296	32,089,068	57,200,629	1,975,229
2020B LOBS (WSPORS)	22,220,000	-	1,335,000	20,885,000	1,365,000
Discount/premium	2,977,884	-	318,759	2,659,125	-
Installment financing contracts	48,333,755	-	26,824,017	21,509,738	9,017,360
Net pension liability - LGERS	87,672,222	2,284,206	-	89,956,428	-
Net pension liability - WSPORS	31,176,120	-	8,176,993	22,999,127	-
Net pension liability - separation allowance	16,684,717	-	979,923	15,704,794	-
Compensated absences	26,500,185 *	3,746,709	-	30,246,894	10,274,187
Accrued interest payable	1,201,447	-	225,095	976,352	976,352
Arbitrage Rebate Liability	1,294,794	844,461	-	2,139,255	-
Claims payable-employment benefits	21,142,179	36,175,153	37,114,118	20,203,214	9,976,449
Total governmental activities debt	586,901,034	63,817,235	125,383,042	525,335,227	50,773,733
Business-type Activities					
Revenue bonds	367,910,000	-	22,135,000	345,775,000	23,165,000
Discount/premium	43,550,441	-	4,255,332	39,295,109	-
Lease liabilities	445,539	-	7,906	437,633	9,169
Subscription liabilities	-	1,335,914	454,671	881,243	435,699
Contracts payable					
North Carolina Municipal Leasing Corporation	21,377,599	5,269,224	3,990,451	22,656,372	7,655,771
Discount/premium	179,855	-	89,048	90,807	-
NC Clean water state revolving loan fund	70,609,213	245,154	5,547,995	65,306,372	5,547,995
NC Drinking water state revolving loan fund	68,853,361	21,664,728	-	90,518,089	5,000,000
Net pension liability - LGERS	15,226,254	514,919	-	15,741,173	-
Compensated absences	3,022,172 *	-	60,029	2,962,143	816,570
Accrued interest payable	1,406,541	64,910	-	1,471,451	1,471,452
Landfill closure and postclosure costs	30,819,157	1,673,089	74,276	32,417,970	385,800
Pollution remediation	1,951,596	-	-	1,951,596	30,000
Claims payable - Risk management	3,412,079	2,374,024	2,787,565	2,998,538	1,468,937
Total business-type activities debt	628,763,807	33,141,963	39,402,272	622,503,496	45,986,393
Fiduciary Funds					
Net pension liability - LGERS	68,075	656	-	68,731	-
Compensated absences	7,314	-	-	7,314	4,398
Claims payable - post-employment benefits	1,098,453	-	1,098,453	-	-
Total fiduciary fund debt	1,173,842	656	1,098,453	76,045	4,398
Total	\$1,216,838,683	\$ 96,959,854	\$ 165,883,767	\$1,147,914,770	\$ 96,764,524

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

F. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2025

	Governmental Activities	Business-Type Activities
Capital assets	\$ 650,883,458	\$ 1,326,992,078
less: long-term debt	(294,042,418)	(523,146,990)
less: short-term debt	(28,181,745)	(41,813,635)
add: unexpended debt proceeds	40,593,104	-
add: charge on refunding, net	1,690,104	13,145,925
Net investment in capital assets	<u>\$ 370,942,503</u>	<u>\$ 775,177,378</u>

G. Fund Balance

The following schedule provides management and citizens with information on the portion of general fund balance that is available for appropriation at June 30, 2025.

Total fund balance - general fund	\$ 115,068,128
Less:	
Leases	14,029
Inventories	499,188
Prepays	20,557
Stabilization by state statute	41,434,989
Subsequent year's budget	1,541,570
Unassigned fund balance	<u>\$ 71,557,795</u>

The fiscal year 2026 budget includes a fund balance appropriation of \$1.54 million, a decrease of \$4.02 million compared to the fiscal year 2025 appropriation. The City's policy is to maintain a minimum fund balance reserve in the general fund that is equivalent to 16% of budgeted expenditures. The amount of unassigned fund balance was 23.54% of 2026 estimated expenditures. The City will continue to closely monitor expenditures and revenues in fiscal year 2026.

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Encumbrances Outstanding at June 30, 2025

Encumbrances Outstanding at June 30, 2025

General fund	12,408,132
Debt service fund	74,940
Capital projects fund	25,530,905
Midtown economic development grant fund	20,263,757
Special revenue funds	
Nonmajor	9,633,879
Enterprise funds	
Water & sewer fund	71,637,364
Solid waste disposal fund	10,290,157
Transit Authority	7,119,788
Nonmajor	4,598,683
Internal service funds	3,952,303
Fiduciary funds	34,838
Total	\$ 165,544,746

3. Other Information

A. Pension Plan

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

a. North Carolina Local Government Employees' Retirement System

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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'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 and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$21,336,164 for the year ended June 30, 2025.

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, 2025, the City reported a liability of \$105,766,332 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2024 (measurement date), the City's proportion was 1.56889%, which was an increase of .01423% from its proportion measured as of June 30, 2023.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

For the year ended June 30, 2025, the City recognized pension expense of \$30,555,112. At June 30, 2025, 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	\$ 18,534,266	\$ 124,617
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	14,378,870	-
Changes in proportion and differences between City contributions and proportionate share of contributions	896,251	1,923,515
City contributions subsequent to the measurement date	21,336,164	-
Total	\$ 55,145,551	\$ 2,048,132

\$21,336,164 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, 2026.

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

<u>Years Ended June 30</u>	
2026	\$ 9,155,324
2027	20,642,410
2028	3,589,363
2029	(1,625,842)
Total	\$ 31,761,255

Actuarial Assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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, 2025 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

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

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 187,421,037	\$ 105,766,332	\$ 38,594,107

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.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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 January 1, 2025, the Winston-Salem Police Officers' Retirement System membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	508
Inactive plan members entitled to but not receiving benefits	87
Active plan members	187
Total	782

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.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Investments

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

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

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

Rate of Return. For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 11.1%. 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, 2025 are as follows:

Total pension liability	\$ 251,260,880
Plan fiduciary net position	(228,261,753)
Net pension liability	\$ 22,999,127
Plan fiduciary net position as a percentage of total pension liability	90.8%

At June 30, 2025, the City reported a net pension liability of \$22,999,127. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The total pension liability was then rolled forward to the measurement date of June 30, 2025.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The Entry Age cost method is used to determine the funding requirements for the system. Each investment gain or loss is recognized over a 7-year period. The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed period (13 years remaining as of January 1, 2025).

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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, 2025, 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%	6.05
Fixed Income Funds	30	2.45
Cash	1	1.00
Total Weighted Average Real Return	100%	4.92%
Plus inflation		2.75
Total return w/o adjustment		7.76
Risk adjustment		(0.67)
Total Expected Return		7.00%

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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, 2024	\$ 245,043,209	\$ 213,867,089	\$ 31,176,120
Changes for the year:			
Service cost	2,303,909	-	2,303,909
Interest	16,770,322	-	16,770,322
Differences between expected and actual experience	2,953,002	-	2,953,002
Contributions - employer	-	5,787,965	(5,787,965)
Contributions - member	-	1,208,386	(1,208,386)
Net investment income	-	23,276,180	(23,276,180)
Benefit payments, including refunds of member contributions	(15,809,562)	(15,809,562)	-
Administrative expense	-	(68,305)	68,305
Net changes	6,217,671	14,394,664	(8,176,993)
Balances at June 30, 2025	\$ 251,260,880	\$ 228,261,753	\$ 22,999,127

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 280,617,610	\$ 251,260,880	\$ 226,802,140
Plan net position	(228,261,753)	(228,261,753)	(228,261,753)
Net pension liability (asset)	\$ 52,355,857	\$ 22,999,127	\$ (1,459,613)

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

For the year ended June 30, 2025, the City recognized pension expense of \$3,140,087. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 11,519,194
Net difference between projected and actual earnings on pension plan investments	1,476,501	-
Total	\$ 1,476,501	\$ 11,519,194

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

<u>Year Ended June 30</u>	
2026	\$ 3,315,007
2027	(6,768,508)
2028	(4,869,746)
2029	(1,719,446)
Total	\$ (10,042,693)

c. Winston-Salem Police Officers' Separation Allowance

Summary of Significant Accounting Policies

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Plan Description

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

Plan Membership. At January 1, 2025, the Winston-Salem Police Officers' Separation Allowance membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	150
Inactive plan members entitled to but not receiving benefits	-
Active plan members	375
Total	525

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

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

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

Investments

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

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

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

Rate of Return. For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 10.3. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Net Pension Liability

The components of the net pension liability of the City as of June 30, 2025, are as follows:

Total pension liability	\$ 32,022,843
Plan fiduciary net position	(16,318,049)
Net pension liability	\$ 15,704,794
Plan fiduciary net position as a percentage of total pension liability	51.0%

At June 30, 2025, the City reported a net pension liability of \$15,704,794. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The total pension liability was then rolled forward to the measurement date of June 30, 2025.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The Entry Age Normal cost method is used to determine the funding requirements for the system. Each investment gain or loss is recognized over a 7-year period. The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed period (13 years remaining as of January 1, 2025).

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, 2025, 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%	6.05
Fixed Income Funds	30	2.45
Cash	1	1.00
Total Weighted Average Real Return	100%	4.92
Plus inflation		2.75
Total return w/o adjustment		7.67
Risk adjustment		(0.67)
Total Expected Return		7.00%

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

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

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2024	\$ 31,086,717	\$ 14,402,000	\$ 16,684,717
Changes for the year:			
Service cost	684,025	-	684,025
Interest	2,117,538	-	2,117,538
Differences between expected and actual experience	1,227,272	-	1,227,272
Contributions - employer	-	3,494,644	(3,494,644)
Net investment income	-	1,517,700	(1,517,700)
Benefit payments, including refunds of member contributions	(3,092,709)	(3,092,709)	-
Administrative expense	-	(3,586)	3,586
Net changes	936,126	1,916,049	(979,923)
Balances at June 30, 2025	\$ 32,022,843	\$ 16,318,049	\$ 15,704,794

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 34,448,623	\$ 32,022,843	\$ 29,817,342
Plan net position	(16,318,049)	(16,318,049)	(16,318,049)
Net pension liability	\$ 18,130,574	\$ 15,704,794	\$ 13,499,293

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

For the year ended June 30, 2025, the City recognized pension expense of \$3,116,995. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,122,393	\$ 689,497
Changes of assumptions	200,484	93,346
Net difference between projected and actual earnings on pension plan investments	-	651,887
Total	\$ 6,322,877	\$ 1,434,730

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

<u>Year Ended June 30</u>	
2026	\$ 1,416,492
2027	585,886
2028	703,086
2029	860,501
2030	867,268
Thereafter	454,914
Total	\$ 4,888,147

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, 2025.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Statement of Fiduciary Net Position

June 30, 2025

	Winston-Salem Police Officers'	
	Retirement	Separation
	System	Allowance
Cash and cash equivalents/investments	\$ 132,117,839	\$ 9,959,272
Investments, at fair value		
Domestic stock and ADRs	94,696,551	6,289,308
United States government agencies	1,052,823	48,666
Corporate bonds	203,668	9,414
Municipal bonds	31,843	1,472
Mutual funds	161,229	10,731
	<hr/>	<hr/>
Total assets	228,263,953	16,318,863
Liabilities		
Accounts payable	2,200	814
	<hr/>	<hr/>
Total liabilities	2,200	814
Net position		
Restricted for pensions	\$ 228,261,753	\$ 16,318,049

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2025

	Winston-Salem Police Officers'	
	Retirement	Separation
	System	Allowance
Additions		
Contributions		
Employer	\$ 5,787,965	\$ 3,494,644
Plan members	1,208,386	-
	<hr/>	<hr/>
Total contributions	6,996,351	3,494,644
Investment income		
Net appreciation in fair value	19,736,456	1,246,025
Interest and dividends	4,340,485	322,031
	<hr/>	<hr/>
Total investment income (loss)	24,076,941	1,568,056
Less investment expense	800,761	50,356
	<hr/>	<hr/>
Net investment income	23,276,180	1,517,700
	<hr/>	<hr/>
Total additions	30,272,531	5,012,344
Deductions		
Benefits	15,726,204	3,092,709
Refund of contributions	83,358	-
Administrative expense	68,305	3,586
	<hr/>	<hr/>
Total deductions	15,877,867	3,096,295
Net increase (decrease) in net position	14,394,664	1,916,049
Net position - beginning	213,867,089	14,402,000
Net position - ending	\$ 228,261,753	\$ 16,318,049

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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	\$ 30,555,112	\$ 3,140,087	\$ 3,116,995	\$ 36,812,194
Pension liability	105,766,332	\$22,999,127	15,704,794	144,470,253
Proportionate share of the net pension liability	1.56889	n/a	n/a	
Deferred Outflows of Resources				
Differences between expected and actual experience	18,534,266	1,476,501	6,122,393	26,133,160
Changes of assumptions	-	-	200,484	200,484
Net difference between projected and actual earnings on pension plan investments	14,378,870	-	-	14,378,870
Changes in proportion and differences between City contributions and proportionate share of contributions	896,251	-	-	896,251
City benefit payments and administrative costs paid subsequent to the measurement date	21,336,164	-	-	21,336,164
Total Deferred Outflows of Resources	<u>\$ 55,145,551</u>	<u>\$ 1,476,501</u>	<u>\$ 6,322,877</u>	<u>\$ 62,944,929</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 124,617	\$ -	\$ 689,497	\$ 814,114
Changes of assumptions	-	-	\$ 93,346	93,346
Net difference between projected and actual earnings on pension plan investments	-	11,519,194	\$ 651,887	12,171,081
Changes in proportion and differences between City contributions and proportionate share of contributions	\$ 1,923,515	-	-	1,923,515
Total Deferred Inflows of Resources	<u>\$ 2,048,132</u>	<u>\$ 11,519,194</u>	<u>\$ 1,434,730</u>	<u>\$ 15,002,056</u>

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, 2025 were \$1,122,978 which consisted of \$561,499 from the City and \$561,499 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.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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, 2025 were \$1,742,204.

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, 2025 were \$2,400,749. 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.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

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

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

Contributions. The City Council establishes the contribution requirements of plan members. The current annual required contribution was .03% of estimated annual covered payroll. For the current year, the City contributed \$498,031 or 1.1% of annual covered payroll. The City of Winston-Salem is self-insured. Contributions were made by plan members of \$1,871,972 through healthcare premiums. The City's obligation to provide healthcare and death benefits may be amended by City Council.

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

Investments

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

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, 2025, the annual money-weighted rate of return on OPEB plan investments, net of investment expense was 11.0%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Net OPEB Liability (Asset)

The components of the net OPEB liability (asset) of the City as of June 30, 2025 are as follows:

Total OPEB liability	\$ 72,952,901
Plan fiduciary net position	<u>(82,565,947)</u>
Net OPEB liability (asset)	<u>\$ (9,613,046)</u>
Plan fiduciary net position as a percentage of total OPEB asset	113.2%

At June 30, 2025, the City reported a net OPEB asset of \$9,613,046. The net OPEB asset was measured as of June 30, 2025. The total OPEB liability as of this date is based on an actuarial valuation as of January 1, 2024, with adjustments made for the 18 month difference. Adjustments include service cost, interest on total OPEB liability, and expected benefit payments during the year. This is also known as a roll-forward.

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

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

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

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

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

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

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025, and the final investment return assumption, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real</u>
		<u>Rate of Return</u>
Domestic Equity	40%	5.90%
International Funds	30	6.25
Fixed Income - U. S.	30	2.40
Total Weighted Average Real Return	100%	4.96%
Plus inflation		2.75
Total return w/o adjustment		7.71
Risk adjustment		(0.71)
Total Expected Return		7.00%

Discount Rate. The discount rate used to measure the total OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made 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)

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u> <u>(a)</u>	<u>Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net OPEB Liability (Asset)</u> <u>(a) - (b)</u>
Balances at June 30, 2024	\$ 72,169,892	\$ 78,400,918	\$ (6,231,026)
Changes for the year:			
Service cost	400,147	-	400,147
Interest	4,923,663	-	4,923,663
Differences between expected and actual experience	-	-	-
Contributions - employer	-	498,031	(498,031)
Contributions - member	-	1,871,972	(1,871,972)
Net investment income	-	8,382,222	(8,382,222)
Benefit payments, including refunds of member contributions	(4,540,801)	(6,412,773)	1,871,972
Administrative expense	-	(174,423)	174,423
Net changes	783,009	4,165,029	(3,382,020)
Balances at June 30, 2025	\$ 72,952,901	\$ 82,565,947	\$ (9,613,046)

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total OPEB liability	\$ 80,968,249	\$ 72,952,901	\$ 66,226,808
Plan net position	(82,565,947)	(82,565,947)	(82,565,947)
Net OPEB liability (asset)	\$ (1,597,698)	\$ (9,613,046)	\$ (16,339,139)

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

Ultimate Trend Rate

	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase 5.25%
Total OPEB liability	\$ 65,973,608	\$ 72,952,901	\$ 81,244,738
Plan net position	(82,565,947)	(82,565,947)	(82,565,947)
Net OPEB liability (asset)	\$ (16,592,339)	\$ (9,613,046)	\$ (1,321,209)

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$740,287. At June 30, 2025, 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
Net difference between projected and actual earnings on OPEB plan investments (net)	\$ -	\$ 3,832,206
Total	\$ -	\$ 3,832,206

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

<u>Years Ended June 30</u>	
2026	\$ 923,226
2027	(2,477,905)
2028	(1,707,961)
2029	(569,566)
Total	<u>\$ (3,832,206)</u>

The following are financial statements for the Post-employment Benefits Trust Funds included as Fiduciary Funds in Exhibits 9 and 10 at June 30, 2025.

Statement of Fiduciary Net Position

June 30, 2025

	Post-employment Benefits Trust Funds
Assets	
Cash and cash equivalents/investments	\$ 47,541,164
Investments, at fair value	
Domestic stock and ADRs	34,574,117
United States government agencies	275,731
Corporate bonds	53,340
Municipal bonds	8,340
Mutual funds	58,984
Prepaid expenses	<u>99,576</u>
Total assets	<u>82,611,252</u>
Deferred Outflows of Resources	
Pension deferrals	<u>35,836</u>
Liabilities	
Accounts payable	1,326
Accrued payroll	2,439
Accrued vacation	7,314
Net pension liability	68,731
Claims payable	-
Total liabilities	<u>79,810</u>
Deferred Inflows of Resources	
Pension deferrals	<u>1,331</u>
Net position	
Restricted for post-employment benefits other than pensions	<u>\$ 82,565,947</u>

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Statement of Changes in Fiduciary Net Position

June 30, 2025

	Post-employment Benefits Trust Funds
Additions	
Contributions	
Employer	\$ 498,031
Plan members	<u>1,871,972</u>
Total contributions	<u>2,370,003</u>
Investment income	
Net appreciation in fair value	7,081,970
Interest and dividends	<u>1,582,759</u>
Total investment income (loss)	8,664,729
Less investment expense	<u>282,507</u>
Net investment income	<u>8,382,222</u>
Total additions	<u>10,752,225</u>
Deductions	
Benefits	6,412,773
Administrative expense	<u>174,423</u>
Total deductions	<u>6,587,196</u>
Net decrease in net position	4,165,029
Net position - beginning	<u>78,400,918</u>
Net position - ending	<u>\$ 82,565,947</u>

C. Deferred Compensation

The City offers a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All City employees are eligible to participate and may defer until future years up to 25% of their gross income with a maximum of \$23,500 per year. The compensation deferred is not available to employees until termination, retirement, death, or an unforeseeable emergency.

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

D. Joint Ventures and Jointly Governed Organizations

Joint Ventures. The City of Winston-Salem, Village of Clemmons, Town of Kernersville, Town of Lewisville, Town of Oak Ridge, Town of Bermuda Run, and Town of Yadkinville jointly appoint the nine member Triad Municipal Alcoholic Beverage Control Board, which operates 15 liquor stores in Forsyth County, Davie County, Guilford County, and Yadkin County. N.C.G.S. 18B-805 requires the Triad Municipal Alcoholic Beverage Control Board to distribute its net income to the seven municipalities who appoint the Board and Forsyth County. During fiscal year 2025, the City received \$3,882,852 in distributed net income. The participating governments do not have equity interest in the joint venture. The City does not have financial responsibility for the Triad Municipal Alcoholic Beverage Control Board and is not held responsible for its debts. Audited financial statements for the Triad Municipal Alcoholic Beverage Control Board are available through their administrative offices at 3127 Starlight Drive, Winston-Salem, North Carolina 27107-4141.

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

Jointly Governed Organizations. The Piedmont Triad Regional Council (PTRC) was formed on July 1, 2011 by consolidating the Northwest Piedmont Council of Governments, and the Piedmont Triad Council of Governments. The PTRC was designated by the State of North Carolina to serve as the lead regional organization for the Piedmont Triad region. PTRC serves 76 member governments in a 12 county area. Each participating government appoints one member to the council's governing board. The City paid membership fees of \$53,382 to the council during the fiscal year ended June 30, 2025.

E. Closure and Postclosure Care Costs

State and federal laws and regulations require that the City place a final cover on the Hanes Mill Road Sanitary Landfill and the Old Salisbury Road Construction and Demolition Landfill when each unit is closed and perform certain maintenance and monitoring functions at the site for a minimum of 30 years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on future closure and postclosure care costs that will be incurred during operation and will continue after the date the landfills no longer accept waste. The liability as of June 30, 2025, is \$32,417,970.

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 \$32,417,970 at June 30, 2025, is reported as restricted assets on the balance sheet of the solid waste disposal fund. Recognition of these reserves for landfill closure and postclosure costs is based on 100% usage of the Hanes Mill Road Sanitary Landfill for the unlined section of the landfill which closed in June 1997. Cell one, two, and three of the lined section was closed in July 2005. Phase one and two at the Hanes Mill Road Landfill is currently constructed and being filled and recognition of reserves is based on the engineer's estimate of cost projected through closure of the landfill as well as the usage of the landfill capacity as of June 30, 2025. The total capacity for cells 1-7 at Hanes Mill Road Landfill is 12,065,688 cubic yards, of which approximately 60% is used. The City has applied for a permit to further increase the capacity of the Hanes Mill Road Landfill; the City will recognize additional costs as new capacity is constructed. Old Salisbury Road Landfill is currently constructed and being filled, and recognition of reserves is based on the engineer's estimate of cost projected through closure of the landfill as well as the usage of the landfill capacity as of June 30, 2025. The total capacity for the Old Salisbury Road Landfill is 3,775,400 cubic yards, of which approximately 90% is used. The landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2025. However, the actual cost may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

F. Pollution Remediation Obligations

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

City of Winston-Salem, North Carolina

Notes to the Financial Statements

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

Certain other sites associated with pollution activity within the City have been identified, primarily pertaining to former waste disposal or prior property use; however, costs for remediation activities are not estimable as of June 30, 2025.

In addition, we estimate no future recoveries to potentially reduce the recorded pollution liabilities in fiscal year 2025.

G. Risk Management

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

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

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

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

Changes in Claims Payable

	2025	2024
Claims payable July 1	\$ 25,652,711	\$ 14,093,454
Claims paid	(39,901,683)	(40,888,385)
New claims and changes in claim estimates	<u>37,450,724</u>	<u>52,447,642</u>
Claims payable June 30	<u>\$ 23,201,752</u>	<u>\$ 25,652,711</u>
Employment benefits funds	\$ 20,203,214	\$ 21,142,179
Other post-employment benefits trust fund	-	1,098,453
Risk management reserves fund	<u>2,998,538</u>	<u>3,412,079</u>
	<u><u>\$ 23,201,752</u></u>	<u><u>\$ 25,652,711</u></u>
Due within year	\$ 11,445,386	\$ 9,621,507

City of Winston-Salem, North Carolina

Notes to the Financial Statements

Contingent Liabilities and Commitments

Claims and Legal Action

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

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

H. Restatements of beginning balances

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation and holiday time, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences.

Required Supplementary Information

City of Winston-Salem, North Carolina
Schedule of Changes in Net Pension Liability
and Related Ratios

Winston-Salem Police Officer's Retirement System

Last Ten Fiscal Years

Exhibit 11
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 2,303,909	\$ 2,244,422	\$ 2,732,999	\$ 2,969,143	\$ 2,905,668
Interest	16,770,322	16,025,973	15,447,933	15,347,148	14,678,729
Difference between expected and actual experience	2,953,002	7,697,145	5,397,778	(2,538,208)	4,722,267
Changes of assumptions	-	-	-	7,571,318	-
Benefit payments, including refunds of employee contributions	(15,809,562)	(14,991,200)	(14,678,922)	(13,558,713)	(12,756,479)
Net change in total pension liability	<u>6,217,671</u>	<u>10,976,340</u>	<u>8,899,788</u>	<u>9,790,688</u>	<u>9,550,185</u>
Total pension liability, beginning	<u>245,043,209</u>	<u>234,066,869</u>	<u>225,167,081</u>	<u>215,376,393</u>	<u>205,826,208</u>
Total pension liability, ending (a)	<u>251,260,880</u>	<u>245,043,209</u>	<u>234,066,869</u>	<u>225,167,081</u>	<u>215,376,393</u>
 Plan fiduciary net position					
Contributions - employer	5,787,965	6,374,728	6,646,130	6,078,827	5,862,603
Contributions - member	1,208,386	1,289,783	1,284,976	1,266,106	1,339,105
Net investment income	23,276,180	28,973,153	21,696,175	(28,385,858)	56,872,827
Benefit payments, including refunds of employee contributions	(15,809,562)	(14,991,200)	(14,678,922)	(13,558,713)	(12,756,479)
Administrative expense	(68,305)	(72,766)	(110,501)	(117,194)	(105,904)
Net change in plan fiduciary net position	<u>14,394,664</u>	<u>21,573,698</u>	<u>14,837,858</u>	<u>(34,716,832)</u>	<u>51,212,152</u>
Plan fiduciary net position, beginning	<u>213,867,089</u>	<u>192,293,391</u>	<u>177,455,533</u>	<u>212,172,365</u>	<u>160,960,213</u>
Plan fiduciary net position, ending (b)	<u>228,261,753</u>	<u>213,867,089</u>	<u>192,293,391</u>	<u>177,455,533</u>	<u>212,172,365</u>
Net pension liability, ending (a-b)	<u>\$ 22,999,127</u>	<u>\$ 31,176,120</u>	<u>\$ 41,773,478</u>	<u>\$ 47,711,548</u>	<u>\$ 3,204,028</u>
 Plan fiduciary net position as a percentage of the total pension liability	90.8%	87.3%	82.2%	78.8%	98.5%
Covered payroll	\$ 19,830,665	\$ 19,892,057	\$ 19,135,735	\$ 20,363,014	\$ 23,501,713
 Net pension liability as a percentage of covered payroll	116.0%	156.7%	218.3%	234.3%	13.6%

City of Winston-Salem, North Carolina

Schedule of Changes in Net Pension Liability and Related Ratios

Winston-Salem Police Officer's Retirement System

Last Ten Fiscal Years

Exhibit 11
Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 2,931,903	\$ 2,822,356	\$ 2,800,881	\$ 2,786,122	\$ 2,839,943
Interest	14,274,058	13,900,788	13,818,009	12,280,395	11,744,716
Difference between expected and actual experience	702,442	3,723,670	4,119,005	2,916,465	1,289,927
Changes of assumptions	-	87,029	4,612,557	188,562	191,138
Benefit payments, including refunds of employee contributions	(11,860,183)	(11,514,176)	(10,937,034)	(10,502,703)	(9,968,384)
Net change in total pension liability	6,048,220	9,019,667	14,413,418	7,668,841	6,097,340
Total pension liability, beginning	199,777,988	190,758,321	176,344,903	168,676,062	162,578,722
Total pension liability, ending (a)	205,826,208	199,777,988	190,758,321	176,344,903	168,676,062
Plan fiduciary net position					
Contributions - employer	5,070,702	4,152,384	4,034,558	4,034,169	4,035,399
Contributions - member	1,437,121	1,470,001	1,571,265	1,493,643	1,484,341
Net investment income	2,571,341	10,731,236	15,285,822	20,820,215	742,534
Benefit payments, including refunds of employee contributions	(11,860,183)	(11,514,176)	(10,937,034)	(10,502,703)	(9,968,384)
Administrative expense	(98,836)	(100,775)	(104,951)	(95,168)	(95,299)
Net change in plan fiduciary net position	(2,879,855)	4,738,670	9,849,660	15,750,156	(3,801,409)
Plan fiduciary net position, beginning	163,840,068	159,101,398	149,251,738	133,501,582	137,302,991
Plan fiduciary net position, ending (b)	160,960,213	163,840,068	159,101,398	149,251,738	133,501,582
Net pension liability, ending (a-b)	\$ 44,865,995	\$ 35,937,920	\$ 31,656,923	\$ 27,093,165	\$ 35,174,480
Plan fiduciary net position as a percentage of the total pension liability					
	78.2%	82.0%	83.4%	84.6%	79.1%
Covered payroll	\$ 23,569,786	\$ 23,797,216	\$ 24,217,617	\$ 23,336,940	\$ 23,733,206
Net pension liability as a percentage of covered payroll	190.4%	151.0%	130.7%	116.1%	148.2%

City of Winston-Salem, North Carolina

Schedule of Contributions

Winston-Salem Police Officers' Retirement System

Last Ten Fiscal Years

Exhibit 12
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 5,787,965	\$ 6,374,728	\$ 6,646,130	\$ 6,078,827	\$ 5,862,603
Contributions in relation to the actuarially determined contribution	<u>5,787,965</u>	<u>6,374,728</u>	<u>6,646,130</u>	<u>6,078,827</u>	<u>5,862,603</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,830,665	\$ 19,892,057	\$ 19,135,735	\$ 20,363,014	\$ 23,501,713
Contributions as a percentage of covered payroll	29.2%	32.0%	34.7%	29.9%	24.9%

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	13
Asset valuation method	7-year smoothed fair value
Inflation	2.75%
Salary increases	4.75% to 6.25%, based on years of service
Investment rate of return	7.00%, net of pension plan investment expense and including inflation
Interest on contributions	4.00% per year
Mortality	Mortality rates were based on the Pub 2010S Tables and projected generationally using Scale SSA (50% of the tables apply for pre-retirement deaths).

City of Winston-Salem, North Carolina

Schedule of Contributions

Winston-Salem Police Officers' Retirement System

Last Ten Fiscal Years

Exhibit 12

Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 5,070,702	\$ 4,152,384	\$ 3,746,180	\$ 3,421,184	\$ 3,370,392
Contributions in relation to the actuarially determined contribution	<u>5,070,702</u>	<u>4,152,384</u>	<u>4,034,558</u>	<u>4,034,169</u>	<u>4,035,399</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (288,378)</u>	<u>\$ (612,985)</u>	<u>\$ (665,007)</u>
Covered payroll	\$ 23,569,786	\$ 23,797,216	\$ 24,217,617	\$ 23,336,940	\$ 23,733,206
Contributions as a percentage of covered payroll	21.5%	17.4%	16.7%	17.3%	17.0%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Retirement System

Last Ten Fiscal Years

Exhibit 13

Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	11.1%	15.3%	12.4%	-13.6%	35.9%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Retirement System

Last Ten Fiscal Years

Exhibit 13

Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	1.6%	6.9%	10.9%	15.9%	0.6%

City of Winston-Salem, North Carolina
Schedule of Changes in Net Pension Liability
and Related Ratios

Winston-Salem Police Officer's Separation Allowance

Last Ten Fiscal Years

Exhibit 14
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 684,025	\$ 627,492	\$ 590,492	\$ 669,107	\$ 604,860
Interest	2,117,538	2,056,151	1,777,023	1,864,054	1,793,410
Difference between expected and actual experience	1,227,272	1,184,782	4,526,109	(1,378,993)	1,914,676
Changes of assumptions	-	-	-	400,972	-
Benefit payments, including refunds of member contributions	(3,092,709)	(3,004,795)	(2,883,422)	(2,561,669)	(2,408,580)
Net change in total pension liability	936,126	863,630	4,010,202	(1,006,529)	1,904,366
Total pension liability, beginning	31,086,717	30,223,087	26,212,885	27,219,414	25,315,048
Total pension liability, ending (a)	32,022,843	31,086,717	30,223,087	26,212,885	27,219,414
Plan fiduciary net position					
Contributions - employer	3,494,644	2,633,748	2,472,624	2,311,923	2,280,145
Net investment income	1,517,700	1,895,262	1,410,600	(1,876,425)	3,638,697
Benefit payments, including refunds of member contributions	(3,092,709)	(3,004,795)	(2,883,422)	(2,561,669)	(2,408,580)
Administrative expense	(3,586)	(5,961)	(6,083)	(8,340)	(13,254)
Net change in plan fiduciary net position	1,916,049	1,518,254	993,719	(2,134,511)	3,497,008
Plan fiduciary net position, beginning	14,402,000	12,883,746	11,890,027	14,024,538	10,527,530
Plan fiduciary net position, ending (b)	16,318,049	14,402,000	12,883,746	11,890,027	14,024,538
Net pension liability, ending (a-b)	\$ 15,704,794	\$ 16,684,717	\$ 17,339,341	\$ 14,322,858	\$ 13,194,876
Plan fiduciary net position as a percentage of the total pension liability					
	51.0%	46.3%	42.6%	45.4%	51.5%
Covered payroll	\$ 30,528,951	\$ 28,955,000	\$ 26,625,979	\$ 29,320,555	\$ 34,511,461
Net pension liability as a percentage of covered payroll	51.4%	57.6%	65.1%	48.8%	38.2%

City of Winston-Salem, North Carolina
Schedule of Changes in Net Pension Liability
and Related Ratios

Winston-Salem Police Officer's Separation Allowance

Last Ten Fiscal Years

Exhibit 14
Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 579,453	\$ 600,358	\$ 429,595	\$ 418,102	\$ 394,050
Interest	1,763,549	1,752,912	1,699,044	1,348,120	1,272,982
Difference between expected and actual experience	381,917	2,822,846	2,267,413	963,257	511,859
Changes of assumptions	-	(746,747)	885,664	4,156	4,028
Benefit payments, including refunds of member contributions	(2,270,725)	(2,103,520)	(1,854,762)	(1,648,310)	(1,596,792)
Net change in total pension liability	454,194	2,325,849	3,426,954	1,085,325	586,127
Total pension liability, beginning	24,860,854	22,535,005	19,108,051	18,022,726	17,436,599
Total pension liability, ending (a)	25,315,048	24,860,854	22,535,005	19,108,051	18,022,726
Plan fiduciary net position					
Contributions - employer	2,207,950	1,572,291	1,402,746	1,312,250	1,205,933
Net investment income	165,320	714,974	905,322	1,340,751	39,642
Benefit payments, including refunds of member contributions	(2,270,725)	(2,103,520)	(1,854,762)	(1,648,310)	(1,596,792)
Administrative expense	(8,006)	(5,070)	(6,884)	(13,820)	(4,331)
Net change in plan fiduciary net position	94,539	178,675	446,422	990,871	(355,548)
Plan fiduciary net position, beginning	10,432,991	10,254,316	9,807,894	8,817,023	9,172,571
Plan fiduciary net position, ending (b)	10,527,530	10,432,991	10,254,316	9,807,894	8,817,023
Net pension liability, ending (a-b)	\$ 14,787,518	\$ 14,427,863	\$ 12,280,689	\$ 9,300,157	\$ 9,205,703
Plan fiduciary net position as a percentage of the total pension liability					
	41.6%	42.0%	45.5%	51.3%	48.9%
Covered payroll	\$ 33,547,308	\$ 29,916,749	\$ 27,562,707	\$ 26,667,735	\$ 26,209,341
Net pension liability as a percentage of covered payroll	44.1%	48.2%	44.6%	34.9%	35.1%

City of Winston-Salem, North Carolina

Schedule of Contributions

Winston-Salem Police Officers' Separation Allowance

Last Ten Fiscal Years

Exhibit 15
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 3,494,644	\$ 2,633,748	\$ 2,472,624	\$ 2,311,923	\$ 2,245,859
Contributions in relation to the actuarially determined contribution	<u>3,494,644</u>	<u>2,633,748</u>	<u>2,472,624</u>	<u>2,311,923</u>	<u>2,280,145</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,286)</u>
Covered payroll	\$ 30,528,951	\$ 28,955,000	\$ 26,625,979	\$ 29,320,555	\$ 34,511,461
Contributions as a percentage of covered payroll	11.4%	9.1%	9.3%	7.9%	6.6%

Notes to Schedule

Valuation date:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar amount, closed
Remaining amortization period	13
Asset valuation method	7-year smoothed fair value
Inflation	2.75%
Salary increases	4.75% to 6.25%, based on years of service
Investment rate of return	7.00%, net of pension plan investment expense and including inflation
Interest on contributions	4.00% per year
Mortality	Mortality rates were based on the Pub 2010S Table and projected generationally using Scale SSA (50% of the tables apply for pre-retirement deaths).

City of Winston-Salem, North Carolina

Schedule of Contributions

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

Exhibit 15
Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,977,462	\$ 1,503,773	\$ 1,356,667	\$ 1,235,894	\$ 1,203,418
Contributions in relation to the actuarially determined contribution	<u>2,207,950</u>	<u>1,572,291</u>	<u>1,402,746</u>	<u>1,312,250</u>	<u>1,205,933</u>
Contribution deficiency (excess)	<u><u>\$ (230,488)</u></u>	<u><u>\$ (68,518)</u></u>	<u><u>\$ (46,079)</u></u>	<u><u>\$ (76,356)</u></u>	<u><u>\$ (2,515)</u></u>
Covered payroll	\$ 33,547,308	\$ 29,916,749	\$ 27,562,707	\$ 26,667,735	\$ 26,209,341
Contributions as a percentage of covered payroll	6.6%	5.3%	5.1%	4.9%	4.6%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Separation Allowance

Last Ten Fiscal Years

Exhibit 16

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	Fiscal Year				
	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	10.30%	14.81%	12.00%	-13.40%	34.56%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Winston-Salem Police Officers' Separation Allowance

Last Ten Fiscal Years

Exhibit 16

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	Fiscal Year				
	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	1.58%	7.11%	9.40%	15.54%	0.44%

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

Post-employment Benefits

Last Nine Fiscal Years ⁽¹⁾

Exhibit 17
Page 1 of 2

	Fiscal Year			
	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 400,147	\$ 468,973	\$ 456,421	\$ 600,566
Interest	4,923,663	4,617,811	4,633,768	4,987,261
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	4,107,879	-	(3,157,003)
Changes of assumptions	-	-	-	1,432,364
Benefit payments, including refunds	(4,540,801)	(4,965,070)	(5,684,184)	(6,915,265)
Net change in total OPEB liability	783,009	4,229,593	(593,995)	(3,052,077)
Total OPEB liability, beginning	72,169,892	67,940,299	68,534,294	71,586,371
Total OPEB liability, ending (a)	72,952,901	72,169,892	67,940,299	68,534,294
Plan fiduciary net position				
Contributions - employer	498,031	1,492,954	1,521,574	1,586,487
Contributions - member	1,871,972	1,918,972	1,984,010	2,063,707
Net investment income	8,382,222	10,735,616	8,561,965	(11,130,796)
Benefit payments, including refunds	(6,412,773)	(6,884,042)	(7,668,194)	(8,978,972)
Administrative expense	(174,423)	(173,780)	(163,242)	(150,898)
Net change in plan fiduciary net position	4,165,029	7,089,720	4,236,113	(16,610,472)
Plan fiduciary net position, beginning	78,400,918	71,311,198	67,075,085	83,685,557
Plan fiduciary net position, ending (b)	82,565,947	78,400,918	71,311,198	67,075,085
Net OPEB liability, ending (a-b)	\$ (9,613,046)	\$ (6,231,026)	\$ (3,370,899)	\$ 1,459,209
Plan fiduciary net position as a percentage of the total OPEB liability	113.2%	108.6%	105.0%	97.9%
Covered-employee payroll	\$ 46,697,177	\$ 48,589,964	\$ 51,875,353	\$ 49,411,757
Net OPEB liability as a percentage of covered payroll	-20.6%	-12.8%	-6.5%	3.0%

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

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

Post-employment Benefits

Last Nine Fiscal Years ⁽¹⁾

Exhibit 17
Page 2 of 2

	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)
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-employee 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%

City of Winston-Salem, North Carolina

Schedule of Contributions

Post-employment Benefits

Last Ten Fiscal Years

Exhibit 18
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 24,944	\$ 13,866	\$ -	\$ 1,340,078	\$ 1,304,212
Contributions in relation to the actuarially determined contribution	498,031	1,492,954	1,521,574	1,586,487	2,775,245
Contribution deficiency (excess)	\$ (473,087)	\$ (1,479,088)	\$ (1,521,574)	\$ (246,409)	\$ (1,471,033)
Covered payroll	\$ 46,697,177	\$ 48,589,964	\$ 51,875,353	\$ 49,411,757	\$ 56,809,190
Contributions as a percentage of covered payroll	1.1%	3.1%	2.9%	3.2%	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, closed
Remaining amortization period	21
Asset valuation method	5-year smoothed fair value
Inflation	2.75%
Investment rate of return	7.00%, net of investment expense and including inflation
Healthcare trend	6.00% initially, grading down to 4.25% ultimate
Mortality	4.00% for Medicare coverage (Post 65)
	Mortality rates were based on the Pub 2010G and 2010S Tables and projected generationally using Scale SSA 2021 (50% of the tables apply for pre-retirement deaths).

City of Winston-Salem, North Carolina

Schedule of Contributions

Post-employment Benefits

Last Ten Fiscal Years

Exhibit 18
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	Fiscal Year				
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 2,448,424	\$ 2,448,424	\$ 3,497,231	\$ 3,497,231	\$ 6,483,194
Contributions in relation to the actuarially determined contribution	<u>2,856,574</u>	<u>3,949,401</u>	<u>4,192,751</u>	<u>3,497,231</u>	<u>6,483,194</u>
Contribution deficiency (excess)	<u>\$ (408,150)</u>	<u>\$ (1,500,977)</u>	<u>\$ (695,520)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 61,842,481	\$ 68,916,592	\$ 75,814,665	\$ 107,640,260	\$ 107,640,260
Contributions as a percentage of covered payroll	4.6%	5.7%	5.5%	3.2%	6.0%

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Post-employment Benefits

Last Nine Fiscal Years ⁽¹⁾

Exhibit 19

Page 1 of 2

	Fiscal Year			
	2025	2024	2023	2022
Annual money-weighted rate of return, net of investment expense	11.00%	15.40%	13.20%	-13.80%

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

City of Winston-Salem, North Carolina

Schedule of Investment Returns

Post-employment Benefits

Last Nine Fiscal Years ⁽¹⁾

Exhibit 19

Page 2 of 2

	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%

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

Local Government Employees' Retirement System
Last Ten Fiscal Years*

Exhibit 20
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Winston-Salem's proportion of the net pension liability (asset) (%)	1.56889%	1.55466%	1.62679%	1.77170%	1.78316%
Winston-Salem's proportion of the net pension liability (asset) (\$)	\$ 105,766,332	\$ 102,966,551	\$ 91,774,187	\$ 27,170,720	\$ 63,719,903
Winston-Salem's covered payroll	\$ 146,577,372	\$ 134,504,545	\$ 122,428,341	\$ 122,086,793	\$ 124,907,991
Winston-Salem's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72.1573%	76.5525%	74.9616%	22.2552%	51.0135%
Plan fiduciary net position as a percentage of the total pension liability **	83.30%	82.49%	84.14%	95.51%	88.61%

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

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

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

Local Government Employees' Retirement System

Last Ten Fiscal Years*

Exhibit 20
Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Winston-Salem's proportion of the net pension liability (asset) (%)	1.77345%	1.81132%	1.74550%	1.73309%	1.80025%
Winston-Salem's proportion of the net pension liability (asset) (\$)	\$ 48,431,536	\$ 42,970,705	\$ 26,666,405	\$ 36,781,996	\$ 8,079,434
Winston-Salem's covered payroll	\$ 119,568,576	\$ 117,262,357	\$ 111,203,433	\$ 104,723,508	\$ 101,433,133
Winston-Salem's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.5052%	36.6449%	23.9798%	35.1230%	7.9653%
Plan fiduciary net position as a percentage of the total pension liability **	90.86%	91.63%	94.18%	91.47%	98.09%

City of Winston-Salem, North Carolina

City of Winston-Salem's Contributions

Local Government Employees' Retirement System

Last Ten Fiscal Years

Exhibit 21

Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 21,336,164	\$ 19,288,393	\$ 16,653,879	\$ 14,169,348	\$ 12,660,516
Contributions in relation to the contractually required contribution	<u>21,336,164</u>	<u>19,288,393</u>	<u>16,653,879</u>	<u>14,169,348</u>	<u>12,660,516</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Winston-Salem's covered payroll	\$ 153,240,143	\$ 146,577,372	\$ 134,504,545	\$ 122,428,341	\$ 122,086,793
Contributions as a percentage of covered payroll	13.92%	13.16%	12.38%	11.57%	10.37%

City of Winston-Salem, North Carolina

City of Winston-Salem's Contributions

Local Government Employees' Retirement System

Last Ten Fiscal Years

Exhibit 21

Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 11,103,950	\$ 9,566,443	\$ 9,039,532	\$ 8,322,237	\$ 7,196,687
Contributions in relation to the contractually required contribution	<u>11,103,950</u>	<u>9,566,443</u>	<u>9,039,532</u>	<u>8,322,237</u>	<u>7,196,687</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Winston-Salem's covered payroll	\$ 124,907,991	\$ 119,568,576	\$ 117,262,357	\$ 111,203,433	\$ 104,723,508
Contributions as a percentage of covered payroll	8.89%	8.00%	7.71%	7.48%	6.87%

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, 2025

Exhibit 22

	Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 25,308,220	\$ 25,383,486	\$ 75,266
Local option sales taxes	11,869,120	12,094,858	225,738
Intergovernmental	1,524,430	1,491,287	(33,143)
Investment income	200,000	11,549,937	11,349,937
Other	1,960,070	1,960,064	(6)
Total revenues	40,861,840	52,479,632	11,617,792
Expenditures			
Other	10,094,540	468,196	9,626,344
Debt Service			
Principal retirement			
Bond	15,660,000	15,660,000	-
Other	229,567	9,759,525	(9,529,958)
Interest and fiscal charges	11,632,096	11,025,042	607,054
Total expenditures	37,616,203	36,912,763	703,440
Excess of expenditures over revenues	3,245,637	15,566,869	12,321,232
Other Financing Sources (Uses)			
Transfers in			
General fund	1,827,590	1,827,590	-
Capital projects fund	2,692,150	2,692,150	-
Transfers out			
Public assembly facilities management fund	(582,510)	(582,510)	-
Total transfers, net	3,937,230	3,937,230	-
Appropriated fund balance	(7,182,867)	-	(7,182,867)
Net change in fund balance	\$ -	19,504,099	\$ 19,504,099
Fund balance - beginning		82,461,439	
Fund balance - ending		\$ 101,965,538	

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, 2025

Exhibit 23

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Project Authorizations</u>
Revenues				
Intergovernmental - federal	\$ 214,266	\$ 1,984,954	\$ 2,199,220	\$ 32,073,200
Intergovernmental - state	1,671,692	3,075,260	4,746,952	22,523,590
Intergovernmental - local	-	33,880	33,880	-
Investment income	566,007	-	566,007	2
Sales and Services	180,596	98,621	279,217	235,900
NCMLC charges	1,155,614	-	1,155,614	1,182,170
Other	1,536,144	15,436,270	16,972,414	13,191,879
Total revenues	5,324,319	20,628,985	25,953,304	69,206,741
Expenditures				
General government	20,580,827	3,351,215	23,932,042	33,983,939
Public protection	647,065	12,400,977	13,048,042	22,416,268
Environmental health	-	-	-	300,000
Transportation	24,291,800	37,726,514	62,018,314	164,561,449
Culture and recreation	5,793,182	16,026,797	21,819,979	44,607,163
Community and economic development	4,443,904	11,513,300	15,957,204	51,265,393
Debt service				
Principal retirement	26,994,017	-	26,994,017	27,015,580
Interest and fiscal charges	890,584	704,160	1,594,744	983,000
Total expenditures	83,641,379	81,722,963	165,364,342	345,132,792
Excess of expenditures over revenues	(78,317,060)	(61,093,978)	(139,411,038)	(275,926,051)
Other Financing Sources (Uses)				
Premium on general obligation bonds	-	12,725,512	12,725,512	4,280,635
Issuance of limited obligation bonds	-	3,180,425	3,180,425	3,180,279
Issuance of general obligation bonds	-	84,999,719	84,999,719	123,095,569
Issuance of installment financing contract	-	2,356	2,356	2,356
Issuance of contracts payable	7,194,945	289,705	7,484,650	89,700,366
Transfers in	7,389,304	46,589,402	53,978,706	44,389,458
Transfers out	(2,785,620)	(20,307,761)	(23,093,381)	(9,029,285)
Appropriated fund balance	-	-	-	20,306,673
Total other financing sources, net	11,798,629	127,479,358	139,277,987	275,926,051
Excess of revenues and other financing sources over expenditures and other uses	(66,518,431)	66,385,380	(133,051)	\$ -
Fund balance - beginning	92,205,890	-	-	-
Budgeted on an annual basis	-	25,820,510	25,820,510	
Fund balance - ending	\$ 25,687,459	\$ 92,205,890	\$ 25,687,459	

City of Winston-Salem, North Carolina

Special Revenue Funds

Midtown Economic Development Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 24

	Current Year	Prior Years	Total to Date	Program Authorizations
Revenues				
Intergovernmental	\$ 15,947,434	\$ -	\$ 15,947,434	\$ 35,000,000
Investment income	-	-	-	-
Total revenues	<u>15,947,434</u>	<u>-</u>	<u>15,947,434</u>	<u>35,000,000</u>
Expenditures				
Community and economic development	<u>15,947,434</u>	<u>-</u>	<u>15,947,434</u>	<u>-</u>
Total expenditures	<u>15,947,434</u>	<u>-</u>	<u>15,947,434</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	-	<u>35,000,000</u>
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
General fund	-	-	-	-
Total other financing sources, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	<u>\$ 35,000,000</u>
Fund balance - beginning	<u>-</u>			
Fund balance - ending	<u>\$ -</u>			

City of Winston-Salem, North Carolina

Enterprise Funds

Water and Sewer Utility Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Exhibit 25

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Sales			
Water	\$ 66,959,000	\$ 67,942,910	\$ 983,910
Sewer	71,485,000	68,723,308	(2,761,692)
Industrial waste surcharge	3,500,000	3,492,295	(7,705)
Total sales	141,944,000	140,158,513	(1,785,487)
Charges for services			
New connections	200,000	448,359	248,359
Special area and privilege charges	-	5,018	5,018
Other charges for services	6,170,000	11,209,441	5,039,441
Total charges for services	6,370,000	11,662,818	5,292,818
Other			
Total operating revenues	10,000	147,090	137,090
	148,324,000	151,968,421	3,644,421
Operating Expenditures			
Personnel services	27,853,410	25,588,991	2,264,419
Maintenance and operations	43,274,189	39,238,154	4,036,035
Capital outlay	3,629,860	1,097,901	2,531,959
Total operating expenditures	74,757,459	65,925,046	8,832,413
Operating income	73,566,541	86,043,375	12,476,834
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	-	6,852,166	6,852,166
Investment income	-	12,762,030	12,762,030
Lease revenue	-	131,828	131,828
Proceeds from sale of assets	-	115,800	115,800
Damage settlements	-	180,641	180,641
Interest and fiscal charges	(15,056,459)	(15,169,871)	(113,412)
Principal retirement	(28,032,830)	(28,314,576)	(281,746)
Total nonoperating expenditures, net	(43,089,289)	(23,441,982)	19,647,307
Income before capital contributions and transfers	30,477,252	62,601,393	32,124,141
Capital Contributions			
Conveyances	-	13,810,625	13,810,625
Total capital contributions	-	13,810,625	13,810,625
Transfers In (Out)			
Stormwater fund	120,720	120,720	-
General fund	(101,450)	(101,974)	(524)
Solid waste disposal fund	(430,600)	(332,095)	98,505
Total transfers out	(411,330)	(313,349)	97,981
Appropriated net position	(30,065,922)	-	(30,065,922)
Change in net position - modified accrual basis	\$ -	76,098,669	\$ 76,098,669
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 76,098,669	
Water and Sewer Capital Projects Fund		13,801,969	
Depreciation		(42,857,104)	
Amortization		(428,232)	
Amortization of financing costs		2,313,166	
Capital outlay		1,097,901	
IT subscription agreement		1,060,330	
Capital outlay - subscription based information technology agreement:		(1,060,330)	
Principal retirement		28,314,576	
Book value of disposed assets		(528,872)	
Increase (decrease) in net OPEB asset		383,237	
Increase (decrease) in deferred outflows of resources - pensions		(827,294)	
Increase (decrease) in deferred outflows of resources - OPEB		(230,825)	
(Increase) decrease in net pension liability		(349,478)	
(Increase) decrease in deferred inflows of resources - pensions		126,033	
(Increase) decrease in deferred inflows of resources - OPEB		(11,348)	
Change in Net Position - Full Accrual Basis	\$ 76,902,398		

City of Winston-Salem, North Carolina Enterprise Funds

Water & Sewer Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 26

	Program Authorizations	Current Year	Prior Years	Total to Date
Revenues				
Intergovernmental revenues	\$ 116,443,400	\$ 24,047,560	\$ 69,158,883	\$ 93,206,443
Contributions from operations	361,289,221	36,538,075	41,791,807	78,329,882
Other contributions	5,600,000	11,664,291	5,516,954	17,181,245
Proceeds from bonds	2,000,000	-	47,912,053	47,912,053
Total revenues	485,332,621	72,249,926	164,379,697	236,629,623
Expenses				
Water Capital	278,185,753	37,231,506	147,001,048	184,232,554
Sewer Capital	200,199,463	25,964,869	34,855,154	60,820,023
Water Distribution	3,161,952	378,073	1,768,669	2,146,742
Sewer Collection	2,785,453	1,983,650	33,411	2,017,061
Total expenses	484,332,621	65,558,098	183,658,282	249,216,380
Transfers In (Out)				
Transfer to Economic and Housing Development Fund	1,000,000	-	-	-
Total transfers	1,000,000	-	-	-
Change in Net Position	\$ -	\$ 6,691,828	\$ (19,278,585)	\$ (12,586,757)

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, 2025

Exhibit 27

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 11,518,850	\$ 14,288,822	\$ 2,769,972
Other	-	3,760	3,760
Total operating revenues	11,518,850	14,292,582	2,773,732
Operating Expenditures			
Personnel services	3,218,380	2,970,639	247,741
Maintenance and operations	9,298,018	7,128,392	2,169,626
Capital outlay	-	17,176	(17,176)
Total operating expenditures	12,516,398	10,116,207	2,400,191
Operating income	(997,548)	4,176,375	5,173,923
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	931,140	1,438,081	506,941
Investment income	-	5,247,918	5,247,918
Interest and fiscal charges	(161,700)	(160,157)	1,543
Principal retirement	(1,909,570)	(1,870,695)	38,875
Total nonoperating expenditures, net	(1,140,130)	4,655,147	5,795,277
Income (loss) before transfers	(2,137,678)	8,831,522	10,969,200
Transfers In			
Water and sewer utility fund	430,600	332,095	(98,505)
Stormwater management fund	215,300	166,048	(49,252)
Total transfers in	645,900	498,143	(147,757)
Appropriated net position	1,491,778	-	1,491,778
Change in net position - modified accrual basis	\$ -	\$ 9,329,665	\$ 9,329,665
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 9,329,665	
Depreciation		(1,844,289)	
Amortization of financing costs		80,573	
Capital outlay		17,176	
Principal retirement		1,870,695	
Book value of disposed assets		1,045,171	
Increase (decrease) in net OPEB asset		46,266	
Increase (decrease) in deferred outflows of resources - pensions		(76,402)	
(Increase) decrease in net pension liability		(72,156)	
(Increase) decrease in deferred inflows of resources - pensions		13,602	
Increase (decrease) in deferred outflows of resources - OPEB		(26,072)	
(Increase) decrease in deferred inflows of resources - OPEB		(2,469)	
(Increase) decrease in landfill closure/post-closure liability		(1,598,812)	
Change in Net Position - Full Accrual Basis		\$ 8,782,948	

City of Winston-Salem, North Carolina Enterprise Funds

Solid Waste Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 28

	Program Authorizations	Current Year	Prior Years	Total to Date
Revenues				
Contributions from operations	\$ 23,897,082	\$ 1,938,540	\$ 349,951	\$ 2,288,491
Proceeds from bonds	103,289	-	-	-
Total revenues	<u>24,000,371</u>	<u>1,938,540</u>	<u>349,951</u>	<u>2,288,491</u>
Expenses				
Hanes Landfill Leachate System	3,551,578	848,157	240,215	1,088,372
Hanes Landfill MSE Berm	18,880,000	9,191,794	477,342	9,669,136
Hanes Landfill Phase III Cell 6	298,793	13,358	235,742	249,100
Other Landfill Projects	<u>1,270,000</u>	<u>921,828</u>	<u>-</u>	<u>921,828</u>
Total expenses	<u>24,000,371</u>	<u>10,975,137</u>	<u>953,299</u>	<u>11,928,436</u>
Change in Net Position	\$ -	\$ (9,036,597)	\$ (603,348)	\$ (9,639,945)

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, 2025

Exhibit 29

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 1,643,300	\$ 1,221,284	\$ (422,016)
Other	412,340	292,700	(119,640)
Total operating revenues	2,055,640	1,513,984	(541,656)
Operating Expenditures			
Personnel services	3,462,188	2,582,501	879,687
Maintenance and operations	30,280,723	28,044,776	2,235,947
Total operating expenditures	33,742,911	30,627,277	3,115,634
Operating Income (loss)	(31,687,271)	(29,113,293)	2,573,978
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue			
FTA operating grant	900,000	2,000,000	1,100,000
FTA preventative maintenance grant	2,400,000	7,500,000	5,100,000
Piedmont Triad Regional Council	286,000	194,284	(91,716)
Forsyth County	368,050	132,499	(235,551)
State of North Carolina	1,168,140	1,168,139	(1)
Total intergovernmental revenues	5,122,190	10,994,922	5,872,732
Property taxes	18,584,740	19,449,753	865,013
Investment income	-	291,945	291,945
Damage settlements	10,000	-	(10,000)
Interest and fiscal charges	4,577	(4,577)	(9,154)
Principal retirement	89,728	(89,728)	(179,456)
Total nonoperating revenues (expenditures), net	23,811,235	30,642,315	6,831,080
Income (loss) before capital contributions and transfers	(7,876,036)	1,529,022	9,405,058
Transfers Out			
Grants fund	(26,550)	(26,550)	-
Total transfers out	(26,550)	(26,550)	-
Appropriated net position	7,902,586	-	7,902,586
Change in net position - modified accrual basis	\$ -	\$ 1,502,472	\$ 1,502,472
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 1,502,472	
Transit capital projects fund capital grants		1,484,808	
Transit capital projects fund property tax		371,202	
Depreciation		(2,557,194)	
Amortization		(116,820)	
IT Subscription agreement		560,734	
Capital outlay - subscription based information technology agreements		(275,583)	
Principal retirement		89,728	
Book value of disposed assets		(719,454)	
Change in Net Position - Full Accrual Basis		\$ 339,893	

City of Winston-Salem, North Carolina Enterprise Funds

Transit Authority Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 30

	Program Authorizations	Current Year	Prior Years	Total to Date
Revenues				
Property tax revenue	\$ 5,692,840	\$ 371,202	\$ 55,319	\$ 426,521
Intergovernmental revenues	26,246,137	1,484,808	221,274	1,706,082
Transfers in from other funds	9,041	-	50,863	50,863
Total revenues	<u>31,948,018</u>	<u>1,856,010</u>	<u>327,456</u>	<u>2,183,466</u>
Expenses				
5307 capital	18,410,207	1,640,495	168,211	1,808,706
Bus replacement	12,875,085	65,417	108,382	173,799
Other capital improvements	662,726	288,111	(138,013)	150,098
Total expenses	<u>31,948,018</u>	<u>1,994,023</u>	<u>138,580</u>	<u>2,132,603</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (138,013)</u>	<u>\$ 188,876</u>	<u>\$ 50,863</u>

Nonmajor Governmental Funds

Special Revenue Funds

The **community development fund** provides accountability for grants from the United States Department of Housing and Urban Development. These revenues are restricted to objectives of community development programs within specific areas of the City.

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

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

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

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

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

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

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

Permanent Fund

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

City of Winston-Salem, North Carolina

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2025

Exhibit 31
Page 1 of 2

	Special Revenue				
	Community Development	Grants	Economic and		Occupancy Tax
			Housing Development	Gasoline Tax	
Assets					
Cash and cash equivalents/investments	\$ 26	\$ 2,048,993	\$ 39,107,698	\$ -	\$ 693,938
Restricted cash and cash equivalents	-	-	-	7,262,111	-
Receivables					
for uncollectibles					
Taxes, net	-	-	-	-	-
Accounts	-	750	-	-	-
Restricted opioid	-	-	-	-	-
Leases	-	130,490	-	-	-
Loans	10,142,832	-	8,886,664	-	-
Total receivables	10,142,832	131,240	8,886,664	-	-
Due from other governments	1,073,025	3,264,104	1,352,035	-	-
Inventories	-	-	264,336	-	-
Total assets	\$ 11,215,883	\$ 5,444,337	\$ 49,610,733	\$ 7,262,111	\$ 693,938
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 683,844	\$ 716,932	\$ 464,057	\$ -	\$ 113,793
Accrued payroll	1,432	-	-	-	-
Due to other funds	915,670	-	-	-	-
Unearned revenue	-	208,578	82,344	-	-
Loan escrow	-	-	3,569	-	-
Total liabilities	1,600,946	925,510	549,970	-	113,793
Deferred Inflows of Resources					
Taxes	-	-	-	-	-
Opioid settlement	-	-	-	-	-
Grants	-	2,028,669	26,337	-	-
Leases	-	119,576	-	-	-
Total deferred inflows of resources	-	2,148,245	26,337	-	-
Fund Balances					
Nonspendable					
Leases	-	10,914	-	-	-
Inventories	-	-	264,336	-	-
Perpetual care	-	-	-	-	-
Restricted					
Stabilization by state statute	-	-	-	-	131,944
Public protection	-	330,481	-	-	-
Environmental health	-	404,082	-	-	-
Transportation	-	624,358	-	7,262,111	-
Culture and recreation	-	737,905	-	-	448,201
Community and economic development	9,614,937	714,485	-	-	-
Committed					
Community and economic development	-	-	48,770,090	-	-
Unassigned	-	(451,643)	-	-	-
Total fund balances	9,614,937	2,370,582	49,034,426	7,262,111	580,145
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,215,883	\$ 5,444,337	\$ 49,610,733	\$ 7,262,111	\$ 693,938

City of Winston-Salem, North Carolina

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2025

Exhibit 31
Page 2 of 2

	Special Revenue				Permanent		Total Nonmajor Governmental Funds
	Emergency	Downtown W-S Business Improv.	National Opioid Settlement	Cemetery Perpetual Care			
	Telephone System	District					
Assets							
Cash and cash equivalents/investments	\$ -	\$ 203,213	\$ -	\$ 5,458,364	\$ 47,512,232		
Restricted cash and cash equivalents	1,127,332	-	630,255	-	9,019,698		
Receivables for uncollectibles							
Taxes, net	-	3,215	-	-	3,215		
Accounts	-	38,841	-	-	39,591		
Restricted opioid	-	-	3,315,044	-	3,315,044		
Leases	-	-	-	-	130,490		
Loans	-	-	-	-	19,029,496		
Total receivables	-	42,056	3,315,044	-	22,517,836		
Due from other governments	-	-	-	-	5,689,164		
Inventories	-	-	-	-	264,336		
Total assets	\$ 1,127,332	\$ 245,269	\$ 3,945,299	\$ 5,458,364	\$ 85,003,266		
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 23,565	\$ 790	\$ -	\$ -	\$ 2,002,981		
Accrued payroll	-	-	-	-	1,432		
Due to other funds	-	-	-	-	915,670		
Unearned revenue	-	-	-	-	290,922		
Loan escrow	-	-	-	-	3,569		
Total liabilities	23,565	790	-	-	3,214,574		
Deferred Inflows of Resources							
Taxes	-	3,216	-	-	3,216		
Opioid settlement	-	-	2,891,924	-	2,891,924		
Leases	-	-	-	-	2,055,006		
Total deferred inflows of resources	-	3,216	2,891,924	-	119,576		
Fund Balances							
Nonspendable							
Leases	-	-	-	-	-	10,914	
Inventories	-	-	-	-	-	264,336	
Perpetual care	-	-	-	\$ 5,458,364	\$ 5,458,364		
Restricted							
Stabilization by state statute	-	-	-	-	-	131,944	
Public protection	1,103,767	-	1,053,375	-	-	2,487,623	
Environmental health	-	-	-	-	-	404,082	
Transportation	-	-	-	-	-	7,886,469	
Culture and recreation	-	-	-	-	-	1,186,106	
Community and economic development	-	241,263	-	-	-	10,570,685	
Committed							
Community and economic development	-	-	-	-	-	48,770,090	
Unassigned	-	-	-	-	-	(451,643)	
Total fund balances	1,103,767	241,263	1,053,375	\$ 5,458,364	\$ 76,718,970		
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,127,332	\$ 245,269	\$ 3,945,299	\$ 5,458,364	\$ 85,003,266		

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, 2025

Exhibit 32
 Page 1 of 2

	Special Revenue					
	Community Development	Grants	Economic and Housing Development		Gasoline Tax	Occupancy Tax
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,237,531	
Intergovernmental		7,214,963	3,914,634	1,508,546	8,746,796	-
Investment income (loss)		-	42,750	1,441,766	502,406	32,042
Charges for services		-	8,107	-	-	-
Other		184,739	303,687	464,334	-	-
Total revenues		7,399,702	4,269,178	3,414,646	9,249,202	1,269,573
Expenditures						
Current						
General government		-	1,037,347	-	-	-
Public protection		-	2,106,438	-	-	-
Transportation		-	2,578,843	-	-	-
Culture and recreation		-	81,136	-	-	885,562
Community and economic development		4,878,962	141,056	3,376,258	-	-
Total expenditures		4,878,962	5,944,820	3,376,258	-	885,562
Excess of revenues over (under) expenditures		2,520,740	(1,675,642)	38,388	9,249,202	384,011
Other Financing Sources (Uses)						
Transfers in		-	546,658	3,226,905	-	-
Transfers out		(1,938,963)	-	(65,000)	(8,468,163)	(315,000)
Total other financing sources (uses), net		(1,938,963)	546,658	3,161,905	(8,468,163)	(315,000)
Excess of revenues and other financing sources over (under) expenditures and other uses		581,777	(1,128,984)	3,200,293	781,039	69,011
Fund balance July 1		9,033,160	3,499,566	45,834,133	6,481,072	511,134
Fund balances - ending		\$ 9,614,937	\$ 2,370,582	\$ 49,034,426	\$ 7,262,111	\$ 580,145

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, 2025

Exhibit 32
 Page 2 of 2

	Special Revenue			Permanent		Total Nonmajor Governmental Funds
	Emergency	Downtown W-S Business Improv.	National Opioid Settlement	Cemetery	Perpetual Care	
	Telephone System	District				
Revenues						
Taxes	\$ -	\$ 670,539	\$ -	\$ -	\$ -	\$ 1,908,070
Intergovernmental	-	-	911,847	-	-	22,296,786
Investment income (loss)	53,647	3,836	54,965	562,737	-	2,694,149
Charges for services	-	-	-	-	-	8,107
Other	-	42,147	-	-	-	994,907
Total revenues	53,647	716,522	966,812	562,737	-	27,902,019
Expenditures						
Current						
General government	-	-	-	-	-	1,037,347
Public protection	353,423	-	-	-	-	2,459,861
Transportation	-	-	-	-	-	2,578,843
Culture and recreation	-	-	-	-	-	966,698
Community and economic development	-	675,045	-	-	-	9,071,321
Total expenditures	353,423	675,045	-	-	-	16,114,070
Excess of revenues over (under) expenditures	(299,776)	41,477	966,812	562,737	-	11,787,949
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	3,773,563
Transfers out	-	-	(834,236)	(235,223)	-	(11,856,585)
Total other financing sources (uses), net	-	-	(834,236)	(235,223)	-	(8,083,022)
Excess of revenues and other financing sources over (under) expenditures and other uses	(299,776)	41,477	132,576	327,514	-	3,704,927
Fund balance July 1	1,403,543	199,786	920,799	5,130,850	-	73,014,043
Fund balances - ending	<u>\$ 1,103,767</u>	<u>\$ 241,263</u>	<u>\$ 1,053,375</u>	<u>\$ 5,458,364</u>	-	<u>\$ 76,718,970</u>

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, 2025

Exhibit 33

	Current Year	Prior Years	Total to Date	Program Authorizations
Revenues				
Intergovernmental	\$ 7,214,964	\$ 19,335,573	\$ 26,550,537	\$ 50,275,945
Other	1,525,352	6,520,600	8,045,952	7,650,650
Total revenues	8,740,316	25,856,173	34,596,489	57,926,595
Expenditures				
Community development	6,135,982	22,880,910	29,016,892	51,356,373
Total expenditures	6,135,982	22,880,910	29,016,892	51,356,373
Excess of revenues over expenditures	2,604,334	2,975,263	5,579,597	6,570,222
Other Financing Uses				
Transfers out				
General fund	(1,067,632)	(3,355,443)	(4,423,075)	(4,769,316)
Economic and housing development fund	(343,355)	-	(343,355)	(343,355)
Capital projects fund	(527,977)	(799,529)	(1,327,506)	(1,457,551)
Total other financing uses	(1,938,964)	(4,154,972)	(6,093,936)	(6,570,222)
Fund balance appropriated		-	-	-
Net change in fund balance	665,370	(1,179,709)	(514,339)	\$ -
Fund balance - beginning	(1,179,709)			
Fund balance - ending	\$ (514,339)			
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	\$ 9,033,160			
Loans issued and adjustments	462,408			
Payments received on loan balances	(1,340,613)			
Change in estimate of loan portfolio allowance	794,612			
Total reconciling items	8,949,567			
Fund Balance at End of Year (GAAP Basis)	\$ 9,614,937			

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, 2025

Exhibit 34

	Current Year	Prior Years	Total to Date	Program Authorizations
Revenues				
Intergovernmental	\$ 3,914,634	\$ 19,358,909	\$ 23,273,543	\$ 38,954,423
Charges for services	8,107	24,320	32,427	-
Investment income	42,750	86,126	128,876	80,592
Other	303,687	1,640,926	1,944,613	2,768,694
Total revenues	4,269,178	21,110,281	25,379,459	41,803,709
Expenditures				
General government	1,037,348	1,080,440	2,117,788	4,103,350
Public protection	2,106,438	5,963,030	8,069,468	12,864,737
Environmental health	-	940,432	940,432	2,500,000
Transportation	2,578,843	7,769,108	10,347,951	17,441,221
Culture and recreation	81,136	211,848	292,984	3,325,660
Community and economic development	141,056	4,965,968	5,107,024	6,052,637
Debt service				
Principal	-	432,916	432,916	432,916
Interest and other charges	-	6,084	6,084	6,084
Total expenditures	5,944,820	21,369,826	27,314,646	46,726,605
Excess of expenditures over (under) revenues	(1,675,642)	(259,545)	(1,935,187)	(4,922,896)
Other Financing Sources (Uses)				
Transfers in				
General fund	465,108	3,217,196	3,682,304	4,299,431
Occupancy tax fund	55,000	397,085	452,085	452,085
Capital projects fund	-	250,220	250,220	250,220
Transit authority fund	26,550	19,610	46,160	46,160
Transfers out				
Capital projects fund	-	(125,000)	(125,000)	(125,000)
Total other financing sources, net	546,658	3,759,111	4,305,769	4,922,896
Fund balance appropriated	-	-	-	\$ -
Net change in fund balance	(1,128,984)	3,499,566	2,370,582	
Fund balance - beginning		3,499,566		
Fund balance - ending		<u>\$ 2,370,582</u>		
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	\$ 3,499,566			
Total reconciling items	3,499,566			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 2,370,582</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, 2025

Exhibit 35

	Current Year	Prior Years	Total to Date	Program Authorizations
Revenues				
Intergovernmental	\$ 1,508,546	\$ 16,421,050	\$ 17,929,596	\$ 25,214,107
Investment income (loss)	1,441,766	4,234,048	5,675,814	3,309,390
Capital lease charges	-	1,004,928	1,004,928	1,000,000
Other	816,992	22,272,077	23,089,069	48,565,142
Total revenues	3,767,304	43,932,103	47,699,407	78,088,639
Expenditures				
Neighborhood stabilization	-	837,837	837,837	1,700,110
UDAG loan	19	378,991	379,010	413,593
Emergency rental assistance	-	13,379,899	13,379,899	13,395,640
Housing financing assistance loan	2,304,081	5,232,265	7,536,346	28,877,218
Economic development loan	115,302	5,804,611	5,919,913	15,368,398
Economic development project	2,264,860	23,480,047	25,744,907	36,616,318
Rental rehabilitation	11,918	424,522	436,440	1,000,000
Foreclosed property	3,682	120,446	124,128	60,000
Total expenditures	4,699,862	49,658,618	54,359,480	97,431,277
Excess of revenues over (under) expenditures	(932,558)	(5,726,515)	(6,659,073)	(19,342,638)
Other Financing Sources (Uses)				
Transfers in				
General fund	2,883,550	28,631,805	31,515,355	43,779,978
Community development fund	343,355	-	343,355	343,355
Economic and housing development fund	-	191,014	191,014	100,000
Capital projects fund	-	14,568,370	14,568,370	126,813
Transfers out				
General fund	(65,000)	(133,993)	(198,993)	(199,000)
Economic and housing development fund	-	(139,600)	(139,600)	(139,600)
Capital projects fund	-	(1,993,500)	(1,993,500)	(1,993,500)
Total other financing sources, net	3,161,905	41,124,096	44,286,001	42,018,046
Fund balance appropriated	-	-	-	(22,675,408)
Net change in fund balance	2,229,347	35,397,581	37,626,928	\$ -
Fund balance - beginning		35,397,581		
Fund balance - ending		\$ 37,626,928		
Reconciling items for GAAP presentation				
Fund balance at beginning of year (GAAP)	\$ 45,834,133			
Loans issued and adjustments	1,251,560			
Payments received on loan balances	(352,657)			
Change in estimate of loan portfolio allowance	72,043			
Total reconciling items	46,805,079			
Fund Balance at End of Year (GAAP Basis)	\$ 49,034,426			

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, 2025

Exhibit 36

	Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 7,992,830	\$ 8,746,796	\$ 753,966
Investment income	-	502,406	502,406
Total revenues	<u>7,992,830</u>	<u>9,249,202</u>	<u>1,256,372</u>
Other Financing Uses			
Transfers out			
General fund	(3,452,187)	(1,902,476)	1,549,711
Capital projects fund	<u>(4,540,643)</u>	<u>(6,565,687)</u>	<u>(2,025,044)</u>
Total other financing uses	<u>(7,992,830)</u>	<u>(8,468,163)</u>	<u>(475,333)</u>
Fund balance appropriated	-	-	-
Net change in fund balance	\$ -	781,039	<u>\$ 781,039</u>
Fund balance - beginning		6,481,072	
Fund balance - ending			<u>\$ 7,262,111</u>

City of Winston-Salem, North Carolina

Special Revenue Funds

Occupancy Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025

Exhibit 37

	Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 1,100,000	\$ 1,237,531	\$ 137,531
Investment income	-	32,043	32,043
Total revenues	<u>1,100,000</u>	<u>1,269,574</u>	<u>169,574</u>
Expenditures			
Culture and recreation	<u>1,156,980</u>	<u>885,563</u>	<u>271,417</u>
Excess of revenues over expenditures	<u>(56,980)</u>	<u>384,011</u>	<u>440,991</u>
Other Financing Sources (Uses)			
Transfers out			
Grants fund	(55,000)	(55,000)	-
Public assembly facilities management fund	<u>(260,000)</u>	<u>(260,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(315,000)</u>	<u>(315,000)</u>	<u>-</u>
Fund balance appropriated	371,980	-	371,980
Net change in fund balance	<u>\$ -</u>	<u>69,011</u>	<u>\$ 69,011</u>
Fund balance - beginning		511,134	
Fund balance - ending		<u>\$ 580,145</u>	

City of Winston-Salem, North Carolina

Special Revenue Funds

Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 From Inception and for the Year Ended June 30, 2025

Exhibit 38

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
Revenues				
Licenses	\$ -	\$ 3,491,610	\$ 3,491,610	\$ 3,844,674
Investment income (loss)	53,647	193,078	246,725	-
Other	-	173	173	-
Total revenues	53,647	3,684,861	3,738,508	3,844,674
Expenditures				
Implemental functions	88,739	-	88,739	6,863,064
Telephone	141,392	1,186,640	1,328,032	-
Software maintenance	120,966	627,555	748,521	-
Hardware maintenance	-	431,016	431,016	-
Training	2,326	36,107	38,433	-
Total operating expenditures	353,423	2,281,318	2,634,741	6,863,064
Fund balance appropriated	-	-	-	3,018,390
Net change in fund balance	(299,776)	1,403,543	1,103,767	\$ -
Fund balance - beginning	<u>1,403,543</u>			
Fund balance - ending	<u>\$ 1,103,767</u>			

City of Winston-Salem, North Carolina

Special Revenue Funds

Downtown Winston-Salem Business Improvement District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Fiscal Year Ended June 30, 2025

Exhibit 39

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes	\$ 655,720	\$ 670,540	\$ 14,820
Investment income	-	3,836	3,836
Total revenues	<u>655,720</u>	<u>716,523</u>	<u>60,803</u>
Expenditures			
Community and economic development	<u>725,443</u>	<u>675,046</u>	<u>50,397</u>
Excess of revenues over expenditures	<u>(69,723)</u>	<u>41,477</u>	<u>111,200</u>
Fund balance appropriated	69,723	-	69,723
Net change in fund balance	<u>\$ -</u>	<u>41,477</u>	<u>\$ 41,477</u>
Fund balance - beginning		<u>199,786</u>	
Fund balance - ending	<u><u>\$ 241,263</u></u>		

City of Winston-Salem, North Carolina

Special Revenue Funds

National Opioid Settlement Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 40

	Current Year	Prior Years	Total to Date	Program Authorizations
Revenues				
Intergovernmental	\$ 911,847	\$ 1,286,981	\$ 2,198,828	\$ -
Investment income	54,965	46,658	101,623	-
Total revenues	<u>966,812</u>	<u>1,333,639</u>	<u>2,300,451</u>	-
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	-
Excess of revenues over (under) expenditures	966,812	1,333,639	2,300,451	-
Other Financing Sources (Uses)				
Transfers out				
General fund	(834,236)	(412,840)	(1,247,076)	(1,297,760)
Total other financing sources, net	<u>(834,236)</u>	<u>(412,840)</u>	<u>(1,247,076)</u>	<u>(1,297,760)</u>
Net change in fund balance	132,576	920,799	1,053,375	\$ -
Fund balance - beginning	<u>920,799</u>			
Fund balance - ending	<u>\$ 1,053,375</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, 2025

Exhibit 41

Assets	Public Assembly			
	Parking	Stormwater Management	Facilities	Total
			Management	
Current Assets				
Cash and cash equivalents/investments	\$ 1,743,601	\$ 29,808,235	\$ 1,221,674	\$ 32,773,510
Accounts receivables, net	19,298	1,763,252	964,098	2,746,648
Lease receivable	59,087	-	446,967	506,054
Prepaid expenses	-	-	3,707	3,707
Total current assets	1,821,986	31,571,487	2,636,446	36,029,919
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents/investments	-	1,162,850	194,635	1,357,485
Net OPEB Asset	29,271	128,997	60,027	218,295
Capital assets				
Land	824,169	754,520	11,672,486	13,251,175
Construction in progress	396,585	3,231,342	158,849	3,786,776
Other capital assets, net of accumulated depreciation	6,233,900	43,422,734	35,520,731	85,177,365
Lease receivable, noncurrent	933,898	-	15,028,142	15,962,040
Total noncurrent assets	8,417,823	48,700,443	62,634,870	119,753,136
Total assets	10,239,809	80,271,930	65,271,316	155,783,055
Deferred Outflows of Resources				
Pension deferrals	167,427	737,835	343,350	1,248,612
Charge on refunding	-	-	3,033	3,033
Total deferred outflows of resources	167,427	737,835	346,383	1,251,645
Liabilities				
Current Liabilities				
Accounts payable	28,390	841,298	1,151,843	2,021,531
Accrued payroll	11,423	49,428	19,076	79,927
Accrued vacation	18,401	68,949	71,986	159,336
Accrued interest payable	-	15,145	38,575	53,720
Unearned revenue	-	49,004	-	49,004
Pollution remediation	-	30,000	-	30,000
Current maturities				
Contracts payable	-	280,970	1,205,256	1,486,226
Bonds payable	-	675,000	-	675,000
Total current liabilities	58,214	2,009,794	2,486,736	4,554,744
Noncurrent Liabilities				
Accrued vacation	55,366	201,956	133,707	391,029
Net pension liability	321,116	1,415,130	658,526	2,394,772
Pollution remediation	-	1,921,596	-	1,921,596
Contracts payable	-	-	15,017,550	15,017,550
Bonds payable	-	5,613,730	-	5,613,730
Total noncurrent liabilities	376,482	9,152,412	15,809,783	25,338,677
Total liabilities	434,696	11,162,206	18,296,519	29,893,421
Deferred Inflows of Resources				
Leases	1,736,590	-	14,171,304	15,907,894
Pension deferrals	6,218	27,404	12,753	46,375
OPEB deferrals	11,669	51,424	23,930	87,023
Total deferred inflows of resources	1,754,477	78,828	14,207,987	16,041,292
Net Position				
Net investment in capital assets	7,454,654	40,838,896	31,132,293	79,425,843
Restricted for maintenance and repair	-	1,162,850	-	1,162,850
Restricted for OPEB	29,271	128,997	60,027	218,295
Unrestricted	734,138	27,637,988	1,920,873	30,292,999
Total net position	\$ 8,218,063	\$ 69,768,731	\$ 33,113,193	\$ 111,099,987

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, 2025

Exhibit 42

	Public Assembly			
	Parking	Stormwater Management	Facilities Management	Total
Operating Revenues				
Charges for services	\$ 567,706	\$ 11,687,262	\$ 6,181,055	\$ 18,436,023
Other	21,069	320,367	9,723,402	10,064,838
Total operating revenues	588,775	12,007,629	15,904,457	28,500,861
Operating Expenses				
Personnel services	701,299	3,179,506	1,385,890	5,266,695
Maintenance and operations	497,450	3,184,479	15,375,475	19,057,404
Total operating expenses before depreciation	1,198,749	6,363,985	16,761,365	24,324,099
Depreciation	460,703	1,690,282	2,077,022	4,228,007
Total operating expenses	1,659,452	8,054,267	18,838,387	28,552,106
Operating income (loss)	(1,070,677)	3,953,362	(2,933,930)	(51,245)
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	-	74,011	505,970	579,981
Investment income	55,810	2,491,377	26,445	2,573,632
Gain on disposal of assets	-	(21,110)	-	(21,110)
Interest and fiscal expense	-	(211,951)	(494,053)	(706,004)
Amortization of financing costs	-	38,136	6,958	45,094
Total nonoperating revenues (expenses), net	55,810	2,370,463	45,320	2,471,593
Income (loss) before capital contributions and transfers	(1,014,867)	6,323,825	(2,888,610)	2,420,348
Capital Contributions	-	-	187,237	187,237
Transfers In	709,120	-	3,129,356	3,838,476
Transfers Out	-	(2,935,183)	(20,452)	(2,955,635)
Total transfers	709,120	(2,935,183)	3,108,904	882,841
Change in net position	(305,747)	3,388,642	407,531	3,490,426
Total net position, as previously reported	8,540,582	66,422,809	32,743,462	107,706,853
Change in accounting principle (Note 3H)	(16,772)	(42,720)	(37,800)	(97,292)
Total net position, as restated	8,523,810	66,380,089	32,705,662	107,609,561
Total net position - ending	\$ 8,218,063	\$ 69,768,731	\$ 33,113,193	\$ 111,099,987

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 43
Page 1 of 2

	Public Assembly			
	Parking	Stormwater Management	Facilities Management	Total
Cash Flows from Operating Activities				
Cash received from sales	\$ 498,661	\$ 11,674,549	\$ 15,866,276	\$ 28,039,486
Cash payments to suppliers for goods and services	(503,385)	(2,948,434)	(15,563,625)	(19,015,444)
Cash payments to employees for services	(657,388)	(3,007,044)	(1,318,899)	(4,983,331)
Net cash provided (used) by operating activities	(662,112)	5,719,071	(1,016,248)	4,040,711
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenue	-	74,011	-	74,011
Transfers in	709,120	-	3,129,356	3,838,476
Transfers out	-	(2,935,183)	(20,452)	(2,955,635)
Net cash provided (used) by noncapital financing activities	709,120	(2,861,172)	3,108,904	956,852
Cash Flows from Capital and Related Financing Activities				
Intergovernmental revenue	-	-	530,020	530,020
Capital contributions	-	-	174,189	174,189
Acquisition of property and equipment	(94,103)	(2,679,924)	(298,854)	(3,072,881)
Retirement of bonds	-	(655,000)	-	(655,000)
Retirement of contracts payable	-	(156,305)	(1,049,719)	(1,206,024)
Interest and fiscal expense paid on debt	-	(213,589)	(495,921)	(709,510)
Proceeds from sale of assets	-	(21,110)	-	(21,110)
Net cash provided (used) by capital and related financing activities	(94,103)	(3,725,928)	(1,140,285)	(4,960,316)
Cash Flows from Investing Activities				
Investment income (loss)	55,810	2,491,377	26,445	2,573,632
Net increase (decrease) in cash	8,715	1,623,348	978,816	2,610,879
Cash and cash equivalents/investments July 1	1,734,886	29,347,737	437,493	31,520,116
Cash and cash equivalents/investments June 30	\$ 1,743,601	\$ 30,971,085	\$ 1,416,309	\$ 34,130,995

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 43
Page 2 of 2

	Public Assembly			
	Parking	Stormwater Management	Facilities Management	Total
Reconciliation of Cash and Cash Equivalents/Investments				
Cash and investments - current	\$ 1,743,601	\$ 29,808,235	\$ 1,221,674	\$ 32,773,510
Cash and investments - restricted	-	1,162,850	194,635	1,357,485
Cash and cash equivalents/investments June 30	\$ 1,743,601	\$ 30,971,085	\$ 1,416,309	\$ 34,130,995
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,070,677)	\$ 3,953,362	\$ (2,933,930)	\$ (51,245)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization expense	460,703	1,690,282	2,077,022	4,228,007
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in receivables	53,604	(341,078)	679,353	391,879
(Increase) decrease in prepaid expenses	-	-	(1,087)	(1,087)
(Increase) decrease in net OPEB asset	(10,313)	(51,051)	(17,140)	(78,504)
(Increase) decrease in deferred outflows of resources - pensions	22,750	44,083	86,880	153,713
(Increase) decrease in deferred outflows of resources - OPEB	6,249	25,693	14,137	46,079
Increase (decrease) in net pension liability	8,784	130,971	(48,050)	91,705
Increase (decrease) in deferred inflows of resources - leases	(143,718)	-	(717,534)	(861,252)
Increase (decrease) in deferred inflows of resources - pensions	(3,425)	(12,245)	(9,063)	(24,733)
Increase (decrease) in deferred inflows of resources - OPEB	283	4,609	(1,830)	3,062
Increase (decrease) in accounts payable	(5,935)	236,045	(187,063)	43,047
Increase (decrease) in accrued payroll	3,066	11,560	3,668	18,294
Increase (decrease) in unearned revenue	-	7,998	-	7,998
Increase (decrease) in accrued vacation	16,517	18,842	38,389	73,748
Total adjustments	408,565	1,765,709	1,917,682	4,091,956
Net cash provided (used) by operating activities	\$ (662,112)	\$ 5,719,071	\$ (1,016,248)	\$ 4,040,711

Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$332,399 for the year ended June 30, 2025.

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, 2025

Exhibit 44

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 674,000	\$ 567,706	\$ (106,294)
Other	-	21,069	21,069
Total operating revenues	674,000	588,775	(85,225)
Operating Expenditures			
Personnel services	708,390	676,971	31,419
Maintenance and operations	629,179	497,449	131,730
Total operating expenditures	1,337,569	1,174,420	163,149
Operating income (loss)	(663,569)	(585,645)	77,924
Nonoperating Revenues (Expenditures)			
Investment income	-	55,810	55,810
Interest and fiscal charges	(1,770)	-	1,770
Principal retirement	(50,000)	-	50,000
Total nonoperating expenditures, net	(51,770)	55,810	107,580
Income (loss) before transfers	(715,339)	(529,835)	185,504
Transfers In			
General fund	709,120	709,120	-
Total transfers	709,120	709,120	-
Appropriated net position	6,219	-	6,219
Change in net position - modified accrual basis	\$ -	179,285	\$ 179,285
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 179,285	
Depreciation		(460,704)	
Increase (decrease) in net OPEB asset		10,313	
Increase (decrease) in deferred outflows of resources - pensions		(22,750)	
(Increase) decrease in net pension liability		(8,784)	
(Increase) decrease in deferred inflows of resources - pensions		3,425	
Increase (decrease) in deferred outflows of resources - OPEB		(6,249)	
(Increase) decrease in deferred inflows of resources - OPEB		(283)	
Change in Net Position - Full Accrual Basis		\$ (305,747)	

City of Winston-Salem, North Carolina

Enterprise Funds

Parking Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 45

	Program			Total
	Authorizations	Current Year	Prior Years	to Date
Revenues				
Intergovernmental revenues	\$ 190,000	\$ -	\$ -	\$ -
Contributions from operations	498,910	-	498,910	498,910
Proceeds from bonds	750,000	-	-	-
Proceeds from installment financing	250,000	-	-	-
Total revenues	<u>1,688,910</u>	<u>-</u>	<u>498,910</u>	<u>498,910</u>
Expenses				
City Hall South deck improvements	498,910	94,103	302,481	396,584
6th-Cherry-Trade elevators	750,000	-	-	-
Church & Fourth elevators and upgrades	440,000	-	-	-
Total expenses	<u>1,688,910</u>	<u>94,103</u>	<u>302,481</u>	<u>396,584</u>
Change in Net Position	<u><u>\$ -</u></u>	<u><u>\$ (94,103)</u></u>	<u><u>\$ 196,429</u></u>	<u><u>\$ 102,326</u></u>

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, 2025

Exhibit 46

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 11,459,640	\$ 11,687,262	\$ 227,622
Other	188,600	320,367	131,767
Total operating revenues	11,648,240	12,007,629	359,389
Operating Expenditures			
Personnel services	4,272,480	3,037,446	1,235,034
Maintenance and operations	4,503,209	3,184,479	1,318,730
Total operating expenditures	8,775,689	6,221,925	2,553,764
Operating income	2,872,551	5,785,704	2,913,153
Nonoperating Revenues (Expenditures)			
Intergovernmental revenue	172,920	74,011	(98,909)
Investment income	-	2,491,377	2,491,377
Proceeds from sale of assets	-	(21,110)	(21,110)
Interest and fiscal charges	(220,040)	(211,951)	8,089
Principal retirement	(910,690)	(811,305)	99,385
Total nonoperating expenditures, net	(957,810)	1,521,022	2,478,832
Income before capital contributions and transfers	1,914,741	7,306,726	5,391,985
Transfers Out			
General fund	(2,794,070)	(2,648,415)	145,655
Solid waste fund	(215,300)	(166,048)	49,252
Water and sewer utility fund	(120,720)	(120,720)	-
Total transfers out	(3,130,090)	(2,935,183)	194,907
Appropriated net position	1,215,349	-	1,215,349
Change in net position - modified accrual basis	\$ -	\$ 4,371,543	\$ 4,371,543
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 4,371,543	
Depreciation		(1,690,282)	
Amortization of financing costs		38,136	
Principal retirement		811,305	
Increase (decrease) in net OPEB asset		51,051	
Increase (decrease) in deferred outflows of resources - pensions		(44,083)	
Increase (decrease) in deferred outflows of resources - OPEB		(25,693)	
(Increase) decrease in net pension liability		(130,971)	
(Increase) decrease in deferred inflows of resources - pensions		12,245	
(Increase) decrease in deferred inflows of resources - OPEB		(4,609)	
Change in Net Position - Full Accrual Basis	\$ 3,388,642		

City of Winston-Salem, North Carolina Enterprise Funds

Stormwater Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 47

	Program Authorizations	Current Year	Prior Years	Total to Date
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 152,980	\$ 152,980
Contributions from operations	34,493,847	3,495,242	694,791	4,190,033
Other contributions	126,750	-	-	-
Proceeds from bonds	1,519,080	-	1,534,004	1,534,004
Transfers in from other funds	-	-	47,220	47,220
Total revenues	<u>36,139,677</u>	<u>3,495,242</u>	<u>2,428,995</u>	<u>5,924,237</u>
Expenses				
Stormwater System Improvements	16,946,085	2,553,388	2,465,672	5,019,060
Bath Branch (PTRP Project)	9,655,098	45,004	2,755	47,759
70/30 projects	1,966,714	-	-	-
Basin study updates	2,208,820	-	430,236	430,236
Other capital improvements	<u>5,362,960</u>	<u>84,288</u>	<u>295,674</u>	<u>379,962</u>
Total expenses	<u>36,139,677</u>	<u>2,682,680</u>	<u>3,194,337</u>	<u>5,877,017</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 812,562</u>	<u>\$ (765,342)</u>	<u>\$ 47,220</u>

City of Winston-Salem, North Carolina Enterprise Funds

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

For the Fiscal Year Ended June 30, 2025

Exhibit 48

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 5,262,990	\$ 6,181,055	\$ 918,065
Other	9,973,820	9,549,212	(424,608)
Total operating revenues	15,236,810	15,730,267	493,457
Operating Expenditures			
Personnel services	1,252,080	1,360,956	(108,876)
Maintenance and operations	15,106,982	14,716,892	390,090
Total operating expenditures	16,359,062	16,077,848	281,214
Operating income (loss)	(1,122,252)	(347,581)	774,671
Nonoperating Revenues (Expenditures)			
Investment income (loss)	25,000	26,445	1,445
Interest and fiscal charges	(534,480)	(494,053)	40,427
Principal retirement	(1,100,210)	(1,049,719)	50,491
Total nonoperating expenditures, net	(1,609,690)	(1,517,327)	92,363
Income (loss) before capital contributions and transfers	(2,731,942)	(1,864,908)	867,034
Capital Contributions			
Other	-	-	-
Total capital contributions	-	-	-
Transfers In (Out)			
General fund	1,835,340	2,266,394	431,054
Occupancy tax fund	260,000	260,000	-
Debt service fund	582,510	582,510	-
Total transfers in (out)	2,677,850	3,108,904	431,054
Appropriated net position	54,092	-	54,092
Change in net position - modified accrual basis	\$ -	\$ 1,243,996	\$ 1,243,996
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 1,243,996	
Public Assembly Facilities Capital Projects Fund		867,397	
Depreciation		(2,077,022)	
Amortization of financing costs		6,958	
Principal retirement		1,049,719	
Book value of disposed assets		(658,583)	
Increase (decrease) in net OPEB asset		17,140	
Increase (decrease) in deferred outflows of resources - pensions		(86,880)	
(Increase) decrease in net pension liability		48,050	
(Increase) decrease in deferred inflows of resources - pensions		9,063	
Increase (decrease) in deferred outflows of resources - OPEB		(14,137)	
(Increase) decrease in deferred inflows of resources - OPEB		1,830	
Change in Net Position - Full Accrual Basis	\$ 407,531		

City of Winston-Salem, North Carolina Enterprise Funds

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

From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 49

	Program Authorizations	Current Year	Prior Years	Total to Date
Revenues				
Intergovernmental revenues	\$ 530,020	\$ 505,970	\$ 24,050	\$ 530,020
Contributions from operations	1,026,007	646,564	-	646,564
Transfers in from other funds	1,149,637	1,000,000	149,637	1,149,637
Other revenue	681,232	174,189	224,723	398,912
Total revenues	<u>3,386,896</u>	<u>2,326,723</u>	<u>398,410</u>	<u>2,725,133</u>
Expenses				
Downtown Ballpark	871,044	506,506	27,520	534,026
Convention Center	1,487,259	161,003	27,681	188,684
Bowman Gray Stadium	805,743	650,634	35,650	686,284
Carolina Classic Fair	222,850	19,195	144,584	163,779
Total expenses	<u>3,386,896</u>	<u>1,337,338</u>	<u>235,435</u>	<u>1,572,773</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 989,385</u>	<u>\$ 162,975</u>	<u>\$ 1,152,360</u>

Internal Service Funds

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

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

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

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

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

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

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

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

City of Winston-Salem, North Carolina

Combining Statement of Net Position

Internal Service Funds
June 30, 2025

Exhibit 50
Page 1 of 2

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Assets				
Current Assets				
Cash and cash equivalents/investments	\$ -	\$ 2,002	\$ 1,833,646	\$ 17,874,809
Accounts receivables, net	6	-	129,199	-
Inventories	998,337	1,058,687	-	-
Prepaid expenses	-	-	-	-
Total current assets	998,343	1,060,689	1,962,845	17,874,809
Noncurrent Assets				
Net OPEB asset	14,604	101,115	247,516	11,059
Capital assets				
Land	801,682	-	-	-
Construction in progress	-	-	97,477	-
Other capital assets, net of accumulated depreciation	114,257	2,943,347	3,805,610	-
Right to use assets, net of amortization	-	-	150,745	-
Right to use subscriptions, net of amortization	-	-	1,326,617	-
Total noncurrent assets	930,543	3,044,462	5,627,965	11,059
Total assets	<u>1,928,886</u>	<u>4,105,151</u>	<u>7,590,810</u>	<u>17,885,868</u>
Deferred Outflows of Resources				
Pension deferrals	83,531	578,356	1,415,744	63,255
Total deferred outflows of resources	<u>83,531</u>	<u>578,356</u>	<u>1,415,744</u>	<u>63,255</u>
Liabilities				
Current Liabilities				
Accounts payable	110,991	702,920	536,431	22,529
Accrued payroll	6,243	39,135	112,915	4,620
Accrued vacation	10,019	55,145	250,447	4,650
Accrued interest payable	-	-	14,810	-
Due to other funds	231,929	970,205	-	-
Current maturities				
Claims payable	-	-	-	4,415,450
Leases payable	-	-	40,488	-
Subscriptions payable	-	-	472,397	-
Contracts payable	10,860	1,582,285	3,024,954	-
Total current liabilities	370,042	3,349,690	4,452,442	4,447,249
Noncurrent Liabilities				
Accrued vacation	15,190	91,224	426,016	15,873
Net pension liability	160,207	1,109,257	2,715,323	121,319
Claims payable	-	-	-	10,226,765
Leases payable	-	-	114,562	-
Subscriptions payable	-	-	287,333	-
Total noncurrent liabilities	175,397	1,200,481	3,543,234	10,363,957
Total liabilities	<u>545,439</u>	<u>4,550,171</u>	<u>7,995,676</u>	<u>14,811,206</u>
Deferred Inflows of Resources				
Pension deferrals	3,102	21,480	52,581	2,349
OPEB deferrals	5,822	40,309	98,672	4,409
Total deferred inflows of resources	<u>8,924</u>	<u>61,789</u>	<u>151,253</u>	<u>6,758</u>
Net Position				
Net investment in capital assets	905,079	1,361,062	1,440,715	-
Restricted for OPEB	14,604	101,115	247,516	11,059
Unrestricted	538,371	(1,390,630)	(828,606)	3,120,100
Total net position	<u>\$ 1,458,054</u>	<u>\$ 71,547</u>	<u>\$ 859,625</u>	<u>\$ 3,131,159</u>

City of Winston-Salem, North Carolina

Combining Statement of Net Position

Internal Service Funds
June 30, 2025

Exhibit 50
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	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Assets					
Current Assets					
Cash and cash equivalents/investments	\$ 5,395,470	\$ 2,036,584	\$ 11,312,649	\$ 52,006,306	\$ 90,461,466
Accounts receivables, net	-	-	1,450	-	130,655
Inventories	-	-	-	-	2,057,024
Prepaid expenses	374,596	-	-	-	374,596
Total current assets	5,770,066	2,036,584	11,314,099	52,006,306	93,023,741
Noncurrent Assets					
Net OPEB asset	-	-	-	-	374,294
Capital assets					
Land	-	-	-	-	801,682
Construction in progress	-	-	-	-	97,477
Other capital assets, net of accumulated depreciation	-	-	-	-	6,863,214
Right to use assets, net of amortization	-	-	-	-	150,745
Right to use subscriptions, net of amortization	-	-	-	-	1,326,617
Total noncurrent assets	-	-	-	-	9,614,029
Total assets	5,770,066	2,036,584	11,314,099	52,006,306	102,637,770
Deferred Outflows of Resources					
Pension deferrals	80,746	-	-	44,314	2,265,946
Total deferred outflows of resources	80,746	-	-	44,314	2,265,946
Liabilities					
Current Liabilities					
Accounts payable	33,585	6,713	3,729,459	241,585	5,384,213
Accrued payroll	5,425	-	-	2,946	171,284
Accrued vacation	11,306	-	-	7,007	338,574
Accrued interest payable	-	-	-	-	14,810
Due to other funds	-	-	-	-	1,202,134
Current maturities					
Claims payable	5,429,419	131,580	-	1,468,937	11,445,386
Leases payable	-	-	-	-	40,488
Subscriptions payable	-	-	-	-	472,397
Contracts payable	-	-	-	-	4,618,099
Total current liabilities	5,479,735	138,293	3,729,459	1,720,475	23,687,385
Noncurrent Liabilities					
Accrued vacation	28,534	-	-	8,145	584,982
Net pension liability	154,866	-	-	84,992	4,345,964
Claims payable	-	-	-	1,529,601	11,756,366
Leases payable	-	-	-	-	114,562
Subscriptions payable	-	-	-	-	287,333
Total noncurrent liabilities	183,400	-	-	1,622,738	17,089,207
Total liabilities	5,663,135	138,293	3,729,459	3,343,213	40,776,592
Deferred Inflows of Resources					
Pension deferrals	2,999	-	-	1,646	84,157
OPEB deferrals	-	-	-	-	149,212
Total deferred inflows of resources	2,999	-	-	1,646	233,369
Net Position					
Net investment in capital assets	-	-	-	-	3,706,856
Restricted for OPEB	-	-	-	-	374,294
Unrestricted	184,678	1,898,291	7,584,640	48,705,761	59,812,605
Total net position	\$ 184,678	\$ 1,898,291	\$ 7,584,640	\$ 48,705,761	\$ 63,893,755

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, 2025

Exhibit 51
Page 1 of 2

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Operating Revenues				
Charges for services	\$ 529,954	\$ 10,933,084	\$ 14,109,686	\$ 5,084,285
Other	150	-	-	40,719
Total operating revenues	530,104	10,933,084	14,109,686	5,125,004
Operating Expenses				
Personnel services	358,345	2,496,022	6,037,229	457,356
Maintenance and operations	222,178	8,749,159	5,755,552	2,168,005
Total operating expenses before depreciation and amortization	580,523	11,245,181	11,792,781	2,625,361
Depreciation and amortization	13,543	548,786	1,668,393	-
Total operating expenses	594,066	11,793,967	13,461,174	2,625,361
Operating income (loss)	(63,962)	(860,883)	648,512	2,499,643
Nonoperating Revenues (Expenses)				
Investment income (loss)	-	-	-	774,432
Gain (loss) on disposal of assets	-	-	10,826	-
Damage settlements	-	-	129,199	-
Interest and fiscal expense	(138)	(48,541)	(111,461)	-
Total nonoperating revenues (expenses), net	(138)	(48,541)	28,564	774,432
Income (loss) before transfers	(64,100)	(909,424)	677,076	3,274,075
Other Financing Sources (Uses)				
Transfers In	-	-	-	1,000,000
Transfers Out	-	-	-	(243,530)
Total transfers	-	-	-	756,470
Change in net position	(64,100)	(909,424)	677,076	4,030,545
Total net position, as previously reported	1,524,796	1,006,560	278,785	(898,730)
Change in accounting principle (Note 3H)	(2,642)	(25,589)	(96,236)	(656)
Total net position, as restated	1,522,154	980,971	182,549	(899,386)
Total net position - ending	\$ 1,458,054	\$ 71,547	\$ 859,625	\$ 3,131,159

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, 2025

Exhibit 51
Page 2 of 2

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Operating Revenues					
Charges for services	\$ 24,684,596	\$ 2,035,408	\$ 45,606,763	\$ -	\$ 102,983,776
Other	2,427,413	-	27,560	22,409	2,518,251
Total operating revenues	27,112,009	2,035,408	45,634,323	22,409	105,502,027
Operating Expenses					
Personnel services	340,259	-	-	189,098	9,878,309
Maintenance and operations	34,615,585	2,044,067	44,195,043	2,781,479	100,531,068
Total operating expenses before depreciation and amortization	34,955,844	2,044,067	44,195,043	2,970,577	110,409,377
Depreciation and amortization	-	-	-	-	2,230,722
Total operating expenses	34,955,844	2,044,067	44,195,043	2,970,577	112,640,099
Operating income (loss)	(7,843,835)	(8,659)	1,439,280	(2,948,168)	(7,138,072)
Nonoperating Revenues (Expenses)					
Investment income (loss)	485,900	223,516	738,891	5,030,002	7,252,741
Gain (loss) on disposal of assets	-	-	-	-	10,826
Damage settlements	-	-	-	-	129,199
Interest and fiscal expense	-	-	-	-	(160,140)
Total nonoperating revenues (expenses), net	485,900	223,516	738,891	5,030,002	7,232,626
Income (loss) before transfers	(7,357,935)	214,857	2,178,171	2,081,834	94,554
Other Financing Sources (Uses)					
Transfers In	4,250,000	-	-	-	5,250,000
Transfers Out	-	(3,250,000)	-	(2,000,000)	(5,493,530)
Total transfers	4,250,000	(3,250,000)	-	(2,000,000)	(243,530)
Change in net position	(3,107,935)	(3,035,143)	2,178,171	81,834	(148,976)
Total net position, as previously reported	3,295,913	4,933,434	5,406,469	48,624,679	64,171,906
Change in accounting principle (Note 3H)	(3,300)	-	-	(752)	(129,175)
Total net position, as restated	3,292,613	4,933,434	5,406,469	48,623,927	64,042,731
Total net position - ending	\$ 184,678	\$ 1,898,291	\$ 7,584,640	\$ 48,705,761	\$ 63,893,755

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 52
Page 1 of 4

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Cash Flows from Operating Activities				
Cash received from sales	\$ 530,901	\$ 10,933,084	\$ 13,980,487	\$ 5,125,004
Cash payments for suppliers for goods and services	(119,443)	(8,537,261)	(5,473,110)	(3,695,339)
Cash payments to employees for services	(326,630)	(2,348,396)	(5,585,460)	(453,590)
Net cash provided (used) by operating activities	84,828	47,427	2,921,917	976,075
Cash Flows from Noncapital Financing Activities				
Borrowings from other funds	(79,260)	653,719	-	-
Transfers in	-	-	-	1,000,000
Transfers out	-	-	-	(243,530)
Net cash provided (used) by noncapital financing activities	(79,260)	653,719	-	756,470
Cash Flows from Capital and Related Financing Activities				
Acquisition of property and equipment	-	(776,631)	(1,160,586)	-
Retirement of contracts payable	(5,430)	126,028	-	-
Retirement of leases payable	-	-	(38,702)	-
Retirement of subscriptions payable	-	-	(416,701)	-
Interest paid on debt	(138)	(48,541)	(111,461)	-
Proceeds from sale of assets	-	-	10,826	-
Net cash provided (used) by capital and related financing activities	(5,568)	(699,144)	(1,716,624)	-
Cash Flows from Investing Activities				
Investment income (loss)	-	-	-	774,432
Net increase (decrease) in cash	-	2,002	1,205,293	2,506,977
Cash and cash equivalents/investments July 1	-	-	628,353	15,367,832
Cash and cash equivalents/investments June 30	\$ -	\$ 2,002	\$ 1,833,646	\$ 17,874,809

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 52
Page 2 of 4

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Cash Flows from Operating Activities					
Cash received from sales	\$ 27,112,009	\$ 2,035,408	\$ 45,667,971	\$ 22,409	\$ 105,407,273
Cash payments for suppliers for goods and services	(34,107,430)	(2,052,108)	(44,915,624)	(3,401,272)	(102,301,587)
Cash payments to employees for services	(327,249)	-	-	(174,985)	(9,216,310)
Net cash provided (used) by operating activities	(7,322,670)	(16,700)	752,347	(3,553,848)	(6,110,624)
Cash Flows from Noncapital Financing Activities					
Borrowings from other funds	-	-	-	-	574,459
Transfers in	4,250,000	-	-	-	5,250,000
Transfers out	-	(3,250,000)	-	(2,000,000)	(5,493,530)
Net cash provided (used) by noncapital financing activities	4,250,000	(3,250,000)	-	(2,000,000)	330,929
Cash Flows from Capital and Related Financing Activities					
Acquisition of property and equipment	-	-	-	-	(1,937,217)
Retirement of contracts payable	-	-	-	-	120,598
Retirement of leases payable	-	-	-	-	(38,702)
Retirement of subscriptions payable	-	-	-	-	(416,701)
Interest paid on contracts payable	-	-	-	-	(160,140)
Proceeds from sale of assets	-	-	-	-	10,826
Net cash provided (used) by capital and related financing activities	-	-	-	-	(2,421,336)
Cash Flows from Investing Activities					
Investment income (loss)	485,900	223,516	738,891	5,030,002	7,252,741
Net increase (decrease) in cash	(2,586,770)	(3,043,184)	1,491,238	(523,846)	(948,290)
Cash and cash equivalents/investments July 1	7,982,240	5,079,768	9,821,411	52,530,152	91,409,756
Cash and cash equivalents/investments June 30	\$ 5,395,470	\$ 2,036,584	\$ 11,312,649	\$ 52,006,306	\$ 90,461,466

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 52
Page 3 of 4

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
Reconciliation of Cash and Cash Equivalents/Investments				
Cash and investments - current	\$ -	\$ 2,002	\$ 1,833,646	\$ 17,874,809
Cash and cash equivalents/investments June 30	\$ -	\$ 2,002	\$ 1,833,646	\$ 17,874,809
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (63,962)	\$ (860,883)	\$ 648,512	\$ 2,499,643
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization expense	13,543	548,786	1,668,393	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in receivables	797	-	-	-
(Increase) decrease in inventories	33,812	(99,140)	-	-
(Increase) decrease in prepaid expenses	-	-	2,500	-
(Increase) decrease in net OPEB asset	(6,029)	(41,106)	(97,599)	(4,984)
(Increase) decrease in deferred outflows for pensions	2,493	23,628	88,158	(2,314)
(Increase) decrease in deferred outflows for OPEB	2,827	19,781	49,417	2,002
Increase (decrease) in net pension liability	18,928	120,606	245,433	21,234
Increase (decrease) in deferred inflows for pensions	(1,260)	(9,045)	(23,679)	(741)
Increase (decrease) in deferred inflows for OPEB	672	4,267	8,630	760
Increase (decrease) in accounts payable	68,923	311,038	150,743	1,535
Increase (decrease) in accrued payroll	2,553	13,710	40,107	1,986
Increase (decrease) in accrued vacation	11,531	15,785	141,302	(14,177)
Increase (decrease) in claims payable	-	-	-	(1,528,869)
Total adjustments	148,790	908,310	2,273,405	(1,523,568)
Net cash provided (used) by operating activities	\$ 84,828	\$ 47,427	\$ 2,921,917	\$ 976,075

Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$2,266,497 for the year ended June 30, 2025.

The City entered into subscriptions for software in the amounts of \$791,402 for the year ended June 30, 2025.

City of Winston-Salem, North Carolina

Combining Statement of Cash Flows

Internal Service Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 52
Page 4 of 4

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
Reconciliation of Cash and Cash Equivalents/Investments					
Cash and investments - current	\$ 5,395,470	\$ 2,036,584	\$ 11,312,649	\$ 52,006,306	\$ 90,461,466
Cash and cash equivalents/investments June 30	\$ 5,395,470	\$ 2,036,584	\$ 11,312,649	\$ 52,006,306	\$ 90,461,466
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (7,843,835)	\$ (8,659)	\$ 1,439,280	\$ (2,948,168)	\$ (7,138,072)
Adjustments to reconcile operating income (loss)					
to net cash provided (used) by operating activities					2,230,722
Depreciation and amortization expense	-	-	-	-	
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources					
(Increase) decrease in receivables	-	-	33,648	-	34,445
(Increase) decrease in inventories	-	-	-	-	(65,328)
(Increase) decrease in prepaid expenses	74,210	-	-	-	76,710
(Increase) decrease in net OPEB asset	-	-	-	-	(149,718)
(Increase) decrease in deferred outflows for pensions	15,857	-	-	6,475	134,297
(Increase) decrease in deferred outflows for OPEB	-	-	-	-	74,027
Increase (decrease) in net pension liability	(3,787)	-	-	1,580	403,994
Increase (decrease) in deferred inflows for pensions	(1,900)	-	-	(929)	(37,554)
Increase (decrease) in deferred inflows for OPEB	-	-	-	-	14,329
Increase (decrease) in accounts payable	(156,786)	(7,214)	(803,804)	(206,252)	(641,817)
Increase (decrease) in accrued payroll	1,146	-	-	619	60,121
Increase (decrease) in accrued vacation	1,694	-	-	6,368	162,503
Increase (decrease) in claims payable	590,731	(827)	83,223	(413,541)	(1,269,283)
Total adjustments	521,165	(8,041)	(686,933)	(605,680)	1,027,448
Net cash provided (used) by operating activities	\$ (7,322,670)	\$ (16,700)	\$ 752,347	\$ (3,553,848)	\$ (6,110,624)

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, 2025

Exhibit 53

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 655,430	\$ 529,954	\$ (125,476)
Other	-	150	150
Total operating revenues	655,430	530,104	(125,326)
Operating Expenditures			
Personnel services	408,340	340,714	67,626
Maintenance and operations	244,140	222,178	21,962
Total operating expenditures	652,480	562,892	89,588
Operating income (loss)	2,950	(32,788)	(35,738)
Nonoperating Revenues (Expenditures)			
Interest and fiscal charges	(140)	(138)	2
Principal retirement	(5,430)	(5,430)	-
Total nonoperating expenditures, net	(5,570)	(5,568)	2
Change in net position - modified accrual basis	\$ -	\$ (38,356)	\$ (38,356)
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (38,356)	
Depreciation		(13,543)	
Principal retirement		5,430	
Increase (decrease) in net OPEB asset		6,029	
Increase (decrease) in deferred outflows of resources - pensions		(2,493)	
Increase (decrease) in deferred outflows of resources - OPEB		(2,827)	
(Increase) decrease in net pension liability		(18,928)	
(Increase) decrease in deferred inflows of resources - pensions		1,260	
(Increase) decrease in deferred inflows of resources - OPEB		(672)	
Change in Net Position - Full Accrual Basis		\$ (64,100)	

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, 2025

Exhibit 54

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 14,068,280	\$ 10,933,084	\$ (3,135,196)
Total operating revenues	14,068,280	10,933,084	(3,135,196)
Operating Expenditures			
Personnel services	2,929,380	2,377,891	551,489
Maintenance and operations	10,588,474	8,749,159	1,839,315
Capital Outlay	54,130	41,130	13,000
Total operating expenditures	13,571,984	11,168,180	2,403,804
Operating income (loss)	496,296	(235,096)	(731,392)
Nonoperating Revenues (Expenditures)			
Interest and fiscal charges	(87,400)	(48,541)	38,859
Principal retirement	(899,460)	(609,472)	289,988
Total nonoperating expenditures, net	(986,860)	(658,013)	328,847
Other Financing Sources (Uses)			
Appropriated net position	490,564	-	490,564
Total other financing sources (uses)	490,564	-	490,564
Change in net position - modified accrual basis	\$ -	\$ (893,109)	\$ (893,109)

Reconciliation of Modified Accrual Basis to Full Accrual Basis

Change in Net Position - Modified Accrual Basis	\$ (893,109)
Depreciation	(548,786)
Capital outlay	41,130
Principal retirement	609,472
Increase (decrease) in OPEB asset	41,106
Increase (decrease) in deferred outflows of resources - pensions	(23,628)
Increase (decrease) in deferred outflows of resources - OPEB	(19,781)
(Increase) decrease in net pension liability	(120,606)
(Increase) decrease in deferred inflows of resources - OPEB	(4,267)
(Increase) decrease in deferred inflows of resources - pensions	9,045
Change in Net Position - Full Accrual Basis	\$ (909,424)

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, 2025

Exhibit 55

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 16,333,120	\$ 14,109,686	\$ (2,223,434)
Total operating revenues	16,333,120	14,109,686	(2,223,434)
Operating Expenditures			
Personnel services	5,817,430	5,766,869	50,561
Maintenance and operations	8,438,346	5,458,359	2,979,987
Total operating expenditures	14,255,776	11,225,228	3,030,548
Operating income (loss)	2,077,344	2,884,458	807,114
Nonoperating Revenues (Expenditures)			
Damage settlements	-	129,199	129,199
Interest and fiscal charges	(294,219)	(111,461)	182,758
Principal retirement	(3,335,339)	(925,959)	2,409,380
Total nonoperating expenditures, net	(3,629,558)	(908,221)	2,721,337
Other financing sources (uses)			
Appropriated net position	1,552,214	-	1,552,214
Total other financing sources (uses)	1,552,214	-	1,552,214
Change in net position - modified accrual basis	\$ -	\$ 1,976,237	\$ 1,976,237
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 1,976,237	
Depreciation		(656,127)	
Amortization		(1,012,266)	
IT Subscription Agreement		791,402	
Capital outlay - subscription based information technology agreements		(791,402)	
Principal retirement		925,959	
Book value of disposed assets		(260,122)	
Increase in contracts payable		(26,245)	
Increase (decrease) in deferred outflows of resources - pensions		(88,158)	
(Increase) decrease in net pension liability		(245,433)	
(Increase) decrease in deferred inflows of resources - pensions		23,679	
Increase (decrease) in OPEB asset		97,599	
Increase (decrease) in deferred outflows of resources - OPEB		(49,417)	
(Increase) decrease in deferred inflows of resources - OPEB		(8,630)	
Change in Net Position - Full Accrual Basis		\$ 677,076	

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, 2025

Exhibit 56

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services	\$ 4,579,410	\$ 5,084,285	\$ 504,875
Other	30,000	40,719	10,719
Total operating revenues	4,609,410	5,125,004	515,594
Operating Expenditures			
Personnel services	503,010	441,399	61,611
Maintenance and operations	5,695,920	2,168,005	3,527,915
Total operating expenditures	6,198,930	2,609,404	3,589,526
Operating income (loss)	(1,589,520)	2,515,600	4,105,120
Nonoperating Revenues (Expenditures)			
Investment income	-	774,432	774,432
Total nonoperating revenues, net	-	774,432	774,432
Income (loss) before transfers	(1,589,520)	3,290,032	4,879,552
Other Financing Sources (Uses)			
Transfers In (Out)			
Risk management reserve fund	1,000,000	1,000,000	-
General fund	(257,360)	(243,530)	13,830
Total transfers out	742,640	756,470	13,830
Appropriated net position	846,880	-	846,880
Total other financing sources (uses)	1,589,520	756,470	833,050
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 4,046,502</u>	<u>\$ 4,046,502</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 4,046,502	
Increase (decrease) in deferred outflows of resources - pensions		2,314	
(Increase) decrease in net pension liability		(21,234)	
(Increase) decrease in deferred inflows of resources - pensions		741	
Increase (decrease) in deferred outflows of resources - OPEB		(2,002)	
Increase (decrease) in net OPEB asset		4,984	
(Increase) decrease in deferred inflows of resources - OPEB		(760)	
Change in Net Position - Full Accrual Basis		<u>\$ 4,030,545</u>	

City of Winston-Salem, North Carolina Internal Service Funds

Health Benefits Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Exhibit 57

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 26,913,990	\$ 24,684,596	\$ (2,229,394)
Other	1,100,000	2,427,413	1,327,413
Total operating revenues	28,013,990	27,112,009	(901,981)
Operating Expenditures			
Personnel services	373,990	330,089	43,901
Maintenance and operations	30,184,159	34,615,585	(4,431,426)
Total operating expenditures	30,558,149	34,945,674	(4,387,525)
Operating income (loss)	(2,544,159)	(7,833,665)	(5,289,506)
Nonoperating Revenues (Expenditures)			
Investment income	-	485,900	485,900
Total nonoperating revenues, net	-	485,900	485,900
Other Financing Sources (Uses)			
Transfers In (Out)			
Dental and Flex Benefits	3,250,000	3,250,000	-
Risk Management Reserve	1,000,000	1,000,000	-
Total transfers in (out)	4,250,000	4,250,000	-
Appropriated net position	(1,705,841)	-	(1,705,841)
Total other financing sources (uses)	2,544,159	4,250,000	(1,705,841)
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (3,097,765)</u>	<u>\$ (3,097,765)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ (3,097,765)	
Increase (decrease) in deferred outflows of resources - pensions		(15,857)	
(Increase) decrease in net pension liability		3,787	
(Increase) decrease in deferred inflows of resources - pensions		1,900	
Change in Net Position - Full Accrual Basis		<u>\$ (3,107,935)</u>	

City of Winston-Salem, North Carolina Internal Service Funds

Dental and Flex Benefits Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025 Exhibit 58

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 1,995,000	\$ 2,035,408	\$ 40,408
Total operating revenues	1,995,000	2,035,408	40,408
Operating Expenditures			
Maintenance and operations	2,260,600	2,044,067	216,533
Total operating expenditures	2,260,600	2,044,067	216,533
Operating income (loss)	(265,600)	(8,659)	256,941
Nonoperating Revenues (Expenditures)			
Investment income	-	223,516	223,516
Total nonoperating revenues, net	-	223,516	223,516
Other Financing Sources (Uses)			
Transfers In (Out)			
Health benefits fund	3,250,000	3,250,000	-
Total transfers in (out)	3,250,000	3,250,000	-
Appropriated net position	(3,515,600)	-	(3,515,600)
Total other financing sources (uses)	(265,600)	3,250,000	(3,515,600)
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (3,035,143)</u>	<u>\$ (3,035,143)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		<u>\$ (3,035,143)</u>	
Change in Net Position - Full Accrual Basis		<u><u>\$ (3,035,143)</u></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, 2025 Exhibit 59

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Charges for services	\$ 43,099,320	\$ 45,606,763	\$ 2,507,443
Other	201,000	27,560	(173,440)
Total operating revenues	<u>43,300,320</u>	<u>45,634,323</u>	<u>2,334,003</u>
Operating Expenditures			
Maintenance and operations	43,650,980	44,195,043	(544,063)
Total operating expenditures	<u>43,650,980</u>	<u>44,195,043</u>	<u>(544,063)</u>
Operating income (loss)	(350,660)	1,439,280	1,789,940
Nonoperating Revenues (Expenditures)			
Investment income	-	738,891	738,891
Total nonoperating revenues, net	<u>-</u>	<u>738,891</u>	<u>738,891</u>
Other Financing Sources (Uses)			
Appropriated net position	350,660	-	350,660
Total other financing sources (uses)	<u>350,660</u>	<u>-</u>	<u>350,660</u>
Change in net position - modified accrual basis	<u><u>\$ -</u></u>	<u><u>\$ 2,178,171</u></u>	<u><u>\$ 2,178,171</u></u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		<u><u>\$ 2,178,171</u></u>	
Change in Net Position - Full Accrual Basis		<u><u>\$ 2,178,171</u></u>	

City of Winston-Salem, North Carolina Internal Service Funds

Risk Management Reserve Fund - Schedule of Revenues, Expenditures, and Transfers - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Exhibit 60

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Other	\$ -	\$ 22,409	\$ 22,409
Total operating revenues	-	22,409	22,409
Operating Expenditures			
Personnel services	182,510	181,972	538
Maintenance and operations	4,279,040	2,781,479	1,497,561
Total operating expenditures	4,461,550	2,963,451	1,498,099
Operating income (loss)	(4,461,550)	(2,941,042)	1,520,508
Nonoperating Revenues (Expenditures)			
Investment income	2,000,000	5,030,002	3,030,002
Total nonoperating revenues, net	2,000,000	5,030,002	3,030,002
Other Financing Sources (Uses)			
Transfers Out			
Workers Compensation Fund	(2,000,000)	(2,000,000)	-
Total transfers out	(2,000,000)	(2,000,000)	-
Appropriated net position	4,461,550	-	4,461,550
Total other financing sources (uses)	2,461,550	(2,000,000)	4,461,550
Change in net position - modified accrual basis	\$ -	\$ 88,960	\$ 88,960
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Change in Net Position - Modified Accrual Basis		\$ 88,960	
Increase (decrease) in deferred outflows of resources - pensions		(6,475)	
(Increase) decrease in net pension liability		(1,580)	
(Increase) decrease in deferred inflows of resources - pensions		929	
Change in Net Position - Full Accrual Basis		\$ 81,834	

City of Winston-Salem, North Carolina

Internal Service Funds

Internal Service Capital Projects Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2025

Exhibit 61

	Program Authorizations	Current Year	Prior Years	Total to Date
Revenues				
NCML Proceeds	\$ 5,557,429	\$ 1,217,938	\$ 1,115,559	\$ 2,333,497
Transfers in from other funds	30,783	-	30,783	30,783
Other contributions	244,283	-	244,281	244,281
Total revenues	<u>5,832,495</u>	<u>1,217,938</u>	<u>1,390,623</u>	<u>2,608,561</u>
Expenses				
Information Services	<u>5,832,495</u>	<u>1,135,750</u>	<u>1,333,239</u>	<u>2,468,989</u>
Total expenses	<u>5,832,495</u>	<u>1,135,750</u>	<u>1,333,239</u>	<u>2,468,989</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 82,188</u>	<u>\$ 57,384</u>	<u>\$ 139,572</u>

Fiduciary Funds

City of Winston-Salem, North Carolina

Combining Statement of Fiduciary Net Position

Fiduciary Funds
June 30, 2025

Exhibit 62

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
Assets				
Cash and cash equivalents/investments	\$ 228,263,953	\$ 16,318,863	\$ 82,511,676	\$ 327,094,492
Prepaid expenses	-	-	99,576	99,576
Total assets	228,263,953	16,318,863	82,611,252	327,194,068
Deferred Outflows of Resources				
Pension deferrals	-	-	35,836	35,836
Total deferred outflows of resources	-	-	35,836	35,836
Liabilities				
Accounts payable	2,200	814	1,326	4,340
Accrued payroll	-	-	2,439	2,439
Accrued vacation	-	-	7,314	7,314
Net pension liability	-	-	68,731	68,731
Total liabilities	2,200	814	79,810	82,824
Deferred Inflows of Resources				
Pension deferrals	-	-	1,331	1,331
Total deferred inflows of resources	-	-	1,331	1,331
Net Position				
Restricted for pensions	228,261,753	16,318,049	-	244,579,802
Restricted for post-employment benefits other than pensions	-	-	82,565,947	82,565,947
Total net position	\$ 228,261,753	\$ 16,318,049	\$ 82,565,947	\$ 327,145,749

City of Winston-Salem, North Carolina

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2025

Exhibit 63

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
Additions				
Contributions				
Employer	\$ 5,787,965	\$ 3,494,644	\$ 498,031	\$ 9,780,640
Plan members	1,208,386	-	1,871,972	3,080,358
Total contributions	6,996,351	3,494,644	2,370,003	12,860,998
Investment income (loss)				
Net appreciation in fair value	19,736,456	1,246,025	7,081,970	28,064,451
Interest and dividends	4,340,485	322,031	1,582,759	6,245,275
Total investment income (loss)	24,076,941	1,568,056	8,664,729	34,309,726
Less: investment expense	800,761	50,356	282,507	1,133,624
Net investment income (loss)	23,276,180	1,517,700	8,382,222	33,176,102
Total additions	30,272,531	5,012,344	10,752,225	46,037,100
Deductions				
Benefits	15,726,204	3,092,709	6,412,773	25,231,686
Refund of contributions	83,358	-	-	83,358
Administrative expense	68,305	3,586	174,423	246,314
Total deductions	15,877,867	3,096,295	6,587,196	25,561,358
Net increase (decrease) in net position	14,394,664	1,916,049	4,165,029	20,475,742
Net position - beginning	213,867,089	14,402,000	78,400,918	306,670,007
Net position - ending	\$ 228,261,753	\$ 16,318,049	\$ 82,565,947	\$ 327,145,749

Schedule of General Obligation Bonded Debt

City of Winston-Salem, North Carolina
Schedule of General Obligation Bonded Debt

June 30, 2025

Page 1 of 2
 Exhibit 64

Purpose of Bond Issue	Date of Issue	Final Maturity Date	Interest Rate	Original Issue	Retired To Date	Principal Balance June 30, 2024
General Obligation Bonded Debt						
Recreation, safety & streets	06/20/12	06/01/32	2.00 - 3.00%	\$ 2,955,000	\$ 1,940,000	\$ 1,160,000
Recreation, safety & streets	06/26/14	06/01/31	2.00 - 4.00%	3,945,000	2,200,000	1,945,000
Public improvement, recreation & streets	04/05/16	06/01/36	2.00 - 3.00%	3,810,000	1,395,000	2,600,000
Development, recreation, safety & streets	04/06/16	06/01/36	3.00 - 5.00%	47,820,000	12,415,000	37,955,000
Refunding	04/06/16	06/01/28	3.00 - 5.00%	12,655,000	8,845,000	5,000,000
Public improvement, recreation & streets	07/11/17	06/01/37	2.00 - 5.00%	4,775,000	1,335,000	3,655,000
Public improvement, recreation, streets & housing	07/12/17	06/01/37	3.00 - 5.00%	54,690,000	12,220,000	45,170,000
Streets and recreation	07/13/20	06/01/40	2.00 - 5.00%	6,005,000	895,000	5,350,000
Development, recreation, buildings & streets	07/14/20	06/01/40	2.00 - 5.00%	44,140,000	-	44,140,000
Development & housing	07/14/20	06/01/28	0.40 - 1.41%	16,330,000	10,485,000	8,485,000
Refunding	07/14/20	06/01/26	1.00 - 5.00%	18,300,000	12,750,000	6,540,000
Refunding	07/14/20	06/01/32	0.49 - 1.15%	5,870,000	4,455,000	2,825,000
Public Improvements, safety, recreation, streets	05/10/23	06/01/43	4.00 - 5.00%	8,895,000	-	8,895,000
Safety, recreation, streets	05/11/23	06/01/43	4.00 - 5.00%	47,500,000	-	47,500,000
Development & housing	05/11/23	06/01/26	4.00 - 5.00%	7,500,000	6,390,000	4,305,000
Total General Obligation Bonded Debt				\$ 285,190,000	\$ 75,325,000	\$ 225,525,000

Fiscal Year 2024-25		Principal Balance June 30, 2025	Debt Service Requirement Fiscal Year 2025-26			Principal Balance June 30, 2026
			Principal	Interest	Total	
\$ 145,000	\$ -	\$ 1,015,000	\$ 145,000	\$ 30,450	\$ 175,450	\$ 870,000
200,000	-	1,745,000	200,000	56,781	256,781	1,545,000
185,000	-	2,415,000	190,000	67,950	257,950	2,225,000
2,550,000	-	35,405,000	2,675,000	1,220,750	3,895,750	32,730,000
1,190,000	-	3,810,000	1,185,000	166,800	1,351,800	2,625,000
215,000	-	3,440,000	225,000	129,050	354,050	3,215,000
2,700,000	-	42,470,000	2,835,000	1,531,200	4,366,200	39,635,000
240,000	-	5,110,000	250,000	167,300	417,300	4,860,000
-	-	44,140,000	-	1,333,312	1,333,312	44,140,000
2,640,000	-	5,845,000	2,665,000	70,646	2,735,646	3,180,000
990,000	-	5,550,000	995,000	277,500	1,272,500	4,555,000
1,410,000	-	1,415,000	1,415,000	16,273	1,431,273	-
-	-	8,895,000	335,000	424,750	759,750	8,560,000
-	-	47,500,000	1,750,000	2,267,400	4,017,400	45,750,000
3,195,000	-	1,110,000	1,110,000	44,400	1,154,400	-
\$ 15,660,000	\$ -	\$ 209,865,000	\$ 15,975,000	\$ 7,804,562	\$ 23,779,562	\$ 193,890,000

Statistical Section

<u>Contents</u>		<u>Page</u>
Financial Trends	These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.	198
Revenue Capacity	These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	214
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.	222
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.	230
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.	232

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

City of Winston-Salem, North Carolina

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental activities					
Net investment in capital assets	\$ 370,942,503	\$ 303,989,756	\$ 246,227,387	\$ 243,224,336	\$ 234,366,934
Restricted	92,944,502	158,304,430	182,719,924	144,991,802	107,418,521
Unrestricted	71,044,428	18,323,617	30,256,429	15,262,516	(642,509)
Total governmental activities net position, as restated	<u>534,931,433</u>	<u>480,617,803</u>	<u>459,203,740</u>	<u>403,478,654</u>	<u>341,142,946</u>
Business-type activities					
Net investment in capital assets	775,177,378	720,822,942	674,658,191	650,325,396	638,058,023
Restricted	29,620,219	40,827,260	33,526,400	38,111,166	1,875,155
Unrestricted	276,979,337	230,529,233	231,877,439	205,357,176	234,010,358
Total business-type activities net position, as restated	<u>1,081,776,934</u>	<u>992,179,435</u>	<u>940,062,030</u>	<u>893,793,738</u>	<u>873,943,536</u>
Primary government					
Net investment in capital assets	1,146,119,881	1,024,812,698	920,885,578	893,549,732	872,424,957
Restricted	122,564,721	199,131,690	216,246,324	183,102,968	109,293,676
Unrestricted	348,023,765	248,852,850	262,133,868	220,619,692	233,367,849
Total primary government net position	<u>\$ 1,616,708,367</u>	<u>\$ 1,472,797,238</u>	<u>\$ 1,399,265,770</u>	<u>\$ 1,297,272,392</u>	<u>\$ 1,215,086,482</u>

City of Winston-Salem, North Carolina

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental activities					
Net investment in capital assets	\$ 205,988,821	\$ 198,478,120	\$ 166,252,662	\$ 164,415,590	\$ 153,711,370
Restricted	77,921,104	65,043,267	69,502,473	65,111,085	120,600,038
Unrestricted	21,234,750	29,962,893	41,526,432	51,074,905	31,498,836
Total governmental activities net position, as restated	<u>305,144,675</u>	<u>293,484,280</u>	<u>277,281,567</u>	<u>280,601,580</u>	<u>305,810,244</u>
Business-type activities					
Net investment in capital assets	589,924,366	553,853,458	507,218,169	483,821,989	473,054,885
Restricted	-	-	-	-	-
Unrestricted	207,028,125	202,082,964	204,209,597	182,382,886	163,448,423
Total business-type activities net position, as restated	<u>796,952,491</u>	<u>755,936,422</u>	<u>711,427,766</u>	<u>666,204,875</u>	<u>636,503,308</u>
Primary government					
Net investment in capital assets	795,913,187	752,331,578	673,470,831	648,237,579	626,766,255
Restricted	77,921,104	65,043,267	69,502,473	65,111,085	120,600,038
Unrestricted	228,262,875	232,045,857	245,736,029	233,457,791	194,947,259
Total primary government net position	<u>\$ 1,102,097,166</u>	<u>\$ 1,049,420,702</u>	<u>\$ 988,709,333</u>	<u>\$ 946,806,455</u>	<u>\$ 942,313,552</u>

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 4

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
General government	\$ 52,173,689	\$ 52,329,590	\$ 44,475,366	\$ 38,897,499	\$ 34,021,230
Public protection	155,449,598	157,572,051	133,013,095	116,614,583	111,171,364
Environmental health	26,627,258	26,704,349	25,443,236	21,075,652	19,939,166
Transportation	41,313,208	24,692,471	21,846,047	20,138,772	19,966,122
Culture and recreation	22,147,177	20,731,085	17,026,677	15,475,504	14,201,946
Community and economic development	25,424,953	37,507,319	36,842,122	37,459,323	30,128,749
Interest and fiscal charges	10,100,161	11,286,374	9,868,649	10,157,490	10,557,262
Total governmental activities	<u>333,236,044</u>	<u>330,823,239</u>	<u>288,515,192</u>	<u>259,818,823</u>	<u>239,985,839</u>
Business-type activities:					
Water and sewer utility	110,551,020	115,636,929	107,883,663	96,458,373	93,232,560
Solid Waste Disposal ⁽¹⁾	12,693,776	12,471,968	14,258,736	14,739,306	12,227,035
Transit Authority	33,740,171	23,962,926	24,228,158	22,992,304	23,038,976
Parking	1,659,452	1,587,001	1,536,919	1,449,184	1,447,463
Stormwater management	8,228,082	7,319,979	7,320,320	6,595,348	6,959,722
Public assembly facilities management	19,325,482	16,671,513	8,767,927	8,943,894	6,642,279
Risk management reserves	2,970,577	2,679,681	2,314,103	408,547	3,382,981
Total business-type activities	<u>189,168,560</u>	<u>180,329,997</u>	<u>166,309,826</u>	<u>151,586,956</u>	<u>146,931,016</u>
Total primary government expenses	<u>\$ 522,404,604</u>	<u>\$ 511,153,236</u>	<u>\$ 454,825,018</u>	<u>\$ 411,405,779</u>	<u>\$ 386,916,855</u>

Note:

⁽¹⁾ Includes a restatement in the amount of \$2,983,150 for fiscal year 2022

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 2 of 4

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses					
Governmental activities:					
General government	\$ 34,700,220	\$ 34,337,104	\$ 32,345,702	\$ 32,646,249	\$ 30,553,493
Public protection	121,976,612	115,069,382	108,272,672	106,739,938	100,928,955
Environmental health	19,498,148	18,193,517	19,666,634	17,720,245	17,002,328
Transportation	18,660,360	18,778,394	19,935,391	20,544,652	20,025,048
Culture and recreation	14,462,457	13,883,844	13,191,936	12,069,446	11,751,922
Community and economic development	30,384,963	26,454,980	23,993,835	36,064,551	21,981,252
Interest and fiscal charges	11,425,747	11,825,173	12,828,440	10,191,248	7,937,451
Total governmental activities	<u>251,108,507</u>	<u>238,542,394</u>	<u>230,234,610</u>	<u>235,976,329</u>	<u>210,180,449</u>
Business-type activities:					
Water and sewer utility	96,705,230	93,659,022	88,763,212	87,583,208	82,994,364
Solid waste disposal	11,439,490	12,813,989	12,159,440	13,579,703	10,717,746
Transit Authority	21,852,043	21,903,029	19,691,541	18,890,589	17,142,451
Parking	1,433,620	1,401,592	1,537,324	1,647,350	3,568,917
Stormwater management	7,458,955	6,883,864	7,112,538	11,675,062	6,081,683
Public assembly facilities management	8,349,857	8,099,018	8,939,682	7,761,968	7,261,379
Risk management reserves	1,532,932	2,854,467	3,351,881	2,628,391	2,326,714
Total business-type activities	<u>148,772,127</u>	<u>147,614,981</u>	<u>141,555,618</u>	<u>143,766,271</u>	<u>130,093,254</u>
Total primary government expenses	<u>\$ 399,880,634</u>	<u>\$ 386,157,375</u>	<u>\$ 371,790,228</u>	<u>\$ 379,742,600</u>	<u>\$ 340,273,703</u>

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
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	Fiscal Year				
	2025	2024	2023	2022	2021
Program Revenues					
Governmental activities:					
Charges for services					
General government ⁽¹⁾	\$ 19,267,727	\$ 17,133,031	\$ 16,065,314	\$ 14,367,449	\$ 16,329,762
Public protection	2,999,593	1,928,224	2,391,089	2,244,432	4,602,172
Environmental health	2,315,719	1,972,401	2,081,710	2,168,271	1,426,839
Transportation ⁽²⁾	3,144,767	2,520,427	2,362,224	2,480,133	4,100,649
Culture and recreation	2,220,584	1,427,596	1,050,761	957,910	641,093
Community and economic development	7,961,700	7,343,943	15,588,350	7,798,756	7,354,628
Operating Grants and Contributions	30,340,693	26,914,968	37,519,365	62,290,459	20,451,877
Capital Grants and Contributions	11,478,318	1,252,774	1,348,809	769,274	806,263
Total governmental activities	<u>79,729,101</u>	<u>60,493,364</u>	<u>78,407,622</u>	<u>93,076,684</u>	<u>55,713,283</u>
Business-type activities:					
Charges for Services					
Water and sewer utility	152,100,250	139,958,752	129,713,989	126,622,867	118,156,556
Solid waste disposal	14,292,582	11,536,314	10,945,273	12,579,687	12,266,693
Transit Authority ⁽²⁾	1,513,984	1,695,755	1,603,338	1,509,019	984,222
Parking	588,775	623,286	620,856	520,125	404,346
Stormwater management	12,007,629	11,095,627	10,782,532	10,829,599	11,089,995
Public assembly facilities management	15,904,457	14,310,198	5,808,019	5,210,414	1,486,664
Risk management reserves	22,409	39,263	-	-	1,130,735
Operating Grants and Contributions	23,466,526	10,244,466	9,464,258	10,139,353	8,401,362
Capital Grants and Contributions	13,997,862	12,413,154	12,005,839	7,394,735	17,969,214
Total business-type activities	<u>233,894,474</u>	<u>201,916,815</u>	<u>180,944,104</u>	<u>174,805,799</u>	<u>171,889,787</u>
Total primary government program revenues	<u>313,623,575</u>	<u>262,410,179</u>	<u>259,351,726</u>	<u>267,882,483</u>	<u>227,603,070</u>
Net (Expense) Revenue					
Governmental activities	(253,506,943)	(270,329,875)	(210,107,570)	(166,742,139)	(184,272,556)
Business activities	44,725,914	21,586,818	14,634,278	23,218,843	24,958,771
Total primary government net expense	\$ (208,781,029)	\$ (248,743,057)	\$ (195,473,292)	\$ (143,523,296)	\$ (159,313,785)

Note:

City of Winston-Salem, North Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
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	Fiscal Year				
	2020	2019	2018	2017	2016
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 16,777,155	\$ 16,211,409	\$ 17,411,013	\$ 20,112,693	\$ 17,938,963
Public protection	4,729,240	5,000,628	5,248,085	4,236,530	3,861,336
Environmental health	1,205,459	1,440,765	2,296,645	2,306,884	2,285,788
Transportation	2,808,598	4,562,299	5,152,192	3,632,920	2,591,367
Culture and recreation	1,033,779	1,051,133	1,281,661	953,931	1,010,177
Community and economic development	8,017,217	8,643,868	6,985,681	6,869,820	6,464,175
Operating Grants and Contributions	16,740,028	15,166,964	17,446,122	18,328,564	15,560,775
Capital Grants and Contributions	1,398,672	4,399,817	2,753,420	3,408,596	2,527,339
Total governmental activities	<u>52,710,148</u>	<u>56,476,883</u>	<u>58,574,819</u>	<u>59,849,938</u>	<u>52,239,920</u>
Business-type activities:					
Charges for Services					
Water and sewer utility	115,210,981	114,816,710	109,226,819	104,398,204	100,834,307
Solid waste disposal	12,327,986	11,863,707	11,472,389	10,510,422	10,575,534
Transit Authority ⁽²⁾	1,721,077	2,133,136	2,068,708	2,078,733	2,543,903
Parking	713,074	783,427	826,606	745,034	1,196,763
Stormwater management	10,465,247	10,714,457	10,939,477	10,822,681	10,715,512
Public assembly facilities management	5,425,875	6,543,535	6,145,508	5,826,359	5,500,973
Risk management reserves	1,108,560	1,086,820	1,065,510	1,044,620	1,166,490
Operating Grants and Contributions	11,130,441	12,198,440	11,683,732	8,795,420	8,481,848
Capital Grants and Contributions	15,286,839	10,572,472	10,209,381	5,899,105	11,496,645
Total business-type activities	<u>173,390,080</u>	<u>170,712,704</u>	<u>163,638,130</u>	<u>150,120,578</u>	<u>152,511,975</u>
Total primary government program revenues	<u>226,100,228</u>	<u>227,189,587</u>	<u>222,212,949</u>	<u>209,970,516</u>	<u>204,751,895</u>
Net (Expense) Revenue					
Governmental activities					
(198,398,359)	(182,065,511)	(171,659,791)	(176,126,391)	(157,940,529)	
Business activities	24,617,953	23,097,723	22,082,512	6,354,307	22,418,721
Total primary government net expense	<u>\$ (173,780,406)</u>	<u>\$ (158,967,788)</u>	<u>\$ (149,577,279)</u>	<u>\$ (169,772,084)</u>	<u>\$ (135,521,808)</u>

City of Winston-Salem, North Carolina

General Revenues and Total Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Table 3

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	Fiscal Year				
	2025	2024	2023	2022	2021
Net (Expense)/Revenue					
Governmental activities	\$ (253,506,943)	\$ (270,329,875)	\$ (210,107,570)	\$ (166,742,139)	\$ (184,272,556)
Business-type activities	44,725,914	21,586,818	14,634,278	26,201,993	24,958,771
Total primary government expense	<u>\$ (208,781,029)</u>	<u>\$ (248,743,057)</u>	<u>\$ (195,473,292)</u>	<u>\$ (140,540,146)</u>	<u>\$ (159,313,785)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 185,278,613	\$ 172,223,545	\$ 160,814,721	\$ 149,957,339	\$ 139,314,797
Sales taxes	75,669,386	70,782,658	68,476,430	62,962,302	54,678,675
Gross receipt taxes	577,272	563,624	538,339	446,083	382,720
Occupancy taxes	1,237,531	1,155,304	1,129,135	988,566	537,520
Beer and wine excise-state	1,018,690	1,236,098	1,134,212	992,144	1,022,164
Telecommunications sales tax	945,578	1,007,025	1,051,074	1,051,132	1,312,485
Utilities sales tax	18,288,115	16,367,697	14,998,250	14,056,822	13,783,080
Piped natural gas sales tax	1,158,545	1,051,432	1,252,678	1,021,262	841,770
Video programming tax	1,527,799	1,679,119	1,826,604	1,902,960	1,890,996
Payments in lieu of taxes	244,445	256,012	445,827	221,884	232,406
ABC store allocations	3,882,852	4,019,482	3,831,360	3,437,260	3,361,961
Gain on Disposal of Assets	-	-	-	-	567,108
Investment income (loss)	17,032,832	21,032,484	9,801,311	(2,285,111)	2,865,176
Transfers					
Government-wide	958,915	4,973,329	532,715	(5,674,796)	(520,031)
Total governmental activities expenses	<u>307,820,573</u>	<u>296,347,809</u>	<u>265,832,656</u>	<u>229,077,847</u>	<u>220,270,827</u>
Business-type activities:					
Property taxes	19,820,955	12,962,663	12,646,662	12,279,057	11,169,671
Investment income (loss)	25,905,527	28,685,666	19,520,067	(21,777,151)	40,342,572
Gain on sale of fixed assets	104,018	2,701,207	-	454,657	-
Transfers					
Government-wide	(958,915)	(4,973,329)	(532,715)	5,674,796	520,031
Total business-type activities expenses	<u>44,871,585</u>	<u>39,376,207</u>	<u>31,634,014</u>	<u>(3,368,641)</u>	<u>52,032,274</u>
Total primary government	<u>(163,909,444)</u>	<u>335,724,016</u>	<u>297,466,670</u>	<u>225,709,206</u>	<u>272,303,101</u>
Change in Net Position					
Governmental activities	54,313,630	26,017,934	55,725,086	62,335,708	35,998,271
Business-type activities	89,597,499	60,963,025	46,268,292	22,833,352	76,991,045
Total change in net position	<u>\$ 143,911,129</u>	<u>\$ 86,980,959</u>	<u>\$ 101,993,378</u>	<u>\$ 85,169,060</u>	<u>\$ 112,989,316</u>

City of Winston-Salem, North Carolina

General Revenues and Total Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Table 3
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	Fiscal Year				
	2020	2019	2018	2017	2016
Net (Expense)/Revenue					
Governmental activities	\$ (198,398,359)	\$ (182,065,511)	\$ (171,659,791)	\$ (176,126,391)	\$ (157,940,529)
Business-type activities	<u>24,617,953</u>	<u>23,097,723</u>	<u>22,082,512</u>	<u>6,354,307</u>	<u>22,418,721</u>
Total primary government expense	<u><u>\$ (173,780,406)</u></u>	<u><u>\$ (158,967,788)</u></u>	<u><u>\$ (149,577,279)</u></u>	<u><u>\$ (169,772,084)</u></u>	<u><u>\$ (135,521,808)</u></u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 135,466,442	\$ 124,204,213	\$ 121,372,562	\$ 114,867,555	\$ 109,495,096
Sales taxes	47,330,527	45,015,159	42,370,619	39,983,759	37,612,657
Gross receipt taxes	379,659	366,295	340,841	367,339	310,924
Occupancy taxes	754,826	904,606	842,962	783,673	738,282
Beer and wine excise-state	1,047,080	1,050,073	1,042,116	1,081,299	1,046,536
Telecommunications sales tax	1,587,905	1,785,133	1,915,819	2,112,407	2,129,618
Utilities sales tax	14,082,850	14,112,486	13,329,176	13,131,269	13,642,565
Piped natural gas sales tax	755,015	874,571	862,091	673,437	618,280
Video programming tax	1,947,918	2,089,991	2,170,118	2,224,104	2,211,617
Payments in lieu of taxes	233,921	223,000	273,215	272,227	252,827
ABC store allocations	2,850,564	2,610,489	1,566,167	1,524,244	1,290,517
Gain on Disposal of Assets	-	-	-	-	-
Investment income (loss)	2,837,353	4,386,880	2,901,158	1,369,676	989,065
Transfers					
Government-wide	784,694	645,328	(1,708,484)	770,910	(260,831)
Total governmental activities expenses	<u>210,058,754</u>	<u>198,268,224</u>	<u>187,278,360</u>	<u>179,161,899</u>	<u>170,077,153</u>
Business-type activities:					
Property taxes	10,789,311	10,662,035	10,434,990	7,176,905	7,090,014
Investment income (loss)	6,393,499	11,394,226	14,479,474	16,941,265	1,739,678
Gain on sale of fixed assets	-	-	-	-	-
Transfers					
Government-wide	(784,694)	(645,328)	1,708,484	(770,910)	260,831
Total business-type activities expenses	<u>16,398,116</u>	<u>21,410,933</u>	<u>26,622,948</u>	<u>23,347,260</u>	<u>9,090,523</u>
Total primary government	<u>226,456,870</u>	<u>219,679,157</u>	<u>213,901,308</u>	<u>202,509,159</u>	<u>179,167,676</u>
Change in Net Position					
Governmental activities	11,660,395	16,202,713	15,618,569	3,035,508	12,136,624
Business-type activities	41,016,069	44,508,656	48,705,460	29,701,567	31,509,244
Total change in net position	<u><u>\$ 52,676,464</u></u>	<u><u>\$ 60,711,369</u></u>	<u><u>\$ 64,324,029</u></u>	<u><u>\$ 32,737,075</u></u>	<u><u>\$ 43,645,868</u></u>

City of Winston-Salem, North Carolina

Program Revenues by Function/Program

Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
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Function/Program	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental activities:					
General government					
General government	\$ 20,719,837	\$ 18,457,378	\$ 17,067,401	\$ 14,831,631	\$ 16,501,280
Public protection	5,310,378	9,567,060	22,716,070	37,944,658	8,835,585
Environmental health	2,715,719	2,149,073	2,081,710	2,168,271	1,426,839
Transportation	25,724,983	13,855,146	13,048,185	12,346,054	12,741,027
Culture and recreation	2,494,905	1,679,232	1,138,901	985,270	641,093
Community and economic development	22,763,279	14,785,475	22,355,355	24,800,800	15,567,459
Total governmental activities	<u>79,729,101</u>	<u>60,493,364</u>	<u>78,407,622</u>	<u>93,076,684</u>	<u>55,713,283</u>
Business-type activities:					
Water and sewer utility					
Water and sewer utility	174,900,719	150,568,108	140,640,445	133,692,180	126,048,170
Solid waste disposal	15,730,663	12,385,693	12,107,850	14,054,378	12,989,792
Transit Authority	13,993,714	12,741,727	19,034,078	9,362,220	17,094,261
Parking	588,775	623,286	483,425	663,356	779,546
Stormwater management	12,060,530	11,106,368	10,904,858	10,901,510	12,359,468
Public assembly facilities management	16,597,664	14,452,370	6,208,586	6,132,155	1,487,815
Risk management reserves	22,409	39,263	-	-	1,130,735
Subtotal business-type activities	<u>233,894,474</u>	<u>201,916,815</u>	<u>189,379,242</u>	<u>174,805,799</u>	<u>171,889,787</u>
Total primary government	<u>\$ 313,623,575</u>	<u>\$ 262,410,179</u>	<u>\$ 267,786,864</u>	<u>\$ 267,882,483</u>	<u>\$ 227,603,070</u>

City of Winston-Salem, North Carolina

Program Revenues by Function/Program

Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
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Function/Program	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental activities:					
General government					
General government	\$ 17,259,000	\$ 17,158,616	\$ 18,666,497	\$ 21,363,164	\$ 19,085,167
Public protection	7,642,355	6,886,607	6,671,673	5,101,718	5,178,752
Environmental health	1,611,835	1,440,765	2,296,645	2,378,167	2,546,196
Transportation	10,336,353	16,324,869	15,758,835	13,696,353	13,006,388
Culture and recreation	1,033,779	1,051,133	1,281,661	1,673,931	1,010,177
Community and economic development	14,826,826	13,614,893	13,899,508	15,636,605	11,413,240
Total governmental activities	<u>52,710,148</u>	<u>56,476,883</u>	<u>58,574,819</u>	<u>59,849,938</u>	<u>52,239,920</u>
Business-type activities:					
Water and sewer utility					
Water and sewer utility	130,071,671	124,208,094	123,077,090	109,977,029	105,365,491
Solid waste disposal	13,708,747	12,906,593	13,082,714	11,434,616	11,540,453
Transit Authority	11,472,402	13,751,385	7,940,898	9,683,642	16,251,424
Parking	959,361	1,213,840	1,218,399	1,180,382	1,632,111
Stormwater management	10,601,918	11,002,437	11,108,011	10,975,967	11,001,768
Public assembly facilities management	5,467,421	6,543,535	6,145,508	5,834,322	5,554,238
Risk management reserves	1,108,560	1,086,820	1,065,510	1,044,620	1,166,490
Subtotal business-type activities	<u>173,390,080</u>	<u>170,712,704</u>	<u>163,638,130</u>	<u>150,130,578</u>	<u>152,511,975</u>
Total primary government	<u>\$ 226,100,228</u>	<u>\$ 227,189,587</u>	<u>\$ 222,212,949</u>	<u>\$ 209,980,516</u>	<u>\$ 204,751,895</u>

City of Winston-Salem, North Carolina

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5
Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
General Fund					
Nonspendable	\$ 513,217	\$ 530,629	\$ 590,519	\$ 664,350	\$ 437,400
Restricted	-	39,555,951	43,702,742	28,922,360	25,605,419
Assigned	-	7,237,668	10,166,420	10,349,690	1,350,000
Unassigned	-	60,697,355	54,802,213	47,265,680	33,117,280
Total general fund	<u>\$ 513,217</u>	<u>\$ 108,021,603</u>	<u>\$ 109,261,894</u>	<u>\$ 87,202,080</u>	<u>\$ 60,510,099</u>
All Other Governmental Funds					
Nonspendable	\$ 295,807	\$ 5,403,773	\$ 5,149,162	\$ 4,859,953	\$ 5,874,871
Restricted	57,542,347	172,906,873	231,571,476	157,288,234	119,849,816
Committed	48,770,090	69,370,726	36,699,163	17,443,064	31,697,002
Unassigned	-	-	-	(1,918)	(47,105)
Total all other governmental funds	<u>\$ 106,608,244</u>	<u>\$ 247,681,372</u>	<u>\$ 273,419,801</u>	<u>\$ 179,589,333</u>	<u>\$ 157,374,584</u>

City of Winston-Salem, North Carolina

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5
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	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$ 469,850	\$ 1,348,546	\$ 1,314,636	\$ 1,272,235	\$ 1,109,012
Restricted	21,613,488	20,168,229	22,168,518	20,973,482	22,559,689
Assigned	5,430,000	2,000,000	2,000,000	2,035,000	4,365,350
Unassigned	21,544,816	27,952,999	24,697,951	25,273,474	23,403,739
Total general fund	<u>\$ 49,058,154</u>	<u>\$ 51,469,774</u>	<u>\$ 50,181,105</u>	<u>\$ 49,554,191</u>	<u>\$ 51,437,790</u>
All Other Governmental Funds					
Nonspendable	\$ 4,760,637	\$ 4,988,097	\$ 4,737,641	\$ 4,415,950	\$ 33,763,623
Restricted	68,641,227	79,939,396	98,016,939	45,903,851	140,896,415
Committed	51,057,189	53,035,576	66,031,761	56,047,230	13,378,770
Unassigned	(77,960)	(1,927)	(367,477)	-	(9,144,109)
Total all other governmental funds	<u>\$ 124,381,093</u>	<u>\$ 137,961,142</u>	<u>\$ 168,418,864</u>	<u>\$ 106,367,031</u>	<u>\$ 178,894,699</u>

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 1 of 4

	Fiscal Year				
	2025	2024	2023	2022	2021
Revenues					
Taxes	\$ 262,403,231	\$ 244,136,370	\$ 230,858,302	\$ 214,364,924	\$ 195,297,034
Licenses and permits	9,300,656	6,813,262	6,721,847	7,104,086	7,221,974
Intergovernmental	67,422,927	49,980,975	63,408,179	85,743,197	44,270,110
Investment income (loss)	14,810,091	19,197,641	9,047,206	(835,880)	2,122,287
Charges for services	19,233,915	18,821,265	17,781,121	17,635,179	18,634,588
NCMLC charges	1,155,615	560,151	408,514	535,094	467,296
Other	6,890,707	5,751,157	14,677,760	6,399,487	8,216,508
Total revenues	381,217,142	345,260,821	342,902,929	330,946,087	276,229,797
Expenditures					
General government	62,434,190	44,245,538	44,756,057	36,373,971	32,741,038
Public protection	147,570,567	140,756,145	125,044,012	116,409,787	115,909,628
Environmental health	26,959,864	26,029,486	25,942,743	20,707,310	20,078,464
Transportation	17,529,345	16,670,844	14,761,140	13,318,371	13,527,352
Culture and recreation	17,197,400	16,850,761	13,779,343	12,988,634	11,965,180
Community and economic development	31,190,781	32,143,601	25,557,749	35,540,901	27,877,609
Other	468,196	731,187	517,084	426,918	766,575
Capital outlay	55,756,779	52,748,486	42,949,771	48,308,340	46,452,542
Debt service					
Principal retirement					
Bond	15,660,000	17,670,000	13,860,000	13,345,000	11,230,000
Other	37,484,011	21,169,818	18,896,024	18,018,392	19,386,183
Interest & fiscal charges					
Bond	8,403,375	9,223,894	6,706,421	7,425,639	7,712,936
Other	3,763,912	4,428,961	4,679,305	4,495,295	4,790,685
Total expenditures	424,418,420	382,668,721	337,449,649	327,358,558	312,438,192
Excess of revenues over (under) expenditures	(43,201,278)	(37,407,900)	5,453,280	3,587,529	(36,208,395)

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 2 of 4

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 183,480,271	\$ 170,551,871	\$ 164,925,559	\$ 156,135,468	\$ 148,399,035
Licenses and permits	6,631,106	7,217,854	6,658,529	6,609,148	6,296,921
Intergovernmental	40,663,560	41,890,520	41,359,369	42,757,909	39,280,074
Investment income (loss)	2,247,457	3,834,012	2,750,652	1,293,820	774,261
Charges for services	17,083,396	17,290,331	19,104,518	19,472,969	18,282,372
NCMLC charges	753,039	1,123,279	1,147,013	1,181,191	992,154
Other	10,061,437	11,160,397	11,740,795	9,158,744	8,785,375
Total revenues	<u>260,920,266</u>	<u>253,068,264</u>	<u>247,686,435</u>	<u>236,609,249</u>	<u>222,810,192</u>
Expenditures					
General government	33,045,017	33,270,116	32,218,813	30,894,515	29,729,507
Public protection	117,037,124	110,161,557	107,232,510	101,455,435	95,912,406
Environmental health	19,552,249	18,972,376	20,551,537	18,489,265	17,853,455
Transportation	13,089,877	14,127,749	16,496,237	14,014,244	14,260,344
Culture and recreation	12,131,168	11,999,323	11,601,727	10,510,943	10,305,086
Community and economic development	21,890,755	22,364,481	22,954,451	29,230,068	20,920,823
Other	425,808	304,885	369,425	361,645	370,143
Capital outlay	38,205,238	36,050,128	37,004,673	85,621,977	48,831,526
Debt service					
Principal retirement					
Bond	11,565,000	10,850,000	8,145,000	8,495,000	6,486,900
Other	24,457,596	20,345,412	17,082,571	22,619,730	9,114,563
Interest & fiscal charges					
Bond	7,278,145	7,076,345	7,192,077	5,381,551	3,794,371
Other	5,431,644	5,796,103	6,805,652	6,802,599	5,648,111
Total expenditures	<u>304,109,621</u>	<u>291,318,475</u>	<u>287,654,673</u>	<u>333,876,972</u>	<u>263,227,235</u>
Excess of revenues over (under) expenditures	<u>(43,189,355)</u>	<u>(38,250,211)</u>	<u>(39,968,238)</u>	<u>(97,267,723)</u>	<u>(40,417,043)</u>

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 3 of 4

	Fiscal Year				
	2025	2024	2023	2022	2021
Other Financing Sources (Uses)					
Issuance of refunding LOBS	\$ -	\$ -	\$ -	\$ -	\$ -
Payment to refunded LOBS escrow agent	- -	- -	- -	(39,471,128)	(27,476,440)
Premium on general obligation bonds	- -	- -	8,240,117	- -	9,347,113
Issuance of general obligation bonds	- -	- -	63,895,000	- -	90,645,000
Issuance of refunding general obligation bonds	- -	- -	- -	- -	- -
Payment to refunded bond escrow agent	- -	- -	- -	- -	- -
Issuance of contracts payable ⁽¹⁾	7,194,945	8,304,734	31,166,829	26,161,418	8,533,559
Refunding IFC proceeds	- -	- -	- -	- -	- -
Premium on installment financing contract	- -	- -	- -	- -	- -
Premium on limited obligation bonds	- -	- -	- -	2,220,195	- -
Issuance of limited obligation bonds	- -	- -	- -	55,930,000	- -
Lease liabilities issued	310,908	198,477	4,979,884	6,029,212	- -
IT subscription agreements	230,100	- -	1,494,097	- -	- -
Transfers in	22,874,562	41,100,065	47,284,127	68,771,422	21,308,112
Transfers out	(23,672,117)	(39,174,096)	(46,623,052)	(74,321,918)	(21,703,513)
Total other financing sources (uses), net	<u>6,938,398</u>	<u>10,429,180</u>	<u>110,437,002</u>	<u>45,319,201</u>	<u>80,653,831</u>
Net change in fund balances	<u><u>\$ (36,262,880)</u></u>	<u><u>\$ (26,978,720)</u></u>	<u><u>\$ 115,890,282</u></u>	<u><u>\$ 48,906,730</u></u>	<u><u>\$ 44,445,436</u></u>
Debt service as a percentage of noncapital expenditures	<u><u>18.3%</u></u>	<u><u>15.5%</u></u>	<u><u>15.1%</u></u>	<u><u>15.6%</u></u>	<u><u>16.2%</u></u>

Note:

⁽¹⁾ The City began reporting contracts payable in the expenditure service areas in fiscal year 2016.

Contracts payables are payments made to the City's Equipment Leasing program recorded in the Capital Projects fund. Debt service payments are recorded in the Capital Projects fund.

City of Winston-Salem, North Carolina

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6
Page 4 of 4

	Fiscal Year				
	2020	2019	2018	2017	2016
Other Financing Sources (Uses)					
Issuance on refunding LOBS	\$ 54,685,090	\$ -	\$ 13,045,000	\$ -	\$ -
Payment to refunded LOBS escrow agent	(45,331,823)	- -	(12,960,000)	- -	- -
Premium on general obligation bonds	- -	- -	6,810,320	- -	7,261,851
Issuance of general obligation bonds	- -	- -	63,805,000	- -	58,475,000
Issuance of refunding general obligation bonds	- -	- -	- -	- -	12,655,000
Payment to refunded bond escrow agent	- -	- -	- -	- -	(14,258,284)
Issuance of contracts payable ⁽¹⁾	25,926,345	8,316,590	31,510,479	22,541,776	15,403,662
Refunding IFC proceeds	(10,093,567)	- -	- -	- -	- -
Premium on installment financing contract	1,105,927	- -	- -	- -	- -
Premium on limited obligation bonds	- -	- -	- -	- -	- -
Issuance of limited obligation bonds	- -	- -	2,015,000	- -	- -
Lease liabilities issued	- -	- -	- -	- -	- -
IT subscription agreement	- -	- -	- -	- -	- -
Transfers in	17,170,818	23,011,783	13,268,469	16,515,229	17,884,444
Transfers out	(16,265,104)	(22,247,215)	(14,847,283)	(16,200,549)	(18,484,455)
Total other financing sources (uses), net	<u>27,197,686</u>	<u>9,081,158</u>	<u>102,646,985</u>	<u>22,856,456</u>	<u>78,937,218</u>
Net change in fund balances	<u><u>\$ (15,991,669)</u></u>	<u><u>\$ (29,169,053)</u></u>	<u><u>\$ 62,678,747</u></u>	<u><u>\$ (74,411,267)</u></u>	<u><u>\$ 38,520,175</u></u>
Debt service as a percentage of noncapital expenditures	<u><u>18.0%</u></u>	<u><u>17.1%</u></u>	<u><u>15.7%</u></u>	<u><u>17.1%</u></u>	<u><u>16.1%</u></u>

City of Winston-Salem, North Carolina

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 7

Fiscal Year	Property	Sales Tax	Gross Receipts Tax	Occupancy Tax	Total
2025	\$ 184,919,040	\$ 75,669,386	\$ 577,272	\$ 1,237,531	\$ 262,403,229
2024	171,634,784	70,782,658	563,624	1,155,304	244,136,370
2023	160,714,398	68,476,430	538,339	1,129,135	230,858,302
2022	149,967,973	62,962,302	446,083	988,566	214,364,924
2021	139,698,119	54,678,675	382,720	537,520	195,297,034
2020	135,015,259	47,330,527	379,659	754,826	183,480,271
2019	124,265,811	45,015,159	366,295	904,606	170,551,871
2018	121,371,137	42,370,619	340,841	842,962	164,925,559
2017	115,000,697	39,983,759	367,339	783,673	156,135,468
2016	109,737,172	37,612,657	310,924	738,282	148,399,035

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				Public Service Companies	Total Assessed Value	Property Tax Rate (Per \$100 Assessed Value)	Ratio of Assessed Value to Estimated Actual Value
		Real Property	Personal Property					
2025	2024	\$ 21,945,704	\$ 5,720,893	\$ 544,642	\$ 28,211,239	\$ 0.7250	100	
2024	2023	21,726,802	5,487,262	535,301	27,749,365	0.6610	100	
2023	2022	21,391,396	5,112,423	528,789	27,032,608	0.6360	100	
2022	2021	21,035,151	4,788,209	467,052	26,290,412	0.6124	100	
2021	2020	18,305,471	4,533,246	433,967	23,272,684	0.6374	100	
2020	2019	18,061,228	4,468,448	426,566	22,956,242	0.6374	100	
2019	2018	17,728,302	4,243,342	412,545	22,384,189	0.5974	100	
2018	2017	17,515,404	4,004,029	394,811	21,914,244	0.5974	100	
2017	2016	16,487,513	3,915,171	376,435	20,779,119	0.5850	100	
2016	2015	16,250,408	3,751,102	367,725	20,369,235	0.5650	100	

Note:

Taxable property was revalued on January 1, 2025

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			
2025	\$ 0.5573	\$ 0.0736	\$ 0.0941	\$ 0.7250	\$ 0.6778	1.2162
2024	0.5183	0.0486	0.0941	0.6610	0.6778	1.3388
2023	0.4870	0.0486	0.1004	0.6360	0.6778	1.3138
2022	0.4634	0.0486	0.1004	0.6124	0.6778	1.2902
2021	0.4746	0.0498	0.1130	0.6374	0.7435	1.3809
2020	0.4746	0.0498	0.1130	0.6374	0.7535	1.3909
2019	0.4746	0.0498	0.0730	0.5974	0.7235	1.3209
2018	0.4746	0.0498	0.0730	0.5974	0.7235	1.3209
2017	0.4729	0.0362	0.0759	0.5850	0.7310	1.3160
2016	0.4529	0.0362	0.0759	0.5650	0.7310	1.2960

Note:

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. The tax rates were adjusted during the taxable property was revalued on January 1, 2025

City of Winston-Salem, North Carolina

Principal Property Tax Payers

Current Year and Ten Fiscal Years Ago

Table 10

Name	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Reynolds American Inc	\$ 416,252,131	1	1.48%	\$ 985,313,890	1	4.84%
Duke Energy Corp/Piedmont Natural Gas	411,662,248	2	1.46	432,762,012	3	2.12
Wells Fargo	355,480,338	3	1.26	234,398,558	6	1.15
Caterpillar Inc	227,971,979	4	0.81	471,586,864	2	2.32
Ventas Inc	221,848,171	5	0.79	-	-	-
Parr Investments	171,829,105	6	0.61	-	-	-
Ardagh Metal Packaging USA Corp	158,189,094	7	0.56	-	-	-
Lowes Data Center	157,056,549	8	0.56	341,420,598	4	1.68
Wake Forest Baptist Health	143,917,683	9	0.51	-	-	-
JG Winston-Salem LLC	125,009,201	10	0.44	263,259,625	5	1.29
Wexford Winston Salem	-		-	203,987,297	7	1.00
Deere-Hitachi	-		-	130,175,646	8	0.64
Herbalife International of America Inc	-		-	124,120,329	9	0.61
Branch Banking & Trust (Truist)	-		-	118,847,389	10	0.58
Total	\$ 2,389,216,499		8.48%	\$ 3,305,872,208		16.23%

Note:

Above taxable assessed valuations are as of January 1, 2025 and 2016 respectively, and the associated tax levies of \$.725 and \$.565 were due in fiscal years ended June 30, 2025 and 2016 respectively

Source:

Forsyth County Tax Department and 2016 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
2025	\$ 204,824,508	\$ 203,335,531	99.3%	\$ -	\$ 203,335,531	99.3%
2024	184,754,613	183,532,222	99.3	821,906	184,354,128	99.8
2023	173,171,803	172,047,199	99.4	625,028	172,672,227	99.7
2022	162,080,217	161,086,013	99.4	592,474	161,678,487	99.8
2021	149,974,068	149,037,995	99.4	559,829	149,597,824	99.7
2020	146,501,542	144,908,342	98.9	1,317,351	146,225,693	99.8
2019	134,990,411	134,043,909	99.3	597,246	134,641,155	99.7
2018	131,824,477	130,807,225	99.2	577,530	131,384,755	99.7
2017	122,245,565	121,216,436	99.2	601,538	121,817,974	99.7
2016	116,512,698	115,428,747	99.1	706,674	116,135,421	99.7

Note:

Tax collections do not include penalties and interest of \$477,181 and refunds of (\$259,366) in fiscal year 2025

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, 2025

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	\$ 28,187,070,130	\$ 0.7250	\$ 203,914,384	\$ 185,141,186	\$ 18,773,198
Downtown Business District ⁽¹⁾	-	0.090	667,620	646,219	21,401
Discoveries - current years	24,168,870	-	175,224	175,074	150
Total property valuation	<u><u>\$ 28,211,239,000</u></u>				
Net levy			204,757,228	185,962,479	18,794,749
Uncollected taxes at June 30, 2025			<u><u>1,421,697</u></u>	<u><u>1,421,697</u></u>	<u><u>-</u></u>
Current year's taxes collected			<u><u>\$ 203,335,531</u></u>	<u><u>\$ 184,540,782</u></u>	<u><u>\$ 18,794,749</u></u>
Taxable property was revalued on January 1, 2025					
Current levy collection percentage			<u><u>99.31%</u></u>	<u><u>99.24%</u></u>	<u><u>100.00%</u></u>

Note:

Tax collections do not include penalties and interest of \$477,181 and refunds of (\$259,366) in fiscal year 2025

⁽¹⁾ The Assessed value times the tax rate will not equal the amount of levy

because the levy includes discoveries and releases at prior years' tax rates

⁽²⁾ Downtown Business District is a part of the City's total property valuation and is included in the original levy. Downtown Business District pays an additional levy of \$0.09 to the current rate of \$0.725.

City of Winston-Salem, North Carolina

Schedule of Ad Valorem Taxes Receivable

June 30, 2025

Table 13

Fiscal Year Ended June 30	Uncollected Balance June 30, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2025	\$ -	\$ 204,757,228	\$ 203,335,531	\$ 1,421,697
2024	1,222,391	-	786,359	436,032
2023	456,070	-	125,962	330,108
2022	280,553	-	48,350	232,203
2021	257,537	-	28,618	228,919
2020	182,006	-	18,808	163,198
2019	140,570	-	11,821	128,749
2018	101,881	-	10,252	91,629
2017	132,371	-	8,857	123,514
2016	77,860	-	7,578	70,282
	<u>\$ 2,851,239</u>	<u>\$ 204,757,228</u>	<u>\$ 204,382,136</u>	<u>\$ 3,226,331</u>
			Less: allowance for uncollectible accounts:	(1,054,686)
			Motor vehicle license - net	186,038
			Ad valorem taxes receivable - net	<u>\$ 2,357,683</u>

Reconciliation to revenues:

Property tax collections including interest and refunds	
General Fund	\$ 158,418,342
Debt Service Fund	25,419,271
Transit Fund	19,840,701
Downtown Business Improvement District Fund	668,292
	<u>204,346,606</u>
Prior years Adjustments and Releases	
not included in Revenue	35,530
Total Collections and Credits	<u>204,382,136</u>
Reconciling items:	
Refunds	(254,623)
Interest	648,012
Revenues recognized for governmental activities	359,573
Subtotal	<u>752,963</u>
Total property tax revenues	<u>\$ 205,099,568</u>

Motor vehicle license collections:	
General Fund	\$ 3,615,627
Capital Projects Fund	1,058,086
Transit Fund	292,700
	<u>4,966,413</u>

Total property tax and motor vehicle license revenues	<u>\$ 210,065,981</u>
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City of Winston-Salem, North Carolina

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Table 14
Page 1 of 2

Fiscal Year	Governmental Activities						Special Obligation Bonds	Special Obligation Bonds
	General Obligation Bonds	Contracts Payable	Leases Payable	Subscription Payable	Special Obligation Bonds			
2025	\$ 230,630,340	\$ 102,254,492	\$ 9,313,270	\$ 911,061	\$ -	\$ -		
2024	248,078,584	142,052,039	9,568,664	1,530,082	-	-		
2023	267,745,827	161,820,436	9,779,269	2,363,274	-	-		
2022	211,130,320	155,154,163	5,434,050	-	-	-		
2021	226,500,762	128,015,029	-	-	5,730,000	-		
2020	166,963,731	146,942,291	-	-	6,370,000	-		
2019	179,144,303	149,710,764	-	-	6,985,000	14,419,145		
2018	190,636,492	170,412,045	-	-	7,575,000	15,738,381		
2017	128,823,361	162,250,524	-	-	8,150,000	18,283,125		
2016	137,663,378	143,317,218	-	-	8,705,000	20,771,097		

Notes:

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

⁽²⁾ State revolving loan is included in contracts payable for business-type activities

Taxable property was revalued on January 1, 2025

City of Winston-Salem, North Carolina

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Table 14
Page 2 of 2

Fiscal Year	Revenue Bonds	Contracts Payable ⁽²⁾	Leases Payable	Subscription Payable	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
2025	\$ 385,070,109	\$ 178,571,639	\$ 437,633	\$ 881,243	\$ 343,109,163	2.34	1,325
2024	411,460,441	161,020,027	445,539	-	974,157,400	6.97	3,816
2023	436,845,774	145,888,477	452,264	773,077	1,025,670,421	7.58	4,050
2022	462,420,266	118,581,200	-	-	952,722,021	7.84	3,815
2021	415,898,230	111,016,407	-	-	887,162,449	7.79	3,571
2020	439,199,687	117,284,260	-	-	876,761,989	8.11	3,548
2019	435,171,625	105,144,385	-	-	890,577,241	8.46	3,635
2018	461,737,244	100,584,730	-	-	946,685,910	9.47	3,902
2017	426,168,456	96,676,279	-	-	840,353,762	8.63	3,501
2016	449,422,299	54,720,932	-	-	814,601,940	9.19	3,459

City of Winston-Salem, North Carolina

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Table 15

Fiscal Year	General Bonded Debt Outstanding					Per Capita	
	General Bonded Debt (1)	Net Bonded Debt (2)	Assessed Value (In Thousands)	Percentage of Actual Taxable Value of Property	Bonded Debt		
					General (3)	Net	
2025	\$ 230,630,340	\$ 115,562,210	\$ 28,211,239	0.82%	\$ 890.31	\$ 446.11	
2024	248,078,584	165,617,145	27,749,365	0.89	971.27	648.42	
2023	267,745,827	201,397,059	27,032,608	0.99	1,065.26	801.28	
2022	211,130,320	158,599,910	26,290,412	0.80	843.38	633.55	
2021	226,500,762	180,229,880	23,272,684	0.97	907.65	722.23	
2020	166,963,731	133,514,517	22,956,242	0.73	673.39	538.48	
2019	179,144,303	153,601,674	22,384,189	0.80	727.26	623.57	
2018	190,636,492	165,672,415	21,914,244	0.87	784.43	681.71	
2017	128,823,361	105,205,256	20,779,119	0.62	535.42	437.26	
2016	137,663,378	114,918,662	20,369,235	0.68	576.24	481.03	

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Taxable property was revalued on January 1, 2025

⁽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

Fiscal Year	Debt Limit	Less: Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2025	\$ 2,256,899,120	\$ 115,562,210	\$ 2,141,336,910	5.12%
2024	2,219,949,200	165,617,145	2,054,332,055	7.46
2023	2,162,608,570	201,397,059	1,961,211,511	9.31
2022	2,103,232,963	158,599,910	1,944,633,053	7.54
2021	1,861,814,769	180,229,881	1,681,584,888	9.68
2020	1,836,499,392	133,514,517	1,702,984,875	7.27
2019	1,790,735,087	153,601,674	1,637,133,413	8.58
2018	1,753,139,497	165,672,415	1,587,467,082	9.45
2017	1,662,329,520	105,205,256	1,557,124,264	6.33
2016	1,629,538,827	114,918,662	1,514,620,165	7.05

Legal Debt Margin Calculation for Fiscal Year 2025

Taxable property was revalued on January 1, 2025 \$ 28,211,239,000

Debt Limit (8% of assessed value) 2,256,899,120

Debt applicable to limit:

General obligation bonds 230,630,340

Less statutory deduction:

Debt service fund (115,068,130)

Total net debt applicable to limit 115,562,210

Legal debt margin \$ 2,141,336,910

City of Winston-Salem, North Carolina

Direct and Overlapping Governmental Activities Debt

As of June 30, 2025

(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	\$ 343,109	100.00%	\$ 343,109
Debt repaid with property taxes			
Forsyth County	716,981	60.50 ⁽¹⁾	<u>436,211</u>
Total direct and overlapping debt			<u><u>\$ 779,320</u></u>

Notes:

⁽¹⁾ Percentage of Direct and Overlapping Debt is based on the 6/30/25 assessed valuation of the City of Winston-Salem as compared to the 6/30/25 assessed valuation of Forsyth County.

City of Winston-Salem, North Carolina

Pledged-Revenue Coverage

Last Ten Fiscal Years
(dollars in thousands)

Table 18
Page 1 of 2

Fiscal Year	Revenue Bonds						
	Water & Sewer Bonds						
	Gross Revenues		Operating Expenses		Net Revenue Available for Debt Service		Debt Service
						Principal	Interest
2025	\$ 152,221		\$ 66,064		\$ 86,157	\$ 21,480	\$ 13,750
2024	140,079		61,052		79,027	20,500	14,762
2023	129,835		53,479		76,356	20,310	15,759
2022	126,743		47,758		78,985	18,765	15,229
2021	118,277		47,851		70,426	18,235	14,865
2020	115,332		46,417		68,915	16,875	17,363
2019	114,817		44,849		69,968	24,425	18,698
2018	109,227		43,883		65,344	22,790	18,388
2017	104,399		43,202		61,197	21,280	17,167
2016	100,834		39,458		61,376	20,500	18,804

Fiscal Year	Special Obligation Bonds				
	Sales Tax		Debt Service		
			Principal	Interest	Coverage
2025	\$ 60,789	\$ -	\$ -		NA
2024	57,529	-	-		NA
2023	56,113	-	-		NA
2022	51,968	5,730	179		8.8x
2021	45,563	640	238		51.9x
2020	39,602	1,279	479		22.5x
2019	37,716	1,904	723		14.4x
2018	35,441	3,024	703		9.5x
2017	33,658	2,939	671		9.3x
2016	31,845	3,329	706		7.9x

Note:

The prior years were restated in Fiscal Year 2025 to reflect an immaterial change in the calculation method
The special obligation bonds were paid off in fiscal year 2022.

City of Winston-Salem, North Carolina

Pledged-Revenue Coverage

Last Ten Fiscal Years
(dollars in thousands)

Table 18
Page 2 of 2

Fiscal Year	Revenue Bonds						Coverage	
	Stormwater Bonds							
	Net Revenue Available for		Debt Service		Principal	Interest		
Gross Revenues	Operating Expenses	Debt Service						
2025	\$ 12,060	\$ 9,157	\$ 2,903	\$ 655	\$ 199		3.4x	
2024	11,111	8,327	2,784	630	224		3.3x	
2023	10,905	8,147	2,758	610	243		3.2x	
2022	10,951	7,283	3,668	585	266		4.3x	
2021	11,128	7,255	3,873	570	284		4.5x	
2020	10,561	7,624	2,937	545	307		3.4x	
2019	10,813	7,353	3,460	520	333		4.1x	
2018	11,011	7,767	3,244	505	347		3.8x	
2017	10,933	9,146	1,787	490	362		2.1x	
2016	10,848	7,365	3,483	475	376		4.1x	

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
2025	259,045	\$ 14,678,097,555	\$ 57,101	36.1	51,188	4.0%
2024	257,055	14,678,097,555	57,101	36.3	52,030	4.3
2023	255,275	13,974,774,600	54,744	36.2	52,777	3.6
2022	253,233	13,535,050,617	53,449	36.4	52,788	4.0
2021	249,757	12,150,428,293	48,649	38.4	52,507	4.8
2020	248,455	11,386,692,650	45,830	38.3	51,822	7.7
2019	247,123	10,807,677,282	43,734	38.2	53,934	4.3
2018	244,979	10,524,787,798	42,962	36.0	54,133	4.1
2017	242,641	9,994,382,790	41,190	37.7	55,070	4.1
2016	240,017	9,734,369,469	40,557	37.6	54,483	4.8

Note:

2025 data is not available for personal income and per capita income for Fiscal Year 2025

Sources:

Bureau of Labor Statistics

Taxable property was revalued on January 1, 2025

Winston-Salem/Forsyth County School System

NC Census Reporter - Internet

City of Winston-Salem, North Carolina

Principal Employers

Current Year and Ten Years Ago

Table 20

Employer	2025			2015		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾
Atrium Health Wake Forest Baptist	18,570	1	7.17%	12,873	1	5.41%
Novant Health, Inc.	11,010	2	4.25	8,145	2	3.42
Winston-Salem /Forsyth County School System	5,500	3	2.12	6,692	3	2.81
Truist (Previously BB&T)	4,000	4	1.54	2,200	9	0.92
Wells Fargo	3,306	5	1.28	2,800	5	1.18
Reynolds American Inc.	2,150	6	0.83	3,000	4	1.26
Hanesbrands Inc.	1,000	7	0.39	2,500	7	1.05
City of Winston-Salem	2,287	8	0.88	2,660	6	1.12
Wake Forest University	2,270	9	0.88	2,401	8	1.01
Forsyth County	2,116	10	0.82	2,029	10	0.85
Total	<u><u>52,209</u></u>		<u><u>20.15%</u></u>	<u><u>45,300</u></u>		<u><u>19.03%</u></u>

Source:

Winston-Salem Chamber data from June 2021; data has been updated when new information is available

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

City of Winston-Salem, North Carolina

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Table 21
Page 1 of 2

<u>Function/Program</u>	Full-time-Equivalent Employees as of June 30				
	2025	2024	2023	2022	2021
General government (includes Sustainability 19.0)	502.7	504.7	499.7	493.7	469.9
Public protection	1,060.9	1,051.0	1,102.0	1,087.0	1,080.0
Environmental health	164.9	163.9	164.9	162.9	162.9
Transportation	115.0	116.0	116.0	117.0	117.0
Culture and recreation	183.1	182.1	178.1	178.1	174.1
Community and economic development	139.7	132.7	135.7	158.7	148.7
Water & sewer utility	348.0	348.0	347.0	347.0	346.0
Solid waste disposal	45.2	45.2	45.2	45.2	45.2
Stormwater management	55.0	55.0	56.0	56.0	56.0
Transit Authority	-	-	1.0	1.0	1.0
Public assembly facilities management	32.8	31.8	31.8	31.8	31.8
	<u>2,647.3</u>	<u>2,630.4</u>	<u>2,677.4</u>	<u>2,678.4</u>	<u>2,632.6</u>

Source:

City of Winston-Salem Budget Department

Table 21
Page 2 of 2

<u>Function/Program</u>	Full-time-Equivalent Employees as of June 30				
	2020	2019	2018	2017	2016
General government	462.9	467.4	462.1	450.9	446.9
Public protection	1,091.0	1,110.0	1,120.0	1,106.0	1,093.5
Environmental health	162.9	169.9	188.9	193.9	188.9
Transportation	117.0	122.0	122.0	126.3	125.3
Culture and recreation	173.1	176.6	148.0	159.9	160.9
Community and economic development	149.0	150.0	150.0	155.0	153.0
Water & sewer utility	344.0	339.0	339.0	338.0	331.0
Solid waste disposal	44.2	44.2	44.2	44.2	43.1
Stormwater management	56.0	56.0	56.0	54.0	49.0
Transit Authority	1.0	1.0	1.0	1.0	1.0
Public assembly facilities management	31.8	31.8	31.8	31.8	30.8
	2,632.9	2,667.9	2,663.0	2,661.0	2,623.4

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Last Ten Fiscal Years

Table 22
Page 1 of 2

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Public protection					
Police					
Physical arrests	19,124	18,013	17,404	22,176	24,131
Traffic violations	26,567	19,306	16,073	20,290	31,279
Fire					
Fires extinguished	824	808	788	840	731
Emergency medical responses	18,048	15,949	12,577	11,596	6,650
Hazardous materials responses	864	857	1,222	989	391
Environmental health					
Sanitation services					
Residential refuse collected (tons)	68,757	71,108	73,035	69,020	69,373
Residential refuse collection points	86,500	85,000	97,869	81,589	81,589
Percentage of collections made at curbside	95	95	83	96	96
Tons of leaves collected	11,509	12,337	12,593	11,756	14,958
Tons of brush collected	10,046	14,035	13,057	12,070	18,868
Tons of goods recycled	8,628	8,417	10,801	10,823	11,440
Percentage of households participating in yard cart program	18	18	18	18	18
Transportation services					
City street mileage maintained (lane miles)	2,910	2,901	2,022	2,895	2,807
Street cuts repaired	-	-	24	261	366
Percentage of streets rated 85 or better (Note 1)	-	-	53	46	46
Traffic intersections studied	38	191	245	740	754
Traffic signal repairs	138	500	772	687	1,274
Traffic signs upgraded/repaired	245	813	1,329	1,259	1,117
Traffic signs new installations	137	91	562	401	463
Pavement markings renewed (feet)	356,351	59,387	470,669	196,874	727,222
Culture and recreation					
Parks and recreation					
Swimming pool attendees	73,527	89,875	57,962	64,817	36,894
Golf rounds	40,052	40,172	41,100	40,324	44,230
Participants in special populations	8,602	4,980	3,688	8,226	8,675
Community development					
Housing code violations corrected	395	328	505	634	625
Building permits issued	4,588	4,221	3,999	4,444	4,342
Building inspections conducted	16,602	15,023	15,312	15,682	16,378
Zoning complaints responded to	388	389	425	401	292

Source:

City of Winston-Salem Departments

Note 1: Data is not available for FY2024 or FY 2025 due to the pavement condition study that is currently under way

Table 22
Page 2 of 2

Function/Program	Fiscal Year				
	2020	2019	2018	2017	2016
Public protection					
Police					
Physical arrests	28,152	30,322	29,685	34,442	33,961
Traffic violations	45,048	46,018	41,723	53,065	61,166
Fire					
Fires extinguished	780	681	811	836	829
Emergency medical responses	13,828	17,518	16,069	17,469	16,962
Hazardous materials responses	26	317	429	429	440
Environmental health					
Sanitation services					
Residential refuse collected (tons)	65,319	61,398	58,893	57,707	57,064
Residential refuse collection points	81,589	81,589	81,589	77,907	77,907
Percentage of collections made at curbside	96	96	96	96	96
Tons of leaves collected	16,251	21,631	22,006	11,025	12,089
Tons of brush collected	15,849	21,963	16,351	14,146	14,097
Tons of goods recycled	10,842	13,045	14,169	14,609	14,473
Percentage of households participating in yard cart program	18	18	18	18	18
Transportation services					
City street mileage maintained (lane miles)	2,801	2,792	2,228	2,225	2,219
Street cuts repaired	477	262	337	749	296
Percentage of streets rated 85 or better	51	50	49	55	53
Traffic intersections studied	700	1,209	965	1,175	1,066
Traffic signal repairs	1,174	853	1,264	910	1,142
Traffic signs upgraded/repaired	1,659	1,043	1,621	1,643	1,031
Traffic signs new installations	577	1,241	623	580	367
Pavement markings renewed (feet)	217,271	1,647,165	63,360	1,784,000	811,017
Culture and recreation					
Parks and recreation					
Swimming pool attendees	74,951	79,951	68,738	55,317	61,308
Golf rounds	33,540	29,152	7,005	10,817	10,289
Participants in special populations	14,939	30,793	31,843	31,352	32,334
Community development					
Housing code violations corrected	533	903	1,154	1,573	1,674
Building permits issued	4,147	4,328	4,565	4,591	3,721
Building inspections conducted	16,832	17,675	17,234	16,944	16,841
Zoning complaints responded to	355	370	654	450	486

City of Winston-Salem, North Carolina

Operating Indicators by Function/Program

Table 22 P2

Last Ten Fiscal Years

Page 1 of 2

	Fiscal Year				
	2025	2024	2023	2022	2021
Economic development					
Small business loans approved	-	-	1	-	-
Water & sewer utility					
New connections	3,001	2,909	1,233	1,314	1,125
Water main breaks	675	220	435	245	200
Average daily consumption (MGD)	37	37	36	38	36
Peak daily consumption (MGD)	49	49	45	63	47
Storage capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	38	35	35	34	38
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	329,506	250,031	238,866	297,426	281,228
Number of trips	132,315	124,697	125,596	133,421	137,742
Old Salisbury Road Landfill					
Tons of waste landfilled	34,569	45,736	33,751	26,626	43,177
Number of trips	17,355	21,580	18,542	14,004	22,470
Household hazardous waste (3RC)					
Tons of HHW collected	421	425	430	430	540
Number of trips	10,642	10,086	10,265	10,525	12,619
Taxable property was revalued on January 1, 2025					
Total route miles	2,118,499	1,882,885	1,885,848	1,912,536	1,977,736
Passengers	1,578,117	1,615,516	1,552,470	1,422,744	1,715,494
Complex/Annex bookings	131	127	159	147	38
Complex/Annex usage days	618	628	547	455	566
Total spectators	499,250	515,655	443,965	329,689	197,932
Convention events	240	252	192	147	34
Fair attendees	264,603	270,190	229,761	182,048	9,839

Table 22 P2
Page 2 of 2

	Fiscal Year				
	2020	2019	2018	2017	2016
Economic development					
Small business loans approved	2	3	4	4	3
Water & sewer utility					
New connections	1,036	2,287	1,269	1,388	1,320
Water main breaks	191	425	560	476	441
Average daily consumption (MGD)	36	36	36	36	37
Peak daily consumption (MGD)	48	48	48	48	47
Storage capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	37	38	32	32	33
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	268,726	269,801	259,420	258,867	252,744
Number of trips	126,110	113,507	107,817	105,893	97,360
Old Salisbury Road Landfill					
Tons of waste landfilled	49,122	47,691	38,646	42,426	37,987
Number of trips	22,124	23,772	22,207	24,219	21,041
Household hazardous Waste (3RC)					
Tons of HHW collected	514	677	737	720	712
Number of trips	10,692	11,907	12,063	12,387	11,555
Transit Authority					
Total route miles	2,181,553	2,354,835	1,887,834	1,688,812	1,589,633
Passengers	2,230,143	2,474,906	2,350,859	2,578,472	3,006,358
Public assembly facilities management					
Complex/Annex bookings	110	189	205	197	159
Complex/Annex usage days	503	490	510	504	390
Total spectators	462,268	563,239	548,107	428,914	392,699
Convention events	207	271	253	141	149
Fair attendees	292,354	325,856	300,105	280,067	253,700

City of Winston-Salem, North Carolina

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Table 23
Page 1 of 2

<u>Function/Program</u>	Fiscal Year				
	2025	2024	2023	2022	2021
Police					
Stations	4	4	4	4	4
Fire					
Stations	20	20	20	19	19
Environmental health					
Collection trucks	61	61	61	61	62
Transportation					
Streets (miles)	1,060	1,056	1,054	1,050	1,047
Streetlights	34,611	33,854	33,612	33,576	33,404
Traffic signals	391	389	388	391	389
Culture and recreation					
Acreage	3,818	3,818	3,794	3,816	3,972
Number of parks	89	89	88	87	82
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	80	86	92	83	106
Baseball/softball diamonds	29	29	29	29	47
Soccer/football fields	41	41	41	43	50
Recreation centers	17	17	17	17	17
Water and Sewer Utility					
Water mains (miles)	2,318	2,321	2,346	2,375	2,349
	1,735	1,744	1,787	1,790	1,786

Source:

City of Winston-Salem Departments

Table 23
Page 2 of 2

<u>Function/Program</u>	Fiscal Year				
	2020	2019	2018	2017	2016
Police					
Stations	4	4	4	2	1
Fire					
Stations	19	19	19	19	19
Environmental health					
Collection trucks	55	65	42	42	38
Transportation					
Streets (miles)	1,044	1,037	1,037	1,035	1,034
Streetlights	33,379	33,853	33,847	33,963	34,172
Traffic signals	387	384	385	376	376
Culture and recreation					
Acreage	3,972	3,900	3,856	3,847	3,682
Number of parks	87	80	79	79	76
Golf courses	2	2	2	2	2
Fishing and boating lakes	2	2	2	2	2
Swimming pools	8	9	10	9	8
Tennis courts	109	106	106	106	109
Baseball/softball diamonds	46	47	47	47	47
Soccer/football fields	50	50	50	50	50
Recreation centers	17	17	17	17	17
Water and Sewer Utility					
Water mains (miles)	2,341	2,359	2,324	2,314	2,276
Sanitary sewer (miles)	1,778	1,761	1,770	1,760	1,750

Compliance Section

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
December 22, 2025



►our vision

To be a premier city in the region providing world-class amenities while retaining a sense of charm and hospitality.



►our mission

To provide impactful services that enhance the quality of life for current and future generations.



►our values

- Teamwork
- Responsibility
- Respect
- Integrity
- Customer Service

2024.2025

winston-salem

NORTH CAROLINA

